



HOW TO UPSKILL YOUR STAFF AND BUILD A MODERN WORKFORCE



Introduction

For many small businesses, merely keeping up with the knowledge required to remain competitive is a full-time job – let alone training staff to become competent in those areas.

Training and educating staff is an ongoing struggle. As technology and data underpin every industry, competency in key areas won't just be a matter of hiring the best people for the job – it will also be about training existing workforces.

This difficulty is already beginning. One 2015 report from Slade Group found nearly a quarter of Australian businesses find it hard to get employees with digital skills. According to PwC, 77% of CEOs are struggling to find the “creativity” and “innovation” skills they require.

Yet despite training and education being more easily accessible than ever before, businesses aren't taking hold of these opportunities.

According to the 2017 SmartCompany SME Directions Survey, only 21.4% of respondents will be investing in education and training in the next 12 months. Yet 49.7% of respondents highlight a moderate skills shortage in their industry, with 16.4% highlighting a huge skill shortage in their industry.

Half say they will need to ‘train up existing staff’ to meet their changing needs.

Whatever the size of the business, the goal is the same: to equip staff to understand the skills businesses need today, and to develop a sense of motivation and self-determination for continuous learning in a world where change is now a constant.

The world is fast-paced, and it's not slowing down. This ebook will help you with your journey to prepare your team for the future.

Enjoy,

Carly Greenwood, Partner Content Managing Editor,
SmartCompany

Finding the gaps

The first step to understanding where critical skills gaps exist in your business is by understanding your own business goals for the present, and the future. There's no point taking on every single new skill and function that comes into the market. Only the ones that apply to your success should be prioritised.

Experts say this can be addressed by a performance analysis conducted on your own, or by a third party, which can include:

- Identifying short to medium term goals.
- Listing the skills that will be necessary to achieve those goals.
- Interviewing each employee and creating a database of how experienced each one is with the skills you need.

Then, it comes down to performance analysis, says Richenda Vermeulen, who founded the digital strategy agency Ntegr!ty.

“Where do you need to improve and grow? You can't know that unless you know what your strategy is.”

Richenda Vermeulen, founder, Ntegr!ty

“This is a question our clients come to us with all the time, and one of the first things we do is a performance analysis to get a broader understanding of the overall skillsets,” she says.

“For instance, knowing how you perform digitally, where you need to grow, and where your strategy is taking you.”

Sam Bell, the general manager of corporate services and research at the Australian Institute of Management, says people analytics tools can help businesses get an understanding of where they lack skills at a company level. For instance, 360-feedback tools rely on having employees give feedback on each other's strengths and weaknesses. Starting a process like this can help develop awareness of skills gaps.

“What you get from those types of analyses are a list of top three weaknesses for each individual, and top three strengths as well,” says Bell.

“You essentially come out of that process with a development plan for each individual.”

However, Vermeulen says there is no point conducting this analysis unless a business has its own strategy in place and a vision for the future.

“Where do you need to improve and grow? You can't know that unless you know what your strategy is,” she says.

“For instance, do you need new people? Can you upskill people? You need to have a solid understanding of the digital pulse of the business, and so you need to do that performance analysis.”

This is exactly why Vermeulen says her business conducts individual interviews with employees when doing consultancy evaluation work. The number of people with qualifications in key areas is limited, she says, “so the need to retain people is really high. You need to understand your internal conditions and then understand those skill gaps either through quantitative and qualitative analysis.”



Action items

1. Identify business goals for the short and medium term
2. Clearly list which skills will be necessary to achieve those goals e.g. data science, specific coding language or hardware knowledge, or soft skills such as people management or problem solving.
3. Conduct performance analysis both at a company and individual level to see where those skills are needed.

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Taking the first steps

With a strategy in place and an understanding of where your business needs upskilling – especially with an understanding of the strengths of each staff member – the next key step is understanding how to address those learning needs.

Sam Bell says employers need to prioritise their skill needs according to the business's strategic goals. For instance, a manager who has a sophisticated ability to have more constructive conversations is an important skill, but a more pressing need may be to upskill business analysts with data visualisation techniques.

Once you have that knowledge, a key list of steps emerges:

- Prioritise the skills your business needs, and then map them at an individual level.
- Identify training opportunities to help upskill those individuals.
- Make sure you align each skill-based training program to overall business goals.

Bell says while short courses and qualifications may be a good decision, there are alternatives.

"In the past, most employees went and did a course specific to what they needed or what the business thought was relevant.

"More and more businesses are wanting to see really targeted training [for] where the weakness is."

Sam Bell, general manager of corporate services and research, Australian Institute of Management

I think employers have seen over time that three day courses doesn't necessarily translate to increased performance," he says.

"Now they say, let's provide staff with some content on how to communicate. It could be videos, reading a great article... it doesn't have to be a full course all the time," he says.

"More and more businesses are wanting to see really targeted training [for] where the weakness is."

How that content is drafted should likewise align with the development plans listed in the first chapter, says Bell.

Vermeulen says businesses need to consider getting more outside help – particularly for more "hard" topics like digital skills.

“Unless you have very skilled digital leaders the numbers are against you. You can spend a lot of time and money trying to do this, so bringing in outside expertise to help you plug those gaps can help,” she says.

For instance, working with training and education organisations to develop bespoke programs or even one-day and week-long courses are possible alternatives.

“If they have a large workforce they want to train, think about bringing a course internally – or even investigate whether courses can be reduced in time, from say, 12 weeks to two weeks,” says Vermeulen.

Having a competitive edge now means moving quickly – using targeted training to cut to the core of what your staff needs to know can be a massive advantage.



Action items

1. Once you have the list of skills you need to develop more of, prioritise them based on business needs – and then prioritise the employees who need those skills the most.
2. Identify external training qualifications and courses for those individuals.
3. Work with training providers to investigate bespoke training solutions, or even develop content programs of your own, tailored to each individual.



Bring it back home

One question many businesses may ask themselves is why these skills need to be brought in-house in the first place – why not just continue outsourcing (at least when it comes to hard skills such as coding or digital marketing)?

There are two major reasons:

Firstly, soft skills are constantly in-demand. Problem solving and communication will become even more critical in a digital economy when many tasks are automated.

In fact, Manpower's The Skills Revolution survey which questioned 18,000 employers in 43 countries found these "soft skills" are in demand as they will "ensure humans augment robots, rather than be replaced by them".

Secondly, the rapid pace of change in the economy demands an even faster response – the same Manpower survey estimates 75% of business leaders say automation will require new skills over the next two years. For many businesses it will be easier to have in-house skills that have an intrinsic understanding of the business's strategic plan to adapt to that change.

"For people, employability – the ability to gain and maintain a desired job – no longer depends on what you already know, but on what you are likely to learn. Those organisations that can blend the right combination of people, skills and technology are those that will win," the survey says.

"Employability – the ability to gain and maintain a desired job – no longer depends on what you already know, but on what you are likely to learn."

Manpower's The Skills Revolution survey

"People will increasingly find they need to upskill and diversify into new areas. Skills adjacency, agility and learnability will be crucial."

Sam Bell says this type of rapid, iterative skills learning needs to be part of an ongoing skills analysis program.

"You need to create a competency framework," he says. "We often have clients who say, 'we want all our managers to have skills in a certain area'. So you need to understand if they have those skills, where they are lacking, and how they can become competent in those skills."

However, it isn't enough just to constantly provide training. Small and large business need to build workforces that are self-motivated and driven to find new learning opportunities on their own volition.



Action items

1. Consider which "soft skills" will be required across your organisation in order to solve increasingly more complex problems.
2. Create a framework for your employees. Which skills do they need to have, and why? What skills are currently lacking? Use the processes from the previous chapters to identify which skills you believe all employees have.
3. Use that knowledge to create organisation-wide training programs or identify external programs which you can send team members to en masse.



How to create constant learners

In such a fast-paced environment, businesses need employees who are going to take it upon themselves to learn new skills and adapt on their own. Hiring motivated learners is one thing, but businesses need to embed a culture of self-training in their organisations.

This can be difficult, especially for old-school managers who feel any non-work-related material needs to be consumed outside of office hours. But both Sam Bell and Richenda Vermeulen agree: the culture of learning needs to come from the top down.

“Leadership has to show that they’re continually learning and growing – and every decision at the executive table has to be led with the idea that they are always looking for technological solutions,” she says.

Both Vermeulen and Bell agree that sharing insights, education and other materials should be made a core part of employees’ criteria.

“Give people time in their job descriptions. What time are they given for development? Even listing that people are required to come up with one insight a month that informs strategy, and make it a KPI.”

Bell says businesses need to create a “culture of being inquisitive”.

“It needs to be driven by managers and constantly challenging their staff to be better at what they do, and to ask questions, and it comes from the top,” he says. “People may not always want to embrace that development, but it needs to be encouraged.”

If managers and leaders share articles, insights and so on, Bell says it will create a culture where people will feel empowered to do the same – and it will help them feel as though they aren’t simply wasting time or procrastinating.

Crucially, Bell says – businesses need to make a training budget available, and make it known to employees that they can request it.

“Leadership has to show that they’re continually learning and growing – and every decision at the executive table has to be led with the idea that they are always looking for technological solutions.”

Richenda Vermeulen, founder, Ntegr!ty

“As well as having a professional development budget, the company may not pay 100% but employees need to know the company supports them in having that development. We’re starting to see a lot of that, especially with companies that say they will co-contribute.”

“It’s a positive step. And like other policies, there needs to be some push and pull between the employer and the employee,” he says.



Action items

1. Start from the top – regularly share articles and other resources with your employees.
2. Specifically state to your staff they are able to spend a certain amount of their time researching and reading materials that could help them learn.
3. Encourage platforms for staff to share with each other – such as a dedicated a Slack channel, or a regular showcase.
4. Establish a training budget and encourage your employees to apply with opportunities they find on their own.



Summary

Training and education is an ongoing struggle. Businesses need to confront and prepare for these challenges not only because technology changes the way we work and how we live – but purely as a critical pathway to remaining competitive despite those changes.

The good news is that businesses can take action and it's never too late to start.

Firstly, small and medium sized businesses need to identify what their business goals are now and in the future, by developing multi-year plans that take into account market competition and technology dynamics.

Secondly, they need to conduct an audit of their business to determine what skills they will need to accomplish those goals, and map those skills – or lack of skills – to individuals.

Thirdly, they need to identify and provide opportunities for those individuals to learn those skills through a variety of sources, including online training.

Finally, businesses need to ensure a constant culture of learning by encouraging self-education and the sharing of new resources. Additionally, businesses need to create training budgets and promote them through their workforces.

It's important for businesses to understand this is not an issue that ever stops; you will never have a workforce that is fully trained and educated, it's about continual improvement. By putting these steps into practice, businesses will be able to build a resilient, talented culture that can better keep up with market influences and is alert to the future disruptive forces that lurk out of sight.



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