

9.7: Why It Matters- Onboarding, Training, and Developing Employees

Why learn about onboarding, employee training, and development and career management strategies?



World Economic Forum (WEF) Founder and Executive Chairman Klaus Schwab sets the stage for this module in the Preface to WEF's Future of Jobs 2018 Report, observing that “the emerging contours of the new world of work in the Fourth Industrial Revolution are rapidly becoming a lived reality for millions of workers and companies around the world.”^[1]

The skills gap has been headline news in the U.S. for years, with stakeholders blaming the educational system for students' lack of basic skills and automation, globalization, and environmental factors accelerating job and skills obsolescence. In a Harvard Business Review interview, Deloitte vice chairman Cathy Benko noted that “We're in the middle of a skills shift. A mere 20% of today's workforce has the skills needed for 60% of the jobs that will be coming online within the next five to ten years.”^[2]

According to PwC's 2019 Talent Update, 79% of CEOs indicated that they viewed the current availability of skills as a threat to their business, up 23 percentage points from when the survey was first conducted in 2011.^[3] The primary business impacts cited were:

1. an inability to innovate effectively
2. an unexpected increase in people costs
3. quality standard and/or customer experience affects
4. an inability to pursue a market opportunity
5. missed growth targets

Business leaders have also begun to realize that their stop-gap attempts—for example, recruiting talent from industries that are further along the technology adoption curve or tapping gig economy workers with specific skills—don't represent a viable long-term workforce strategy.

Given labor trends and the relentless acceleration of technology, CEOs are increasingly deciding to take matters in their own hands and build, rather than try to buy or lease, the skills they need for the future. This change is reflected in PwC survey data, with 46% of CEOs rating significant retraining/upskilling as the most important strategy to close their organization's skills gap. For comparison, the remaining options—hiring from outside the industry, developing a pipeline from education, hiring from competitors and relying on contingent workers—were all below 20%.



The current trend toward building talent started with AT&T's CEO Randall Stephenson, who implemented an ‘evolve, or else’ policy in 2013. Stephenson's position was that employees need to be willing to retool to remain relevant—and

employed. Interestingly, data indicates that Millennials view continuous learning not as a threat, but a benefit. Research conducted by online learning provider Udemy indicates that 73% of Millennials consider further education or training a given or requirement for career advancement.^[4] Note, however, that Millennials also have a training expectation of employers: 42% rate learning and development as the most important job decision criteria after salary. And this is not only a Millennial characteristic. Workers broadly recognize the skills gap and the potential impact automation and AI will have on their jobs. Udemy's research found that 84% of U.S. workers believe there is a skills gap, with 39% reporting that they are personally affected by it.^[5] That perception also drives employment decisions: 51% indicated they would quit a job that didn't provide necessary training.

Given market and resource realities, the critical challenge is how to build the workforce of the future. In this section, we'll address that challenge, discussing onboarding, training and development and the associated impacts on engagement, retention and performance.

1. "[The Future of Jobs Report 2018](#)." World Economic Forum, Centre for the New Economy and Society. Accessed July 17, 2019. ↵
2. Harrell, Eben. "[The Solution to the Skills Gap Could Already Be Inside Your Company](#)." Harvard Business Review. September 27, 2016. Accessed July 17, 2019. ↵
3. "[Talent Trends 2019: Upskilling for a Digital World](#)." PwC. Accessed July 17, 2019. ↵
4. "Udemy in Depth: 2018 Millennials at Work Report." 2018. Accessed July 17, 2019. ↵
5. "2018 Skills Gap Report." Udemy. Accessed July 17, 2019. ↵

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