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# CHANGE IS THE ONLY CERTAINTY

EVOLVED WHITE PAPER

MARCH 2023

The bottom half of the page features an abstract geometric design. It consists of several overlapping triangular and quadrilateral shapes in shades of green and dark blue, creating a dynamic, modern look.

If we did not know it before 2020, it is now clear that **change** is the only certainty when planning for the future of your organization.

So, with the world around your business rapidly changing, is your workforce management flexible enough to adapt to its internal and external customers' evolving needs? How do your current hiring, retention and workforce development processes affect your bottom line?

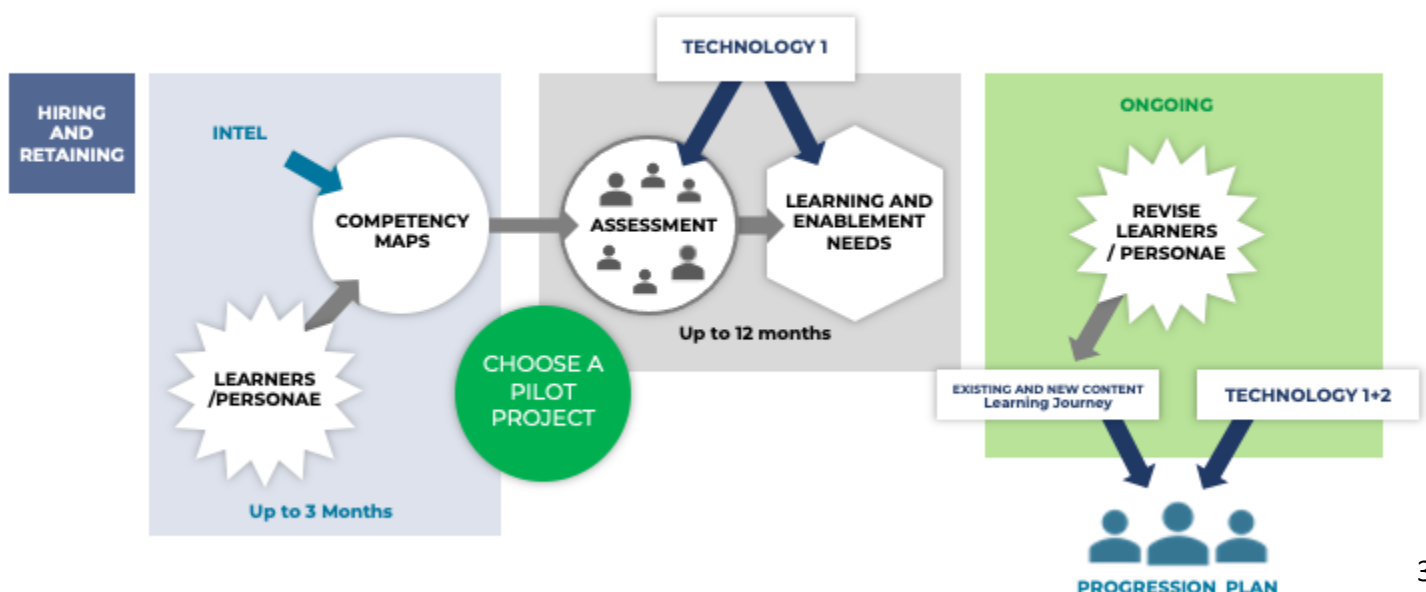
**What did you spend on recruiting NEW talent in this past year? Did you filter candidates based on education and experience? Do your new hires require immediate training to acquire the competencies you really need to get the job done?**

**HIRING:** A shortage of job candidates in the tech industry affected hiring practices; they hired too fast and paid too much for employees whose skills were not precisely aligned with their job responsibilities. The result of sloppy hiring practices is a skills mismatch, wasted time, money and eventually significant layoffs leading to more employee turnover and a disruption to diversity and inclusion efforts. Research indicates that a 1% downsizing of a workforce triggers a 31%<sup>1</sup> increase in resignations and retirements. The consequence of losing experienced employees is the loss of valuable intellectual capital, employee engagement, productivity and up to twice the annual salary of the individual being replaced.<sup>2</sup>

**What do you know about your current workforce that excites you? What DON'T you know about your current workforce that scares you?**

**RETENTION:** The large penalty paid by employers through voluntary and involuntary turnover has spurred employer investments into existing workforces. Employers are continuing to invest in their current workforce through wage adjustments and training. Employee compensation has risen. The average cost of salary increases is getting close to 4%.<sup>3</sup> And while the uncertainty of inflation is a factor in exploding personnel expenses, the rising wage demands of new hires has resulted in higher wage expectations among current employees.<sup>4</sup> Furthermore, employers are finding that it can be cost-effective to reskill or upskill their current employees to support retention.<sup>5</sup> *The LinkedIn Learning 2019 Workplace Learning Report* found that 94% of employees say they would stay at a company longer if it invested in their learning and development.<sup>6</sup>

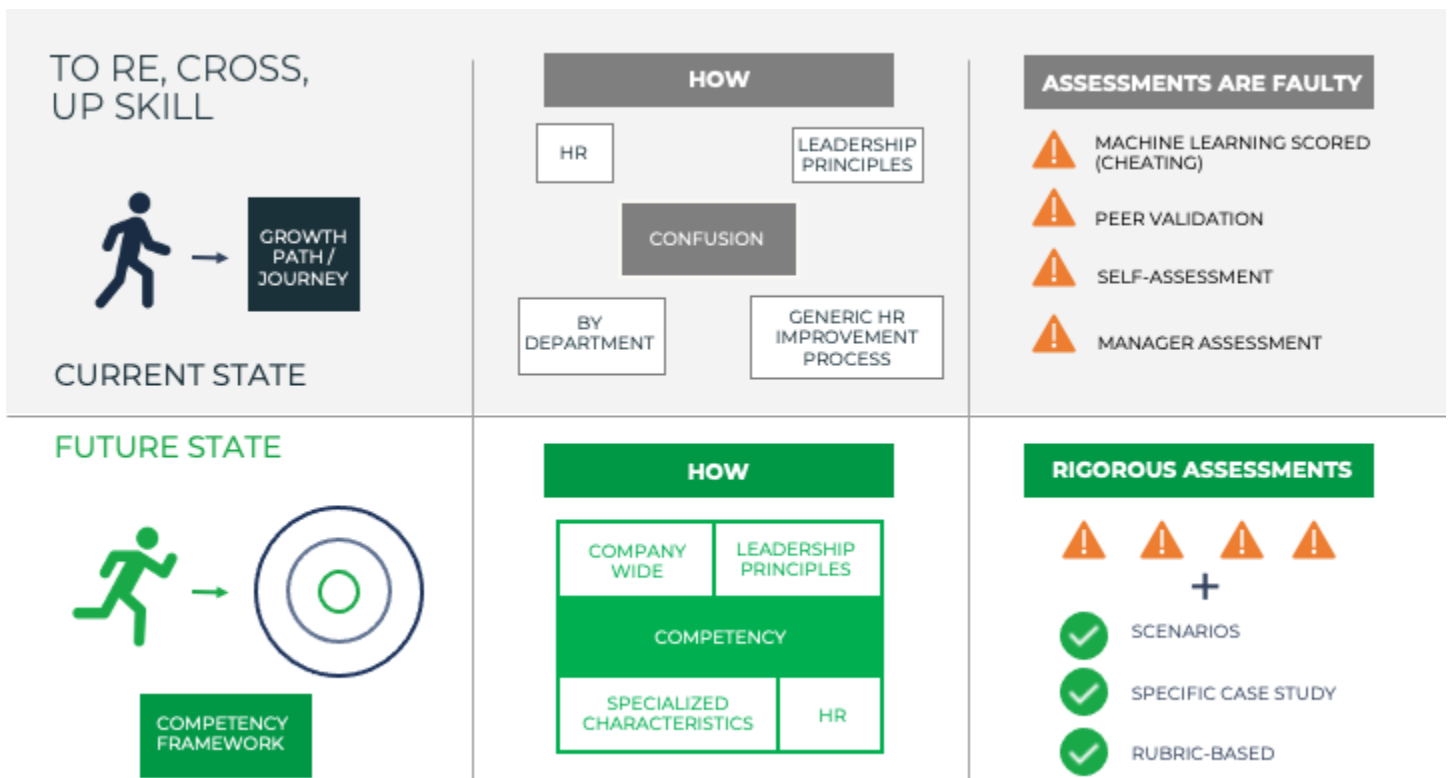
## COMPETENCY PROGRESSION PLAN



**How much per individual contributor are you spending on “upskilling” or “reskilling”? Which employee competencies differentiate high performers from average ones? Are you training for competencies that will give you a competitive advantage?**

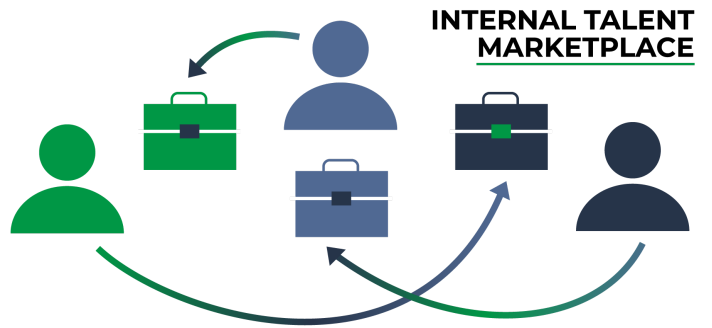
**WORKFORCE DEVELOPMENT:** Positive employee performance correlates directly to positive organizational outcomes.<sup>7</sup> Training is a critical part of improving employee and organizational performance. Research has shown that banks that provided employee development were less likely to have workforce layoffs.<sup>8</sup> Independently, though, employees are not sure what training they need. In one study 20% of Generation X and Y employees reported challenges in identifying new skills they should acquire to address changes in their organization and the work economy at large.<sup>9</sup> The challenge for employers, in this time of perpetual change, is that some skills of current employees are expiring.<sup>10</sup> Both employers and employees can improve their competitive advantage by being transparent with their training requirements and opportunities.<sup>11</sup>

Current talent management practices are unsustainable - leaving large organizations with a fixed workforce and large skill gaps when preparedness and flexibility are called for.



As a result, large organizations are turning to competency-based talent management practices to prepare their employees proactively and cost-effectively for job responsibilities that may not be needed today. **With 78% of employees surveyed in 2021 saying they are ready to reskill** (develop new skills, earn credentials, design their own career paths) the time is right to shift to an Internal Talent Marketplace approach. The Internal Talent Marketplace approach reshapes the talent lifecycle into a competency-based ecosystem where an abundance of talent can be leveraged and gaps in talent can be addressed.

An **Internal Talent Marketplace** leverages employees' competencies by matching employees' skills with high priority work and projects without a permanent job change. Mercer reported that in 2020, 44% of organizations facilitated internal talent sharing; 26% of the organizations planned to support talent sharing did so in 2021.<sup>12</sup> The challenge now is to codify and establish marketplace best practices for a sustainable path forward.



At the heart of the talent marketplace is enablement. Globally, workforce reskilling was either the first or second investment priority for executives according to a Mercer survey conducted in 2021.<sup>13</sup> The shift to an Internal Talent Marketplace rewards employees for developing new skills and earning credentials by giving them more control over their career paths and opportunities to contribute to high priority projects. Best practices for creating a sustainable Internal Talent Marketplace are:



### IDENTIFYING COMMON COMPETENCIES

- Build cross-role career paths with skill clusters.
- Enable skills common to all roles to create a baseline.



### RESEARCHING DIFFERENTIATING COMPETENCIES

- Conduct research to identify competencies that differentiate job roles and grades by skills, abilities, and behaviors.
- Enable skills that differentiate job grades to create a pipeline.



### RESKILLING AND UPSKILLING PROCESS

- Begin with enabling transformational leadership.
- Select small groups with a well-defined need (skill gap, use case, business unit) to build a process framework.



### ENGAGING EMPLOYEES

- Show employees how their new skills contribute to the success of the organization and to their career paths.
- Build personalized roadmaps which align competency development with personal skill gaps and business needs.



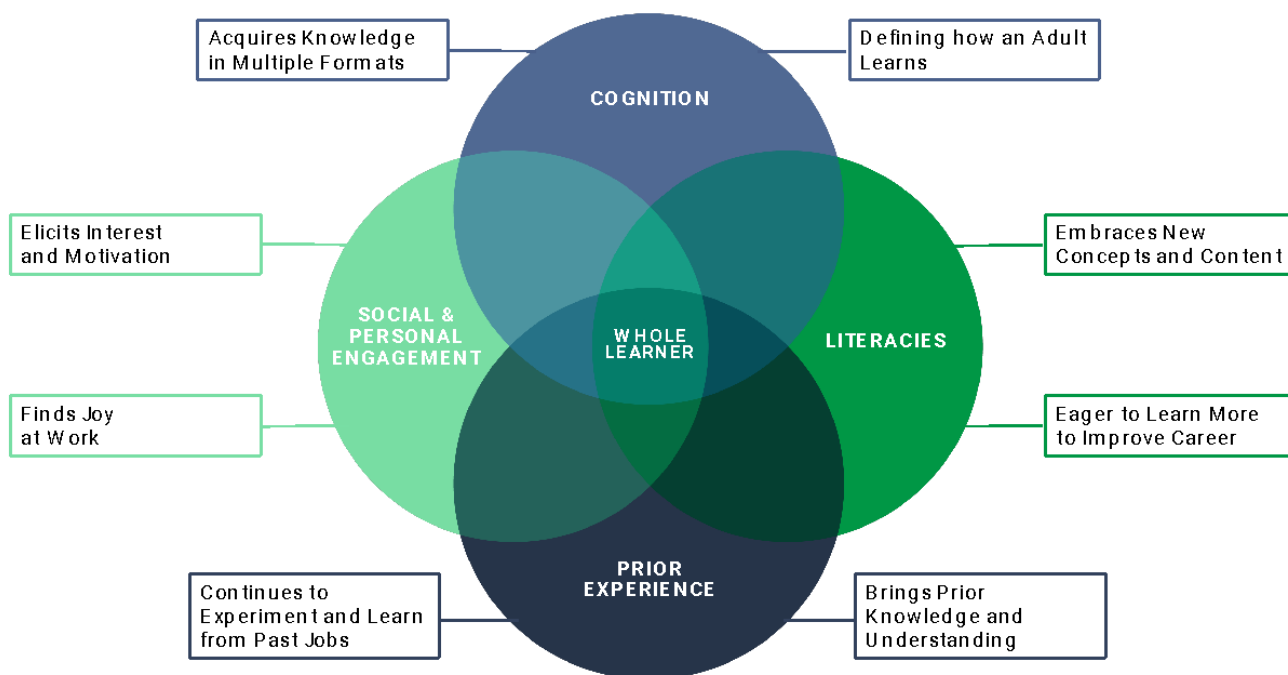
### SETTING SUCCESS CRITERIA AND MEASURE

**We are experts** in organizational change and communication, as well as learners and learning. We understand how to build competency from the leadership level into a value chain that encompasses all employees. Implementing an Internal Talent Marketplace organizes the collective talents of an organization into tangible assets that can be sustainably developed and flexibly put into action.

## DOES YOUR WORKFORCE DEVELOPMENT TRAIN THE WHOLE LEARNER?

Adult learners are practical; they want to build on what they already know and they want to use what they learn. This means addressing the whole learner, not just your business needs. Let us show you how to use competency-based training and an Internal Talent Marketplace to motivate your employees to develop skill sets that will help you reach your strategic goals.

### THE WHOLE LEARNER



## HOW DO YOU REACH THE WHOLE LEARNER?

You start by getting to know the learner and understanding what they need to know.

### COGNITION:

Adult learners have preferred learning styles; yet professional development is often reading or watching something and then quizzes. Professional development should recognize that adult learners want control over the method of instruction, the pace of learning, and the learning environment. Adults also have their own goals that need to be addressed to remain engaged in the learning process. And adults need to see results both in their job performance but in their value to the organization.

### LITERACIES:

Adults have expectations that participating in training will improve their career paths and open new opportunities. Prior to professional development, adults want to know "What's in it for me." Adults don't learn for learning's sake; they want to build literacies that will make work easier or build their confidence to do their job better. Additionally, adults need to understand how their training fits into the larger landscape of their job, division, and company outcomes.

### PRIOR EXPERIENCE:

Adult learners have existing knowledge and experience and continue to learn more about their job every day. Professional development should begin where the employee's current knowledge ends. Adult learners do not want to re-train competencies they have been using correctly for their entire tenure in their job role. In fact, many adult learners demonstrate their expertise by experimenting and innovating on existing methods and processes necessary for their job. Professional development should recognize the learner's contribution to the effectiveness and efficiency of their job tasks.

### **SOCIAL AND PERSONAL ENGAGEMENT:**

Learning happens as part of a social process; therefore, training should include a learning community. This gives adults the opportunity to share applied knowledge and resolve challenges together. The sense of community not only strengthens an employee's job skills but it grows their network of resources throughout the organization. More than half of employees who feel a sense of community at work are more likely to thrive at work and 66% more likely to stay with the organization.<sup>14</sup>

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# THANK YOU!

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## APPENDIX:

- 1 Charlie Trevor of University of Wisconsin–Madison and Anthony Nyberg of University of South Carolina Mercer. 2021. 2020-2021 Global Talent Trends Study: Win with empathy. available at <http://www.mercer.com/global-talent-trends>
- 2 <https://www.gallup.com/workplace/247391/fixable-problem-costs-businesses-trillion.aspx>
- 3 <https://www.shrm.org/resourcesandtools/hr-topics/compensation/pages/revised-2022-salary-increase-budgets.aspx>
- 4 <https://www.npr.org/2023/02/14/1156876594/unwinding-the-wage-price-spiral>
- 5 Refers to Great RESET Resetting the Future of Work Agenda: Disruption and Renewal in a Post-COVID World WHITE PAPER OCTOBER 2020\ [WEF\\_NES\\_Resetting\\_FOW\\_Agenda\\_2020.pdf](https://www.weforum.org/assets/pdfs/WEF_NES_Resetting_FOW_Agenda_2020.pdf) ([weforum.org](https://www.weforum.org))
- 6 <https://learning.linkedin.com/content/dam/me/learning/resources/pdfs/LinkedIn-Learning-2020-Workplace-Learning-Report.pdf>
- 7 Combs, J., Liu, Y., Hall, A., & Ketchen, D. (2006). How much do high-performance work practices matter? A meta-analysis of their effects on organizational performance. *Personnel psychology*, 59(3), 501-528.
- 8 <https://www.ilr.cornell.edu/news/research/more-training-fewer-layoffs-research>
- 9 <https://www.mercer.com/our-thinking/career/global-talent-hr-trends.html>
- 10 Puckett, J., Boutenko, V., Hoteit, L., Polunin, K., Perapechka, S., Stepanenko, A., & Bikkulova, G. (2020). Fixing the global skills mismatch. BCG. Recuperado de <https://www.bcg.com/publications/2020/fixing-global-skills-mismatch.aspx> (consultado el 7 de junio de 2020).
- 11 Puckett, J., Boutenko, V., Hoteit, L., Polunin, K., Perapechka, S., Stepanenko, A., & Bikkulova, G. (2020). Fixing the global skills mismatch. BCG. Recuperado de <https://www.bcg.com/publications/2020/fixing-global-skills-mismatch.aspx> (consultado el 7 de junio de 2020).
- 12 <https://www.mercer.com/our-thinking/career/global-talent-hr-trends.html>
- 13 2-2 Mercer. 2021. 2020-2021 Global Talent Trends Study: Win with empathy. available at <http://www.mercer.com/global-talent-trends>.
- 14 <https://hbr.org/2022/08/rekindling-a-sense-of-community-at-work#:~:text=When%20people%20had%20a%20sense,thrive%20outside%20of%20work%2C%20too.>