

## The Future Of Work And Ever-Growing Importance Of L&D



In a previous People Factor article, the transformation of the learning function was discussed. In this article we focus on hitting the mark.

We can begin by considering the following statistics from GBSH Consult Group:

Most of today's jobs didn't exist in 1940, and 85 percent of jobs that will exist 10 years from now don't exist yet. The pandemic may have accelerated this shift. It's estimated that 85 million jobs will be displaced, and 97 million new ones will be created in the next three years. This is leading to skilled talent shortages, with nine in 10 leaders saying they already face skill gaps or expect them to develop within the next five years. It's no surprise upskilling and reskilling is the top priority for L&D professionals globally. Fifty-eight percent of companies say that closing skill gaps has become a priority since the pandemic began, and 69 percent are engaging in more skill-building than before the crisis.

Only 29 percent of new hires say they feel fully prepared and supported to excel in their roles after their onboarding experience. But employees who say they have a clear plan for their professional development are 3.5 times more likely to agree that their onboarding process was exceptional.

Nearly half of organisations increased their overall L&D budgets for 2022—which may be in response to the Great Resignation. A quarter of businesses with above-average attrition over the past year significantly increased their budgets, compared to just 13 percent of companies with below-average attrition.

Employee development budgets are also shifting toward online learning and the technology that powers it. Nearly three-fourths (73 percent) of L&D professionals expect to spend less on instructor-led training, while 79 percent expect to spend more on online learning. And 93 percent of remote HR leaders who are increasing their L&D budget in 2022 plan to spend more on learning and training technology (like a Learning Management System).

The amendments to the Skills Development Act have had far reaching consequences for training institutions, employees that seek to develop their skills, and the companies that employ them. Factor in Broad-Based Black Economic Empowerment (BBBEE) point requirements, and training once again becomes a compliance issue instead of the correct reaction to skills gaps that would increase

productivity.

While this may increase the application of skills development in the workplace, the focus and approach to training will be negatively affected. The concern is that people are being trained with the sole purpose of garnering 25 'magical' points, this means that the training is often not based on real skills needed, according to a gap analysis, but rather on whichever training will achieve the most points, in the shortest time – or worse still, whichever training provider has the best ratings rather than the best solutions. The result is that training providers will be chosen as compliance partners, rather than leaders in skills development.

*This begs the question – when will South Africa opt for a healthy skills development approach?* The key is to employ skills development in order to foster better engaged workers, build people's proficiencies and upskill the nation; and not to gain some BBBEE points or a tick box on your scorecard. This process is garnering lots of cynicism and a feeling of exhaustion amongst the true believers of real skills development and transformation. Ironical, considering the points can still be gained with a focus on meeting real needs.

We foresee a bad year to come for the skills development industry, as rumours abound that Skills Levy claims for discretionary grants might fall away or be limited to 10 percent and to using public entities. Too many corporations have made their Skills Levy claim their entire training budget. If the claims fall away, as expected, these businesses will have no source of funding left for skills development. Training departments are instructed to 'find the money' – but do they ask their accountants to find the money to cover their fees? Some offer one percent of an employee's salary for training. Has anyone ever calculated what this equates to? If they had, they would have realised that not much can be done with that limited budget. The Skills Development Facilitator's role will also change as a result of the Skills Levy changes. "They will no longer be tasked with claiming against the Levy and acting as financiers. Instead, they will have to revert to their original role, what it always should have been about; learning and development." Strategic planning and decision making should involve the L&D Practitioners and Human Resources department, consider skills gaps and evaluate the consequences of not training staff. What we really need is a complete shift in the perception of what skills development is, and what real return on investment looks like. Although some companies have established in-house training facilities, this training won't be awarded any BBBEE points. The only way to upskill staff effectively and attain the elusive 25 points is through an accredited training provider – either an EME provider or one who has a good BBBEE level – and delivers in the correct categories. The unfortunate consequence is that training teams are being retrenched and valuable training centres are closing their doors. Is there ever going to come a time when corporate South Africa will train for the right reasons?

The changes recommended in the NSLP 2015 proposal document gazetted as Government Gazette No. 39386, include that 80 percent of the current SETA Discretionary Grant would be shifted to the National Skills Fund (equivalent to the entire current PIVOTAL Grant). Employers would still be able to apply for the 20 percent Mandatory Grant (unchanged) and 10 percent of the remaining Discretionary Grant (renamed Sector Specific Grant). An effective learning and development programme will help you fill

your current skills gap and train the talent you'll need to be successful in the future.

It is clear that Learning & Development has an important role to play in the transformation of the working world. The function will undoubtedly be confronted with more changes that need to be implemented in order to get the organisation to thrive in the future of work. Nevertheless, it is important for L&D professionals to keep in mind that they need to strive for progression, rather than perfection. The transformation of the learning function will force us to take risks and try out new things, but the rewards will ultimately be great.

The true transformation puts people strategy at the core and as SABPP quite rightfully puts it in the People Factor element: "The SABPP will continue with its pioneering work on setting HRM standards and developing people practices which will support the transition to the new world of work. Collaboration with universities and other research institutions will be strengthened to lead the HR research agenda".