



EBOOK

Learning is the Heart of HR, and the Key to Business Success

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Introduction

Today's HR leaders are tasked with a greater challenge than ever. It's no longer just about recruiting, it's no longer just about organizational development or even retention. Today's human resource professionals need to do it all, and all in the name of business sustainability—which means creating a structure and strategy to ensure today's business success while planning for tomorrow's goals.

HR leaders can accomplish these far-reaching goals by looking inward and creating a business priority of investing in the talent, skills and success of the people within the organization. By training new employees properly, and keeping current employee skill sets growing and relevant, organizations can retain their people, prepare them to succeed and foster an agile workplace that adapts to a changing market.¹ Ultimately, accomplishing these goals results in increased ROI, and an organizational identity of learning.

How do you keep today's “bigger, better” employees engaged and wanting to stay with your organization? Provide them challenging, interesting initiatives to work on, and keep them learning.

**Jim Poisson, Senior Director,
Product Management, SumTotal**

¹ “The Top 5 HR Challenges Companies Will Face in 2018.” Randstad, March 22, 2018.

Why Old-School L&D No Longer Cuts It

Of course, employee learning and development is nothing new. For decades employers have understood that retention is less costly than acquisition. But today's modern workers have changed. They want new challenges, new opportunities and new ways of expanding their skill set. And when a workplace fails to see that and respond accordingly, eventually they will find another employer who takes their growth seriously.

While modes of delivery have changed—that is, the way employees are learning (virtual, on-demand, micro-learning, gamification)—it's not yet enough to bridge the gap. And here's why: old-school L&D focuses too much on technical skill-building and core competencies and forgets that today's technologically-evolving workplace changes all the time. A single skill learned once is often obsolete in a shorter and shorter time span.

If skills are changing rapidly, how can employers prepare their people? By arming them with a culture of learning, to mitigate burnout, and the right attitude to cope with a shifting market.² Modern L&D means learning skills, yes, but also training employees to be leaders and breaking free from “check the box” skill-building.

Old School vs. New School



² “Why It’s Time to Disrupt the Traditional Approach to L&D.” Mara Hoogerhuis and Bailey Nelson, Gallup, November 8, 2015.

HR Needs to Bring Learning to the Forefront

How can HR foster a culture of learning to train new employees and arm current employees with the hard and soft skills they need to succeed (and stay) at the organization long-term? It starts with understanding how learning bleeds into every aspect of today's modern HR practice and when key opportunities for learning take place.

With the right technology tools and organizational partners, each of the following events provides a learning opportunity for individual employees:

- New hire training: Instilling company knowledge and high-level structural understanding.
- Current role skills development: Developing and perfecting hard and soft skills.
- Future role development: Helping your people dream big and plan for their future with the company.
- Leadership and management skill development: Making sure all employees are ready to lead and are ready to step up in smaller ways now.
- Compliance and security training: Not just mandatory, but also crucial for financial success and mitigating legal risk.
- Generational knowledge transfer between seasoned employees and new hires (in both directions): This helps foster generational connections and minimize skill gaps.
- Digital literacy training: Keeping pace with innovation.

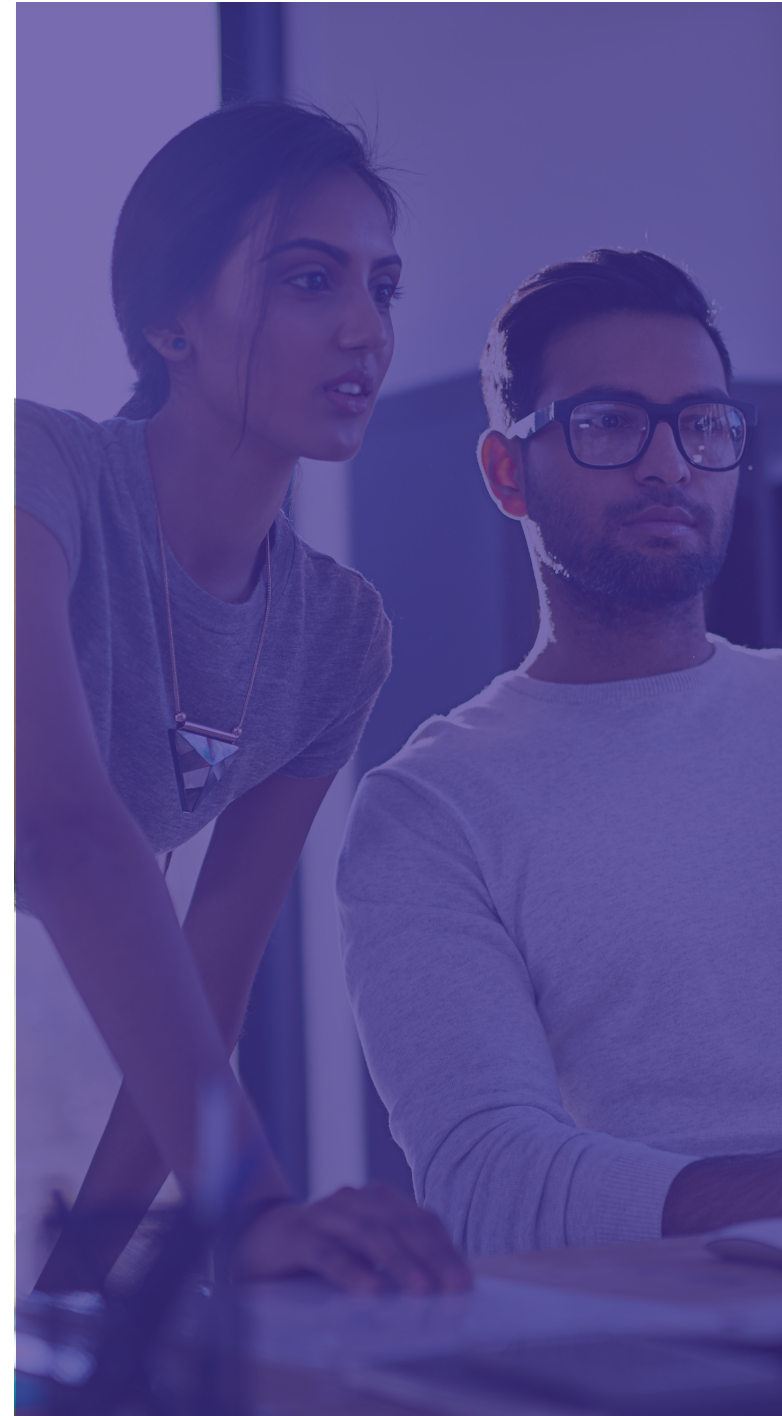
Learning and Development Makes Financial Sense

Human capital represents your organization's biggest investment—and a direct impact on your bottom line.

With spending being squeezed, coupled with technical innovation and changes in working culture and employee expectations, organizations are continually striking a balance between their people and their spend. Business sustainability depends on it.

Today's learning efforts need to justify the investment and show C-suites that it cost the organization more when they fail to nurture and grow their current talent pool. By quantifying what is being spent on training, development and talent management you can directly tie retention, learning and productivity to ROI.³ Take compliance for instance, often seen as the most perfunctory of employee learning opportunities, a workforce that isn't up-to-date with compliance training can cost the company dearly in several ways—through large fines, reputational damage or both.

³ "Quantifying the Investment in Learning." Jeff Carpenter, *Training Industry*, August 15, 2018.



The Cost of Ignoring Employee Learning and Development is Great

Take a look at onboarding. When new employees are brought into the organization and their role effectively, they become competent more quickly and are less likely to make costly mistakes through lack of information. Given the benefits of streamlined and continuous onboarding, why is it not taken more seriously in most organizations? The answer, sadly, is that too many organizations see onboarding as an obligation, as a chore, rather than an investment in the long-term future of their people and their company.

To replace an employee, employers pay as much as **33%** of the employee's salary. This figure does not include the financial impact of lost productivity.⁴

⁴ "Avoidable Turnover Costing Employers Big." Valarie Bolden Barrett, *Employee Benefits News*, August 11, 2017.

Remember: Employees Want to Stay, But Need to Feel Growth is Possible

Companies facing talent challenges may be tempted to merely fight harder to find and attract talent from the outside. That's costly as well as time-consuming, and it's likely to yield undesirable results. But organizations don't have to take this route. Instead, they can use training to equip their existing employees with the competencies and expertise required to excel on the job—not only today but also in the future, as business conditions change. Giving employees opportunities to continually advance their proficiencies is a company's most precious resource for staying ahead of the competition.

The majority of employees don't leave their job on a whim.⁵ Finding work is financially stressful, and emotionally draining. One-off circumstances aside, employees leave either because they are headhunted for a better role (often the role they feel they are ready for or should have at their current organization) or they feel as though they can't carry on where they are anymore due to lack of opportunity. Even worse, many employees jump ship because they feel overlooked or unnoticed.⁶

HR departments need to recognize that current employees are the leaders of tomorrow. A learning-focused HR department will ensure that they are continually identifying and providing learning opportunities to groom those leaders.

**Jim Poisson, Senior
Director, Product
Management, SumTotal**

⁵ "Blog: The ROI of Staff Retention Measures." Top Employers Institute.

⁶ "The Top Ten Reasons that Employees Quit." Liz Ryan, *Forbes*, April 17, 2018.

Technology is the Key to Delivering Learning Opportunities

Implementing and delivering these learning opportunities successfully is how today's organizations make the culture of learning a reality. The days of one-to-many in-person mandatory meetings are over. With today's jam-packed working world, employees need learning opportunities they can access at a time and in a way that is convenient for them. When it comes to rolling out employee education programs, technology is your best friend.

As HR becomes a main source of business sustainability, central to Deloitte's 2019 HR Predictions, learning will come to be viewed as synonymous with the function.⁷ Accompanying this shift will be the need for prioritized investments in HR technology—and the need to measure the return of learning.

HR needs to arm themselves with forward-thinking learning management systems (LMS), and vendors that provide native reporting and integrate with business intelligence systems. This enables organizations to measure the impact of learning on productivity, performance and more. Leaders need clear definable metrics that can connect the impact of learning to innovation, revenue growth and overall productivity.

Once HR has the right technology partner, management can work effectively to embed learning into the company culture.

⁷ "Predictions for 2019: The Productivity Imperative." David Mallon, *Capital H Blog*, November 28, 2018.

Measuring the ROI of Employee Training

When talking millions, let alone billions of dollars, it's important for employers to know the ROI of all spending, including their people. With rising costs and increasingly steep skill requirements, measuring training efficacy will be more crucial than ever. This means that while HR understands that retention, training, and career mentoring are crucial, they must continue to prove this to their C-suite, time and time again. It's not just one data point, employers need to consistently gather their data so, at any given point, a growth story can be told. For most employers this means tracking retention, promotion, spend, training completion and the use of voluntary educational opportunities.⁸

When you examine your current internal training efforts, can you answer the following questions?

- How much time is each employee spending on training per month, per year? What about the entire organization, on average?
- How has training completion and learning opportunity affected turnover? Are well-trained employees staying longer?
- Have employees taken advantage of educational opportunities made available to them? How is the overall performance of those that have?

These questions will give you an idea of the level of familiarity required to steer the ship when it comes to employee learning. Keep this in mind when working with your current LMS vendor or when exploring possibilities for new vendors.

Businesses in the U.S. spent **\$87.6 Billion** on training initiatives in 2018 according to a recent report.⁸

⁸ "2018 Training Industry Report." Edited by Lorri Freifeld, Training Magazine, November/December 2018

Employers Can Invest Now or Pay the Price Later

Training employees is more than “money in, money out”—it’s about investing in the future of the company. While outdated L&D skeptics might argue that providing too much education and opportunity creates an environment where employees may become “too talented” and leave for greener pastures, the truth is, they will certainly leave if they are not stimulated at all. The difference between learning for the sake of learning and career growth and opportunities is what will separate technologically proficient organizations from tomorrow’s leaders.

When employees are challenged, motivated to learn and know that their organization is investing in their success, they see the value of their efforts immediately, and are much more likely to invest emotionally back into the organization, with their loyalty and dedication.⁹

What’s more, businesses that actively train and educate their existing employees have the unique opportunity to meet their exact skills shortages. Recent research by Deloitte shows that internal employees can develop the same skills as an external hire in 9-12 months at one-sixth of the cost. Businesses are able to save resources, increase engagement, and preserve company culture and knowledge with strong in-house talent strategies.¹⁰

Today’s HR leaders understand that training is just one piece of the pie. HR needs to dive in, and work alongside managers of all levels to find skills gaps and make the case for investment; when learning directly improves performance, the cost of not training is higher than the cost of investing in your people.

9 “Why Employers are Spending More on Learning and Development.” Riia O’Donnell, *HR Dive*, January 15, 2019.

10 Josh Bersin, *Keynote Address, Skillsoft Perspectives Conference 2018*.

HR Strategy Roadmap: Empowering Your People Through Technology and Opportunity

Here are 5 changes you can start today to build a culture of learning within your organization:



Encourage existing motivation: Make it easy for employees to see what skills and knowledge they must build to close performance gaps in their current job.



Provide feedback: Work with management to close the circle on learning and opportunity—give feedback on how they're doing as they advance toward their goals.



Make learning available: Learning anytime, anywhere. Invest in a digitized learning experience featuring an online dashboard that puts learning at employees' fingertips and that personalizes it to each individual. Look for solutions that proactively make recommendations depending on the employee.



Integrate learning with talent management: By identifying the needs of the organization in terms of business sustainability or even shorter-term financial success, HR becomes a leader in the future of the company. When HR combines what the company needs with the training being provided to employees to help meet those needs, a culture of learning and opportunity is created.



Quantify ROI: Track job performance to show returns on investments in training and development. Consider partnering with a solution or vendor who can make this painless and instantly available. If learning ROI is shown to deliver clear business results, approval for financial investment will be painless.

SumTotal Drives Lifecycle Career Development: Learning & Growth from Hire to Retire

At SumTotal, we deliver a lifecycle learning ecosystem across our unified Talent Development solution. With our heritage in learning, we have built a people development solution that allows organizations to drive learning & growth into their culture and ensure it is a key part of every employee's lifecycle with the company.

As we have outlined in this piece, learning is the heart of HR and HR strategy. The SumTotal Learning Management suite is the only enterprise LMS that connects the dots between the skills and competencies people need now—delivered in the context of what they are trying to accomplish—and prepares the organization for tomorrow, to measurably improve performance. With an unrivaled learning experience, you can deliver expertly designed content, minimize the burden of constant curation, enhance content discovery and utilize usage analytics.

With SumTotal you can empower your people with intuitive, personalized tools that allow them to pursue their own self-directed path for development and career growth. Align goals with the strategic objectives of the broader organization. SumTotal's Performance and 360 Feedback solutions deliver real value to every employee and manager by making performance feedback insightful and actionable. Succession planning enables leaders and managers to identify and nurture talent pools, eliminate organizational risk and support internal career mobility to retain employees.



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Meet The Author

Morné has been responsible for leading innovation and driving product strategy with more than 20 years of experience in enterprise-wide HR Technology products and services. He has a passion for building higher-performing organizations by optimizing the effectiveness of people, process, information, and technology.



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About SumTotal

SumTotal Systems is the most comprehensive and flexible HCM solution. Built on decades of providing solutions to the most complex and regulated industries including airlines, financial services and pharmaceuticals. SumTotal incorporates four key components – Talent Acquisition, Learning, Talent Management and Workforce Management. SumTotal continuously invests in platform innovation to address the challenges of attracting, retaining, developing and engaging today's multi-generational workforce. SumTotal is the first LMS to fully enable content aggregation across xAPI, CMI5, third party and custom content as well as unified access to the largest corporate learning library from Skillsoft. SumTotal integrates Skillsoft's market-leading, immersive, multi-modal content, enabling organizations to develop talent through a knowledge-centric employee lifecycle. www.sumtotalsystems.com

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