



THE CASE FOR EDUCATION & DIVERSITY AS TOOLS FOR BUSINESS GROWTH IN MARKETING & MEDIA

THE ROLE OF ONLINE LEARNING TOOLS FOR ADVANCING DIVERSITY & GENERATING BUSINESS GROWTH

The social and technological forces that shape businesses and entire industries are constantly shifting. Some of the most prevalent forces in organizational development that have undergone drastic changes in the past decade are the methods, frequency, and breadth of educational resources and employee training that go beyond standard collegiate education.

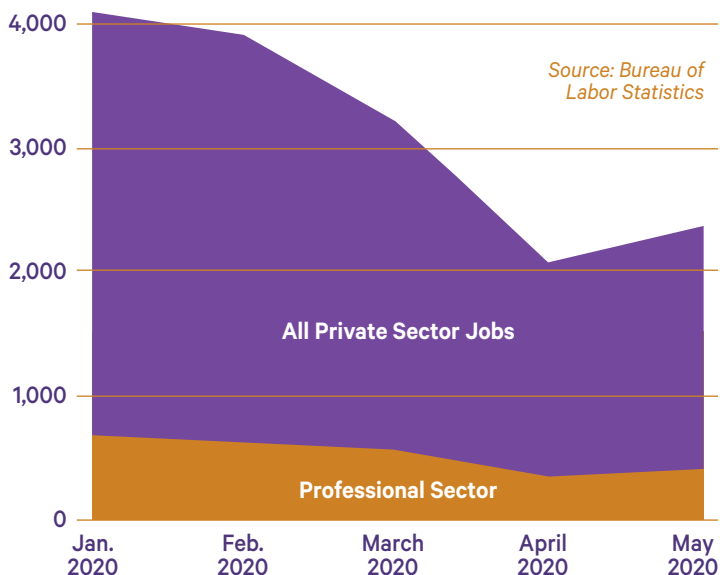
Instituting a robust educational program, particularly access to online learning tools, is key in attracting and retaining quality employees. Not only does long-term support for employees of all educational levels and backgrounds ensure higher productivity, but it also demonstrates trust in your talent while fostering business growth. Failing to properly invest in your human resources not only causes employee retention and productivity to fall: It also causes entire industries to fail at achieving long-term growth.

Collegiate job skills training alone is not sufficient for a highly qualified workforce that is also loyal. How can fortuitous learning and development programs take organizations and entire industries to new heights?

EDUCATION AND TRAINING PROGRAMS FUEL EMPLOYEE RETENTION

Organizations that fail to properly invest in their talent can expect to see high attrition rates. Poor employee retention is an incredibly expensive problem. Fully **47 percent of human resources professionals** cite employee retention as their biggest challenge, surpassing that of recruiting. It is estimated that roughly **3 million Americans** leave their jobs every month. While industries with notoriously high turnover, such as retail and services, account for more than half of monthly quit levels and quit levels drastically decreased after March 2020 due to COVID-19, professional services such as marketing comprised 19 percent of all American private sector jobs that were quit in May 2019.

PROFESSIONAL SECTOR JOBS QUIT



Several factors drive these high quit levels and turnover rates that are not necessarily related to salary alone. Low morale, hostile corporate culture, lack of flexibility, and lack of recognition for strong performance will lead to low employee retention. The 2018 Job Seeker Nation Study even found that **30 percent of job seekers leave a job within 90 days**, which has made attracting the right talent for the role and employee retention key challenges for human resources professionals in the 2020s.

Unexpected and unwanted employee turnover not only has a deleterious impact on productivity, but replacement costs are also prohibitively high. If an employee quits, it can cost **at least 1/3 of their salary** to find a replacement in terms of lost productivity. For highly skilled employees, it can even be as

high as 200 percent of their salary since teamwork will suffer and the return on marketing spend will be significantly lower.

While all of these factors contribute to low employee engagement, one of the most prevalent causes of high quit rates is that organizations are not providing enough training and educational opportunities. Education helps increase employee retention by providing more opportunities for upskilling in-house instead of engaging in costly talent searches. Some **74 percent of employees** feel that they are not reaching their true potential, and 76 percent are seeking some type of career advancement opportunity. Learning and skills training organically allow for career advancement with the same organization or a new employer. By providing a variety of learning and professional development opportunities, employee engagement increases, and motivated employees are more likely to remain with the organization than those who feel that their needs are going unmet and accomplishments unrecognized. Given that the average annual learning and development spend per employee is **\$1,299**, while replacing an employee can carry a significantly higher price tag, training and learning tools help save money and productivity in the long term.

Increased investment in learning and development helps close skills gaps and increase employee retention, which reduces replacement costs and increases employee engagement, which in turn increases productivity. The cornerstone of a successful employee learning and professional development program is to account for all skill levels. This is especially crucial if the chief goal is to reduce employee turnover and bolster specific skills. If talent developers focus solely on entry-level employees in need of new skills or on additional training or established managers that the company has prioritized to retain, much is lost with both mid-career employees and employees with very little non-collegiate training and education. Training is not strictly relegated to role-specific learning tools and coursework, such as learning how to use new software or industry-specific change management seminars. Strengthening communication, leadership, collaboration, diversity and sensitivity, and soft skills are integral for the entire workforce's talent development.

Properly investing in learning and development programs demonstrates that managers have faith in their employees and are more likely to offer superior job security. Secure and engaged employees are not only more productive, they also help ensure that the organization will achieve long-term growth. ●

ATTAINING A MORE DIVERSE WORKFORCE THROUGH READILY AVAILABLE QUALITY TRAINING

Maintaining a diverse workforce is imperative for modern organizations to succeed. Diversity is not limited to just gender, ethnicity, and race: It also encompasses age, sexual orientation, immigration status, familial background, and people with disabilities, among other factors. Companies with a diverse staff are better positioned to meet the needs of diverse customer bases, and the cash flows of diverse companies are **2.3 times higher** than those of companies with more monolithic staff. Diverse companies are **70 percent more likely** to capture new markets than organizations that do not actively recruit and support talent from underrepresented groups.

The consistent availability of skills training and learning tools is inexorably linked to attracting and retaining a diverse workforce. People from marginalized groups are less likely to have had access to professional development resources while in college, and they may have been systemically excluded from them at their prior jobs. First-generation Americans and employees who were the first to go to college in their families can also face significant skills gaps based on their educational backgrounds and responsibilities that may have prevented them from accessing supplementary training in addition to a degree.

A lack of role models and mentors is a frequent roadblock for women and minority employees and leaders, and access to education and training that is tailored to their needs can alleviate this mentorship disparity. Industries that are facing notorious difficulties in recruitment and retention of diverse talent such as STEM fields must take extra steps to create training, mentorship, and professional opportunities that are specifically tailored to underrepresented groups.

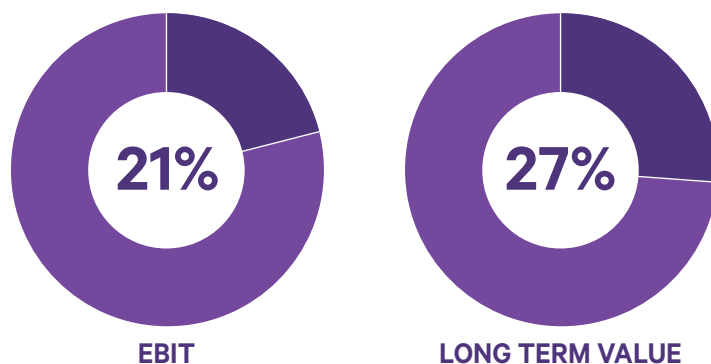
Having readily available training and education is crucial to attract diverse employees and retain them, particularly if training is part of inclusion strategies. Attracting diverse talent is not enough in and of itself: Diverse employees will feel unappreciated and disengaged if they feel tokenized or excluded from their coworkers and hold back from making contributions and performing as well as they

could. Executing actual inclusion strategies fosters more innovation than companies that only strive for diversity from an optic or statistical level.

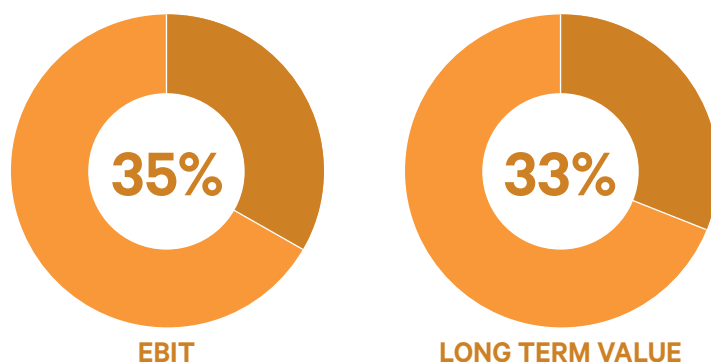
By embedding inclusive values into corporate culture and prioritizing closing skills gaps stemming from marginalization, a positive top-down change results that can have ripple effects throughout the industry and business world in general. Moreover, diverse companies are more profitable and more likely to achieve long-term growth on both entity and industry levels. According to the McKinsey study *Why Diversity Matters*, the firm tracked companies in the top quartile for gender-diverse

GENDER AND RACIAL DIVERSITY CORRELATION BETWEEN HIGHER PERFORMANCE

GENDER DIVERSITY



RACIAL DIVERSITY



executive suites and found that they were 15 percent more likely to generate above-average profitability compared to the bottom quartile of companies whose executive teams were predominantly white and male. When it comes to staffing, companies that have higher degrees of racially and ethnically diverse employees have a **35 percent performance advantage** over companies relying on a “culture fit” that tends to trend white and monocultural.

Per the McKinsey study, companies with gender-diverse executive teams in the highest quartile outperformed male-dominated companies by 21 percent in terms of EBIT (earnings before interest and taxes) and 27 percent in terms of creating long-term value. Racially diverse executive teams provided an advantage of 35 percent higher EBIT and 33 percent more long-term value creation over the least racially diverse companies. Subsequently, companies with diverse talent and executives are more likely to retain the best talent and engage in decision-making that accounts for orienting to larger varieties of customers than companies with a more monolithic customer base.

Diverse companies attain **19 percent higher revenue** than monolithic companies on account of greater innovation. Providing education and training that underrepresented groups may not have had access to in the past can foster innovation by exposing employees to new skills and ideas. With millennials becoming the dominant generation in the workforce,

attracting millennial talent must take diversity into account given that they are the most diverse generation in American history. Per the 2018 Deloitte Millennial Survey, **74 percent of respondents** stated that they believe their workplaces will have greater innovation if management actively makes diversity and inclusion a key component of organizational culture.

Having diverse employees bodes well for creating value and innovation, but so does having access to quality educational resources on a regular basis. Given that there is a strong correlation between on-the-job training and education and employee retention and ongoing business growth, diversity, and inclusion measures also factor into this as far as innovation and value creation go. Organizations that do not actively make diversity and inclusion part of their values and culture are likely to begin to decline. For example, **PVH Corp** (NYSE: PVH), which owns clothing brands Calvin Klein, Tommy Hilfiger, and others, has existed for decades but frequently makes it on to the “worst companies for workplace diversity” lists. Even though 60 percent of the company’s 16,000 employees are minorities, 82% of the executives are white, and it ranks poorly among LGBTQ representation and hiring people with disabilities. A significant portion of the company’s leadership and senior roles are occupied by white male boomers. Subsequently, the company’s performance has been on a downward trend for the past five years, far from the high revenues and overall growth that the company once enjoyed in the 1990s. ●

MARKET SUMMARY > PVH CORP

NYSE: PVH

50.78 USD +4.26 (9.16%)



WHAT HAPPENS TO INDUSTRIES THAT DON'T PROPERLY UPSKILL THEIR TALENT?

Strong employee retention, diverse workforces, and formidably executed inclusion initiatives can increase cash flows and have a long-term positive impact on corporate culture and individual employee happiness and productivity. In going beyond this level of operational stability, how will the organization grow? What can foster growth in the long run?

Education and training provide fuel for long-term growth since they are an active investment and demonstration of trust in employees. However, it is also important to note how entire industries tend to treat learning and development. Companies that provide learning opportunities for their employees will have competent and motivated workers who feel more secure at their jobs. When industry-wide practices lead to high attrition and lack of security, the industry itself fails to grow and innovate.

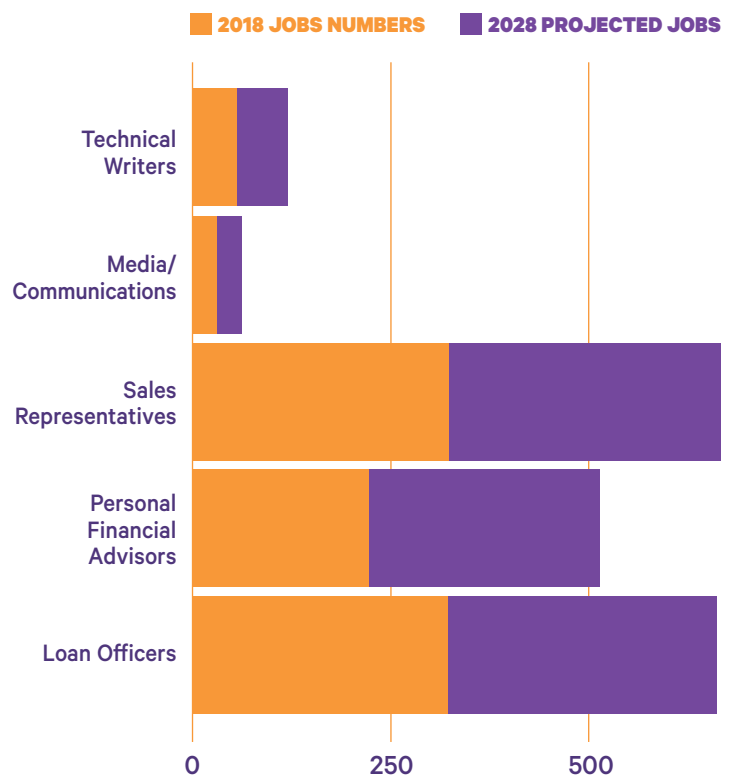
Cultural and technological forces can account for the decline of industries, and the drawn-out COVID-19 global crisis has resulted in the contraction of industries like travel and entertainment, while retail and digital media are experiencing booms. Large-scale failure to invest in employees' professional development can equate to the downfall of an entire industry, even if it does not happen overnight. By failing to take part in conferences and seminars in addition to individualized employee training and classes, it becomes harder for an organization to maintain its competitive advantage. Ignoring the latest technologies, research techniques, and other cutting-edge developments in the field results in a sequestered organization that can end up isolated and irrelevant from the rest of the industry. When a significant amount of companies value short-term cost savings and isolating from the industry to maintain operations the way they are, the industry will eventually collapse by virtue of being unable to meet modern users' needs.

It all stems from the failure to innovate by refusing to create strong diversity and inclusion initiatives and overall employee engagement, which encourages innovation. When **only 13 percent of employees feel engaged**,

it signifies that major fixes are needed in corporate culture and employees' relationships to their work. Disengaged employees who don't feel recognized for their contributions are not only more likely to quit, they will do the bare minimum while they still have their jobs. Lack of innovation and high burnout resulting from disengagement will not bode well for the industry as a whole. Investing in employees' skills motivates them to learn and do more for both their employer and the industry as a whole.

There is often hesitance regarding increasing learning and development spend due to concerns about ROI and taking time away from employees' tasks and projects. By harnessing employees' drive for learning and hope for advancement, employee education can offer a stronger ROI than marketing campaigns. If there are concerns that employees will leave after being

PROJECTED JOB GROWTH RELATIVE TO ON-THE-JOB TRAINING (IN THOUSANDS)



Source: Bureau of Labor Statistics

significantly upskilled, this concern is often unfounded. However, there is a correlation between offering on-the-job training and long-term job growth that has been noted by the **Bureau of Labor Statistics**: professional sector jobs with moderate to long-term training routinely offered are more likely to demonstrate long-term growth.

The Bureau denotes the consistent availability of on-the-job training in five categories:

- None
- Internship or residency
- Short-term on-the-job training
- Moderate-term on-the-job training
- Long-term on-the-job training

Of the professional jobs highlighted, technical writing and media and communications have short-term on-the-job training; sales representatives receive moderate amounts of employer-sponsored education; and personal financial advisors and loan officers, among other professionals in the legal and financial industries, receive long-term education and training from their employers for most of their careers.

Contrary to the job growth of the professions with consistent moderate and long-term education sponsored by employers, technical writing and media jobs with only short-term training are not expected to see as much job growth in the ensuing decade. The financial and legal industries are more likely to offer long-term on-the-job training than communications in light of these professionals being mandated to earn continuing education credits in order to maintain licensure. In comparison, continuing education in the marketing and advertising field is not mandated for these professionals to continue working. Since continuing education credits are not required to work and on-the-job training availability varies by employer but is overall not expected like the other jobs highlighted, the BLS put marketing managers and marketing specialists in the “None” category.

Despite the industry’s current place in this BLS category, **marketing is the top-ranked professional service for the highest job growth** in the United States. There were 259,200 marketing management jobs in 2018, and the Bureau of Labor Statistics expects there to be 280,100 by 2028, while marketing specialists will

see the largest decade-over-decade boom, going from 681,900 jobs in 2018 to 821,100 jobs by 2028; this growth is only being superseded by service fields, such as home healthcare aides who need to take care of the largest elderly population in American history.

It may seem counterintuitive to invest in training for long-term growth purposes when considering these fruitful job growth numbers alone. But if there is such significant industrial growth in the marketing field without the expectation of additional on-the-job training, this growth could become exponential and revolutionary if agencies routinely invest in their employees’ hard and soft skills. With job growth for other media and communications workers being projected to only increase by 2,100 jobs in the span of a decade, the crossover between marketing and communications could be utilized to the advantage of both industries. As the marketing field continues to grow and evolve, it is only a natural next step to expand on-the-job training and educational opportunities to the point that it is expected enough that the BLS shifts marketing jobs from “None” to “short-term” or “moderate-term” on statistical tables.

Salesforce is a prominent example of using employer-sponsored education as a change agent. The company transformed the marketing industry in numerous ways, one of the most prevalent being that they made ongoing learning a cornerstone of their corporate culture. Salesforce sought talent from the gaming sphere to help spearhead their Trailhead initiative, which deployed gamified skills training in business and technology topics, how to use and modify Salesforce software, and soft skills training like communications and change management. With hundreds of modules available, digital education can be found in any length, from 10 minutes to several hours, with a variety of badges, ranks, and achievements as well as leaderboards to provide employees and management with a top-down view, of which teams have completed the most additional training on their own. Trailhead was so wildly successful on an internal level that Salesforce began offering it to outside companies for \$25 per user per month and as a complimentary add-on to any Salesforce subscription. **myTrailhead grew to 1.2 million users** shortly after becoming available to the public in March 2019. ●

BEST PRACTICES FOR BUILDING A DIGITAL LEARNING AND SKILLS TRAINING PROGRAM

In order to address skills gaps, talent developers must assess them internally; then determine how to close them from the ground up. Some **75 percent of talent developers** perform this assessment, but how do they address the problem head on?

IBM decided to address both their lack of diversity and skills gaps with STEM graduates with their **P-Tech program** that begins at the collegiate level and expands into apprenticeships for 24 different roles. P-Tech serves more than 125,000 students per year, and it works in conjunction with a program dedicated to closing the tech skills gap with an apprenticeship coalition spearheaded by the **Consumer Technology Association**. For candidates and employees who have already completed college, IBM has an AI-driven virtual education platform called “Your Learning” that is designed for continuous usage in hot button technology areas such as blockchain, cybersecurity, AI, and other fields that are expecting to see tremendous growth in the near future. Additionally, **IBM has various in-house academies** that offer role-specific and skills-specific training for employees that zero in on solving very specific problems, such as solving supply chain inefficiencies.

In following IBM’s lead, countless other organizations are seeking to build similar multimedia digital experiences that can supplement live instruction with a trainer or replace it in the current age of social distancing. How can organizations build their own digital learning and skills training programs that provide effective instruction for their employees?

First, an internal job skills and skills gap assessment should determine which job families need the most improvement and what talent developers think will be the most relevant in the near future. Allianz Insurance has remained relevant after more than 120 years and is paving the way by upskilling their workforce of 140,000 with their **AllianzU program** that maps must-have job skills for the insurance industry.

Next, employees need access to as much educational material as possible. Live instruction can be orchestrated digitally in the age of COVID-19, but motivated employees



70%
OF TALENT DEVELOPERS USE VIRTUAL LEARNING



BUT ONLY 18%
DEPLOY SELF-PACED VIRTUAL TRAINING



58%
OF EMPLOYEES PREFER TO LEARN AT THEIR OWN PACE

Source: Statista, LinkedIn Workplace Learning Report

who want to train on their own should be able to access digital materials with ease. Online learning has evolved and can cater to a variety of learning styles and take on a variety of media:

- E-books and whitepapers
- Interactive and static worksheets
- Written e-courses
- Game-based learning
- Simulations
- Webinars
- Podcasts
- Video
- Digital portals
- Apps

Human resources thought leaders predict that **continuous professional development** will surpass traditional one-time training sessions, whether they are in person or digital. Despite the necessity for digital learning materials due to shelter-in-place orders from COVID-19, human resources professionals have been slow to adopt virtual learning tools.

Seventy percent of talent developers are engaging in digital learning tools in some capacity, **but only 18 percent are doing so in self-paced**, continuous methods. Given that 58 percent of employees prefer to learn at their own pace, it seems only natural that ameliorating digital training and expanding access to it are the next steps.

Talent developers also must actively make employees aware of the opportunities available to them. **Only 15 percent** of talent developers reported spending significant time on marketing the internal learning

and development programs to employees. If the workforce is not aware that the program exists, they will not benefit from it, and the ROI will not be very robust. Managers must take the initiative to engage employees with the learning materials available to them and then stress that it is available to use at their own pace on a continuous basis.

Once employees begin making efforts to educate themselves and improve their skills, recognition is key. To maintain momentum and inspire engagement, demonstrate recognition of their efforts. Even if they complete only one webinar or book, show that attempts to master a skill are being noticed. The entire team needs to be involved in this effort, as lack of recognition for hard work is frequently a driving force behind high attrition rates. Recognition of closing crucial skills gaps is necessary for both motivation and innovation.

Upon recognizing the effort put into mastering a new skill or improving existing skills, rewarding this effort demonstrates that the organization values both the skill and the employee. Monetary rewards, such as cash bonuses, or quasi-cash-like gift cards and additional employee benefits can motivate employees to improve their skills and make them feel that their contributions are truly valued. Incentives to finish coursework, listen to podcasts, or watch videos can motivate even the most disengaged employee.

Training and education are crucial for growing a workforce's skills and putting the organization's contributions to the industry at the forefront. Online learning has drastically evolved in recent years and has been successfully deployed in several industries and organizations. Instituting a digital learning program that employees can participate in at their own pace is a cost-effective way to make them feel valued and secure in their careers. ●

Mediavillage is the media and marketing home for advancing industry, corporate and individual growth through education and diversity. For membership details and opportunities visit <https://www.mediavillage.com/about-us/>. Contact: Jack Myers, Chairman, jack@mediavillage.com

