Ready, set, upskill: Effective training for the jobs of tomorrow

PREPARED WITH DELOITTE ACCESS ECONOMICS

RMIT Online

Executive summary

For many years, Australian businesses and employees have been grappling with the future of work – how technology, globalisation, workplace change and other forces will shape what jobs are most in demand in the economy and how these jobs will be performed.
In 2021, all these trends are expected to accelerate during the recovery stage of the COVID-19 recession.

Already, nearly one-third of employees have experienced changed job requirements because of the pandemic.

Businesses will look to grow in new ways and create new jobs that didn't exist before the pandemic. Investment in training will be needed to help employees prepare for this future. One of the biggest emerging skill needs for the Australian economy is digital skills:

- During COVID-19, jobs with Programming skills, Mathematics, Technology Design and Analysing Data or Information were amongst the fastest growing.[1]
- Employees themselves identify web app and software development, data science and analysis and coding/programming as some of the most in demand skills in the economy.[2]
- Overall, 87% of jobs in Australia require digital literacy skills.

Digital skill needs will only grow as the recovery from the COVID-19 recession accelerates in 2021. Australia will need 156,000 more digital technology workers by 2025, representing one in four jobs created during that period.[3]

While students and employees are undertaking training to meet these digital skill needs, evidence suggests it won't be enough to fill the gap. One quarter of those surveyed report that their data analysis skills are not at the level required or are out-dated compared with their employer's requirements.

> More than half of Australians have little to no understanding of coding, blockchain, artificial intelligence and data visualisation.

If Australia can address the digital skills gap it will turbocharge the economy. It will help businesses in the technology, media and telecommunications industry (TMT) grow by $10 billion by 2025.[4] Digital skills will be crucial for ongoing growth in this industry.[5] More broadly, four in five Australian business leaders think that adopting new technologies is important in order to achieve business goals.[6] Digital training can also help employees earn more – with an employee transitioning from professional services to a technology role able to achieve an average wage premium of over $10,000 per year.[7]

Not addressing the skills needs will leave some Australians behind. Already, 50,600 Australians reported lacking necessary skills or education as their main difficulty in finding work.[8] Further, over 20% of Australians surveyed think there is a possibility that they will be made redundant.

Employees recognise the benefits of training to lift their skills. According to the survey results for this research, over half would choose additional training (worth $1,000) over free lunches at work, and one in five would choose it over a pay increase of $50 per week.

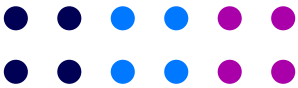
However, one in four of those surveyed said that they had not undertaken any training or learning in the last year, and a lot that was done was mandatory. COVID-19 saw some uptick in skill development but it was more in soft skills, like communication (30% said increased), critical thinking and organisation skills, while only half as many people said their technical skills improved, such as data analysis (16%).[9]

What is holding employees back from more training? Around half of employees surveyed have access to employer provided training (which means half do not) and only 21% can access employer-subsided courses.[10] Those with access also face other barriers to learning, mostly relating to time commitments.

Another interesting finding is that many do not regard the training to be effective. Of those who did training in the last year, 47% reported that it didn't teach them anything new, or was not relevant to their job / career progression.[11] Partly, this can be addressed by better matching training delivery forms (on-the-job, self-directed, employer provided, short course, tertiary training) with the skill needs. For example, the majority of survey respondents said that external training (including formal qualifications and microcredentials) was the best way to learn more complex skills such as coding and programming. By contrast, enterprise skills like leadership and teamwork are better learnt on the job.

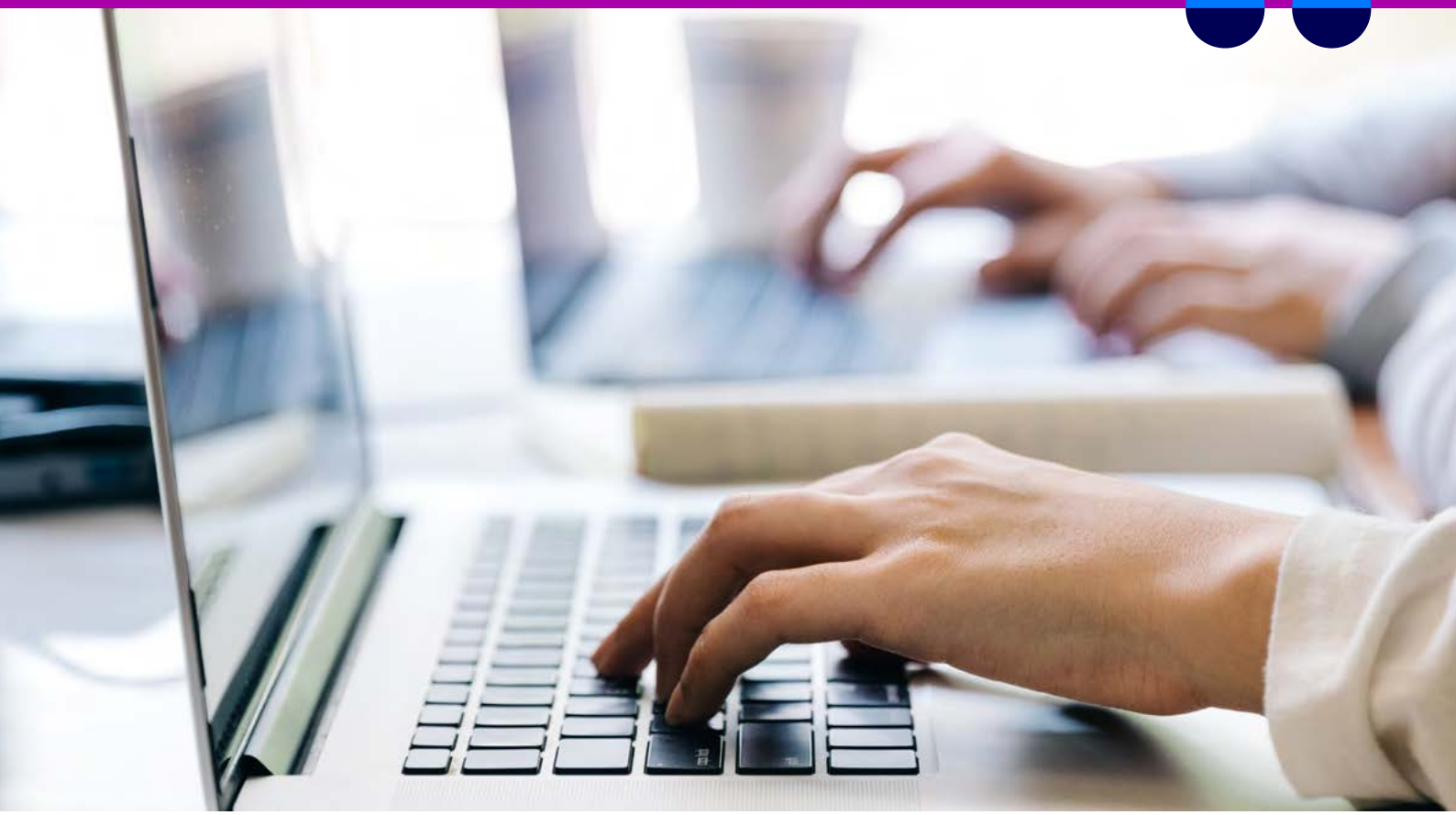
Employers can play a larger role in skilling their employees, and if they do so, they will not only achieve productivity gains from having smarter employees but can also increase employee satisfaction. It will require a shift in mindset, away from a reliance on simply hiring employees from elsewhere. This report identifies six steps employers can take to maximise the impact of their training investments.

The research also gained insights from two leading businesses in the world of employee training – the REA Group and Isobar. While having different experiences during COVID-19, they show how a sophisticated training strategy can provide benefits to employees and help firms achieve their goals. One finding was that senior leadership support for workplace training is critical – through role-modelling behaviour and providing the right benefits to those who participate.



BUSINESS TRAINING CHECKLIST:

1. **Be accountable**—have a dedicated training strategy and budget so that training is a core business activity, also ensure there is a manager that is responsible for executive and ongoing improvement of training opportunities.
2. **Identify what's needed**—conduct an audit of current skill levels in the team and identify how this compares to future needs.
3. **Ask staff their opinion**—survey the team to identify training preferences to further improve employee satisfaction.
4. **Do training right**—make sure you are matching training, in terms of time commitments and delivery method to skill needs.
5. **Continuous improvement**—evaluate and monitor training programs and strategy over time.
6. **Apply skills immediately**—connect trainers, operational managers, and employees so that new skills can be applied straight-away to minimise risk of losing skills.



1. The jobs of tomorrow

Economists, politicians and futurists have been talking about “the future of work” for the better part of a decade. Yet change has been slow.

Consider that in August 2020, there were an estimated 57,000 typists, 150,000 checkout operators and 114,000 bookkeepers employed – all occupations which were predicted to be automated or replaced by technology.[12] In part, this has been because businesses are slow to change, with one quarter of Australian businesses receiving no income from online sources in the 2018-19 financial year.[13]

> Building a better understanding of what skills are in demand, and investing in lifelong learning, is crucial to not just our recovery, but our ongoing economic growth.

COVID-19 catapulted businesses and individuals into the future of work, bringing the future forward. For example, **there has been a fifteen-percentage point increase in the proportion of businesses who have staff teleworking**.[14]

Many of the people stood down were in occupations which were already at high risk of automation. **An estimated 39,000 sales assistants lost their jobs, as well as 46% of betting clerks.**[15] Only some of these jobs will return.

During a crisis, it is natural for people to focus on immediate pressures and become reactive. However, for those who have been affected, as well as for the economy overall, it's an important time to think of the future and invest. It represents a big opportunity for organisations, individuals and the economy to come back even stronger.

> Digital jobs are particularly in focus. 87% of jobs in Australia require digital literacy skills.

For those individuals who are willing and able to change there are many opportunities out there. Approximately 178,800 Australians entered employment from September to October 2020.[16]

The rise of teleworking from COVID-19 has meant digital capabilities and workers have remained in high demand. As a result, the number of digital jobs varied little during 2020, while most other jobs were in decline. Looking forward, it is expected that one in four jobs created between now and 2025 will be for technology workers.[17]

Further, Deloitte Access Economics forecasts that, by 2025, there will be 156,000 more technology workers in the Australian workforce than there were in 2019.[18] This represents an average annual growth rate of 3.1%, exceeding the forecast growth rate of 1.8% for all jobs in Australia. The digital skills and qualifications of the workforce are also expected to increase with over 170,000 more ICT tertiary qualifications required for the workforce.

However, to keep up with countries that are leaders in the digital space internationally, Australia needs to do more. To become a digital leader, Australia would need to double the current growth rate in the training of technology workers – an additional 388,000 technology workers would be needed.[19]

There are significant benefits from developing the digital capabilities of the Australia's workforce. **A worker transitioning from professional services to a technology role could achieve an average wage premium of over $10,000 per year.**[20]

These technology workers are also a key to promoting the future prosperity in Australia. The technology, media and telecommunications (TMT) industry is expected to grow by $10 billion in Gross Value Added (GVA) over the next five years, representing 4% per annum growth on average.

> New digital roles are already starting to emerge. During COVID-19, jobs with Programming skills, Mathematics, Technology Design and Analysing Data or Information were amongst the fastest growing.[21]

In addition, a study by Deloitte Access Economics found the Australian economy (measured through Gross Domestic Product) was $126 billion, or 6.5%, larger due to the productivity benefits of digital technology throughout the economy.[22] Future productivity benefits from digital technology could be at risk if the skills of the Australian workforce do not keep pace with demand from employers.[23]

Burning Glass Technologies data on job advertisements from 2020 found some of the most advertised occupations include Computer Network and Systems Engineer (1.6%) and Information Officer (1.5%).[24] This differs slightly to the areas of growth.

Between 2017 and 2020, the top growing occupations were in the health sector, Speech Pathologist and Emergency Medicine Specialist (based on the percentage change between 2017 and 2020). In relation to digital skills, over the three years to 2020, the highest growth in digital skill needs in the 3 years to 2020 were Apache Kafta, Microsoft Azure, Docker Software, ServiceNow and Confluence.[25]

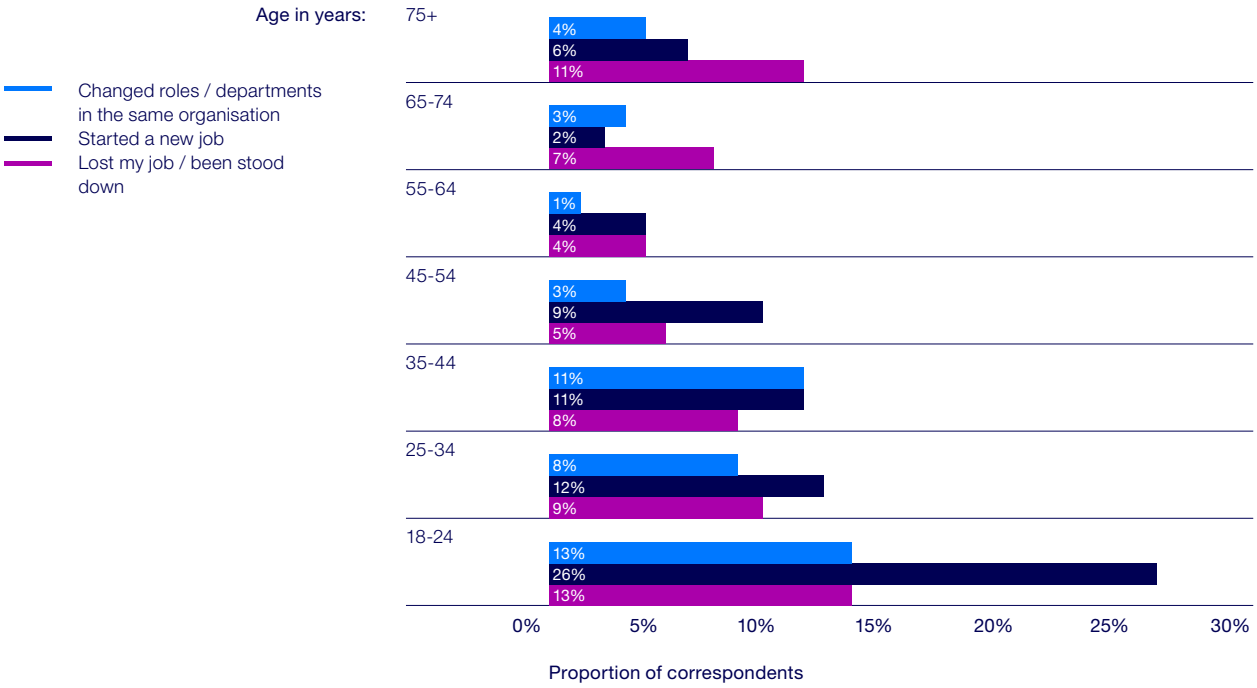
2. COVID-19—catalysing change

The COVID-19 crisis has brought the “future of work” forward. While the big forces affecting work such as technology change, competition, globalisation, and organisational change have been around for years, the pandemic forced businesses to make decisions that perhaps they had delayed for some time.

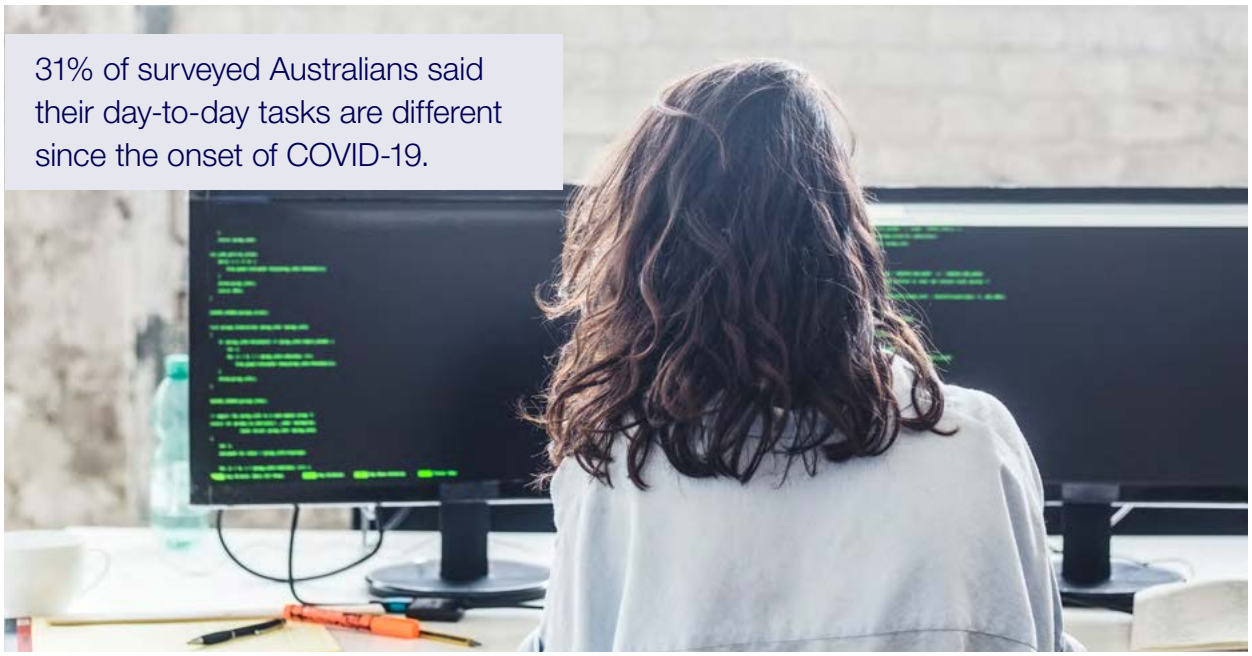
For a period, almost half of Australians were working from home, and even as Australia’s cities have begun the return to normal, it seems CBDs will never be the same. Use of technology for work, education, healthcare and business has soared, creating new data and demand for more technology workers. Overall, 300,000 jobs were lost from the economy by November 2020.[26] **While new jobs are being created in the recovery, these aren’t simply the old jobs brought back; in many cases, the jobs being created are the jobs of tomorrow**.

Individuals have also reported big changes over the COVID-19 crisis – 35% of surveyed Australians experienced some change during the crisis (including starting a new job, losing a job, starting studying, gaining a promotion or starting a business).[27] About 8% of respondents reported starting a new job during the pandemic, while this figure was 26% for those aged 18 to 24 (Chart 2.1). While 6% of surveyed Australians reported losing their job or being stood down, this figure was 11% for those over the age of 55 and 13% for those aged 18 to 24).

Chart 2.1: New tasks and responsibilities during COVID-19 by age group



Source: Deloitte Access Economics survey fielded by Dynata, N=1078, "During COVID-19, have you done any of the following?"

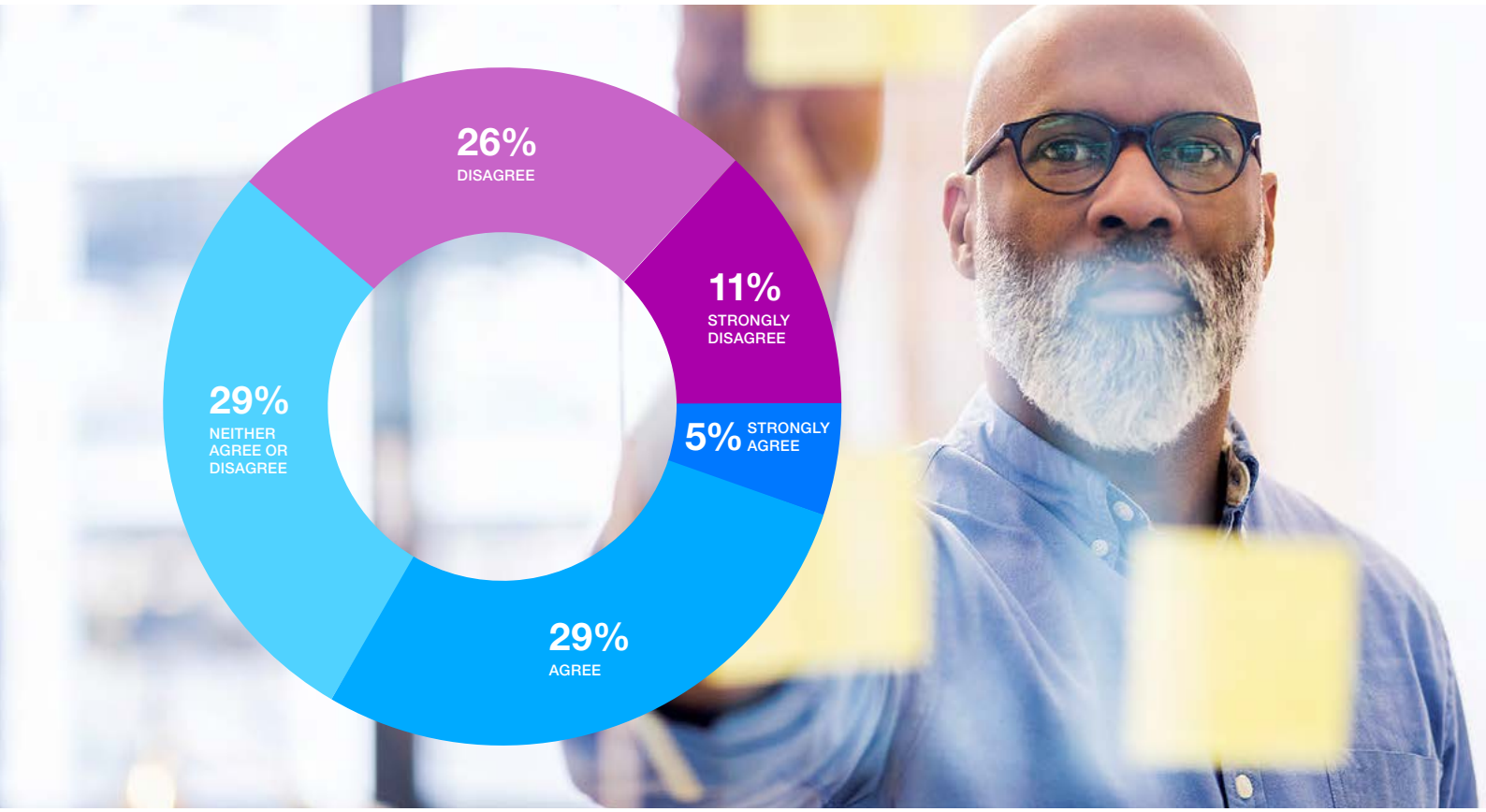


2.1 Same job, new responsibilities

COVID-19's impact wasn't just felt by those changing jobs. **Nearly one-third (31%) of survey respondents said that their day-to-day tasks are different, or they have more responsibilities since the onset of COVID-19**.[28]

Despite these changes, most Australians aren't actively looking to reskill. Less than one in five surveyed Australians learnt a new skill during COVID-19.[29]

Chart 2.2: Response to the statement “my job is the same as it was before COVID-19”



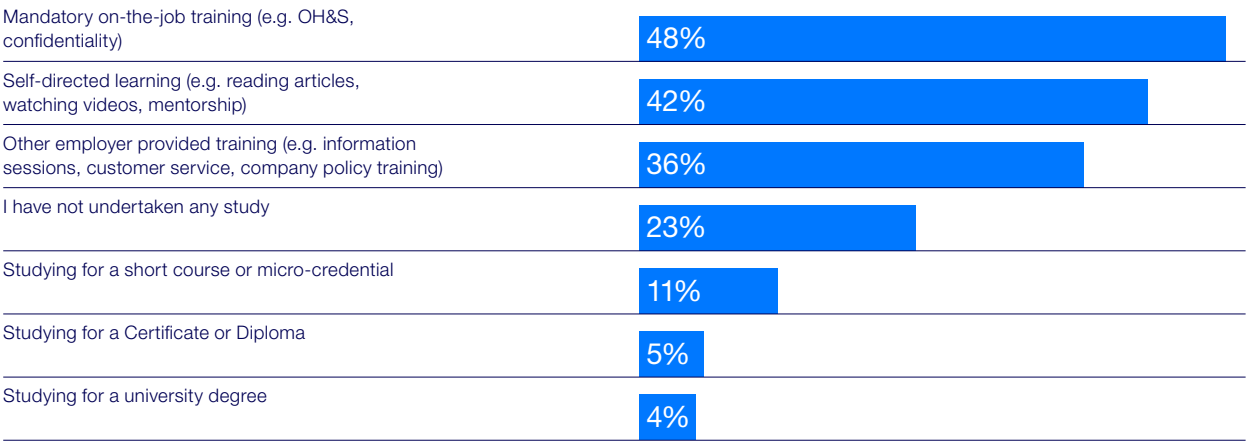
Source: Deloitte Access Economics survey fielded by Dynata, N=1078, “To Source: Deloitte Access Economics survey fielded by Dynata, N=1078, “To what extent do you agree or disagree with the following statements?”

Further, one in four of those surveyed said that they had not undertaken any training or learning in the last year.[30]

Less than one in five surveyed Australians learnt a new skill during COVID-19.

For those that did engage with training, the most common type of training was mandatory (Chart 2.3). Aside from this, people were more likely to learn on their own terms than to learn through more formal means. Two in five survey respondents said they had done self-directed learning, compared to 11% who studied for a short course or micro-credential.[31]

Chart 2.3: Different types of training in the last year



Source: Deloitte Access Economics survey fielded by Dynata, N=1078, “In the last year, have you participated in any of the following?”

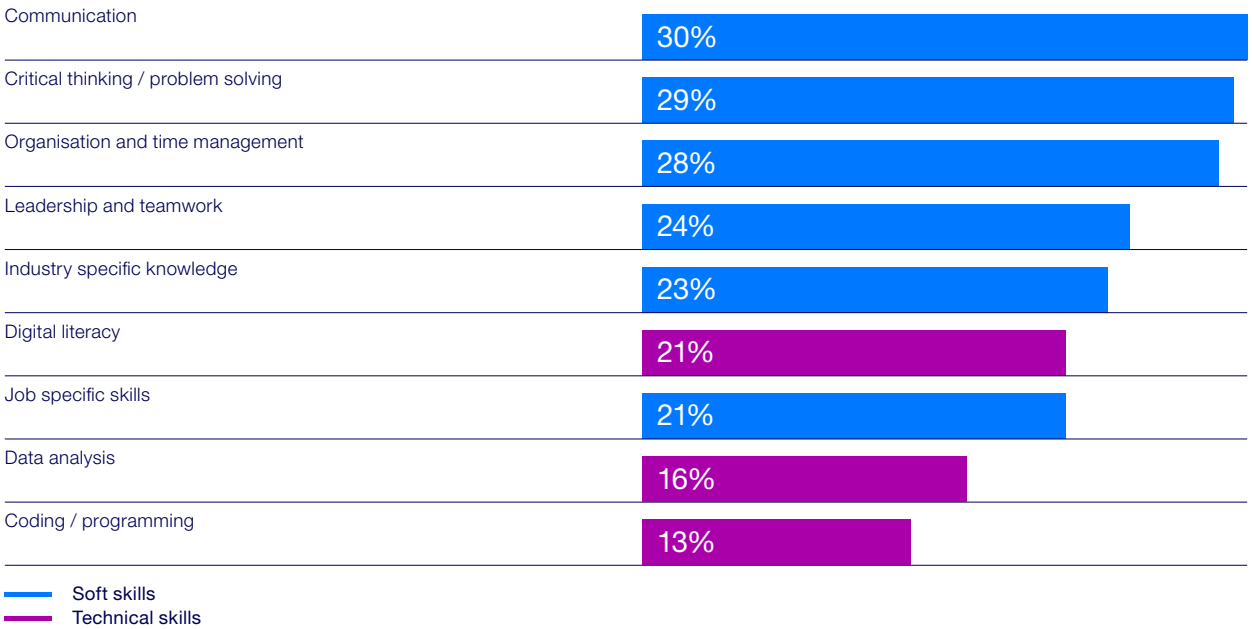
2.2 Upskilling under pressure

While many Australians have not learned a new skill, that doesn't mean their skills haven't changed. The crisis has put people's skills to the test – and many have emerged stronger. 61% of surveyed Australians say their skills have somewhat improved or significantly improved.[32]

> About half as many people say that their data analysis skills improved, as say that their communication skills improved.

The greatest improvement is in communication, critical thinking and organisation skills. However, there has been far less movement in technical skills, such as digital literacy, data analysis and coding/programming (Chart 2.4). For example, about half as many people say that their data analysis skills (16%) improved, as say that their communication (30%) skills improved. Although soft skills have improved over the crisis, 17% of surveyed Australians have not become better at using technology at work during COVID-19.[33]

Chart 2.4: The proportion of surveyed Australians whose skills have improved during COVID-19



Source: Deloitte Access Economics survey fielded by Dynata, N=1078, "During COVID-19, what has happened to your skills?"; responses including "Somewhat improved" and "Significantly improved".

Reskilling through COVID-19 at Optus

The COVID-19 crisis had a significant impact on the telecommunications industry. For Optus, this meant high demand as Australians tried to stay connected while staying at home or when required to quarantine. All at a time where Optus is predicting the ongoing acceleration of technological change which will continue unabated in 2021 and beyond.

The global pandemic also emphasised the skills needs in the organisation. According to Jane Peter, Director of Leadership, Culture and Capability at Optus, "The last year has shown the need for great leadership, this was the main focus that helped teams thrive during the pandemic. I also see digital acumen and digital literacy as skills that we'll need more and more of." Innovation has also been particularly important. Optus has put a strong focused on building their innovation capability through formal learning such as Customer Centred Design training and more experiential learning through ideation platforms and hackathons solving real business and customer problems.

Currently, Optus is investing significantly in developing the skills needed to drive success into the future. In support of this, the company recently introduced Optus U, a capability development program which aims to provide ongoing opportunity, and recognition for employees, through qualification and accreditation programs offered by strategic education and industry partners. Launched in October 2020, 5 accredited micro credential programs are being piloted with 115 employees, with more programs and partners set to be added in 2021.

Optus is very conscious of ensuring employees are provided with the right levels of support for their development, so Optus U participants are supported with study leave, coaching and access to business sponsors. "A traditional barrier to external study has always been 'time' and so Optus wants to ensure our people are able to balance their workload, and meaningful time for study. We want people to come to Optus for a career and an education".

For Optus, while technology skills are critical, such as artificial intelligence, cloud technology, 5G and cyber security, equally important are the skills of our people to interpret, leverage and interact with technology. Jane noted, "It won't just be about individuals who understand it, it will be about having employees who can set it up, teach it and know how we can leverage it. Behavioural and leadership skills will also be increasingly important".

3. Australia's skills gap

Many Australians do not have the skills that they need for their job today – let alone the skills they will need for the jobs of tomorrow.

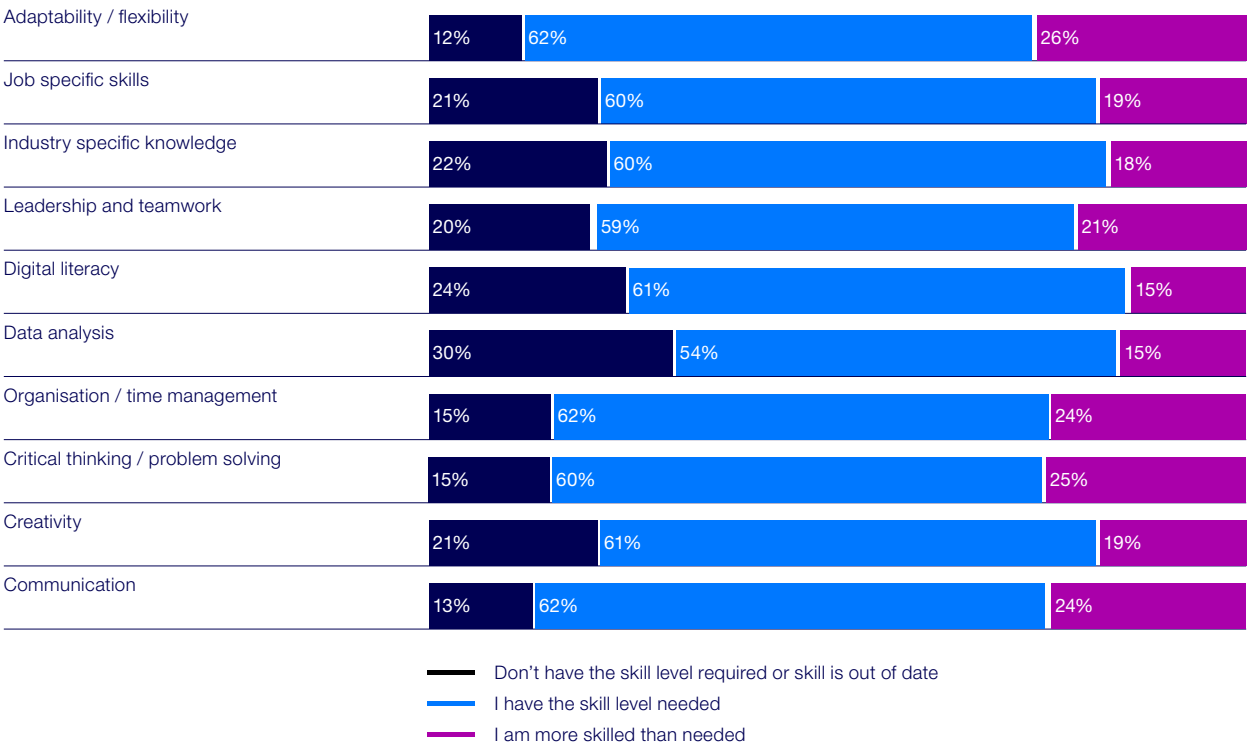
3.1 Many Australians do not have the skills that they need for their role

One in four surveyed Australians report that they don't have the skills they need to complete their day to day job and one in five think there is a possibility they will be made redundant.[34]

Building the right skill set is even more important for those who have lost their jobs. As at August 2020, 50,600 Australians reported lacking necessary skills or education as their main difficulty in finding work.[35] Further, the average Australian needs 18 unique skills to meet the needs of their employer, yet on average, people are missing two of these required skills.[36]

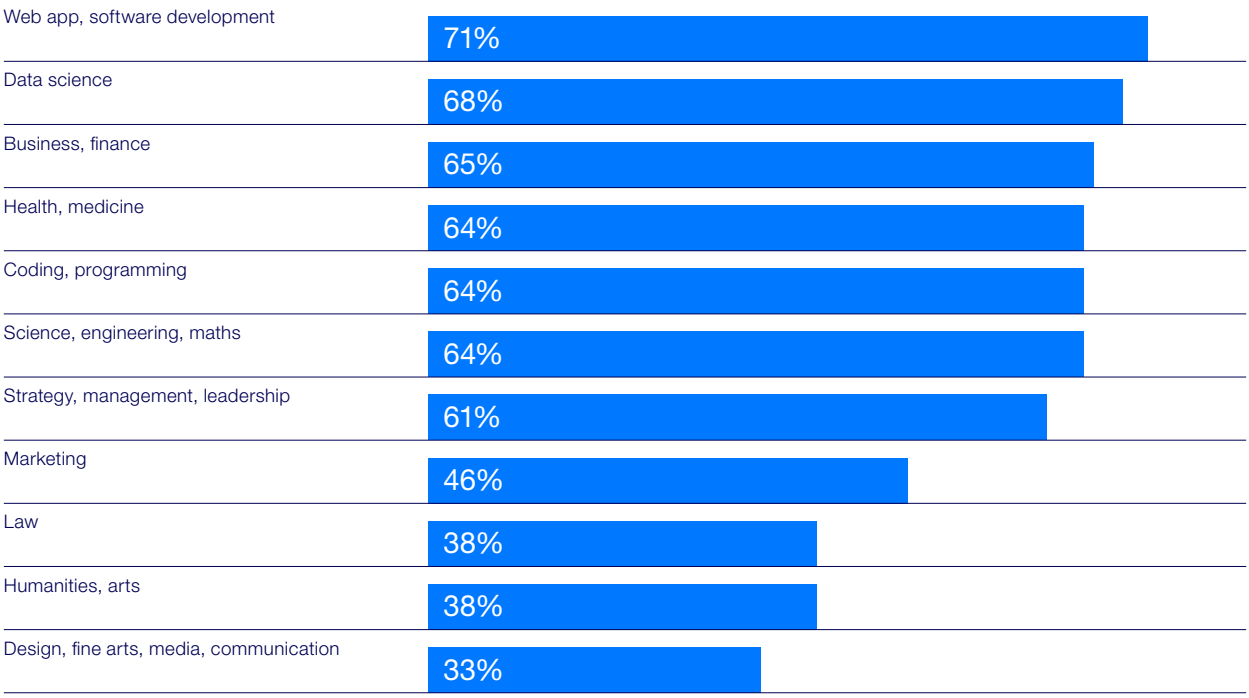
The biggest skills gap is in data analysis. Of those that need it for their work, 30% of those surveyed report that their data analysis skills are not at the level required, or are outdated, compared to their employer's requirements (Chart 3.1).

Chart 3.1: Level of skills compared to employer requirements



Source: Deloitte Access Economics survey fielded by Dynata, N=1078, "How would you say your level of skills compares to employer requirements?" Option 'skill not required' which was excluded.

Chart 3.2: Most demanded skill areas according to surveyed Australians



Source: Deloitte Access Economics survey fielded by Dynata, N=1078, "What do you think are the most 'in demand' knowledge areas?"

3.2 Few Australians are ready for the jobs of tomorrow

Most Australians have a good feeling of the skills that are in demand. **Data science and analytics, health and medicine, and web app and software development** were considered the most 'in demand' knowledge areas (Chart 3.2). Over 70% of surveyed Australians selected web app and software development, and 68% selected data science and analytics as in-demand skill areas.

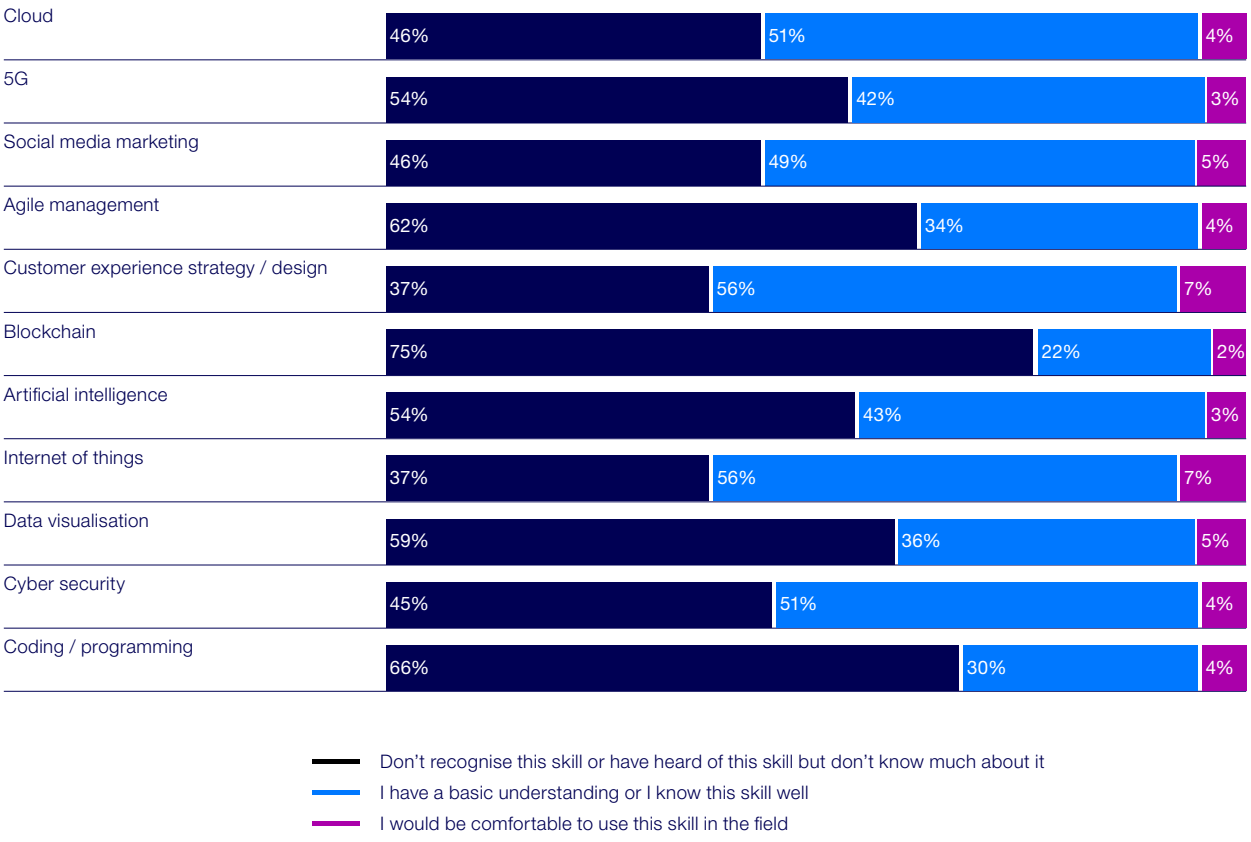
These perceptions are in line with employer demands. During COVID-19, jobs with Programming skills, Mathematics, Technology Design and Analysing Data or Information were amongst the fastest growing.[37] Further, LinkedIn reported that statistical analysis and data mining is the second most in-demand skill requested in job advertisements.[38] Demand is set to grow further, with data analytics increasingly used to inform and drive business decisions.

A global survey found that 76% of businesses plan on increasing investment in analytics capabilities over the next two years.[39]

While people know that these skills are in demand, few Australians have them. Less than 5% of those surveyed say that they would be comfortable working in coding, programming, cyber security, blockchain or cloud (Chart 3.3). It's not just STEM competencies where individuals are lagging; only 4% of respondents said that they could use agile management techniques, and 7% said they could use customer experience strategy or design.

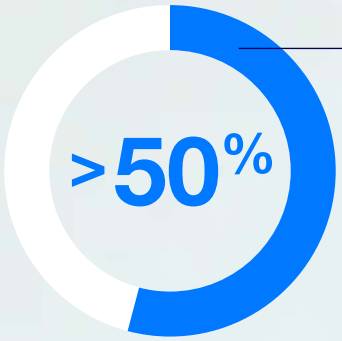
Not every role requires advanced technology skills. Yet having a basic understanding of new technologies can help people be more effective in the jobs of tomorrow. Despite this, more than half of surveyed Australians have little to no understanding of coding, blockchain, artificial intelligence and data visualisation (Chart 3.3).

Chart 3.3: Level of knowledge of certain skills/subject areas



Source: Deloitte Access Economics survey fielded by Dynata, N=1078, "How would you rate your knowledge of the following skills or subject areas?" More than half of surveyed Australians have little to no understanding of coding, blockchain, artificial intelligence and data visualisation.

UNDERSTANDING NEW TECHNOLOGIES:



More than half of surveyed Australians have little to no understanding of coding, blockchain, artificial intelligence and data visualisation.

Beyond technical competencies, the jobs of tomorrow will also require human skills. According to BurningGlass, the most sought skills in job advertisements from 2017 to 2020 included **teamwork/collaboration, customer service, project management, budgeting and sales.**

Soft skills are considered highly valuable by employers. Previous work done by Deloitte Access Economics found that employees who have and utilise soft skills are 3% more productive and worth almost $2,000 more per year to a business using less of these skills.[40]

The growing need for technical skills at Isobar

Isobar is a digital agency focused on delivering digital experiences for its clients. The organisation helps its clients set up digital channels to connect them to their customers. Formed in 2001 and owned by Dentsu, today, Isobar has a national workforce of 300 people.

During the COVID-19 crisis, Isobar was well placed to move completely online and have its employees work remotely. They already had digital platforms (e.g. Slack and Figma) set up so their employees could easily complete their day-to-day tasks from home. A challenge for Isobar, according to General Manager Anthony Mangos, was helping their clients operate online. Anthony noted, “We were affected by the skills shortages in our customers and during the crisis we launched an executive program to help our customers manage this”.

The crisis also highlighted the need for particular skills in Isobar. Anthony noted, “the ability to collaborate and work in teams was really required. However, one skill that we have found to be more in-demand is the skill of Project Management”. Anthony observed that on the more technical side, software development is always on a growth trajectory in Isobar, particularly the ability to create experiences for their clients, rather than just a product.

In terms of training, Isobar offers its employees a large amount of on-the-job training. According to Anthony, “70% of our employee training is on-the-job training, while the rest is external training”. The business also runs and develops training programs with and for RMIT Online, which are then used as a product to sell to clients.

In the future, Isobar sees individuals opting for alternate education paths to compliment the traditional University model of training. Anthony observed, “We have a large number of University partners; however, the limited flexibility makes it a barrier for some individuals, especially while working full time. In terms of technology, it’s easy for people to get left behind quickly so it’s important for us to constantly reskill our employees. Technology is continually changing but if individuals keep learning our business will be safe”.

4. Hungry for learning

Australians may not be ready for every aspect of the future of work, but Australians want to learn, and are willing to give up pay, promotions and even free lunches to get there. They have time, cost and knowledge barriers to surmount.

4.1 Australians value learning

For many Australians, the opportunity to learn is not a chore or a bore, but a perk. In fact, many are willing to trade in other perks for the opportunity to learn. Over 20% of Australians would prefer $1,000 to spend on training every year, rather than $50 more pay each week (equivalent to $2,600 per year).[41]

> Over 20% of Australians would prefer $1,000 to spend on training every year, rather than $50 more pay each week.

Further, 52% of Australians would prefer a job with a learning culture, rather than a fun culture. While Australians want to enjoy their time at work, "learning" is valued over "fun" by many. This means some employers might want to reconsider what perks are really going to fulfil their workforce. Some Australians even value education and learning above career progression and free food (Figure 4.1).

Figure 4.1: Preferences for learning

Source: Deloitte Access Economics survey fielded by Dynata, N=1078, based on the question "If you had to choose between these two things, which would you choose?"

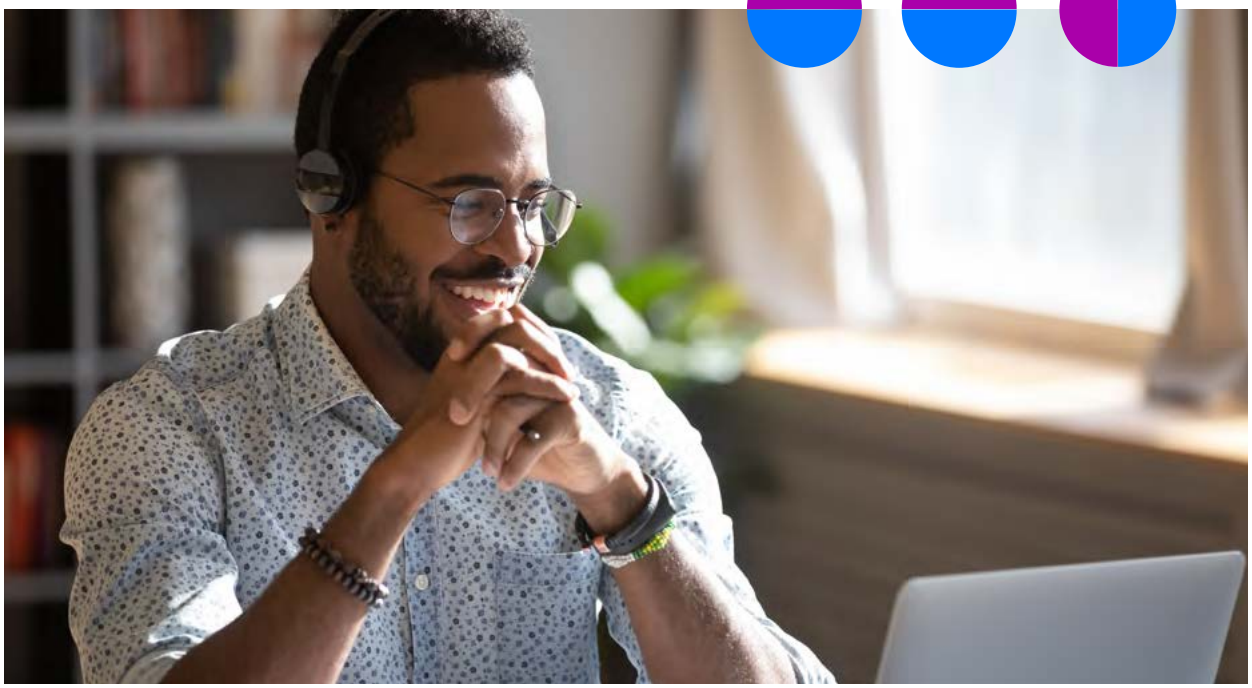
Australians are particularly interested in learning about technology. Three out of four Australians want to learn about emerging technologies such as blockchain, artificial intelligence and cybersecurity. Young people aged 25-34 in particular want to learn about emerging technologies.

> Three out of four Australians want to learn about emerging technologies such as blockchain, artificial intelligence and cybersecurity.

4.2 What's getting in the way?

Despite the value Australians place on learning, **one in four of those surveyed said that they had not undertaken any training or learning in the last year.**[42]

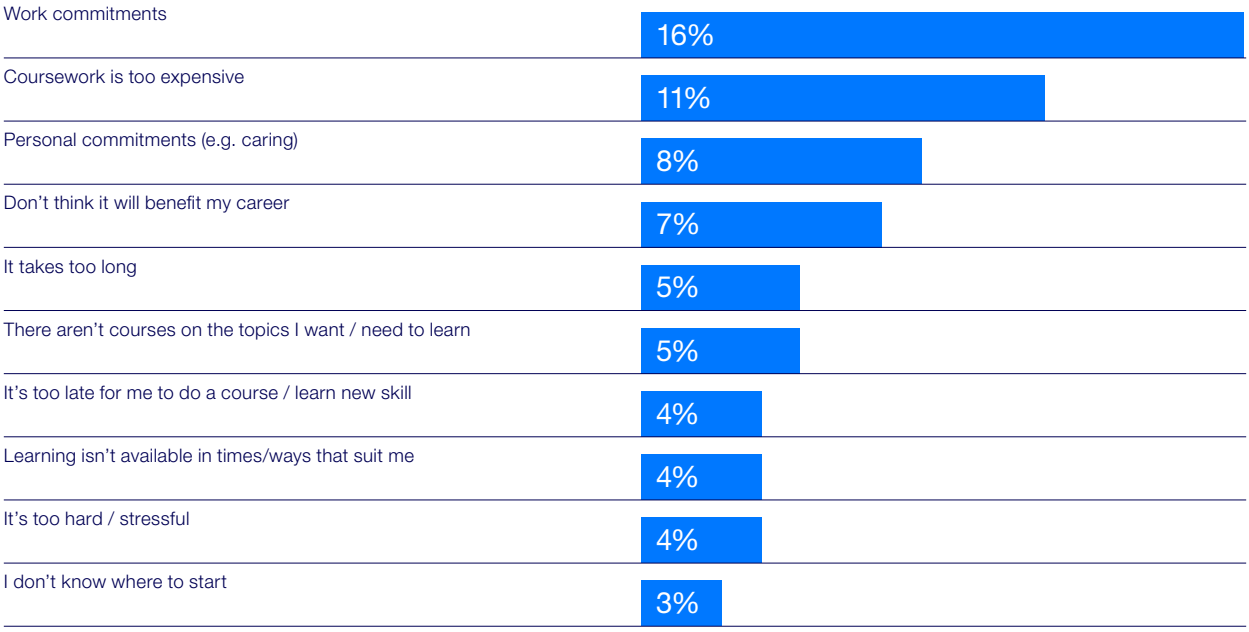
According to the survey, two in every three professional Australians face at least one barrier to learning. The most common impediment is work commitments – 16% of surveyed people say that work commitments is the main thing that has prevented them from doing a course or learning a new skill for work in the last 6 months (Chart 4.1).



Many cite the costs of coursework as a barrier to learning. This may be because people do not understand the options available.[43] While work commitments and costs are the biggest barriers to learning, a range of other factors can contribute.

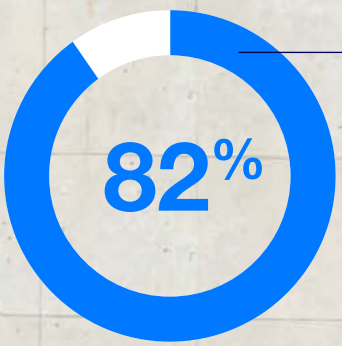
For example, 23% of surveyed Australians said that learning isn't available in times or ways that suit them and 17% said they don't know where to start in terms of their learning.[44]

CHART 4.1: Main barriers to learning

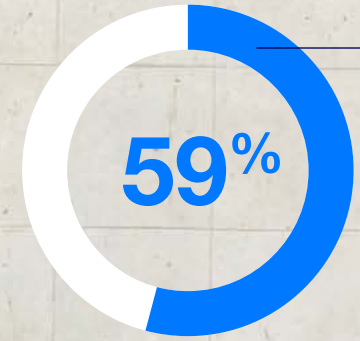


Source: Deloitte Access Economics survey fielded by Dynata, N=1078, "Which of the following factors have prevented you from doing a course or learning a new skill for work in the last six months?" Based on what the respondents ranked as the highest factor. Other options included "nothing has stopped me" or "I don't need / want to learn anything new" which captured 33% of respondents.

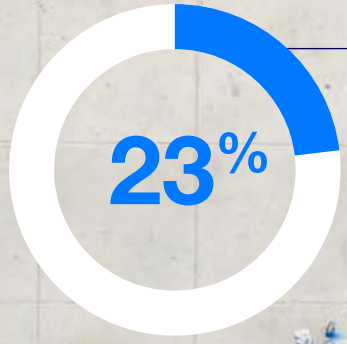
BARRIERS TO LEARNING:



82% of surveyed Australians are not aware that they can access courses from leading universities online



59% of surveyed Australians are not aware that they can access free online training



23% of surveyed Australians said that learning isn't available in times or ways that suit them

5. Training done right

We know that Australians want to learn, but how should they do it? Some types of training can be more beneficial than others, although it depends on what is being taught.

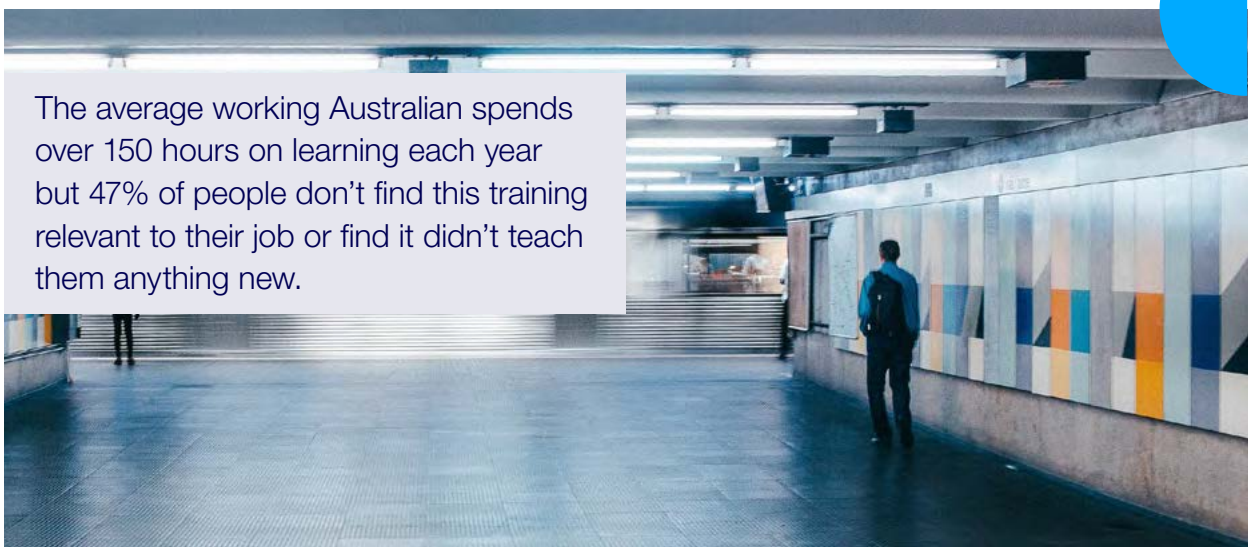
5.1 Making the best use of training time

The average full-time working Australian spends over 150 hours on learning each year.[45] This includes a range of learning types, and varies across occupations. Some occupations have formal continuing professional development requirements (for example, accountants, advisers and teachers) while other occupations have mandatory courses (for example, on workplace policies or confidentiality).

Yet not everyone finds the training they do useful.

> 47% of Australians report that their training didn't teach them anything new, or was not relevant to their job.[46]

This is also reflected by the Australian Bureau of Statistics Work-Related Training and Adult Learning survey, which finds that 15% of Australians that had engaged in work-related training rarely or never used their skills and a further 24% only sometimes used it.[47]

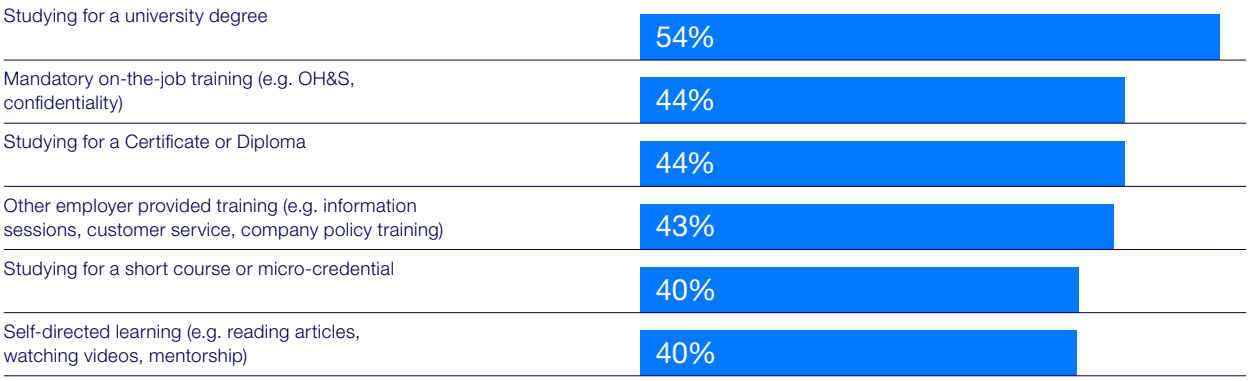


The average working Australian spends over 150 hours on learning each year but 47% of people don't find this training relevant to their job or find it didn't teach them anything new.

This suggests that the average Australian could be wasting over 70 hours, or 10 working days, each year on training or learning that isn't relevant to their job. These are hours that could otherwise be used to learn useful and relevant skills that contribute to their productivity and success at work.

Of course, while employees may not find some training useful or relevant, this does not mean that it is not important. Some training may appear to an individual to be irrelevant now, but may result in benefits that emerge later down the track.

CHART 5.1: Proportion of surveyed Australians that found the learning either irrelevant to their job or did not teach them anything



Source: Deloitte Access Economics survey fielded by Dynata, N=1078, based on three questions "To what extent do you agree or disagree that the learning you have done in the last year (i) was relevant to your current job, (ii) was interesting but didn't help your day job, (iii) didn't teach you anything new?"

5.2 Matching training delivery to skill needs

Training is not one-size-fits all. Different forms and mediums of training should be used for different purposes and different people. There is no steadfast rule on how best to learn a skill, as they are often best embedded through multiple mediums and revisited on multiple occasions.

The survey conducted for this report has shed light on the intensity of training needed to learn varying skills. On average, people who have engaged in shorter-term training in the form of self-directed learning, short courses or microcredentials are more likely to consider the training they have done to be relevant. Meanwhile, those who completed longer courses (including certificates, diplomas and university degrees)

or mandatory on the job training, were more likely to say that their training was not relevant, or that they didn't learn anything new. Again, it is possible that this is only the perception of the learner and there are longer term benefits to engaging in such courses or degrees. Although Australians think that shorter-term training is often the way to go, *this is not the case for all skills.*

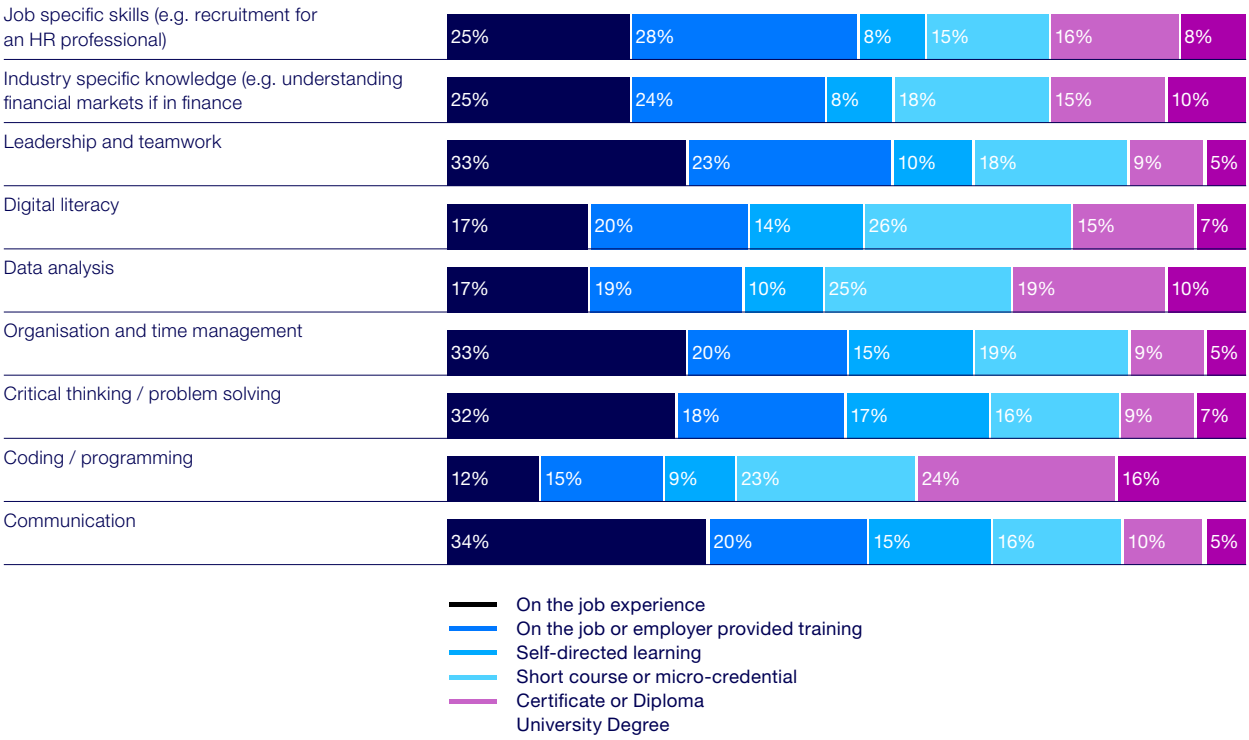
> Surveyed Australians believe that more technical skills such as coding or data analysis are better learned through short courses / microcredentials or vocational courses, relative to softer skills which are better learned on the job.

Australians believe that skills like organisation and time management, critical thinking, problem solving and communication are more effective to learn through on the job experience, rather than other training (Chart 5.2).

However, more technical skills such as digital literacy and digital analysis are better learned through short courses / microcredentials, or even employer-provided training. Even more complex skills such as coding or programming are better off taught through short courses, microcredentials or a vocational certificate or diploma. While short-term training may be enough in many cases, if people are looking for a career change or a brand new, complex skillset, longer-term and structured education by a tertiary institution may be needed.

This has implications for how employers balance the training mix. Many skills are best learnt on the job, formally (through an in-house learning and development program, as an example) or informally (through mentorship, coaching or experience). However, externally accredited training may be better for teaching digital skills, such as data analysis and coding/programming.

CHART 5.2: Most useful type of learning for different skills



Source: Deloitte Access Economics survey fielded by Dynata, N=1078, "What do you think is the best way to learn each of the following skills?"

Training done right at REA Group

REA Group is a digital online real estate advertising company with more than 1,400 employees globally. Around half of its employees in Australia are technology-based roles – such as engineering, developers and business analysts. Like all organisations, over the last 12 months, REA faced challenges as a result of the COVID-19 crisis. Restrictions on the property industry, as well as the impact of the pandemic on the property market placed pressure on the business.

While the pandemic presented challenges, REA's employees had a mostly seamless transition to working remotely. Ambra Perera, Learning and Development Manager at REA Group, noted: "our employees found it relatively easy to transition to virtual working. As a digital business with flexible working arrangements in place, we were already comfortably set up on platforms, such as Trello, Zoom and Slack, enabling us to easily work remotely and still remain connected. Our focus shifted to learning how to support each other while physically apart.".

"As our people leaders play a key role in the engagement of their teams, we provided additional support tools, training and forums for them to assist in leading teams virtually. Some of these tools included dedicated workshops on managing the mental health of their virtual team, dedicated people leader town halls, and mental health check-in templates. Additionally, we quickly adapted to ensure we could continue to create positive onboarding experiences for our new starters commencing virtually."

The REA Group supports their employees through offering learning and development opportunities. According to Ambra, "During 2020 and the height of the COVID-19 pandemic, we saw a spike in the demand for learning opportunities, our employees were hungry to continue to develop. The fast paced and digital nature of our business means we have to ensure skill development and training is a priority as it enables us to best deliver on our strategy". The pandemic saw a shift in REA employee engagement with virtual learning, resulting in the scaling up of the REA University experience in both Australia and Asia – including the launch of four new Schools. According to Ambra, "REA University is the home of learning for our people at REA. The University offers a mix of internal and external learning opportunities through a range of formats including online modules, face-to-face sessions, short courses or conferences".

The University has a dual focus of supporting both targeted technical development as well as non-technical (or soft skill) development, with three arms of the of the University focusing on these areas:

- School of Self – skill building associated with taking accountability for personal thinking behaviour and actions
- School of Business – development options focussed on understanding of the world of REA, our customers, consumers and our market
- School of Leadership – dedicated leadership development specifically for those leading teams across REA, or aspiring towards people leadership

While employees at REA are motivated to learn, having time for learning can be challenge. Ambra stated: "REA is a fast-paced business and at times our people find it hard to make time for learning. We believe that there are three ways to address this. Firstly, positioning people leaders as career-partners with their team members where career and development conversations play a powerful role in connecting aspirations to development, thereby demonstrating the value of spending time on learning. Secondly, for learning practitioners to build flexible, accessible learning experiences that suit the REA environment, the learners' needs and learning styles. Finally, our senior leaders demonstrating the broader benefits of spending time on learning – having growth in role, feeling more engaged, opportunities for lateral moves or future promotions, thereby enhancing the overall employee experience."

In the future, REA Group is anticipating the shift from traditional formal learning to more frequent short-modularized bursts of learning and in-role learning experiences will continue to amplify. Ambra concluded: "We are already navigating this transformation and we are excited to see how REA University will continue to evolve".

6. What greater role can businesses play?

Australians *want* and *need* to learn. Employers can play a larger role in skilling their employees, through providing training or supporting them to learn through other means.

6.1 Are employers doing enough?

There are many skills that are best learned on the job, whether that be through ongoing experience or explicit training. Australians think that job-specific skills, industry-specific skills and other soft skills are best learned through on the job training and experience (Chart 5.1).

Yet, instead of providing training themselves, there is a tendency for employers to seek new externally trained employees with the right skills. **In fact, Australian businesses spend $7 billion on recruiting new workers with the right skills, and only $4 billion on training and developing the skills of existing employees.**[48]

Only half of working surveyed Australians can access employer-provided training.

Evidence suggests that Australians have limited access to employer training or learning support. Only half of working surveyed Australians are able to access

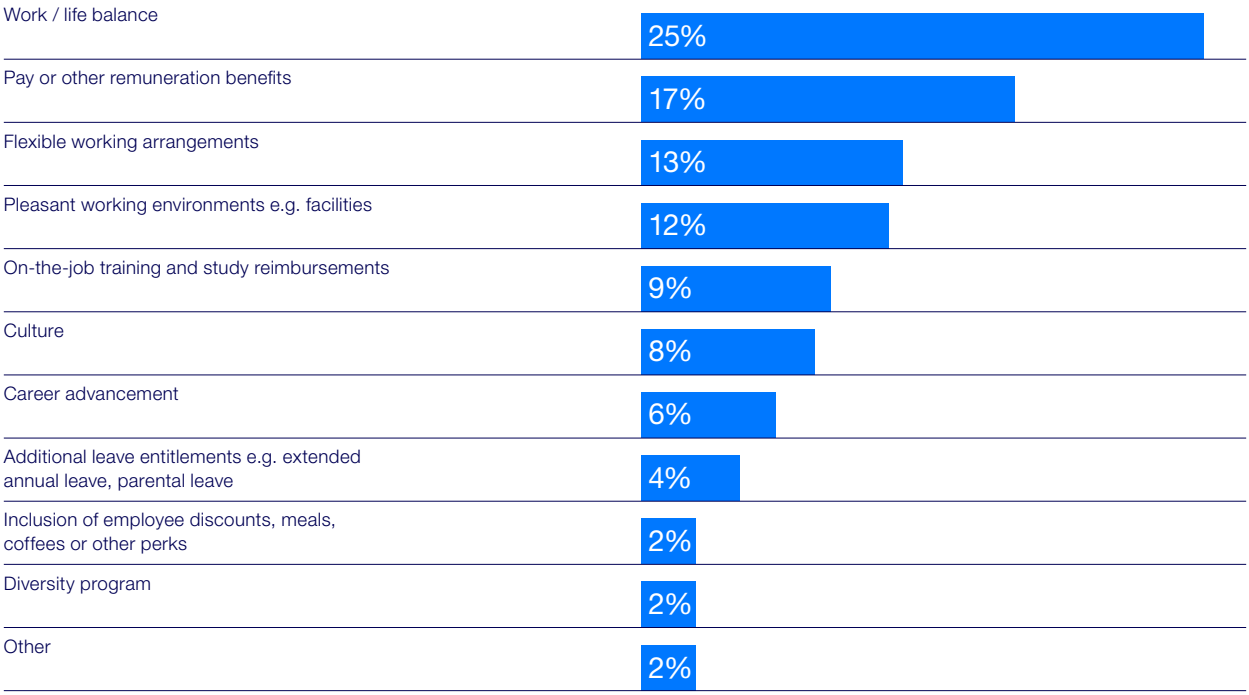
employer-provided training, 21% have access to employer-subsidised courses and 16% have access to paid study leave; noting that this is the employee perspective and training availability may vary across businesses.[49] Further, 43% of those that have engaged in employer-provided training (excluding mandatory on the job training) found that it either wasn't useful or relevant, or did not teach them anything new.[50]

6.2 Benefits of providing training or learning support

Providing training can bring a wide range of benefits to both the employer and employee. Naturally, training staff can help an employer ensure they have the right skills and capabilities in the organisation. However, training can also help attract and retain employees.

Training and support for learning is a huge perk for employees. Employees can benefit both financially from increased earnings, and non-financially through developing new skills and receiving more diverse work opportunities. For some Australians, training and learning opportunities may even be more important in determining their career decisions than other benefits such as pay or leave entitlements. While work-life balance, remuneration and flexible working arrangements come out on top, 9% of Australians say that training or learning support is the most important factor influencing their decision to start a new job or stay in a current job (Chart 6.1).

CHART 6.1: Most important factors influencing a person's decision to start a new job or stay in a job



Source: Deloitte Access Economics survey fielded by Dynata, N=1078, Proportion of respondents that ranked response first to question "What is most important to you when looking for a new employer, or what would most encourage you to stay with an employer?"

Further, retraining employees avoids the loss of any on-the-job skills, which, although not often recognised or quantified, hold significant value for businesses. There are also risks to hiring a new employee rather than building skills from within. The average costs of replacing a bad hiring decision within six months are estimated to be more than double the worker's salary.[51]

Based on previous research, over two-thirds of professional employers surveyed believed the benefits of their employees engaging in external learning opportunities are shared roughly equally between the individual worker and the business overall.[52]

Further, for each hour of informal learning, businesses are found to experience an average increase in productivity of around 1%, while employee wages increase by 0.5%.[53] It is clear that employee learning provides benefits to both employees and employers and should be prioritised – so how can employers take action and achieve these benefits?

6.3 How employers can support learning

Training employees is a core part of a business's human resources function and overall business strategy. For some businesses, however, especially small and medium-sized businesses, it can be an afterthought or longer term need that doesn't achieve the same priority status as day-to-day concerns of meeting customer needs and key financial objectives.

Putting off training or underinvesting can be a serious mistake for businesses. It can result in skills gaps or constrain growth opportunities. High staff turnover of those dissatisfied with a lack of training opportunities can be costly – both in terms of losing skills and having to recruit new team members.

> The cost of replacing people within six months is estimated to be 2.5 times the worker's salary.[54]

Some parts of effective training are fairly obvious and common across all industries. This includes having a plan, a dedicated training budget, having a manager in charge of execution and mechanisms to hold people to account.

Other aspects of training aren't so common across businesses. One aspect is identifying key training needs. Employers can map the current team's skill levels against future organisational needs. Second, training can be tailored to the workplace and the need. Some aspects of training (such as compliance) might be best delivered in groups, to foster engagement and reduce costs. Other aspects might be best delivered individually.

Employers should also consider what is right for their employees and how they wish to learn. A survey might elicit that some employees wish to learn online, or at their own pace.

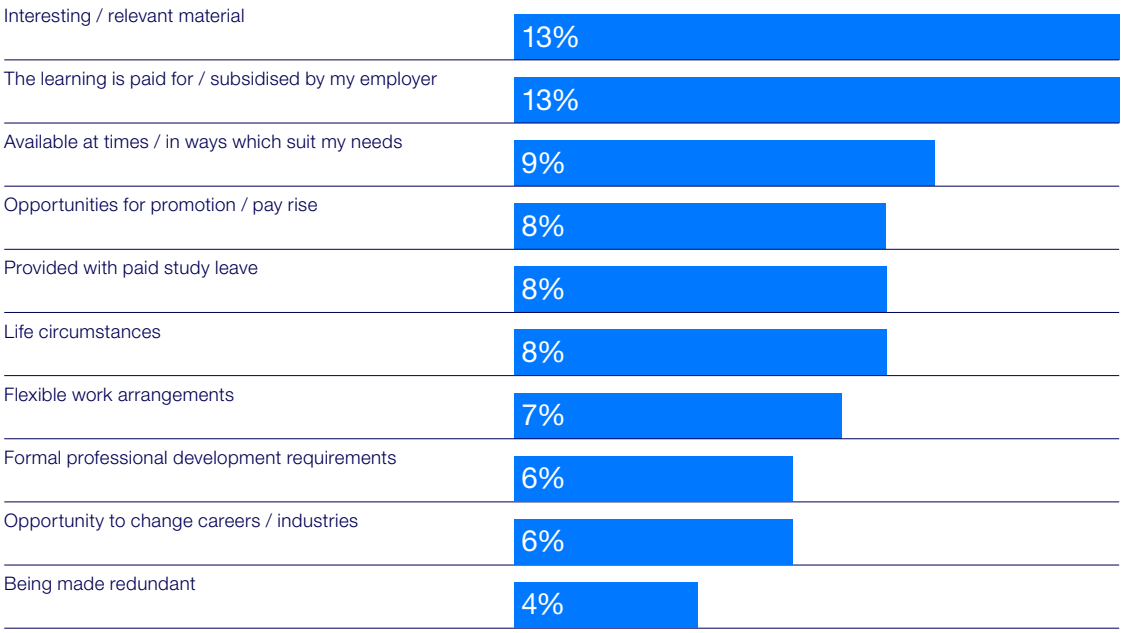
Another way of enhancing workplace training is through a strong partnership between dedicated trainers in learning and development teams, operational managers and the staff themselves. This can help ensure training is relevant and used. Research shows that it is important to apply skills in a real workplace context otherwise that knowledge may be lost.

Finally, employers should be aware of the range of options available to build more skills in their business. On the job training, and subsidising external training are well-known options. Businesses can also directly provide training from subject matter experts of firm leaders, or have experts visit the business for dedicated training days. The results presented in this report highlight that there is not one suitable delivery means for all skill development needs, and it depends on what skills are being considered.

While various options are available, employers should think about the most attractive way to support their employees. According to surveyed Australians, having their learning paid for or subsidised by their employer is a key enabler of undertaking learning (Chart 6.2).

Many people also say that being provided with study leave is the most important fact influencing them to learn a new skill. Businesses should take this into account when choosing how they want to support their employees' learning. Employers can and should play a larger role in skilling their employees through providing training or supporting them to learn through other means. This is likely to provide benefits to both the employer and employee. To help businesses rise to this challenge, a checklist has been developed, setting out simple steps that employers can take to maximise training investment, delivering better outcomes for both businesses and employees.

CHART 6.2: Most important factors influencing a person's decision to start a course or learn a new skill



Source: Deloitte Access Economics survey fielded by Dynata, N=1078, Proportion of respondents that ranked response first to question "Which of the following would most encourage you to start a course or learn a new skill for work?"

BUSINESS TRAINING CHECKLIST:

1. **Be accountable**—have a dedicated training strategy and budget so that training is a core business activity, also ensure there is a manager that is responsible for executive and ongoing improvement of training opportunities.
2. **Identify what's needed**—conduct an audit of current skill levels in the team and identify how this compares to future needs.
3. **Ask staff their opinion**—survey the team to identify training preferences to further improve employee satisfaction.
4. **Do training right**—make sure you are matching training, in terms of time commitments and delivery method to skill needs.
5. **Continuous improvement**—evaluate and monitor training programs and strategy over time.
6. **Apply skills immediately**—connect trainers, operational managers, and employees so that new skills can be applied straight-away to minimise risk of losing skills.

Appendix: Survey methodology

This report is informed by a survey of 1,078 Australians fielded by Dynata in December 2020. Survey respondents were individuals across all age groups and jurisdictions and were either employed or unemployed and seeking work.

The survey included individuals in the six ABS occupational categories with the highest levels of post-school qualifications, namely: managers, professionals, technicians and trades workers, community and personal service workers, clerical and administrative workers and sales workers.

In industry terms, the survey covered a broad range of primary and service and industries: mining, utilities, construction, hospitality, information technology and media, finance, real estate, professional services, administrative services, general government, health care and education.

If respondents did not answer key questions, such as education level, they were excluded from the survey. Figures contained in the report relate to surveyed individuals, unless otherwise specified. As such, results may be representative of just the surveyed population.

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