The Upskill Ultimatum

Transform your training or lose your talent

Contents

Foreword

Following a year in which the world of work shifted beyond all recognition, talent management is firmly on the agenda.

Initially facing reduced opportunities for growth, the economic outlook is now looking more positive, but the rising demand for talent means that companies are recruiting en masse. We find ourselves in an unusual situation where unemployment rates are at a high, but fast-growing companies are struggling to recruit skilled employees.

Leaders need to mitigate against possible profit erosion as they adapt their business models and workplaces to a post-pandemic landscape. Effective training is central to bridging the expanding skills gap, driving recruitment and aiding retention. But with the pandemic forcing businesses into damage limitation mode, leaders are failing to take the long view.

Facing fundamental shifts in working patterns, employees are looking for support from their employer to help them adapt, but the pace of change in training is not matching the pace of technological innovation. Traditional training methods will soon become extinct due to the reshaping of the enterprise and L&D landscape. Although HR teams can see this change coming, they are not moving fast enough — and talent won't wait.

The companies that are capitalizing on innovative training technologies are pulling ahead, and those that feel there's time to coast may find themselves left behind. The longer they wait to modernize their training practices, the more they risk losing their best people — and their market share.

Facing this risk, how should we respond to help remodel organizations, grow economies and, most importantly, protect and develop our greatest assets — our people?

This research reveals the urgent need for innovative platforms to prepare companies for a future that remains decidedly uncertain. By embracing immersive training applications, enterprises can gain a competitive edge by better equipping their workforce for the numerous challenges ahead.

Tom Symonds
CEO, **Immerse**

About the Study

The Immerse **Upskill Ultimatum** report examines the opinions and predictions of knowledge workers and HR professionals on the future of training and upskilling.

Opinion research was conducted among 1,000 knowledge workers and 1,000 HR professionals working in both large, established corporations with over 5,000 employees and mid-market businesses (1,000-4,999 employees). Respondents were based in the UK and the USA. The study focused on the following sectors: transport, CPG, pharmaceuticals, oil & gas, power & utilities and professional services.

The research was designed and conducted by Man Bites Dog and Coleman Parkes Research in 2021.

Executive Summary

The Upskill Ultimatum examines the opinions and predictions of knowledge workers and HR professionals on the evolution of training and the urgent need for innovative platforms to prepare companies for the next era of work.

Reskill Reality Check

With the pace of digital transformation accelerating rapidly, employees expect to receive frequent reskilling and upskilling from their employer. If leaders fail to meet these expectations, they face the acute risk of widespread talent loss in a market where talent is already in short supply.

Almost half of HR professionals (49%) believe that today's training deployment is not fit for purpose in a hybrid working world.

Half of HR professionals say that there is an emerging skills gap in their organization, resulting in operational company risk.

48% of employees say they would move companies if they weren't receiving the level of training they need. And a quarter say that they have not learnt anything new through workplace training in the last year.

Two-thirds of HR professionals and 61% of employees think that companies that fail to employ cutting-edge training technologies will struggle to attract and retain top talent.

Plugging the Skills Gap

As we move into a hybrid working world, cutting-edge immersive training technologies – such as augmented reality (AR), virtual reality (VR), mixed reality (MR), 360-degree video, and interactive 3D desktop or mobile experience – could be the key to solving critical business challenges.

Almost 3 out of 5 employees (58%) say that immersive tech would make training exciting for the first time ever.

70% of HR professionals and 62% of employees say that immersive tech would provide safe training in high-risk scenarios.

64% of HR professionals and 58% of employees believe that on-demand immersive training could be the key to solving the productivity crisis in the workplace.

Executive Summary

The Need for Speed

A two-tier system is beginning to emerge between the companies that are investing in cutting-edge training platforms and the ones that aren't.

If businesses want to avoid falling behind in a post-vaccine economy — due to declining innovation, reputation and, ultimately, market share — they need to take a bold approach to upskilling.

Yet HR teams plan to delay for several years:

2027 is the average year they believe their organization will pull the plug on traditional training methods. And, although most companies have begun to engage with immersive tech at some level, only a small number (10%) are currently using it companywide.

On average, companies think they will have fully rolled out this tech by **2028.**

Successful organizations are embracing immersive tech:

38%

of high-performing businesses[1] are using at least one form of immersive technology companywide, compared to

23%

of low-performers.

1. Organizations were split into high and low performers based on the average percentage change in turnover over a three-year period (2018-2020). High performers were based on a 3% or more average increase in turnover during this period, and low performers reported a less than 3% increase — including no change or an average decrease.

Section 1

Reskill Reality Check

Surveying the fractured training landscape

The rapid acceleration of digitalization is unlocking transformational opportunities for businesses, with the rise of automation and AI promising to free-up workers to focus on the things they're best at. However, this workplace evolution also presents a challenge for workers. According to the **World Economic Forum's Future of Jobs Report 2020,** 44% of the skills that employees will need to perform their roles effectively will change by 2025. And our data shows that two-thirds of HR professionals think that, in the future, employees will need to be more versatile to ensure they are not made redundant as more activities are automated by AI — a concern that is shared by 60% of employees. Therefore, there is an urgent need for employee skillsets to be reshaped, whether it's advancing their technical capabilities or strengthening their soft skills.

But employees' learning has stagnated, and this has only been exacerbated by a global pandemic. While COVID-19 has led to a focus on employee experience, it has also disrupted L&D schedules; 58% of HR professionals say that the pandemic has put their organization's training program behind schedule. Meanwhile, despite the upheaval, employees are still eager to learn. Forty percent of employees say that their appetite for learning has increased significantly in the past 12 months, but their company is not keeping pace with the latest technologies to assist and enhance their learning.

Training is rising up the corporate agenda, but not fast enough. **Sixty-three percent of HR professionals** say that upskilling currently sits in their organization's top two priorities, with **26%** believing that it is the top priority. But, as many companies embrace a flexible working model, they need to consider how they will upskill a hybrid workforce. Employees will be demanding more frequent and diverse reskilling and upskilling to help them adapt to a completely new way of working.

Now is the time for companies to double down on their training strategy if they want to keep hold of their best talent. Our research shows that **almost half (48%) of employees would move companies if they weren't receiving the level of training they need** — and many are not. In fact, **a quarter of employees say that they have not learnt anything new through workplace training in the last year, and 7% have not learnt anything new in the last 2 years.** And businesses are feeling the effects of this learning drought, with half of HR professionals reporting an emerging skills gap in their organization which is resulting in operational company risk.

As it stands, **almost half of HR professionals (49%)** and **41% of employees** believe that today's training deployment is not fit for purpose in a hybrid working world, and this number is only set to grow as we become more accustomed to a new way of working and focus shifts from crisis management to long-term corporate strategy. We cannot go back to the old ways of training — **it's clear from the data that the methods on offer need a massive overhaul.**

Learning on demand

The pandemic has prompted a huge workplace shift, with companies moving to large-scale remote working almost overnight. Businesses have had to act fast to equip their people to work from home, but the next stage is rethinking how we support their development.

Remote working has laid the foundations for increased engagement with on-demand training that can be completed on the employee's clock. Many people's schedules have completely changed in the wake of the pandemic, and this has made the concept of microlearning – where training is delivered in more manageable bitesize sessions – increasingly appealing.

Offering flexible training also provides employers with valuable insight into their employees' learning behaviours. When do they learn best? Where do they want to expand their knowledge? And where do they feel their weaknesses lie?

Our data shows that levels of engagement with e-learning increased over the pandemic period[2], putting it ahead of other forms of traditional training, such as webinars, PowerPoint training and smaller group sessions. With e-learning, employees can take training at their own pace, and there is some degree of reporting, personalization and real-time feedback. But there are limits to this method of training, and HR teams need to be thinking ahead. What is the next step in digital, 'anytime, anywhere' learning that takes these features to the next level? Immersive training technologies could hold the answer.

Our research shows that

two-thirds of HR professionals and **61% of employees**

think that companies that fail to employ cutting-edge training technologies will struggle to attract and retain top talent.

If companies want to attract employees with the skills and the drive to work in a competitive and increasingly digital world, they must be able to offer an environment where these people can thrive.

2. 49% of HR professionals said that levels of engagement with e-learning were high prior to the onset of the COVID-19 pandemic, compared to 62% that reported high engagement levels with this training method in 2021.

"

In the current climate, where recruitment is difficult and organizations cannot depend on bringing in new skills from outside, it is even more important to focus on retaining and retooling the talent they do have.

Business leaders should be identifying their talent gaps and working to close them faster. To do this, not only do they need to listen to their people but take a proactive approach to upskilling."

Debbie Richards,
President, **Creative Interactive Ideas**
Past president, **ATD Houston Chapter**
Speaker
#13 - 2018 Corporate eLearning Movers And Shakers List

Section 2

Plugging the Skills Gap

Delivering 21st century training for 21st century issues

The shift to hybrid working – and, for some companies, full-time virtual working – brings new training challenges for businesses. Remote learning can often be passive and unengaging, so HR teams need to consider how they can tackle this to deliver training that employees truly want to take part in.

The two key hurdles are providing scope for hands-on practice and enabling collaborative learning. How can employees develop practical skills, especially in high-risk industries such as energy and logistics, if they are unable to visit sites or access equipment? And how do we ensure that employees are all being trained to the same standard? In an increasingly virtual working world, employees must also adapt their soft skills, and this is achieved by learning alongside others. So how can we coordinate this when employees aren't in the same physical space?

Ultimately, HR teams need to find a way to ensure that remote learning is an enhanced version of in-person training, rather than a poor substitute for it.

Progressive training platforms

Immersive training platforms have the potential to revolutionize L&D for the next era of work. These technologies bring training to the learner, extending reality or creating an entirely new simulated reality for the user. Immersive platforms include augmented reality (AR), virtual reality (VR), mixed reality (MR), 360-degree video, and interactive 3D desktop or mobile experience.

By immersing employees in highly-realistic simulated training scenarios, these technologies allow them to gain 'hands-on' experience – whether it's in customer service or technical procedures – in a safe, controlled space.

In high-risk sectors, it is vital that employees receive practical experience before being put in dangerous or high-pressure situations – something that traditional training methods are unable to replicate.

Armed with the right equipment – which can range from a VR headset to a standard web browser – trainees can carry out training from any location, supported with real-time guidance and assessment from trainers. In the not-too-distant future, trainers may have the power to be in multiple places at once, recording themselves carrying out tasks for trainees to replicate; this will provide trainees with the human experience without the scheduling issues.

Crucially, as many of these technologies originated in the gaming industry, they have collaboration at their heart. By bringing employees together in the same virtual space, HR teams can enable meaningful and productive co-learning. And with the inclusion of gamification elements, such as leader boards, they can foster friendly competition amongst colleagues.

Our research shows that employees and HR professionals believe that these technologies could be the key to addressing major talent management challenges.

Truly engaging training

Almost three out of five employees (58%) say that immersive tech would make training exciting for the first time ever.

Risk-free reskilling

70% of HR professionals and 62% of employees say that immersive tech would provide safe training in high-risk scenarios.

Solving the productivity puzzle

64% of HR professionals and 58% of employees believe that on-demand immersive training could be the key to solving the productivity crisis in the workplace.

Supporting neurodiversity

60% of HR professionals and 54% of employees believe that immersive tech will be key in encouraging and enabling neurodivergent talent (talent that is differing in mental or neurological function from what is considered typical) in organizations.

Assisting D&I strategies

60% of HR professionals and 57% of employees believe that immersive tech will be key in assisting companies' diversity and inclusion agendas, helping employees to understand the experiences of their co-workers.

The data win

Now more than ever, leaders need to make some smart tech decisions to enable their organizations to adopt a truly agile approach to training. And, crucially, they need to be able to monitor the extent to which their investment is benefitting business performance.

Although many companies may fear being overwhelmed by additional data, our research shows that the truly useful data provided by immersive technologies will go beyond what businesses have been able to capture before, resulting in measurable improvements to employee engagement and productivity.
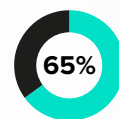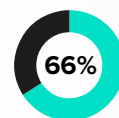
65% of HR professionals believe that immersive technologies would provide previously impossible methods of tracking and measuring employee performance.
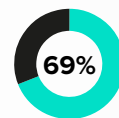
69% of HR professionals believe that data on employee performance and speed (e.g., completion time, improvement rate, and repeat frequency) would be valuable.
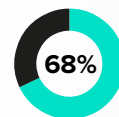
68% of HR professionals believe that data on the efficacy of programs (e.g., success rate, errors made, improvement rate, and comparison testing with existing processes) would be valuable.

66% of HR professionals believe that data on engagement levels (e.g., repeat usage, qualitative feedback, and level of interaction) would be valuable.

Armed with a granular level of insight on individual progress, businesses will be able to provide truly tailored bespoke programs that adapt to each user's learning style and target specific knowledge gaps. And if employees feel that their training is personalized, they will be more motivated to take part. If these business intelligence tools are used to their full capacity, HR teams have the potential to power companies forward in the future of work.

"

In my experience, I find that most users have a desire to learn new things but struggle to find the time and motivation. At the same time, those creating learning opportunities are challenged to tailor the programs and the delivery of these materials in a way that allows users to step away from the standard workstream and invest themselves in the learning experience.

This is what sets immersive technologies, such as VR, apart from other forms of virtual learning. The next-level data capture means that users' time is used effectively and offers a distraction-free engagement. In my opinion, VR also attacks a central challenge of learning, where the user is immersed in the experience that can engage multiple senses and allow a richer learning session which seems to create a greater opportunity to retain what is learned."

Mark Christianson
Digital Experience Delivery Senior Lead
Mars, Incorporated

Section 3

The Need for Speed

Now is the time to invest in your people

HR teams are aware of the need to revolutionize their training methods, and the worldwide experiment in homeworking has encouraged future-thinking companies to engage with innovative training technologies. Over half of HR professionals (53%) believe that the impact of COVID-19 has forced their organization to explore options for new innovative training platforms. However, they need to pick up the pace.
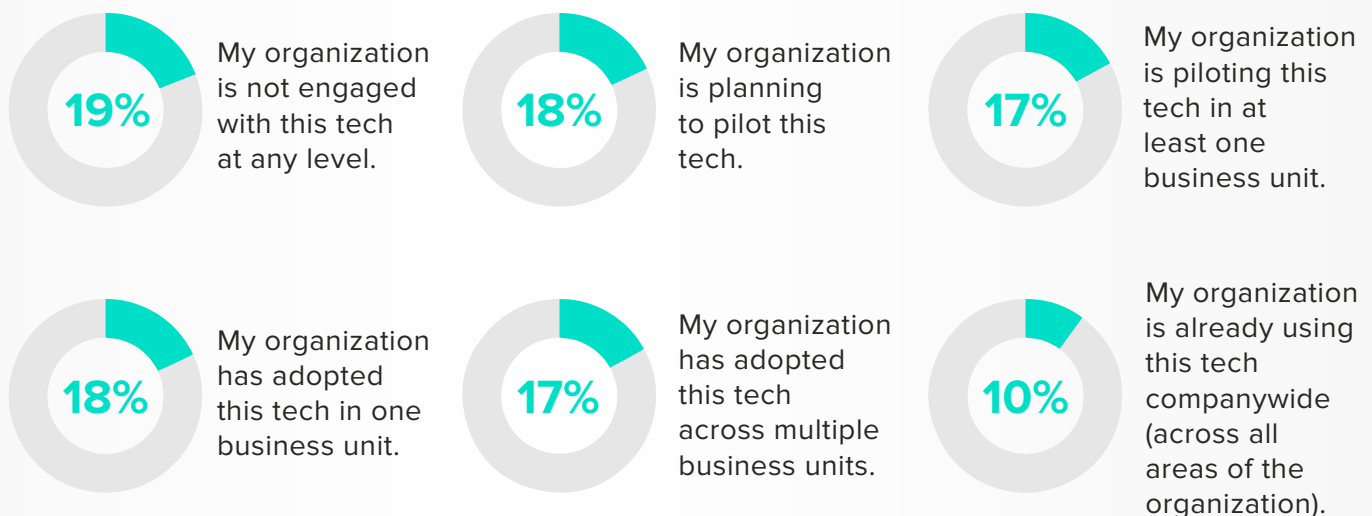
2027 On average, **2027** is the years that HR professionals believe their organization will pull the plug on traditional training methods. Only 37% of HR professionals envisage their company pulling the plug as early as 2025.

Although most companies (81%) have begun to engage with immersive technology at some level, only 10% are using it companywide (i.e., across all areas of the organization). On average, companies think they will have fully **rolled out this tech by** **2028**

According to **Accenture's** It's Learning. Just not as we know it report, if skill-building doesn't catch up with the rate of technological progress, the G20 economies could miss out on as much as US$11.5 trillion in cumulative GDP growth by 2028. If companies wait until 2028 to implement innovative training technologies at scale, they could have already seen a huge talent exodus, with their best employees jumping ship to join the organizations that have embraced change.

The extent to which companies are currently involved with immersive technologies such as AR, VR, MR, 360-degree video, interactive 3D desktop or mobile experience, average %:

19% My organization is not engaged with this tech at any level.

18% My organization is planning to pilot this tech.

17% My organization is piloting this tech in at least one business unit.

18% My organization has adopted this tech in one business unit.

17% My organization has adopted this tech across multiple business units.

10% My organization is already using this tech companywide (across all areas of the organization).

The US is leading the enterprise upskill agenda

The US is forging ahead when it comes to the training evolution. President Biden has announced plans to invest trillions of dollars in improving the nation's infrastructure, with a large chunk of this likely to be directed towards funding workplace reskilling and upskilling programs. The US is also one of the countries that has pledged to reskill and upskill one billion people across the world by 2030 as part of the Reskilling Revolution initiative launched at the 2020 World Economic Forum meeting at Davos.

US-based companies are committed to this mission. Our data shows that almost three-quarters of US-based businesses (74%) are planning to increase their investment in upskilling by 2025, compared to just 58% of UK businesses.

Seven out of 10 US HR professionals believe that companies that do not embrace a variety of innovative training platforms will struggle to effectively upskill a hybrid workforce. And this is driving swift progress. The average US company will pull the plug on traditional training methods by 2027, with two-fifths (41%) predicting that this could happen by 2025. With the average UK company waiting until 2028 to pull the plug, they are at risk of falling behind.

Breaking down barriers

The prospect of introducing new technologies can be daunting for businesses, especially when they are recovering from an extremely turbulent period. But, with the right technology partner, training programs can be created, deployed, scaled, and measured, quickly and effectively.

Successful implementation of these technologies will not only rely on seamless integration with an organization's existing systems and processes, but also on strong internal messaging that reassures employees on key concerns.

Key barriers to adoption from an employee perspective:

52%

"I'm concerned about data protection issues."

42%

"I'm worried about it being too complex."

42%

"I'm worried about my performance being compared to that of my colleagues."

33%

"I'm worried it's going to give me motion sickness."

31%

"I'm worried I'm too old to adapt to new tech."

"

Effective deployment of VR training technology isn't just about technical integration, but also about how the platform will actually fit into your organization's learning and development culture. If VR is implemented in the right way, it can help to nurture a supportive training environment, where employees are encouraged to throw themselves into learning and mistakes are welcomed as learning opportunities. This technology is the key to giving employees control over their own learning."

Cathy Hackl
Tech Futurist
CEO at the Futures Intelligence Group
Speaker
2x Linkedin Top Tech Voice and 10 Most Influential Women in Tech

Training trailblazers

**Leading businesses have their sights set on training**

High-performing organizations (those that reported a significant increase in turnover from 2018-2020) have managed to retain a focus on training throughout the pandemic period.

In fact, 40% of high performers say that COVID-19 increased the amount of training their company delivered, compared to only 29% of low performers. And 39% of high performers say that the pandemic improved the quality of their training, compared to 29% of low performers.
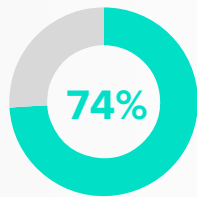
Leading companies are prioritizing their people:
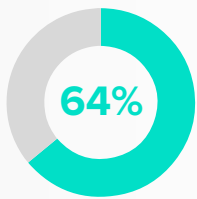
64% Over three-fifths of HR professionals in high-performing organizations (64%) say that training currently sits in their top two priorities and, looking forward, 43% predict that it will be the top priority by 2025...
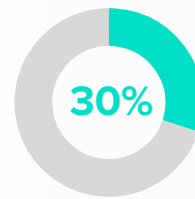
30% ...compared to 30% of those in low-performing organizations.

74% Almost three-quarters of HR professionals in high-performing organizations (74%) think that their organization will increase its investment in upskilling by 2025...
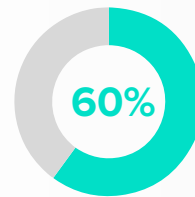
60% ...compared to 60% of those in low-performing companies.

High-performing companies are embracing immersive tech

A two-tier system is beginning to emerge between the companies that are keeping pace with technology and those whose training methods are quickly becoming outmoded. On average, low performers are delaying pulling the plug on traditional training methods for a year longer than high-performing companies, waiting until 2028. Fifteen percent of high-performing organizations have already pulled the plug on traditional training.

Our data shows that high-performing companies are embedding immersive technologies within their business;
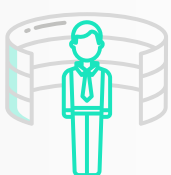
38% are using at least one form of immersive tech companywide, compared to

23% of low-performing businesses.

If low performers are to close this training innovation gap, HR teams need to step up and drive this agenda to the board.

Conclusion

The Upskill-First Organization

Time has run out for traditional methods of training - the hybrid world of work demands more. Business leaders are at a crossroads, and they need to make some big decisions on where they invest.

The race for talent is on, and if organizations want to avoid being left behind — or, more importantly, get ahead — in the post-pandemic world, now is the time to get their training strategy in shape. High-performing companies are the ones making the decisions to accelerate their training evolution. They are demonstrating their dedication to their employees' development and, by doing this, they are also showing potential recruits that they are a truly progressive company.

Organizations need to feed their talent, and technology is how they'll do it in a scalable, measurable way. Companies that accelerate the move to immersive training platforms will be able to bridge skills gaps and outperform their competitors in the post-vaccine economy, supercharging employee engagement, productivity, and retention.

The cost of inaction is rising in today's climate, with the most serious threats being a much higher employee turnover and lower retention of talent. And if employees are unable to adapt to technological advances, this will inevitably impact business performance. If immersive technologies are deployed in the right way, they have the power to future-proof organizations — changing the way that we work forever.

Old school thinking will result in companies struggling to cut through and, ultimately, losing out to the competition. It is now down to HR teams to move the dial for the C-Suite and show them a bold future-focussed approach to training. Presently, they are not only limiting the growth of their people but of their business. The shift to virtual learning is happening, and employers have no choice but to adjust, and fast.

About Immerse

Immerse is a global virtual reality technology company that has developed the Immerse Platform. Built for enterprise from the ground up, the platform enables companies to create, scale and measure virtual reality training throughout their organisation.

Using the Immerse Platform means companies can train and assess their employees in radically new ways, maximising human performance by creating a more engaged, better equipped, and safer workforce.

immerse   🌐 **immerse.io**   ✉ **info@immerse.io**