

LEVERAGING TALENT THROUGH TRAINING

A MANPOWERGROUP RESEARCH REPORT
AUSTRALIA AND NEW ZEALAND



ManpowerGroup™

Introduction

As the global economy continues to improve, the talent shortage will become more and more pronounced. Organisations that dramatically reduced their workforce during the recession will be competing for talent in a continued challenging environment where talent supply often does not meet demand. To avoid a global employability crisis, employers must adopt long-term workforce strategies aligned with their business strategy to replace “just in time” hiring as their main focus, as “on-demand” talent will simply no longer be available.

The solution is to think more long term about talent and how to ensure it remains in adequate supply (see ManpowerGroup’s “Manufacturing” Talent for the Human Age) by implementing a workforce strategy that effectively forecasts the needs of the business, the talent required to achieve their goals, and where they can find it. Employers must also be more innovative and flexible in terms of developing the talent they need. This approach must include investments in training for specific key job roles.

To investigate the extent to which organisations use formal training and apprenticeship programmes, to develop their talent, ManpowerGroup conducted research among over 24,000 employers in 41 countries and territories, with more than 2,900 employers across Australia and New Zealand. The research explores three distinct categories of employee; professional roles, skilled manual trades jobs and unskilled positions, and reveals the specific job roles where this kind of employee development is most likely to be targeted. It also gives insight on how organisations are structuring and delivering these programmes, while highlighting the training methods which employers find most effective. Findings also detail local labour market issues which drive the need for customised talent development programmes. Finally, the research asks those organisations that don’t currently offer tailored training to employees to explain why this is the case.



One in three employers worldwide cannot find the business-critical talent they need and the majority of employers cite candidate-specific reasons for being unable to fill positions.

Companies must take steps to secure their talent pipeline for the long-term and bridge this talent gap. Read how in “Manufacturing” Talent for the Human Age.

Australian and New Zealand Research Highlights

While the majority of organisations in Australia (54%) is offering formal training or apprenticeship programmes to develop employees for specific job roles, less than half of all surveyed employers in New Zealand (47%) do. This begs the question “Where will workers with the right skills come from?”

Among the major barriers to offering training programmes: organisations believe they are too small, they lack the resources to deliver/run these programmes, or they believe training is too costly.

The most pressing factors driving employers to create their own formal training programmes in Australia and New Zealand include candidate scarcity, candidates’ lack of relevant “hard skills” coupled with requirements for specialised training.

In Australia formal training is most widespread among organisations in Western Australia (61%), the Australian Capital Territory (58%) and New South Wales (57%). In New Zealand the percentage of companies offering training is the highest across the Auckland region (49%).

Training efforts in Australia and New Zealand most often focus on skilled manual trades jobs, with companies saying developing those skills is a key priority as they look to drive revenue.

The majority of Australian organisations are rolling up their sleeves and doing it themselves when it comes to training for specific job roles, while New Zealand employers report that they are most frequently partnering with private-sector training providers.

According to employers, an on-the-job approach to training is the most prevalent and effective method of developing talent for specific roles. This is followed by in-house classroom training and formal courses with an educational institution (Australia) and mentoring (New Zealand) respectively.

Effectiveness gap analysis shows organisations in both countries should be making more use of courses created with local educational institutions. This is an opportunity for employers to boost the effectiveness of their development programmes by utilising these methods more often.

Prevalence of Formal Training and Apprenticeship Programmes

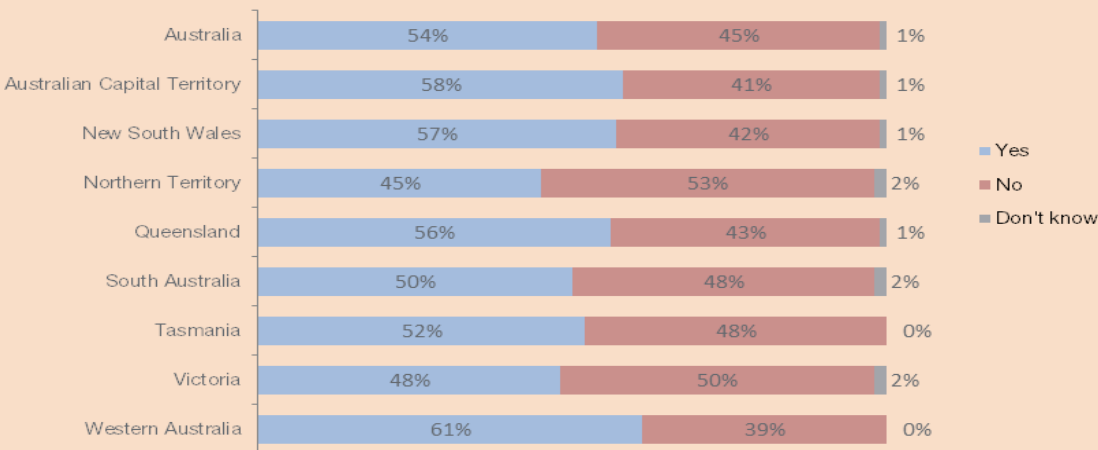
AUSTRALIA

The majority of organisations in Australia offer formal training with employees in the Northern Territory least likely to be trained.

In Australia more than 50% of all organisations surveyed offer a formal training or apprenticeship programme for specific jobs roles. On a regional basis, employees in the Northern Territory are least likely to be trained by their employers while those in Western Australia encounter training opportunities most often. Looking at the industry breakdown – formal training opportunities aimed at plugging specific skills gaps are most likely to be offered in the Transportation & Utilities sector (61%) followed by the Mining and Construction industry (60%). Meanwhile formal training is considerably less common in the Wholesale Trade & Retail Trade sector (44%) and the Finance, Insurance & Real Estate industry (48%).

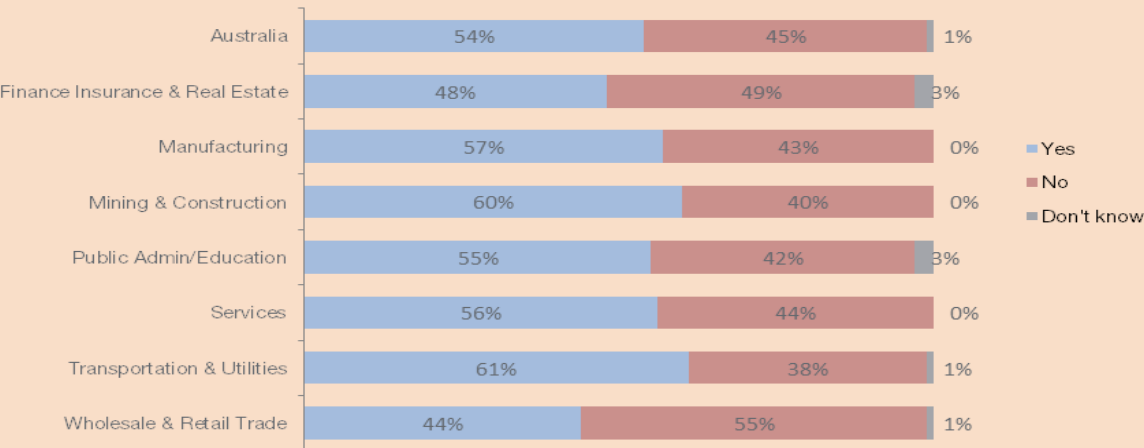
Australia: Employers Offering Formal Training/Apprenticeship Programmes

Q: Does your organisation have a formal training programme or apprenticeship programme for specific job roles?



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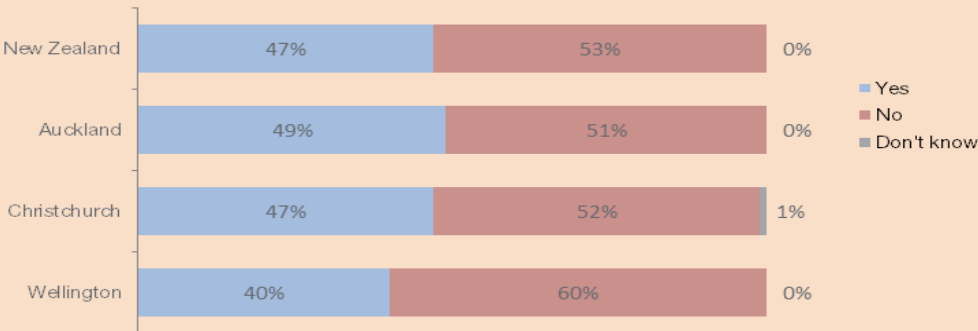
NEW ZEALAND

The majority of organisations in New Zealand don't offer formal training with employees in the Wellington area least likely to be trained.

Across New Zealand less than 5 in 10 of all organisations taking part in the research offer formal training to specific categories of staff, while 53% say they don't offer this kind of staff development option. Employees are most likely to benefit from this kind of opportunity in Auckland (49%), but the practice is least prevalent in Wellington where only 40% offer any kind of specific formal training. Focussing on sector information – formal training opportunities aimed at plugging specific skills gaps are most likely to be offered in the Mining and Construction industry (65%), while for sectors like Public Administration and Education (35%) and Wholesale Trade and Retail Trade (36%) formal training is considerably less common.

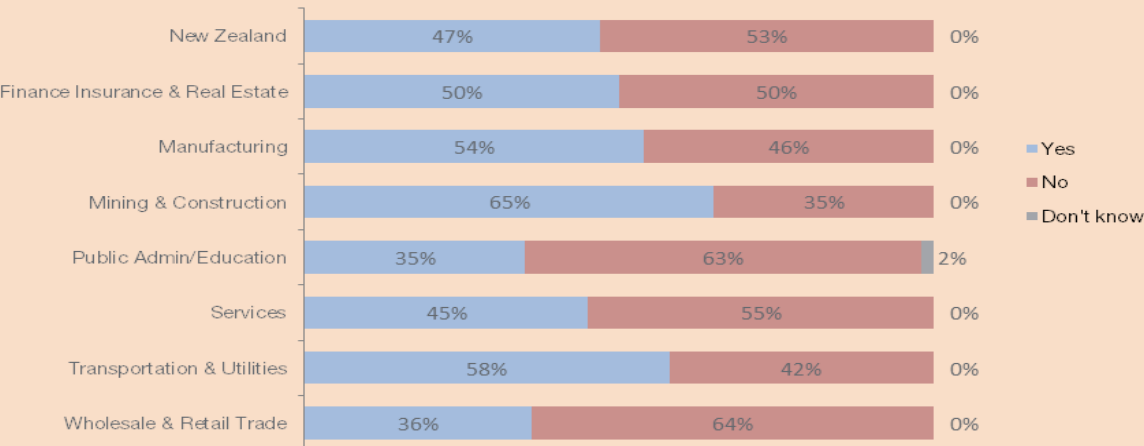
New Zealand: Employers Offering Formal Training/Apprenticeship Programmes

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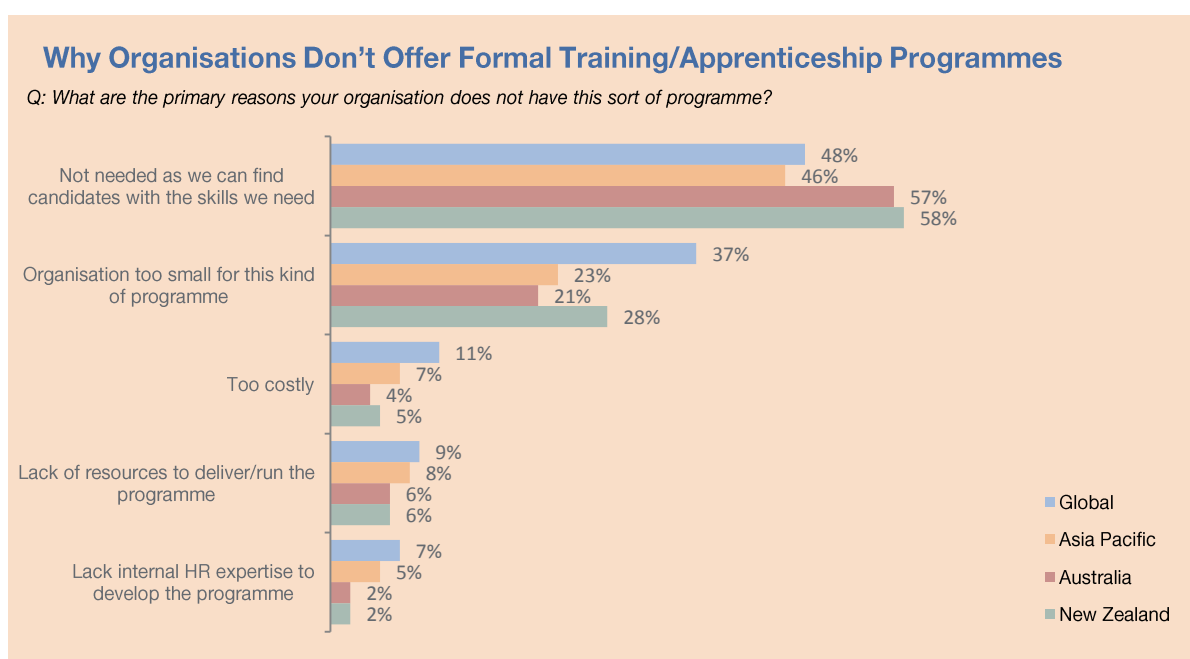


New Zealand: Employers Offering Formal Training/Apprenticeship Programmes

Q: Does your organisation have a formal training programme or apprenticeship programme for specific job roles?



Employers not currently offering formal programmes say the main reason for this is that they can ultimately find the candidates with the skills the need in the labour market (57% in Australia, 58% in New Zealand). Size of the organisation is also an important factor, with 21% in Australia and 28% in New Zealand saying key reason for not offering formal staff development programmes is that their organisation is too small. It should be noted, however, that ManpowerGroup sees many small organisations that implement creative and cost-effective ways to train staff and advises that companies should not allow size to be a barrier when it comes to talent development. Confidence in the organisations' HR resources available for talent development is also an issue for many firms with 6% in both countries feel they lack the means to deliver a formal programme and 2% in both countries say they lack the internal HR expertise they feel they would need to implement it.



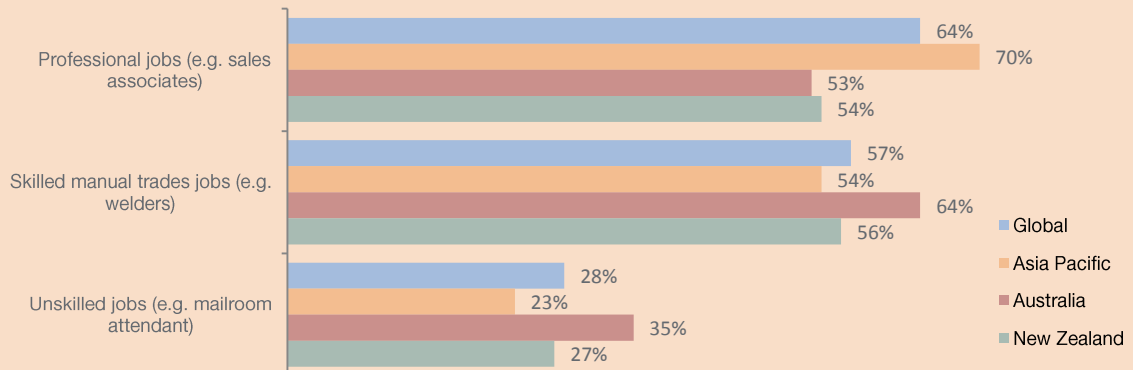
Skills Categories and Levels Included in Formal Training Programmes

In Australia and New Zealand organisations are most likely to use formal training programmes to address talent shortages among the skilled manual trades skills category. Almost two in three take this approach in Australia, while 56% do so in New Zealand. Compared to this 53% in Australia and 54% in New Zealand offer formal training to professional jobs while and 35% in Australia and 27% respectively in New Zealand doing so for unskilled staff. This comes as no surprise as both Australia and New Zealand has seen a shortage of this type of talent for many years (see *ManpowerGroup Talent Shortage Survey, 2012*)

The research shows that apart from focussing on Skilled Manual Trades roles (21%), Australian employees prioritise on job categories like, middle management (14%), administrative and office support roles (11%), sales representatives (10%) and engineers (9%). This is similar to New Zealand, where employers focus apart from skilled manual trades roles (16%) on engineers (15%), middle managers(13%), sales representatives (9%) and customer services representatives (8%).

Skills Categories Targeted in Formal Programmes

Q: Which of the following job areas does your programme include?



Top Job Roles Employers are Developing

Global:

1. Sales Representatives
2. Engineers
3. Skilled Manual Trades
4. Middle Managers
5. Administrative/PAs/Office Support

Asia Pacific:

1. Sales Representatives
2. Engineers
3. Middle Managers
4. Customer Service Representatives
5. Technicians

Australia:

1. Skilled Manual Trades
2. Middle Managers
3. Administrative/PAs/Office Support
4. Sales Representatives
5. Engineers

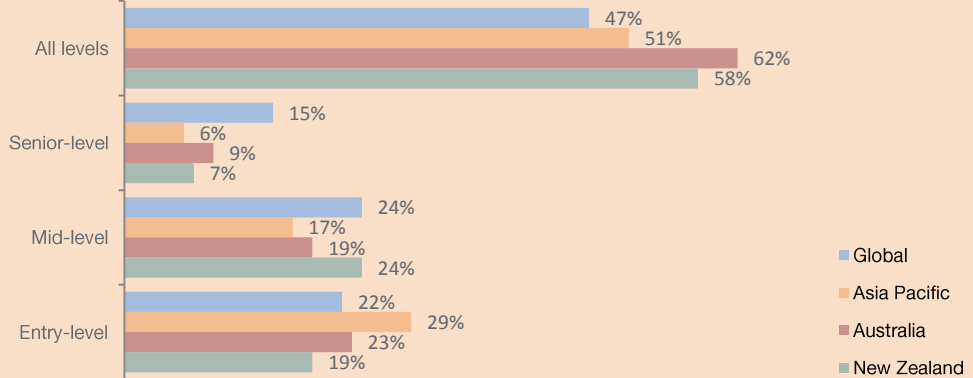
New Zealand:

1. Skilled Manual Trades
2. Engineers
3. Middle Managers
4. Sales Representatives
5. Customer Service Representatives

In companies where training is offered to staff in the professional category, availability of programmes is fairly evenly spread, with 23% of Australian employers and 19% of New Zealand employers offering this kind of development at entry-level, 19% and 24% respectively doing so at mid-level and 9% and 7% providing opportunities for senior-level staff.

Training Levels for Professional Jobs

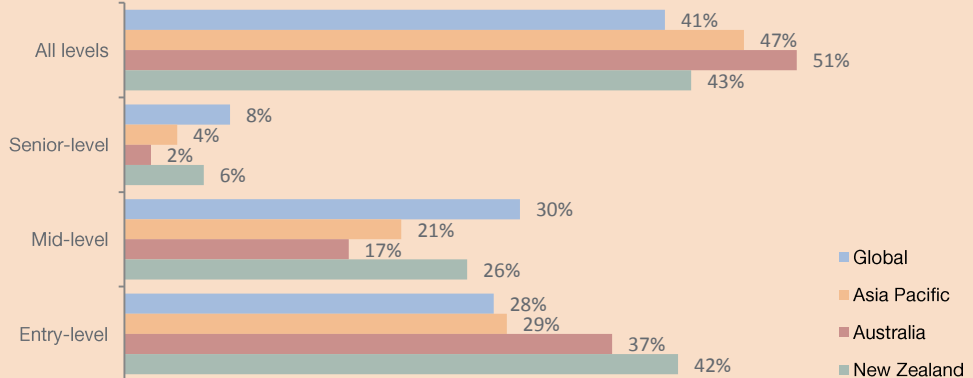
Q: And which levels does your programme include?



Formal training programmes for manual trades workers are more likely to be targeted at entry level (37% in AU and 42% in NZ) and mid-level (17% in AU and 26% in NZ). The focus and need to impart skills to entry-level staff should be no surprise, given the fact that skilled trades has been experiencing major skill shortages over the last couple of years. Employers themselves are therefore forced to bridge those gaps.

Training Levels for Manual Trades Jobs

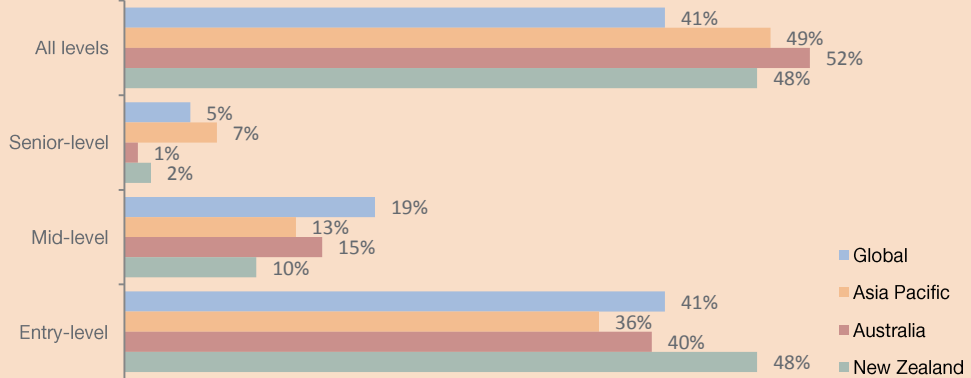
Q: And which levels does your programme include?



Formal programmes targeting the unskilled job category are most commonly made available at entry level (40% in AU and 48% in NZ). With 15% of Australian employers also offering training in this space for mid-level 10% of New Zealand employers train their staff in this category.

Training Levels for Unskilled Jobs

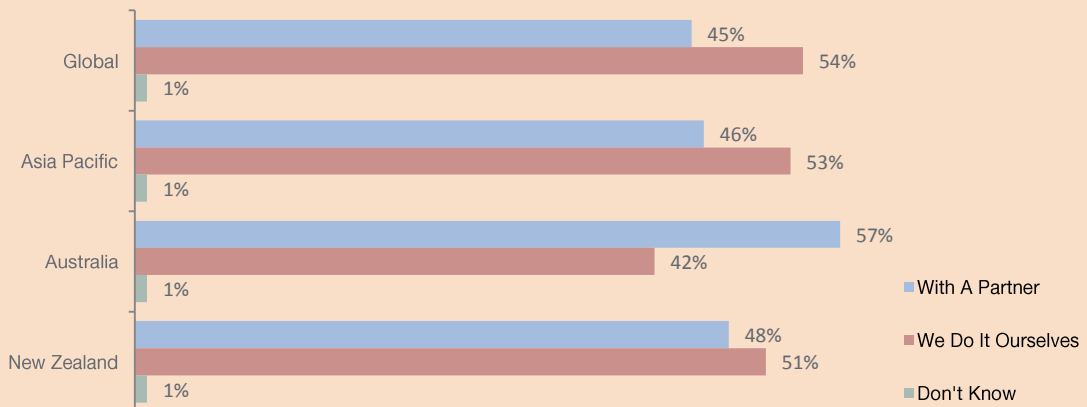
Q: And which levels does your programme include?



How Organisations Are Delivering Formal Training Programmes

Training Programme Delivery

Q: Is this programme delivered in conjunction with a local partner or solely by your organisation?



AUSTRALIA

Nearly three out of five employers in Australia offering formal training – on any skills level – are working with a local partner on the delivery of training initiatives (57%), while 42% take training matters into their own hands.

Where companies seek out a partner organisation to help deliver formal training, this is most commonly either an educational institution (47%) or a private-sector training provider (45%). 29% of all companies offering formal training, turn to professional/trade association bodies, while 28% partner with the government to deliver their programme.

NEW ZEALAND

Over half of all employers in New Zealand deliver their own formal programmes internally, without the need for external partners. This suggests that New Zealand's employers may be taking more proactive measures to develop the specific skills they need. Meanwhile 48% of organisations offering training say the programmes are delivered in conjunction with a partner.

Of those who work with a partner 42% use a private-sector training provider. Working with a local educational institution of some kind is reported by 38%, the same percentage are partnering with professional trade bodies or associations. 27% report using their government to help develop the skills of the national workforce.

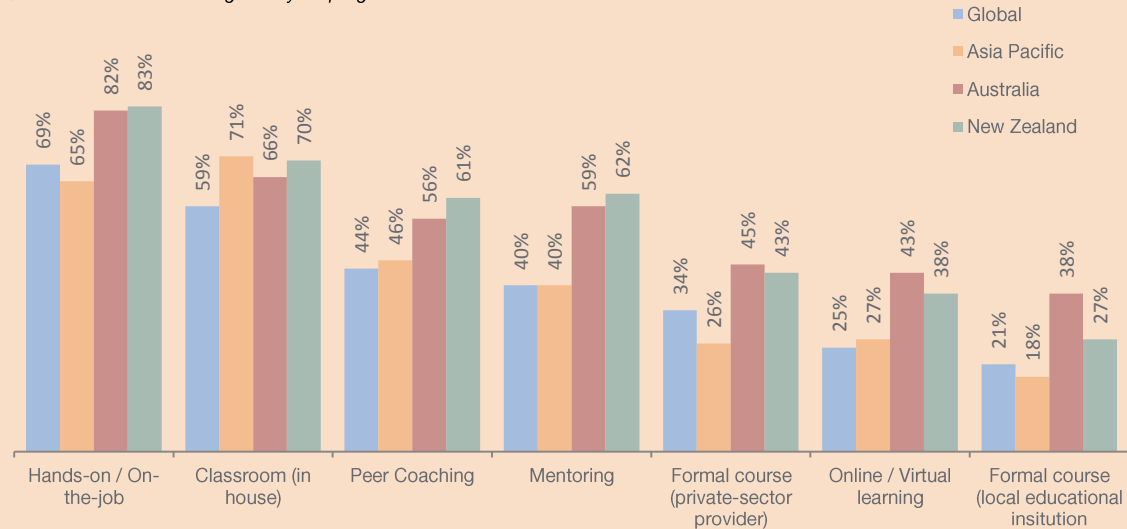
Most Common Methods of Employer Training and Their Effectiveness

The data reveals, that organisations today are utilising a broad range of methods to deliver formal training programmes in an effort to develop specific skills capabilities in their workforce. In both Australia and New Zealand the most frequently used approach is hands-on/on-the-job training, which is part of 82% of Australian programmes and 83% of New Zealand programmes respectively.

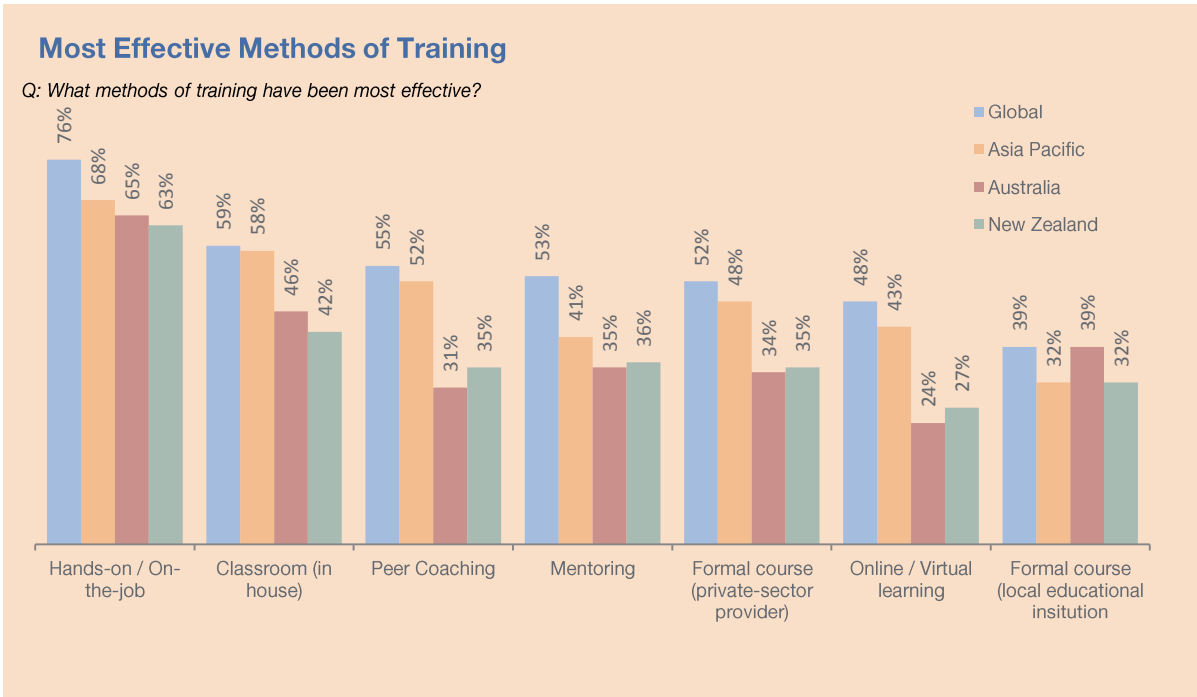
In house classroom sessions are part of the programme for 66% in AU and 70% in NZ, followed by mentoring which is part of the programme for 59% of Australian and 62% of New Zealand companies. Peer-coaching is used for 56% (AU) and 61% (NZ) of formal training programmes.

Training Methods Employers Are Using

Q: What methods of training does your programme include?



As a general rule, the more frequently a particular training method is used, the more likely organisations are to view it as effective. This correlation should be no surprise. On-the-job training is believed to have been a particularly effective approach by 65% (AU) / 63% (NZ) of who include it in their programme, while 46% (AU) / 42% (NZ) say in-house classroom sessions have proved effective where these have been part of the training process. Perhaps most surprising, employers are least likely to choose online methods as being among the most effective methods of delivering skills for specific job roles.



In an effort to dive deeper and explore where more opportunity may exist for employers around training for specific job roles, we analyse the data for the gap between a training method’s use and its perceived effectiveness.

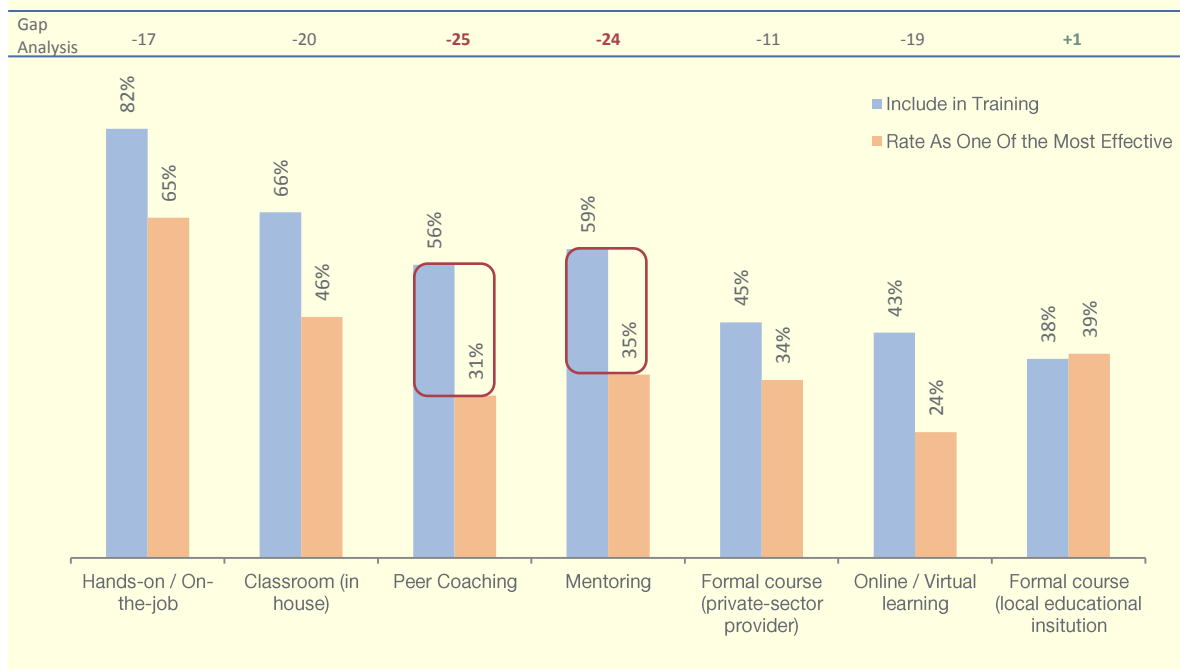
AUSTRALIA

In terms of what’s working, Australian employers who use on-the-job training find it the most effective methodology (65%), followed by in-house classroom training, which 46% find effective. Training methods delivering the least effective results in the eyes of regional employers are online/virtual methods (24%) and peer coaching (31%).

Gap analysis of the Australian data reveals that even while peer-coaching is used by 56% of employers for developing specific roles, they are less certain about their effectiveness. The only method where Australian employers feel the effectiveness is higher than their usage is for formal courses with local educational institutions. This could be an opportunity for Australian organisations to boost the effectiveness of their talent development programmes by utilising this method more often.

Australia: The Effectiveness Gap – Usage Methods vs. Perceived Effectiveness

Q: What methods of training does your programme include, and what methods or training have been most effective?



NEW ZEALAND

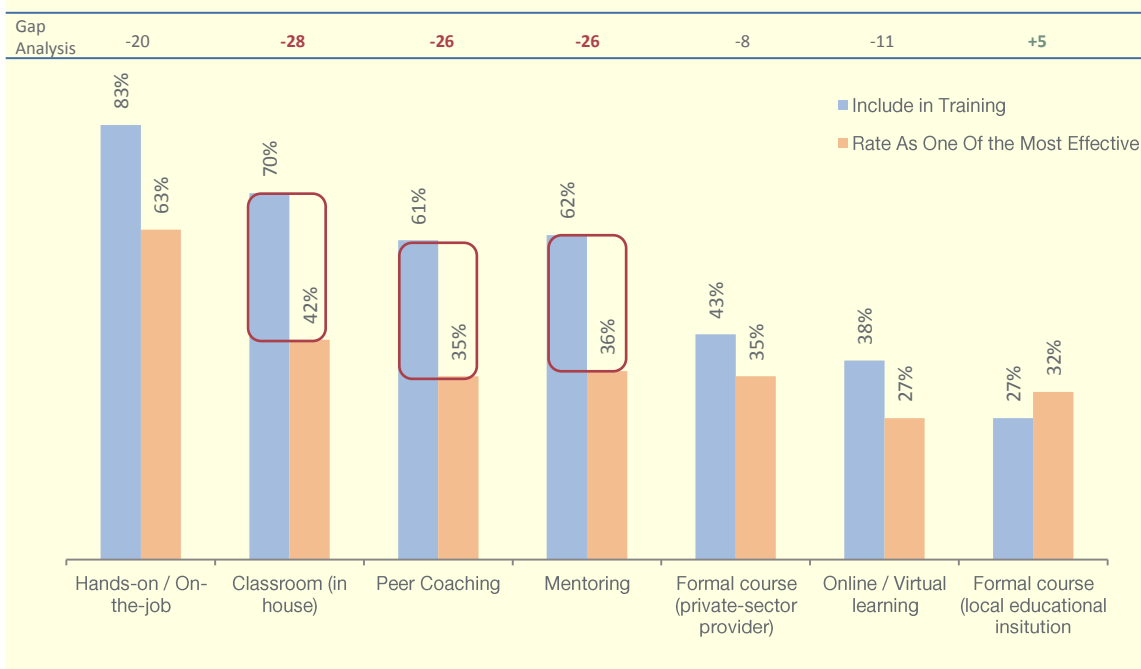
Hands-on/on-the-job training is seen as a particularly valuable method by those organisations including it in their programmes, with 63% singling it out as one of the most effective. New Zealand's employers also cite in-house classroom sessions (42%) and mentoring (36%) among the most effective by those who use them. The method least likely to be highlighted for its effectiveness by employers in New Zealand is as in Australia online/virtual learning, which is selected by just 27% of those who use it.

In New Zealand, we see the widest effectiveness gap when it comes to in-house classroom training. Even though 70% of all employers are using this approach, only 42% would say it's effective. Other methods where NZ organisations' learning departments have room for improvement are peer coaching and mentoring.

As seen in Australia, New Zealand employers should consider more formal courses with local educational institutions as their comparative effectiveness is notably higher than their usage. This is again an opportunity for employers to boost the effectiveness of their talent development programmes by utilising this method more often.

New Zealand: The Effectiveness Gap – Usage Methods vs. Perceived Effectiveness

Q: What methods of training does your programme include, and what methods or training have been most effective?



A Look at the Numbers: Successful Programme Completion Rates

AUSTRALIA

In Australia, 59% of organisations taking steps to develop talent for specific jobs roles successfully train up to 20 staff members each year, and 18% successfully develop more than 20 individuals using this approach. These employees then go on to move into the jobs for which they trained.

For nearly one in three organisations (35%) this represents a success rate of more than nine in every 10 employees who participate in the programme. However 27% of employers say their success rate is no more than one in every two participants. This shows that while organisations report reasonable success rates in training individuals for specific job roles, volume is nowhere near the level required to combat the talent mismatch and drive future business growth.

NEW ZEALAND

The number of employees successfully completing formal training is slightly greater in New Zealand than in Australia. Two in ten (20%) report that more than 20 employees are developed in this way each year, while 60% report successful programme completion by up to 20 workers.

For more than four in ten (41%) this represents a success rate of more than nine in every ten employees who participate in the programme. 22% of NZ employers say their success rate is no more than one in every two participants. Even though this is again considerably lower than in Australia, it's still nowhere near the required levels.

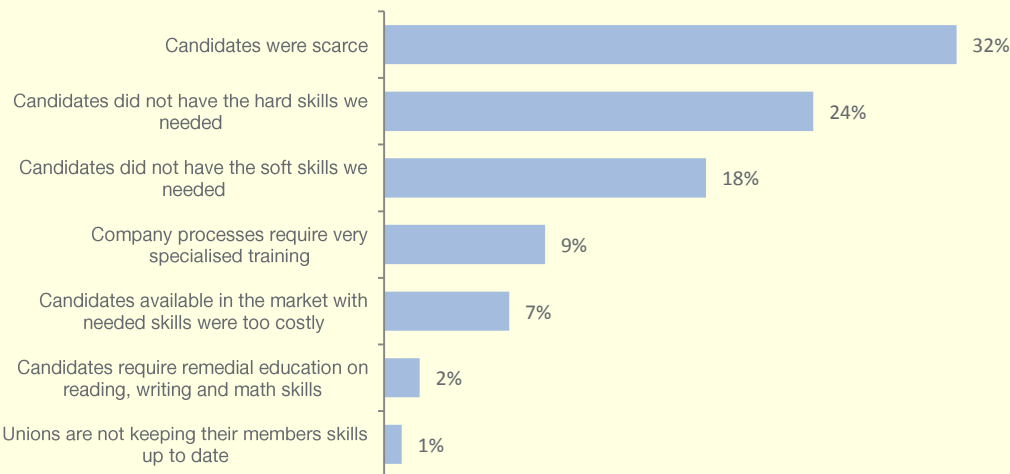
Local Market Issues which Increase Reliance on In-House Training

AUSTRALIA

Of the issues compelling employers to increasingly rely on their own training programmes overall scarcity of candidates was mentioned as the main reason by 32%. The lack of candidates with the relevant “hard” or “soft” skills was identified by 24% and 18% respectively. 9% report that their customised company process have very specialised training needs which cannot be met by the existing supply of candidates in the local labour market and 7% state that the available candidates in the market with the needed skills were too costly.

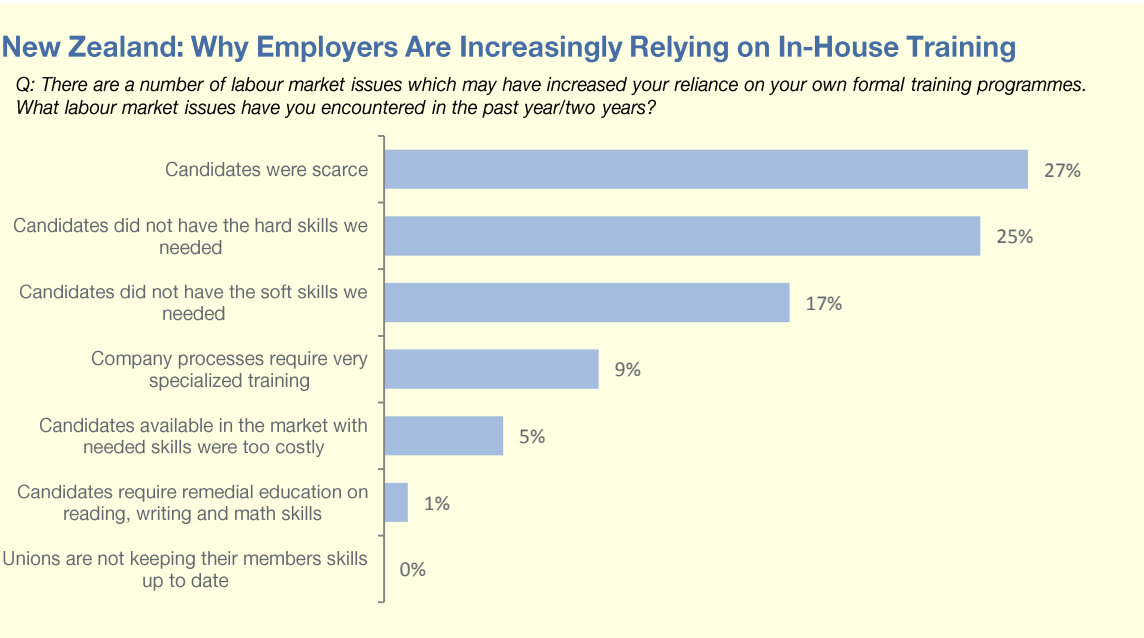
Australia: Why Employers Are Increasingly Relying on In-House Training

Q: There are a number of labour market issues which may have increased your reliance on your own formal training programmes. What labour market issues have you encountered in the past year/two years?



NEW ZEALAND

According to employers, the most pressing labour market issue impacting training in New Zealand is again the overall scarcity of candidates. Nearly three in ten report that this issue has increased reliance on their own formal programmes as they seek to build the capabilities of their workforce. The lack of both “hard” (25%) and “soft” skills (17%) available in the labour market have also been significant concerns, and 9% of companies state that their own training needs are very specialised, requiring customised training which is unavailable elsewhere.



About the Research

To investigate the extent to which organisations use formal training and apprenticeship programmes to develop employees, ManpowerGroup conducted research among over 24,000 employers in 41 countries and territories in October of 2011. Research was conducted via telephone research, except the United States, where it was conducted online.

Countries included

Asia Pacific	8,203	Americas	6,043	Europe	10,301		
Australia	2,251	Argentina	403	Austria	402	Norway	401
China	1,510	Brazil	405	Belgium	402	Poland	400
Hong Kong	440	Canada	1,005	Bulgaria	400	Romania	382
India	700	Colombia	405	Czech Republic	402	Slovakia	400
Japan	1,020	Cost Rica	402	France	501	Slovenia	400
New Zealand	653	Guatemala	402	Germany	500	South Africa	400
Singapore	626	Mexico	1,003	Greece	401	Spain	501
Taiwan	1,003	Panama	403	Hungary	401	Sweden	400
		Peru	401	Ireland	400	Switzerland	403
		United States	1,214	Israel	400	Turkey	500
				Italy	501	United Kingdom	1,002
				Netherlands	402		

Questions Explored:

- *Does your organisation have a formal training programme or apprenticeship programme for specific job roles?*
- *Which of the following job areas (professional, skilled manual trades, unskilled) does your programme include? And which levels (senior-, mid-, entry-level) does your programme include?*
- *What are the primary job roles you are looking to develop?*
- *Is the programme delivered in conjunction with a local partner or solely by your organisation?*
- *Who do you partner with (private-sector organisation, educational institution, government, professional trade body or association?)*
- *What methods of training does your programme include, and which methods have been most effective?*
- *How many individuals successfully complete your programme annually and move into the jobs for which they were trained? And what approximate % does this represent the total participants in your programme annually?*
- *There are a number of labour market issues which may have increased your reliance on your won formal training programmes. What labour market issues have you encountered in the past year/two years?*
- *For companies without formal training programmes – What are the primary reasons your organisation does not have this sort of programme?*

About ManpowerGroup

ManpowerGroup™ (NYSE: MAN), the world leader in innovative workforce solutions, creates and delivers high-impact solutions that enable our clients to achieve their business goals and enhance their competitiveness. With over 60 years of experience, our \$22 billion company creates unique time to value through a comprehensive suite of innovative solutions that help clients win in the Human Age. These solutions cover an entire range of talent-driven needs from recruitment and assessment, training and development, and career management, to outsourcing and workforce consulting. ManpowerGroup maintains the world's largest and industry-leading network of nearly 3,900 offices in 80 countries and territories, generating a dynamic mix of an unmatched global footprint with valuable insight and local expertise to meet the needs of its 400,000 clients per year, across all industry sectors, small and medium-sized enterprises, local, multinational and global companies. By connecting our deep understanding of human potential to the ambitions of clients, ManpowerGroup helps the organisations and individuals we serve achieve more than they imagined—because their success leads to our success. And by creating these powerful connections, we create power that drives organisations forward, accelerates personal success and builds more sustainable communities. We help power the world of work. The ManpowerGroup suite of solutions is offered through ManpowerGroup™ Solutions, Manpower®, Experis™ and Right Management®. Learn more about how the ManpowerGroup can help you win in the Human Age at www.manpowergroup.com.au or www.manpowergroup.co.nz