

Planting the Seeds

How cultivating talent internally helps employers win the war for skilled workers

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THE BRIDGE TO BETTER HR



High unemployment doesn't equal easy recruiting.

Before the COVID-19 pandemic, unemployment was at historic lows and HR teams were struggling to find skilled employees.

Fast forward to 2021, and HR professionals indicate that after a year of layoffs, furloughs and uncertainty they are ready to hire again. But even though unemployment is high, and many people are looking for their next job, HR is still [concerned](#)¹ about finding skilled people.

That's because, unemployment rates notwithstanding, there's a global workforce shortage, and experts indicate it's only going to worsen. [Korn Ferry](#)² is predicting a 10-year talent shortage around the world, with the US looking at a potential deficit of over 6.5 million highly skilled workers.

There are larger trends behind US workforce issues.

Several factors contribute to a shortage of skilled workers including the state of the economy. When the economy is strong companies tend to hire more which creates pressure on the labor pool.

But the economy isn't the only factor. Demographics and social trends are a large part of the reason companies are finding it so difficult to recruit.

- **The aging of the population.** Baby Boomers are reaching [retirement age](#)³ and significant numbers are leaving the workforce.*
- **Decreasing workforce participation.** Younger people are deferring work to get a degree while many women have left the workforce during the pandemic.
- **Increasing turnover.** In the wake of the pandemic, employees are rethinking their current job, and many are considering [looking for a new position](#).⁴

Advances in technology also drive changes in the job market. (Just think about how many blacksmiths and milkmen are working today versus a century ago.) As technology changes, certain jobs are more in demand while others decline. This is especially challenging for employers when people don't have the skills to do the new jobs. It leads to missed growth opportunities for businesses.

*Based on the size of this generation and its increased longevity, another impact of an aging population is its projected demand for [healthcare services](#),⁵ which drives the demand for certain types of workers including nurses and home health care providers.



10 years

Predicted length of
current world-wide
talent shortage

Source: Korn Ferry

Labor force shortages are widespread and impact industries differently. Here's the effect on several key sectors of the US economy.



Construction

The [Associated General Contractors of America \(AGC\) 2021 Construction Outlook Survey](#)⁶ showed 54% of contractors are having a hard time filling some or all positions.



Manufacturing

Like in construction, Baby Boomers retiring from manufacturing outnumber those starting careers in this type of work. It's predicted [the manufacturing industry will be short 6 million positions by 2030](#).⁷



Healthcare

Consulting firm Mercer [predicts](#)⁸ by 2025 there will be a shortage of 29,400 nurse practitioners, 95,000 nursing assistants and almost 100,000 medical and lab technologists and technicians.



Technology

According to a recent [Korn Ferry](#)⁹ report, the US could lose out on \$162 billion worth of revenues annually unless it finds more high-tech workers.



54%

of contractors are having a hard time filling some or all positions in 2021.

Source: AGC

Developing employees is a smart way to address the talent shortage.

Employers don't have the ability to influence some of the underlying factors causing labor shortages, such as an aging population. However, there are techniques to successfully safeguard against the voluntary employee [turnover](#)¹⁰ that can create such serious resource headaches for employers.

Smart employers look to fill their talent pipelines with employees they already have.

According to both [Gallup](#)¹¹ and the [Work Institute](#),¹² people's primary reason for leaving a job is for better career growth opportunities.

That's why smart employers look to fill their talent pipelines with employees they already have.

Some roles certainly require recruiting outside talent but others can, and should, be filled by current employees who offer some significant advantages.

- They know your company and your business.
- They have existing working relationships with internal and potentially external stakeholders.
- They have institutional knowledge that can't be brought into your organization.
- They have already demonstrated a commitment to your company.
- Whether you have a formal program or not, you've already invested time and resources training these employees.



Some roles certainly require recruiting outside talent but others can, and should, be filled by current employees who offer some significant advantages.

Offering employees learning and development opportunities can not only help fill open positions it can increase retention.



Over 80% of [learning and development professionals](#)¹³ believe that engaged learners are the most likely to find new roles in their current organization. And, hiring upskilled employees from within pays dividends in

retention. Employees at companies with [high internal mobility](#)¹⁴ stay on the job almost twice as long (5.4 years versus 2.9 years.)

Forward-thinking companies are increasingly focused on [training](#)¹⁵ for their existing employees. For example, in the consumer technology industry, [employers indicate](#)¹⁶ that professional development to improve soft skills (77%) and high-skills training (63%) will be important for retaining employees over the next five years.

When hiring an internal candidate isn't possible, the promise of training can serve as a powerful recruiting tool. That's because employees want training and development opportunities, especially Millennials. According to [Gallup](#),¹⁷ 59% of Millennials indicate opportunities to learn and grow are extremely important for a job search. For Gen Xers that number is 44% and for Baby Boomers it's 41%.

Gen Z, the generation just entering the workforce, is also keen for development. Based on research with this demographic, [Deloitte](#)¹⁸ believes that "organizations that focus on investment in learning and skill/capability development become more attractive to this education-oriented cohort."

Training and development offers advantages for employees and businesses.

Entry-level or early-career employees	Skilled/experienced employees
Attract younger people and those potentially changing careers	Deepen competence
Increase retention	Add new skills
Develop valuable institutional knowledge	Attract new employees and increase retention
Prepare for career advancement	Continue career advancement



"In our studies of the world's most successful organizations, we've learned that a culture of high employee development is the most productive environment for both the business and the employees.

It also aligns with the expectations of the current workforce: The No. 1 reason people give for a job change is 'career growth opportunities'."

Source: [Gallup](#)

Raise the bar: Enhance employees' knowledge and skill set.

Learning and training programs can improve an employee's performance in their current role and prepare them for a new internal role where they could fill skills gaps or take on more responsibility.

To ensure the most return on your investment in training, consider some best practices.



- **Don't focus only on top performers and young employees.** In many companies, the top tier of employees gets all the attention. It's vital to cultivate your superstars but don't overlook those stalwart employees who keep the place going with their experience, knowledge and skills. Mid- and late-career employees still want to learn and grow. By cultivating the potential of all employees you might be able to create a whole new class of overachievers.



- **Provide individualized learning plans.** Mandatory training aside, sending employees to conferences or forcing them to sit through webinars that have nothing to do with their skill set can turn them off to future training opportunities. Development is most effective when it is relevant to your employee's current role and potential future advancement. Conversations about training should be part of the ongoing manager-employee dialogue and learning opportunities should be as personalized as possible.



- **Capitalize on new skills.** Don't let employees' new-found knowledge and skills walk out the door. If you train someone but then don't offer them an outlet for new competencies they will simply look elsewhere. Learning goes hand-in-hand with development so make sure you have plans in place for employees to leverage those new talents within your organization.



Development is most effective when it is relevant to your employee's current role and potential future advancement.

A learning management system can help you meet your goals.

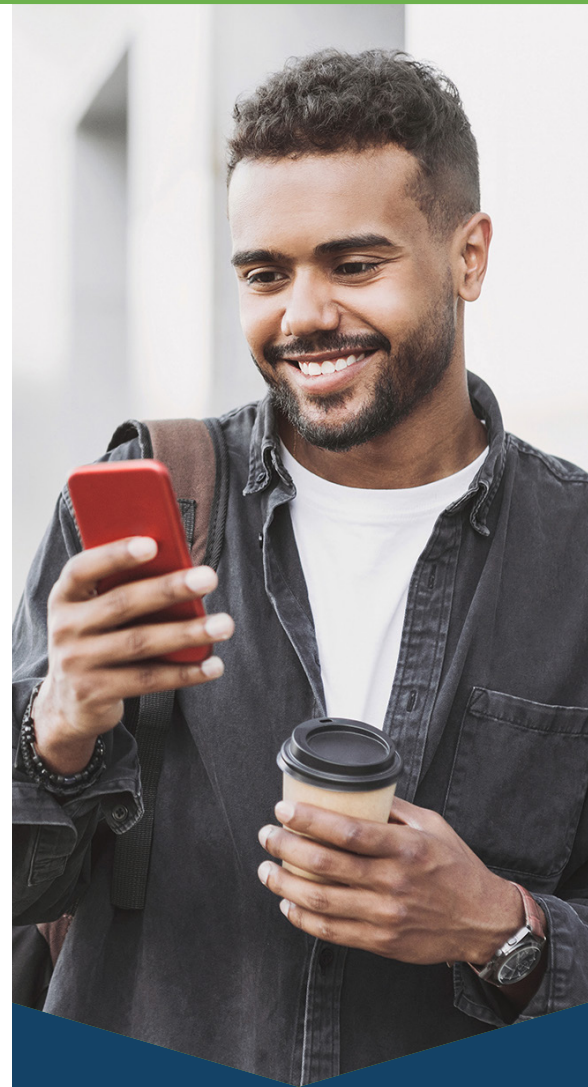
A learning management system (LMS) can help make your employee development programs easier to manage and more effective.

A good system will also track results, providing documentation for HR and creating employee accountability for completing courses.

The best learning management systems are cloud-based and mobile-friendly. They offer features that make it simple for employers to provide training and easy for employees to access that training. A good system will also track results, providing documentation for HR and creating employee accountability for completing courses.

You should expect these key capabilities in an LMS.

- A 24/7 virtual portal that gives employees access to classes anytime and anywhere
- A centralized employee dashboard that holds the results of tests, quizzes and other assigned work
- An online library function to help employees find training easily
- Automatic notifications so both employees and employers are alerted when training is required or available
- Configuration tools that allow you to create a custom experience for each employee
- The ability to integrate with online training resources, as well as the option to upload classes within the system
- Seamless data connections from the LMS to other talent management modules
- The ability to scale to meet the training needs of any size workforce from 5 to 1,500+ employees



The best learning management systems are cloud-based and mobile-friendly.

What's next? Prepare to grow your employees.

With companies in many industries continuing to face recruiting challenges, training and reskilling your employees makes good business sense now.

To tap into the recruitment and retention advantages inherent in employee learning you'll need to assess your current state to determine the best way to proceed.

1. Review current and anticipated openings to determine if these could be filled by newly trained current employees.
2. Look at your company's current training program, if any. If you don't have one, now is the time to begin a learning strategy.
3. Consider whether you've effectively leveraged technology in your training to date.

It's not *if* your industry will be impacted by worker shortages but *when*.

Employers across many industries are staring down ongoing recruiting and retention challenges. Being proactive about developing existing employees is an effective technique to remain competitive.

Training and learning make employees more likely to stick around and it also makes your company more attractive to potential recruits. Developing people safeguards institutional knowledge and keeps your talent pipeline full. This helps companies withstand labor and skill shortages and thrive with an adaptable, engaged workforce.

As you consider your training approach, look for ways to make it easier and more impactful. Cloud-based technology can help you design and deliver effective training that meets employees' expectations around development while addressing your needs as an employer for highly skilled workers.

Want more insights? Read this helpful [blog](#) to learn more about the benefits of continued learning for your employees.

Here's how Arcoro can help.

Arcoro's Learning Management System has the features companies need to develop their current employees, setting them up for success in their current and future roles.

[Schedule time](#) to talk with an Arcoro expert to learn more about creating a culture of development for better recruiting and retention results.

Want more insights into how an LMS can create value in your organization? Check out our infographic, [The Ultimate Multipurpose Tool: 5 Ways to Get More Out of an LMS](#).



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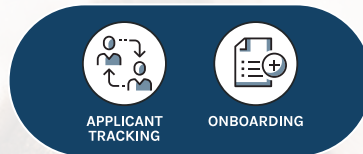


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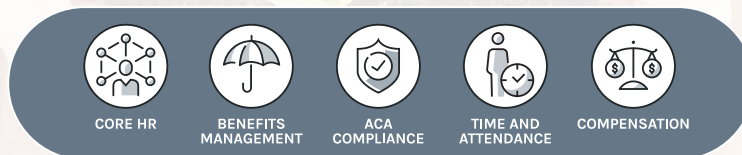
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Arcoro delivers modular HR & people management solutions to help companies hire, manage and grow their workforces.

Hire



Manage



Grow

