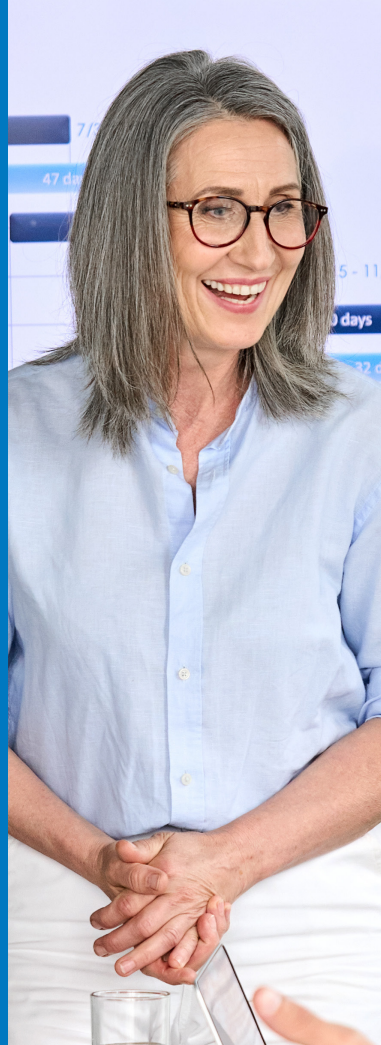


How To Solve The Talent Crisis With Talent Development

A guide to increasing
employee engagement,
satisfaction, and retention

BlueOceanBrain®
An HSI Company



Contents

What does the talent crisis look like in 2023?	2
Shifting priorities in the workplace	7
Reshaping the employee experience post-pandemic	9
Talent development's effect on the employee experience	12
How talent development differs for the modern workforce	17

For HR and DEI leaders, learning and development professionals, and those who hire and manage people across a broad spectrum of professions, the talent landscape has shifted dramatically from 2019 to 2023.

Many companies today operate in a paradox—simultaneously dealing with what has been characterized as “The Great Resignation” while also needing, in some cases, to lay off hundreds or thousands of employees. They’re dealing with increasing and intensified global competition while also facing looming economic challenges. In addition, as the work world has become increasingly remote or hybrid, employers are understandably challenged to balance budgets while attracting and retaining top talent.

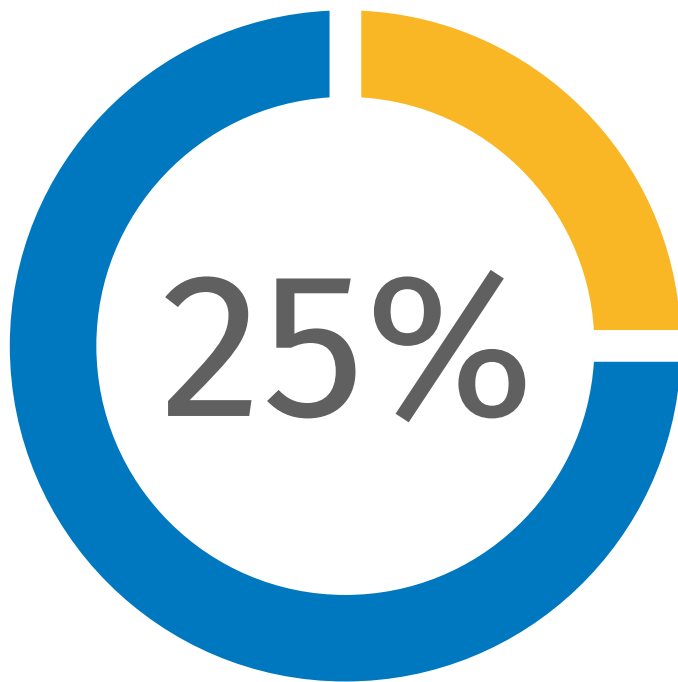
What does the talent crisis look like in 2023?

We’re settling into the long-term impacts of the COVID pandemic and dealing now with a workforce that is majority Millennial and Gen Z. It’s a demographic showing higher-than-average tendencies toward resignations, job hopping, and career changes.

Employee quit levels on the rise

According to McKinsey, the voluntary [quit rate is 25% higher than prepandemic](#) levels. And, they project this is the new norm for the foreseeable future.

“At the current and projected pace of hiring, quitting, and job creation, openings likely won’t return to normal levels for some time.”



Quit Levels Grew
25% in 2022

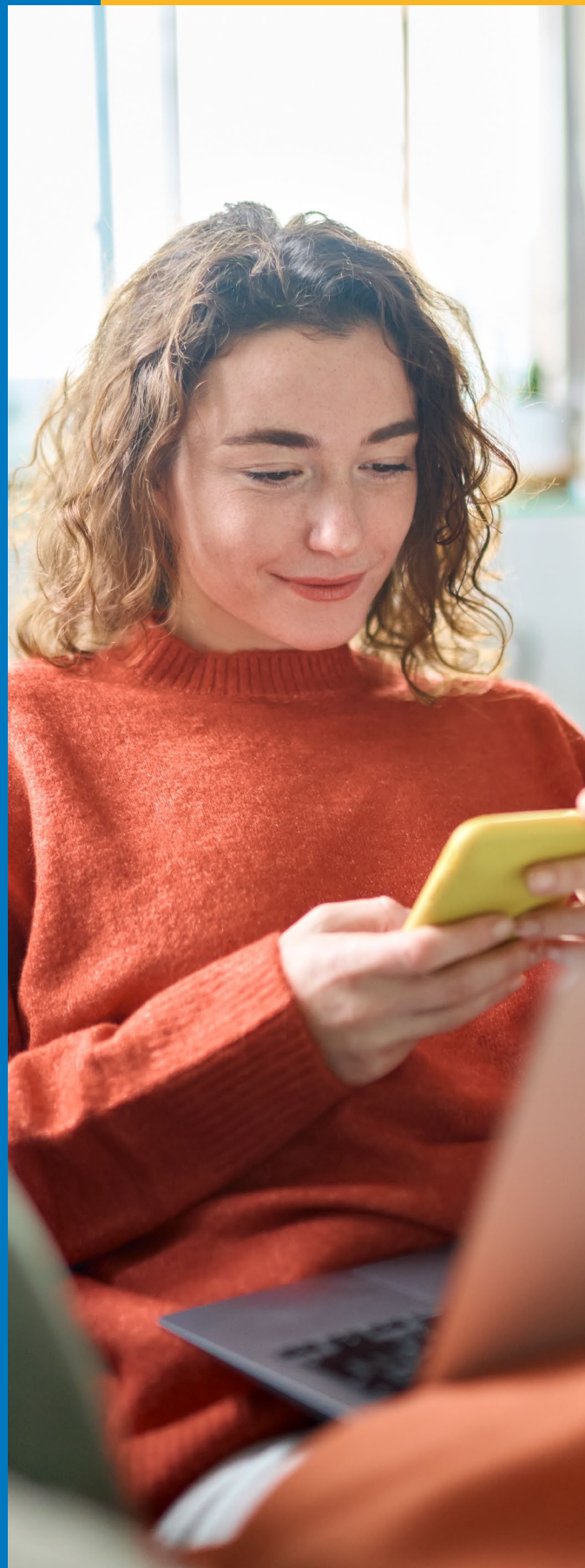


But it’s not just Millennial (Gen Y) and Gen Z demographics that employers need to be concerned about. Faced with talent challenges, they’re increasingly recognizing the value of their Gen X and Baby Boomer talent and seeking ways of retaining them beyond traditional retirement ages—or luring them back to the workforce in innovative ways.

Employee engagement declining

While turnover is rising, drivers of turnover, like employee engagement, satisfaction, and retention, are declining across all demographics. As many employees have gotten a taste for the freedom and flexibility of remote work, many are demanding that freedom and flexibility and opting out of jobs—or job offers—that don't provide remote or hybrid options.

Even in industries and organizations in the media for massive layoffs, there is a paradox—the need to cut talent that isn't driving desired business results while continuing to seek talent that will.



Talent development can make a difference

The solution? Talent development. Rather than attempt to find, attract, and retain talent externally, companies can double down on internal learning and development (L&D) efforts to grow, nurture, engage, and *retain the staff* they have.

Keep in mind that effective talent development isn't a cost. It's an *investment*. Fail to provide employees with the development opportunities they crave and need to do their jobs effectively, and you risk losing them.

We all know that the cost of replacing an employee can be high, especially in today's hiring environment. [SHRM reports](#) that:

“Direct replacement costs can reach as high as 50%-60% of an employee's annual salary, with total costs associated with turnover ranging from 90% to 200% of annual salary. Examples include turnover costs of \$102,000 for a journeyman machinist, \$133,000 for an HR manager at an automotive manufacturer, and \$150,000 for an accounting professional.”

But these aren't the L&D efforts that engaged Gen X and the Baby Boomers. Today's employees have different desires and, because of their status as digital natives, different expectations regarding how training and development opportunities are accessed and delivered.

Yes, addressing these changes may involve a shift, change, or even increased training budget allocations. But, when done effectively, those L&D investments will improve engagement, productivity, and retention.

Workplace priorities are changing—senior leaders and L&D professionals must be poised to address these changes.

TALENT DEVELOPMENT USE CASE:

Reed Smith, a global law firm with more than 30 offices, reaches and engages its dispersed workforce with Blue Ocean Brain microlearning to offer ongoing, easily accessible development opportunities that fit seamlessly into the workday. The microlearning content provides a variety of topics employees want to engage with, such as leadership and mindfulness, as well as topics to help them boost productivity and performance. Reed Smith's learning leaders also package Blue Ocean Brain lessons into shorter learning pathways around important awareness topics such as Women's History Month to help engage their people on their DEI journey.





Shifting priorities in the workplace

The pandemic and other environmental impacts have prompted significant changes in workplace priorities—and not just in terms of where and how employees work.

Employees are also more committed than ever to diversity, equity, and inclusion (DEI), demanding a visible and tangible focus on DEI from their employers. In fact, [a commitment to DEI is rated as more important to Millennials and Gen Z](#) than to previous generations.

L&D opportunities are a priority for today's employees

Opportunities for learning, development, and professional growth have also become a priority for employees. In fact, according to [LinkedIn Learning's 2022 Workplace Learning Report](#), “opportunities to learn and grow” is the top driver of a great work culture, according to employees. That's up from number nine in 2019, indicating a significant change. In addition, the report suggests:

“Employees who feel that their skills are not being put to use in their current job are ten times more likely to be looking for a new job than those who feel that their skills are being put to good use.”

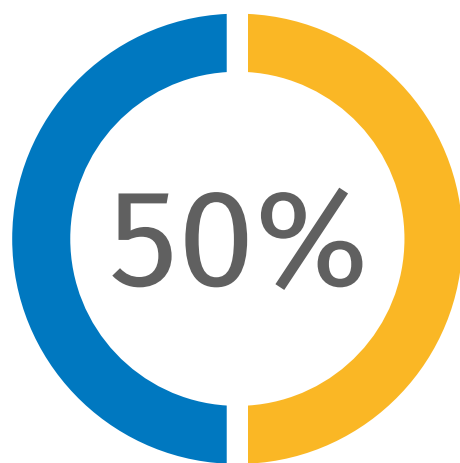
[McKinsey research](#) also notes employee interest in development as a driver for turnover—employees rate a lack of career growth and development opportunities as the top reason for leaving a job.

Employers also benefit

Providing employees with ongoing learning and professional development opportunities also serves employers' needs. As technology, competition, and economic pressures change corporate strategies and drive new strategic objectives, upskilling and reskilling existing employees can be a cost-effective way to address talent gaps. It can also reduce the need to turn outside to seek new talent.

Reshaping the employee experience post-pandemic

Many factors must be simultaneously managed to deliver a positive employee experience. Company culture, leadership styles and effectiveness, employee well-being, DEI, and learning and development opportunities have a direct impact.



Quiet Quitters
Make Up 50%
of Workforce

Employee experience and retention

Employee experience is the key benchmark for employee retention. Deliver a positive experience, and employees are more likely to stay with the company rather than seek opportunities with other employers. Fail to deliver, though, and you're likely to be faced with the prospect of turnover, lack of engagement, and reduced productivity, which has been pointed to recently as "quiet quitting."

Gallup indicates that quiet quitters make up at least 50% of the workforce—maybe more. They characterize quiet quitters as those employees who "are not going above and beyond at work and just meeting their job description." And, they predict, it could get worse.



Employee engagement drives talent health

Employee engagement is the main driver of a company's "talent health." McKinsey explains that the employee experience:

"...takes into account what people value in the broadest sense, acknowledging how life stage, personal circumstances, and even personality type make different propositions attractive for different people...the most motivating answer is rarely just to be paid more."

Sure, money matters, and companies must be competitive with their pay and benefits packages, but as employers increasingly see, other things—like training and development, as we've seen—also matter.

What matters more than money?

The Pew Research Center found that, contrary to popular wisdom, low pay wasn't the top reason employees leave. Pay and lack of opportunities were tied. Other studies—from the Harris Poll and Global Talent Monitor, the [U.S. Chamber of Commerce reports](#), have also found that a lack of opportunities for career development will lead to employee turnover.

When push comes to shove, if the employee experience isn't contributing to employee well-being, employees will:

- Become disengaged.
- Quietly quit.
- Leave.

In fact, a growing number of employees are leaving not for another job but just because they're not getting the experience they have come to expect and, increasingly, demand. They're choosing to exit the workplace entirely.

Today, it's imperative that employers take steps to reshape the employee experience. Arianna Huffington predicts that for employers:

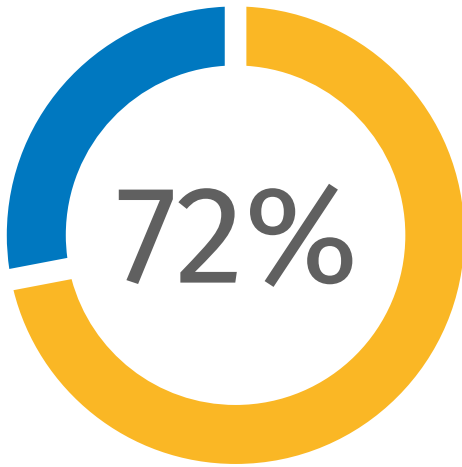
“2023 will be about retention, productivity, and cultural transformation.”

Effective talent development can impact all of these.



Talent development's effect on the employee experience

According to an EdAssist study:



72% of Graduates Do Not
Feel Prepared for Workplace

“72% of survey respondents do not believe their schooling effectively prepared them for the workplace.”

That's not necessarily the fault of educational institutions. When you think about the rapid pace of change and, particularly, the impacts of technology and globalization on today's workforce, it's not surprising that schools find it challenging to prepare students to meet employers' demands. The skills needed are rapidly evolving.

The value of soft skills is on the rise

Soft skills are now more critical than ever in today's workforce. Emotional intelligence, resilience, communication, and the ability to manage change have emerged as essential employee skills during the pandemic. And, in a world that continues to face massive changes and challenges, these skills will be required in the future.

But talent development of all kinds—for both hard and soft skills—must be delivered to meet employees' needs, wherever and whenever they have those needs.



The need for flexible, accessible L&D

That need for flexibility and better accessibility to L&D became abundantly clear during the pandemic as companies scrambled to meet the onboarding, training, and development needs of employees working in remote or hybrid settings.

In truth, though, employees have long worked in varied settings where they have not had equal access to traditional forms of training and development. Consider clinicians in healthcare settings, for instance, or employers working in manufacturing or retail environments.

RedThread Research's 2022 report on learning equity shows that it's more effective when learning is more diverse, equitable, and inclusive:

- Discovery: how employees find out about opportunities.
- Access: the ease with which they can take advantage of these opportunities.
- Participation: monitoring which employees actually take part in development opportunities and taking steps to close any gaps.

The importance of building equity in the learning and development (L&D) ecosystem has become abundantly clear. To effectively develop and retain employees, everyone must have access to ongoing learning and growth opportunities.

Those learning opportunities should also be integrally tied to your culture initiatives—DEI, employee well-being, or your culture goals. Today's learning opportunities need to offer a combination of both hard- and soft-skill training that supports company culture and objectives—as well as employee needs and preferences.

“Selling” what you have to offer

Employees won't access—or value—your L&D offerings if you don't communicate effectively. Make it abundantly clear to employees exactly how your L&D offerings will improve the employee experience. You can take a page from your marketing team here, using marketing communication best practices to *position* and *promote* learning opportunities in ways that resonate with employees to increase participation and learning outcomes.

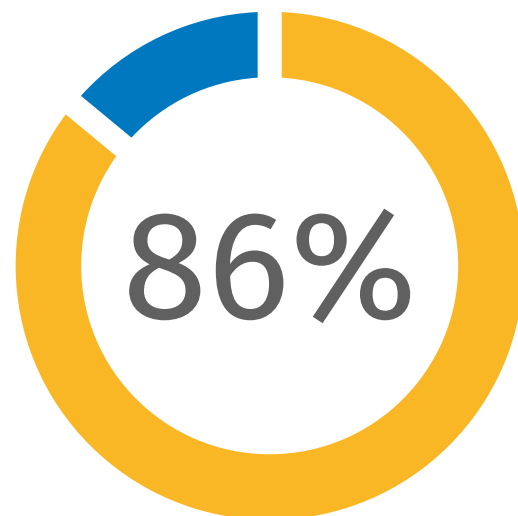
Integrate your messaging into the places employees are already hanging out. (Hint: this may *not* be your LMS.) Consider how you might more effectively push messaging—and learning opportunities themselves—through channels like Slack, MS Teams, email, ERGs, etc.

In short, make it easy for employees to both learn about and participate in L&D offerings.

TALENT DEVELOPMENT USE CASE:

In 2022, Blue Ocean Brain's clients in the retail industry saw an average engagement rate of 86%. This is much higher than standard engagement rates for an industry that has long struggled to reach and engage non-corporate employees with learning to develop their people and help drive organizational and cultural initiatives.

Companies like Albertsons and LL Flooring are able to achieve such high engagement with Blue Ocean Brain's flexible and frictionless delivery methods. Employees can easily "bump into" and access the learning through email, QR codes, internal communication channels, and more.

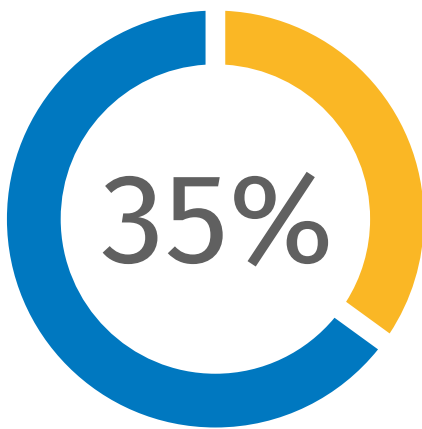


86% Average Learner
Engagement Across
Blue Ocean Brain
Retail Clients in 2022

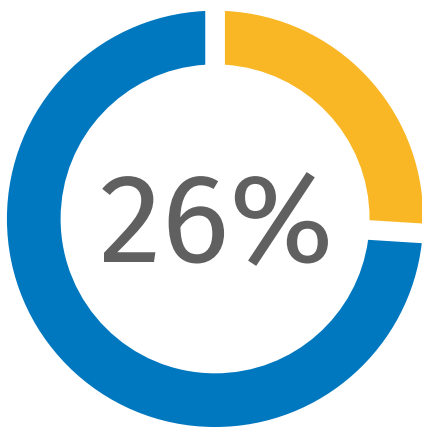
That's the best way to ensure your L&D efforts drive a positive employee experience. Your employees *want* to be invested in your company for the long term, and want to feel their company invests in *them*. Your L&D is one great way to make that happen.

Pay special attention to your leaders' L&D needs

Your leaders—current and future—need to be equipped with the knowledge, skills, and competencies to lead and engage their employees effectively. Their success in doing so drives your success and a positive employee experience!



Just 35% of
Learners
Encouraged
by Managers



26% of
Learners Felt
Their Company
Challenges
Them to Learn



Leaders directly influence the employee experience—from day-to-day decisions to monumental ones like promotions and reviews. They need to know how to lead inclusively, with enough digital savvy to manage virtual and hybrid teams. They also need to lead with a holistic view of employees' well-being and mental health needs.

In fact, [LinkedIn's 2023 Workplace Learning Report](#) points to a gap in this area, with only 35% of employees saying they were encouraged by their managers to learn in the past six months—and only 26% reporting their organization challenged them to learn new skills.

Don't overlook or undervalue the importance of modernizing your leadership development to make it consumable for your busy and future leaders.

How talent development differs for the modern workforce

Talent development looks different today. That goes for leadership talent development, frontline employee development, and everything in between. There is a wide range of differences in employee needs based on the industry, the company they work for, the type of work they do, and personal preferences.

Workers in different roles—and places—have different needs

Frontline and retail workers, knowledge workers, healthcare workers, hybrid or fully remote teams—all of these different types of employees need to have their unique needs addressed. Some within the same organization! Consider, for instance, a large retailer with employees working directly with customers and knowledge workers engaged in marketing, finance, and other activities, along with employees who may be in hybrid or remote settings.

Employees shouldn't have to be sitting at a desk with a laptop to access professional development or learn the skills needed to succeed today and in the future.

Your talent development programs should meet your employees where they are—wherever and *whenever* they are—with learning and growth opportunities that match their needs, are relevant, easily consumable, and seamlessly accommodate their workflows.



Those needs are continually changing

Today's workers also have learning needs that continually evolve as internal and external expectations and demands shift. Having the ability to quickly pivot L&D focus based on the needs employees have now and in the future can help position your company to attract and retain top talent and keep that talent on board, engaged, and energized.

In 2023, [LinkedIn tells us](#), there will be four top areas of focus for L&D:

- Aligning learning programs to business goals.
- Upskilling employees.
- Creating a culture of learning.
- Improving employee retention.

Improving the way you approach learning and development can help you solve the talent crisis, while also reaping the benefits of a skilled workforce prepared to address the new challenges they're facing today—and the ones they'll be facing tomorrow.

The employee experience is evolving. Your organization should adopt strategies to help employees feel connected and strengthen engagement. Create a modern experience with learning that is relevant for today's organizations to fuel team development and dialogue.

We can help. [Learn more.](#)



ABOUT BLUE OCEAN BRAIN

Grounded in the latest neuroscience, Blue Ocean Brain is a pioneering microlearning firm that combines collaborative consultation, award-winning content, and flexible delivery options to help clients of all sizes and industries develop a culture of continuous learning and inclusion that supports strategic priorities and critical learning initiatives.

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