

# How to Compete for Talent in a Full-Employment Job Market



## Key Takeaways

- Full employment shifts hiring leverage from employers to workers, making retention the fastest route to staffing success
- Comprehensive learning and development is essential to keep employees engaged and productive from day one
- Proven development programs tap eLearning technology to empower the modern worker
- On-demand learning, delivered in “bite-sized” increments by a learning management system (LMS), is an innovative way to deliver corporate training



# Meet the Full-Employment Staffing Dilemma

Workers are in demand, so new hires can demand a premium. Unemployment in the U.S. is at an all-time low at under 4 percent<sup>1</sup>, and rates are even lower for educated workers: a mere 2.1 percent for those holding a bachelor's degree or higher.

## Labor Shortage

Job openings are poised to surpass unemployed workers for the first time on record

■ U.S. job openings on 3/31/18   ■ U.S. unemployed workers



Source: U.S. Labor Department

While great news for job-seekers, it's a nightmare for employers who are struggling to attract and retain talent. Government reports show 6.8 million people are looking to fill six million jobs. Economists call this environment "full-employment" —when the unemployment rate is at the lowest possible level without causing inflation.

Making matters worse, more young people are entering the workforce lacking the advanced skills employers require. According to the National Federation of Independent Business, 45 percent of small businesses can't find qualified candidates to fill job openings. Meanwhile, 60 percent of all employers<sup>2</sup> have job vacancies for 12 weeks or more, costing \$800,000 annually in lost productivity and job posting fees.



# Source Talent from Within

But the talent-shortage solution might not involve job boards and recruiters. In fact, the talent you seek may already be on your staff. Gallup research<sup>5</sup> reports that more than half of your employees—51 percent—are looking for another job right now. That's right: your best salesman or your most creative engineer could be perusing Glassdoor as you read this. Have you missed an opportunity to promote from within? How can you be sure you're keeping your best workers engaged and progressing in their careers, so they don't leave?

This whitepaper will explore why employees are dissatisfied, what they seek in new opportunities and what you can do to keep them. We'll also look at how your Learning and Development program can be enhanced by Learning Management System (LMS) technology. Inspire your star workers with the professional development opportunities they crave, keep them engaged and ensure they don't jump ship—taking their talents elsewhere.

“ By helping employees gain skills they can both apply in their current role, or build on to work towards getting a promotion, you're keeping them engaged, excited and invested in your company—you're making them want to stay. ”

— Kevin Griffin, an IT advisor at Falco Enterprises and former CIO of GE Capital



# Prioritize Worker Development

In the current full employment job market, many businesses—both large and small—are struggling to attract employees to execute on their company visions. And when headcounts go unfilled, it can cost you thousands in lost productivity and recruiting. Yet, finding and keeping talent today requires more than big starting

bonuses and stock options, free lunches and a pool table. Perks like this became popular about 10 years ago; they were then unique and appealed to younger applicants. Now, they're table stakes. Employers need new ways to stand out from the crowd and lure top talent away from competitors.

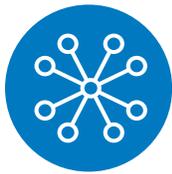
## A Holistic Approach to Employee Development

So if money, free food and gym memberships aren't the magnets they once were, what is? Research shows employees most crave professional development, engagement and a sense of belonging.



**Professional Development:** Employees want to build skills and accelerate their professional journey. If you can't provide learning opportunities that make a difference in their career, they'll go work somewhere that will.

- Among millennials, 87 percent say professional development<sup>4</sup> or career growth opportunities are top considerations when choosing a potential employer.
- LinkedIn's 2018 Workforce Learning Report<sup>5</sup> found 93 percent of employees would stay at a company longer if it invests in their careers.



**Engagement:** Professional development on the job is proven to boost employee engagement. Engaged employees care about business outcomes and work harder to ensure customers are happy. Disengaged employees are likely already eyeing their next opportunity, a troubling sign for your business.

- According to Gallup's 2017 State of the American Workplace report, 70 percent of American workers say they are "not engaged" at work.



**Belonging:** Team and company cohesion are critical factors in employee retention. But tight deadlines, long commutes and (ironically) unfilled headcounts can limit time spent bonding with teammates. Employees feel the need to skip team lunches or ditch after-work activities to beat the evening commute. Building a stronger sense of belonging among employees can be the glue that helps them stay in their jobs through inevitable highs and lows.

- Sadly, only 24 percent of workers in the U.S. say they feel connected to their peers<sup>6</sup>.

In addition to a strong benefits package, LinkedIn<sup>7</sup> found employees want to work in an environment where they feel they can bring their "whole selves" to work. Creating a culture that places value on a work-life balance and focuses on the whole person—not just the employee—helps create a sense of engagement and belonging. It also shows the employee that you're interested in their long-term success, not just their job performance.

Ongoing professional and skills development opportunities make employees feel valued and appreciated. It reinforces that time spent at work is enriching their life for the long-term, beyond the paycheck. Employee development and training is no longer an optional perk reserved for senior positions; it's essential for employee retention and for delivering a **great employee experience**<sup>8</sup>.

### Promote from Within

Your best workers will stay when they can envision a pathway to greater compensation, responsibility and accomplishment. The Consumer Technology Association<sup>9</sup> (CTA) found that high-skills training and professional development programs to hone soft skills are perceived among the top benefits for retaining employees' services over the next five years.

# Train on Company Time

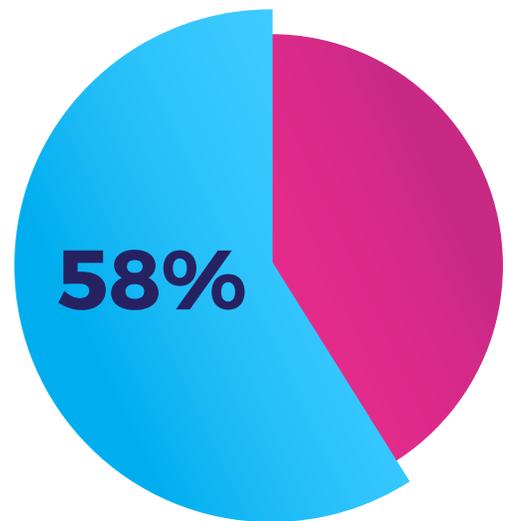
According to the 2019 State of Work Report<sup>10</sup> from Workfront, 58% of workers said they had no time to think beyond their daily to-do list. Lengthy training seminars that require employees to carve time out of their work day and sit in a class can cause significant stress, requiring them to work overtime to catch up or risk missing deadlines. It's a catch 22: To receive the professional development they desire, employees must work longer hours and give up personal time.

When forced to choose between their work selves and their whole selves, they don't do it—and they eventually leave. A Gallup poll found that 93 percent of U.S. adults<sup>11</sup> changed employers the last time they changed roles. Companies lose money when that happens—as well as a golden opportunity to promote from within.

## The High Cost of Attrition

What's the cost of employee turnover? As much as 2.5 times an employee's salary<sup>12</sup>, depending on the role. Sadly, half of all senior-level outside hires fail within 18 months. And 90 percent of employees decide whether they'll stay with an organization in the first six months.

**58% of workers said they are so swamped with day-to-day work that they have no time to think.**



# Address Skill Gaps and Digital Displacement

Beyond losing staff, without training, your employee's skills may grow stale when faced with evolving workplace requirements.

According to a recent report<sup>13</sup> by McKinsey Global Institute, roughly 14 percent of the global workforce may be displaced as digital technologies, automation and artificial intelligence (AI) disrupt the workplace. Sixty-two percent of executives believe they'll need to re-train or replace a significant portion of their workers by 2023 because of these trends.

So, how can you create a learning culture without impacting productivity?



First, act like Google. In the company's 2004 IPO letter, Google's founders explicitly referenced the importance of training<sup>14</sup>, stating, "We encourage our employees, in addition to their regular projects, to spend 20% of their time working on what they think will most benefit Google. This empowers them to be more creative and innovative. Many of our significant advances have happened in this manner." The importance of nurturing a culture of learning can't be understated. Learning should be supported and encouraged at every organizational level.

Second, make learning consumable. Offer learning opportunities in small, bite-sized time increments that can be incorporated into the workday in a manageable way.

Encourage employees to read blogs, watch on-demand webinars and listen to podcasts. Create short videos that can be accessed anywhere—while waiting for meetings to start, for example. And, of course, ensure all content is mobile friendly.

Finally, replace traditional forms of employee development and training with an eLearning program, which can be customized to address the needs of specific working groups and further, updated frequently to adjust to changing needs and new trends. eLearning programs are useful for companies who want to drive growth and innovation in the face of AI and other disruptive technologies, which require new skill sets that few people possess.



# Retain Your Talent with Effective Learning Management

The most effective eLearning programs incorporate a Learning Management System (LMS). That's because eLearning with an LMS is proven<sup>15</sup> to help companies provide ongoing employee development, while eliminating the risk of lost productivity and employee-employer tensions that so often accompany "day long" professional development programs. Many learning management systems also support blended learning, so you get a

holistic view of both in-person and online training accomplishments in one place.

An LMS further ensures your corporate culture is consistently applied and your corporate values clearly communicated. This is especially critical during new employee onboarding and to effectively implement corporate change, such as acquisitions, reorganizations and rebranding.

## eLearning vs. Traditional Learning

Why the excitement about eLearning? Simply put, online training with an LMS is superior to traditional development and training programs at driving talent retention:



**Jumpstarts employee engagement:** Employee onboarding programs delivered with an LMS foster employee engagement and create a sense of team belonging. Companies with an engaging onboarding program retained 91 percent of their first-year workers. Some learning management systems even enable learners to communicate via comments in a shared learning environment, helping to establish a culture of collaboration from day one.



**Increases productivity:** An LMS that's hosted in the cloud is accessible anywhere, from any connected device at any time. Because employees can consume bite-sized training on-demand, LMS-based training and development programs boost skills without negatively impacting productivity. Employees can complete mobile modules while waiting in line or commuting on a bus or train. It gives employees complete control over when they take courses—making them more likely to finish.



**Addresses both team and individual learning:** Your organization may have numerous departments, locations, services and employees—all of which have unique learning and development needs. An LMS can be tailored to different career paths and development goals, to keep employees motivated, engaged and learning the skills they need to best serve their role with your organization, and advance in their careers.



**Accommodates various learning styles:** Everyone learns differently. For example, some employees may absorb more information by reading it, while others prefer an interactive experience. An LMS that supports blended learning can accommodate various learning styles far better than could a single classroom instructor. It can even incorporate gamification to make courses more interesting, encouraging friendly competition among teams or departments and providing further incentive to devour development courses.



**Informs management strategies:** Use the best information possible to inform management decisions. With an LMS, you can track team and department performance, then analyze the data to identify skill and knowledge gaps needing supplementary training. You can even deploy polls and surveys to stay better connected to your workforce and better inform company strategies.

“ When teams are appropriately trained, companies save an average of \$70,000 annually and receive a 10% increase in productivity. ”

— IBM<sup>17</sup>

## Boost Business with Strong Training

A survey<sup>16</sup> of 2,500 companies by the American Society for Training and Development uncovered that companies with comprehensive training programs have 218 percent higher revenue per employee and 24 percent higher profit margins. The research indicates that ongoing learning and development creates a sense of purpose among employees.

When you make learning and development a priority, you create a culture where employees are always improving, always developing, better understand and support corporate goals and are more invested in your organization's success. A good LMS is the engine of this success. It makes implementing ongoing learning and development programs cost-effective and easy to manage, while empowering you to elevate workforce skills, promote from within and retain your valuable talent.

### What to look for in an LMS

- Delivers an intuitive learner interface
- Configures to meet needs of various users, groups and departments
- Integrates with other business-critical systems
- Has advanced administrative and public dashboards
- Scales as your business needs grow
- Schedules and automates repetitive tasks
- Offers a flexible implementation and licensing model
- Provides actionable reporting
- Responds to the mobile needs of modern learners



# About Absorb Software

Absorb Software is a learning technology company based in Calgary, Alberta Canada, with subsidiaries in England, Ireland, Australia, China and the United States. The Absorb flagship product, Absorb LMS, is an industry-leading and award-winning Learning Management System for businesses, higher education, government and non-profit agencies around the world.



Learn more at [www.absorblms.com](http://www.absorblms.com), or follow the company on [LinkedIn](#), [Facebook](#), or [Twitter](#).

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