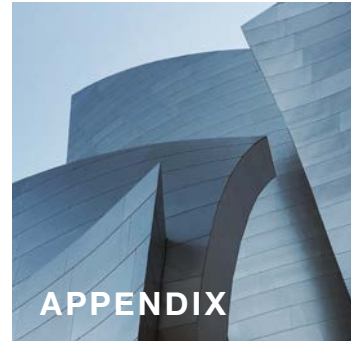
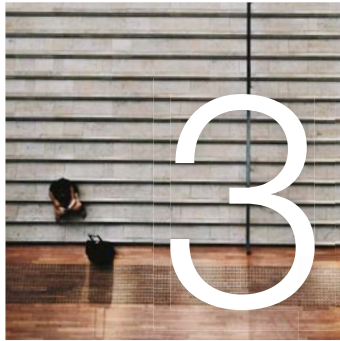


Learn. Work. Repeat.

The value of lifelong learning  
in professional industries



## Contents

<b>EXECUTIVE SUMMARY</b>	3
1 Introduction	7
2 A changing work and skills environment	9
3 Who is currently engaging in lifelong learning?	15
4 Sharing the benefits of lifelong learning	21
5 How do employees benefit from lifelong learning?	25
6 How do employers benefit from lifelong learning?	29
7 Ensuring relevant lifelong learning for employers and employees	35
<b>APPENDIX:</b>	
Survey methodology	39

## Executive summary

The nature of work is changing, with digital disruption and a shift towards more non-routine, cognitive-based jobs requiring new skills to meet evolving business needs.

As Australians spend more years in the labour market due to increasing lifespans, they can no longer rely solely on an education stint ending in their 20s to prepare for a long career filled with changing workforce requirements.

Employees' approaches to learning therefore need to shift towards ongoing engagement with education and training institutions and other learning and development vehicles throughout their career. The adoption of a lifelong approach to learning will enable employees to better equip themselves with the skills needed for a changing labour market and the careers of the 21st century. Such an approach also facilitates better integration and application of employees' knowledge, enabling best practice to be disseminated across industries.

This report explores the importance of and benefits to lifelong learning in an Australian workplace context, by examining the value of ongoing education and training for employees and businesses in professional industries. These professional industries are the three market industries with the highest level of university-educated employees (Professional, Scientific and Technical Services; Financial and Insurance Services; and Information Media and Telecommunications) and are likely to have common experiences in the benefits of and barriers to lifelong learning.

The findings presented in this report have been informed by: a new survey of over 600 Australian businesses in professional industries about perceptions on lifelong learning, analysis of various data sources and research on employment and other outcomes following education and training, and consultations with businesses (including NAB, REA Group and Aurecon) on the role of lifelong learning within their workforce.

Most professional employers surveyed (88%) find it hard to get employees with the skills they need.

The skills that are considered most important by employers while also being comparatively hard to find are problem solving skills and the latest industry-specific knowledge. While 15% of surveyed businesses in professional industries consider themselves to have no means of addressing skill shortages within their own organisation, those that do tend to use mixed strategies that include hiring, internal and external training.

**Over a third of adults (37%) participated in structured work-related training and adult learning** in 2016-2017<sup>1</sup>. Contrary to some business perceptions that lifelong learning is primarily for employees' benefit, our research finds that the benefits of skills developed through employees' lifelong learning are shared. For employees, ongoing education and training can improve performance, job security and job satisfaction. On the employer side, having a workforce that is continuously learning offers businesses the opportunity to improve and be more innovative.

Almost all (95%) surveyed professional employers state that they receive some benefits from their workforce engaging in ongoing learning, and over two-thirds believe the benefits are shared roughly equally between the individual worker and the business overall.

From an employee's perspective, previous research has found that almost 70% of Australian workers believe that lifelong learning will enable them to achieve their career goals.<sup>2</sup> **Employees can benefit both financially from increased earnings, and non-financially through developing new skills and receiving more diverse work opportunities.** Our research sheds new light on the nature of these employee benefits, finding that in the immediate term, surveyed employers in professional industries are more likely to provide non-monetary returns to employees undertaking lifelong learning, such as giving them new responsibilities. Such opportunities in the short term can then ultimately lead to longer-term financial returns, including through promotions.

**The most common business benefits from lifelong learning are identified as delivering better customer and client service** (cited by 58% of professional employers surveyed) **and improved business processes** (57%). Moreover, 72% of surveyed employers in professional industries believe that external training provides workers with new and different perspectives.

Given this diverse range of potential business benefits, our research also reveals that **84% of surveyed professional employers are willing to provide employees with some form of support** for undertaking ongoing education and training. Over half of employers surveyed would be willing to provide some financial support, with others also indicating they would be willing to provide paid study leave and promote external training opportunities to workers.

1 ABS, '4234.0 Work-Related Training and Adult Learning, Australia', 2016-17 (2017).

2 Deloitte, Higher Education for a Changing World (2018), <<https://www2.deloitte.com/au/en/pages/public-sector/articles/higher-education-changing-world.html>>.

There are a range of different education and training products currently available to workers seeking new learning opportunities throughout their careers, including a spectrum of formal and informal options that vary across their structure, length, accreditation, delivery and provider. It is perhaps not surprising that employers in professional industries are relatively indifferent or ambivalent about how employees choose to learn, instead caring more about what they learn. In particular, professional employers would like their employees to undertake external training that:

- is **shorter and provides targeted skills development** (preferred by 52% of surveyed businesses, relative to 17% preferring the converse of a longer course with wider content)<sup>3</sup>
- is **co-designed** between the education provider and industry (preferred by 51% of surveyed businesses, relative to 21% preferring the converse of education designed only by the provider)
- develops **specific technical skills** (preferred by 42% of surveyed businesses, relative to 29% preferring the converse of developing general business skills).

These considerations may be observed alongside employees' preferences for the learning options that best meet their short- and long-term development objectives. Moreover, employers judge the relevance of employees' training based on their understanding of the skills developed, with 65% of surveyed businesses in professional industries stating that an outline of competencies taught is useful for determining whether external learning opportunities help to meet their skill needs. In comparison, only 43% believe that a formally accredited qualification is necessary.

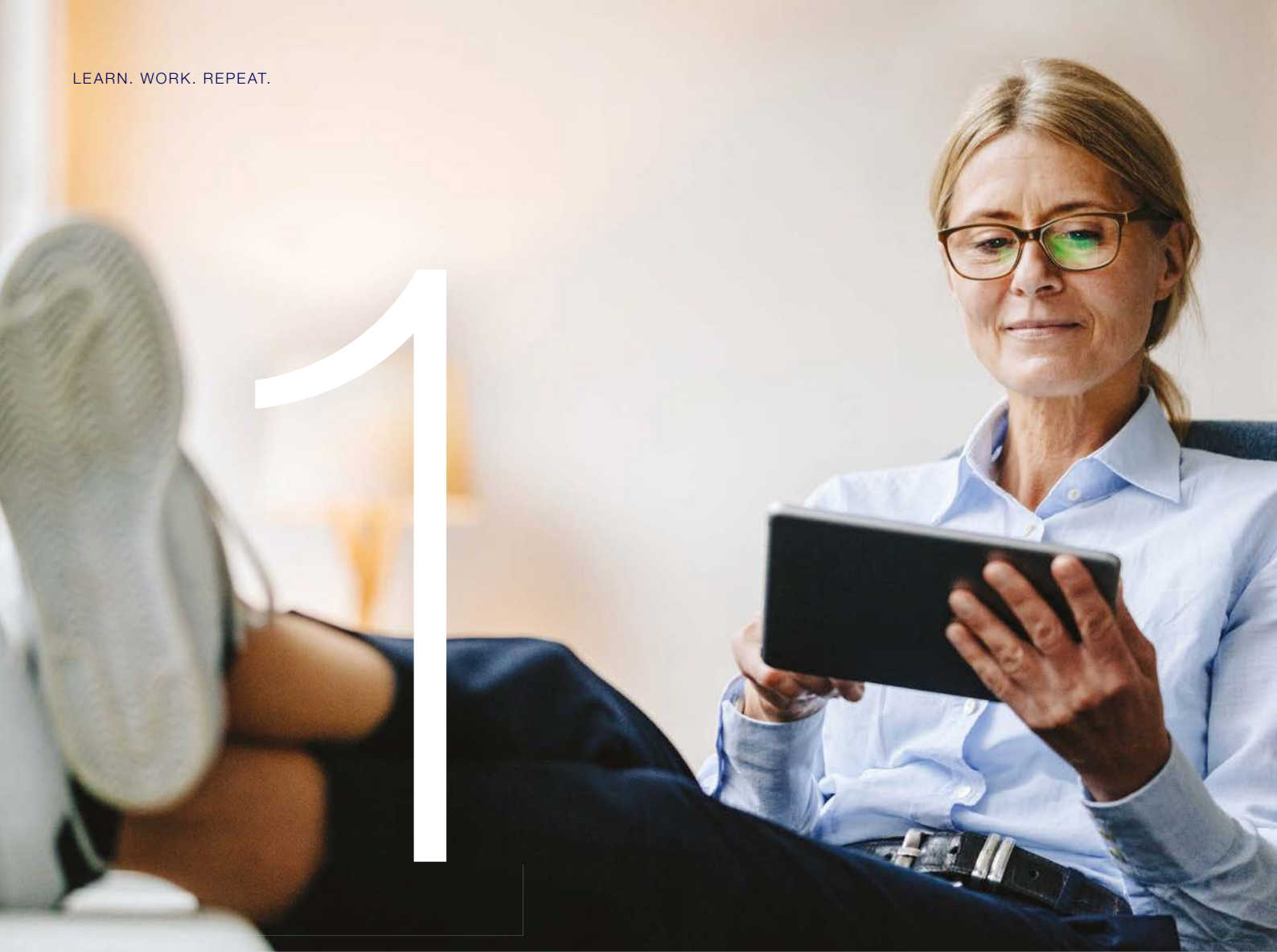
Being aware of these factors in identifying ongoing learning opportunities ensures that employees in professional industries develop their skills in a manner that is most relevant for meeting businesses' skill needs. At the same time, if employees are to be effectively encouraged to engage with continuous learning in this manner, it is important that different decision makers within a business are aligned in their views regarding the training that is most relevant for meeting skill needs and how this value can be demonstrated. Such a collective understanding of the objectives, benefits, and relevant characteristics of ongoing education and training opportunities is necessary to motivate employees to undertake a lifelong approach to learning.

---

<sup>3</sup> Our survey defined a longer course as external education and training of a duration longer than six months, and a shorter course as being less than six months in length.







## Introduction

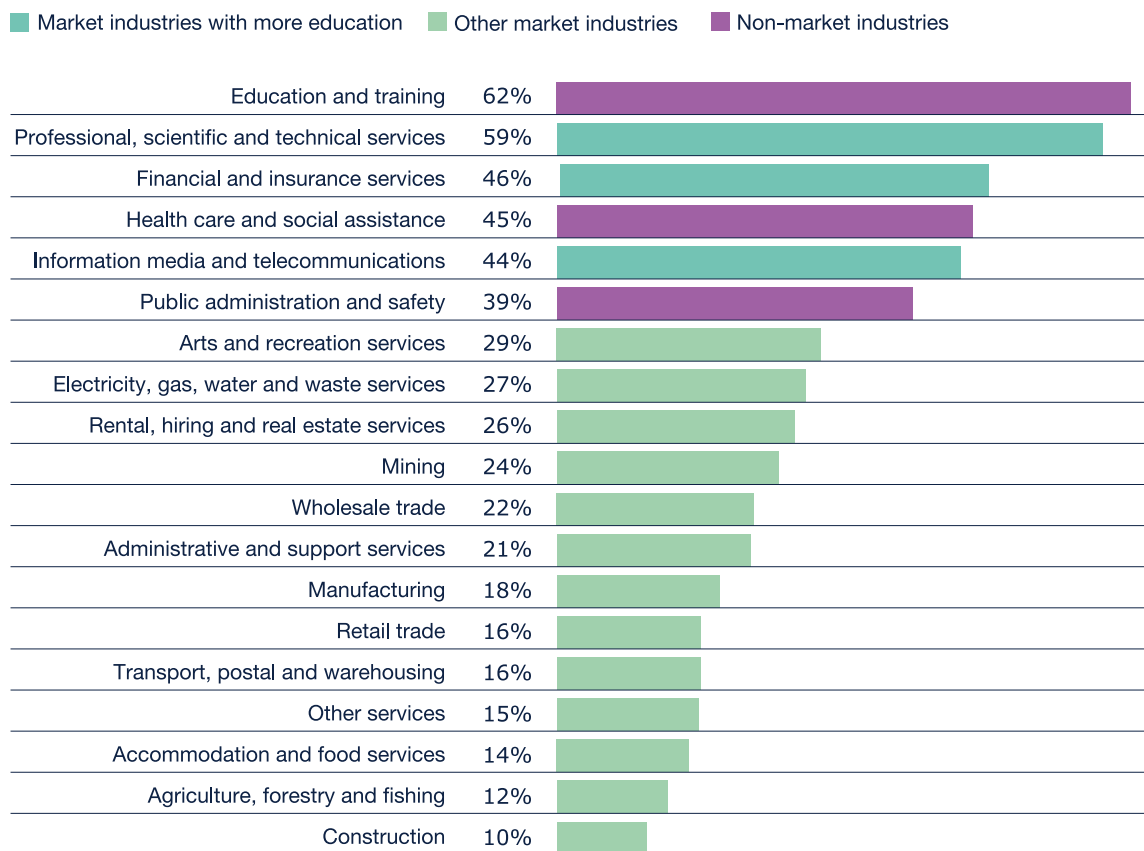
Australian careers are changing, with emerging technologies, industry shifts and other economic factors influencing the nature of work. Careers are also simply getting longer because of increasing lifespans. Approaches to education need to shift too, towards a lifelong learning approach that better equips employees with the skills needed for a changing labour market and the careers of the 21st century.

Lifelong learning doesn't just mean greater job security for employees; it can increase performance and job satisfaction too. On the employer side, having a workforce that is continuously learning offers businesses the opportunity to improve and be more innovative.

In this context, this report seeks to explore the importance of and benefits to lifelong learning in an Australian workplace context, by examining the value of ongoing education and training for employees and businesses in professional industries.

This report focuses on three "professional industries" in the Australian and New Zealand Standard Industrial Classification: Professional, Scientific and Technical Services; Financial and Insurance Services; and Information Media and Telecommunications. These are the three market industries with the highest level of university-educated employees (see Chart 1.1) and likely to have common experiences in the benefits of and barriers to lifelong learning. Other industries will, of course, also have changing needs over time, but the employee and skill mix could be different.

**CHART 1.1: Share of workers with a Bachelor or higher degree, 2016**



Source: Australian Bureau of Statistics (ABS)<sup>4</sup>

**The research in this report has been informed by:**

- Analysis of various data, information and papers on employment and other outcomes following employees’ engagement in education and training, including from the ABS, National Centre for Vocational Education Research (NCVER) and the Organisation for Economic Cooperation and Development (OECD)
- A survey of over 600 Australian businesses about their perceptions on the value of lifelong learning in their workforce, with the sample spread across the Professional, Scientific and Technical Services; Financial and Insurance Services; and Information Media and Telecommunications industries (more detail is provided in the appendix)
- Consultations with business stakeholders to inform case studies on role of lifelong learning within their workforce, including NAB, REA Group and Aurecon.

**The remainder of this report is structured as follows:**

- Section 2 provides an overview of the broader economic and social trends that are driving increased demand for lifelong learning, including the changing nature of skills demand
- Section 3 has a snapshot of different types of education and training products and summarises who is currently engaging in lifelong learning
- Section 4 highlights how employers and employees both share in the benefits of lifelong learning
- Section 5 explores the types of benefits that are realised from employees as they take up ongoing education and training opportunities
- Section 6 outlines the value that is gained by employers as their workforces engage in lifelong learning
- Section 7 concludes with a discussion around how to ensure that future learning opportunities are relevant for both employees and employers in professional industries.

<sup>4</sup> ABS, 2016 Census of Population and Housing, Australia (2016), cat. no. 2073.0.



LEARN. WORK. REPEAT.



## A changing work and skills environment

Lifelong learning is important given the changing nature of work and workplaces. The traditional approach to careers for many people has been a continuous stint of education, fairly continuous work, followed by retirement. However, this approach is becoming less common, particularly among those in cognitive-based, non-routine jobs such as those within professional industries.<sup>5</sup>

### Individuals can no longer rely solely on an education stint ending in their 20s to prepare them for a long career filled with changing workforce requirements.

Alongside rapid changes in technology across many industries, the global population is living longer, and spending more years working. And yet, as noted in the Australian Government's *Blueprint for Career Development*:<sup>6</sup>

“The old three-stage pattern of preparing for work; working; and then retiring is fast disappearing, yet many current workers have not had the opportunity to develop the career management competencies that they require to cope with, let alone thrive in, such an environment.”

To be competitive, productive, or in some cases simply to maintain employment, employees need to engage with education institutions and other learning opportunities multiple times during their career.<sup>7</sup> Importantly, this also requires sound foundations in learning which may be acquired at a younger age, and which are subsequently built on through opportunities for further learning over time.<sup>8</sup>

The average age and length of time spent within the workforce is continuing to increase. By the year 2055, the proportion of 60–64 year olds that are still working

is expected to grow 13 percentage points for men, from 64% to 77%, and 17 percentage points for women, from 35% to 52%.<sup>9</sup> This growth is also not unique to the 60-64 age bracket, with growth also expected for those aged 65 and above, albeit by a smaller amount. At the same time, average job tenures in Australia have remained relatively stable over time, with 45% of employed people having been with their current employer for more than five years as at 2018.<sup>10</sup>

Alongside increasing lifespans, over the 50 years to 2015, the Australian economy – like many other developed economies – has shifted towards a greater reliance on services industries. In Australia, services represented 40% of the economy's gross value added in 2015, twice the level of contribution in 1965.<sup>11</sup> In the context of this broader economic shift, work is becoming increasingly more service-based and less manual-intensive.<sup>12</sup>

The widespread adoption of machines for automating production lines and undertaking time-intensive tasks is making workers more productive with their time and leading to a larger proportion of the workforce undertaking primarily thought-based, cognitive work. Previous research has found that while this could result in a decline in jobs in industries such as manufacturing and transport, emerging technologies will ultimately create more new jobs and economic opportunities, as has been observed in previous industrial revolutions throughout history.<sup>13</sup> Moreover, knowledge-based workers need to “learn integrated and usable knowledge, rather than... de-contextualised facts” in order to succeed in today's workforce, and a lifelong approach to learning helps to enable this and ensure that best practice applications are disseminated across industries.<sup>14</sup>

The complementary nature of technology and service-based work means that a larger number of jobs that are both cognitive and non-routine are now being demanded by employers. As technology continues to augment human capabilities, employees will be able to dedicate more time

5 Collins, J., 'Lifelong learning in the 21st century and beyond' (2009) 29(2) *Radiographics*.

6 Australian Government, *Australian Blueprint for Career Development* (2010) <[https://docs.education.gov.au/system/files/doc/other/australian\\_blueprint\\_for\\_career\\_development.pdf](https://docs.education.gov.au/system/files/doc/other/australian_blueprint_for_career_development.pdf)>.

7 Foresight, *Future of skills and lifelong learning* (2017) <<https://www.gov.uk/government/publications/future-of-skills-and-lifelong-learning>>.

8 OECD, *Lifelong learning for all: Taking stock* (2001) <[http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DEELSA/ED/CERI/CD\(2000\)12/PART2/REV2&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DEELSA/ED/CERI/CD(2000)12/PART2/REV2&docLanguage=En)>.

9 Australian Government, *2015 Intergenerational Report* (2015) <<https://treasury.gov.au/publication/2015-igr>>.

10 Deloitte Insights, *The path to prosperity: why the future of work is human. Building the Lucky Country #7* (2019) <<https://www2.deloitte.com/au/en/pages/building-lucky-country/articles/path-prosperity-future-work.html>>.

11 Reserve Bank of Australia, *Structural Change in the Australian Economy* (2018) <<https://www.rba.gov.au/publications/bulletin/2018/mar/pdf/structural-change-in-the-australian-economy.pdf>>.

12 McKinsey Global Institute, *Jobs lost, jobs gained: workforce transitions in a time of automation* (2017) <<https://mck.co/2srgkBZ>>.

13 Block, K., *World Economic Forum – New technologies must create jobs, not destroy them* (2018) <<https://www.weforum.org/agenda/2018/03/new-technologies-must-create-jobs-not-destroy-them/>>.

14 OECD, *21st Century Learning: Research, Innovation and Policy – Directions from recent OECD analyses* (2008) <<http://www.oecd.org/site/educeri21st/40554299.pdf>>.

to higher value-add tasks.<sup>15</sup> Driven by the continued shift towards non-routine, cognitive-based jobs, it is predicted that 86% of jobs created between now and 2030 in Australia will be knowledge-worker jobs.<sup>16</sup>

The continuous advancements in technology are the primary driver for transforming the work of businesses, and skills demanded by employers more generally. Unlike any of the large technological revolutions in the past (e.g. mechanisation, electrification and computerisation), digital technologies are impacting every sector of the economy.<sup>17</sup> This is leading to an unprecedented change in the composition of work and skills required by the global workforce.

### What skill needs are hardest to meet?

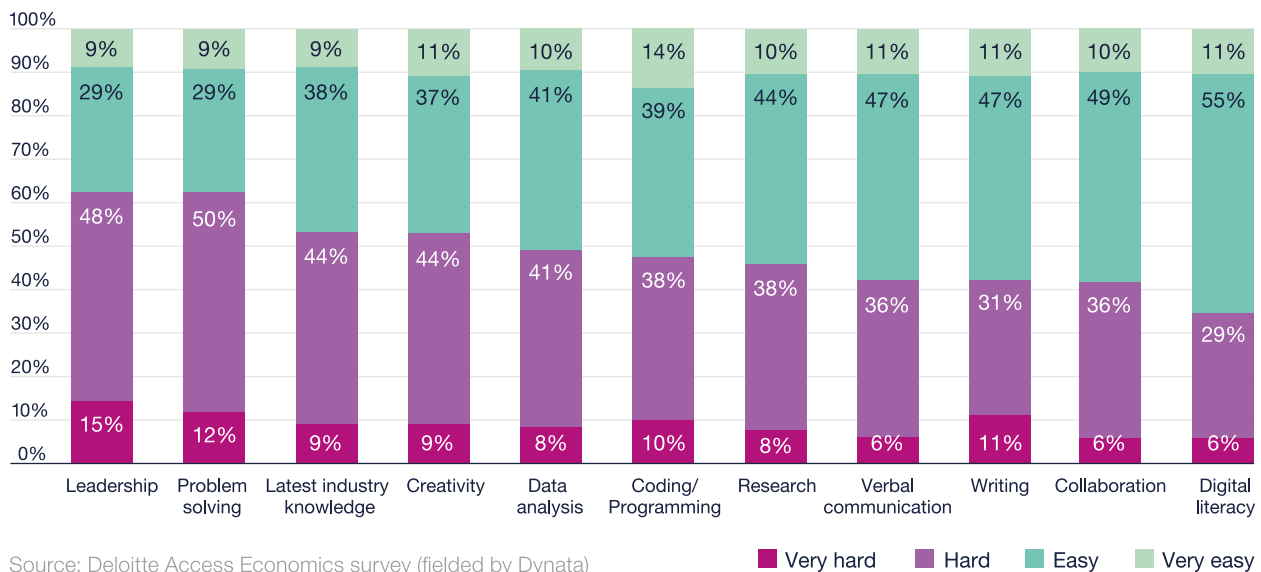
Many businesses expect employees to possess customer service skills, demonstrate an in-depth understanding of the job and industry, solve problems, and teach and mentor others. And whilst these may include a combination of technical and non-technical skills, it is typically 'soft skills' such as interpersonal and creative skills that are hardest to automate. It is estimated that two-thirds of all jobs in Australia will be soft-skill intensive by 2030.<sup>18</sup>

Given the increasing number of skills required, it is no surprise that employers may have difficulty in addressing skill shortages within their organisations. The average Australian worker currently lacks 2 of the 18 critical skills that employers seek to fill a given position, increasing from 1.2 around a decade ago.<sup>19</sup>

**Most surveyed businesses in professional industries (88%) find it hard to get employees with the skills they need.** Some skills are more difficult for businesses to find than others.

Leadership and problem solving were skills that most surveyed businesses (62%) in professional industries indicated as being hard or very hard to find. More than half of surveyed businesses also indicated difficulty finding creativity skills (53%) and employees with the latest industry knowledge (53%). Whilst some skills, such as digital literacy, were comparatively easier for businesses in professional industries to source, there was still a sizeable share of surveyed businesses (35%) indicating difficulty (Chart 2.1).

**CHART 2.1: Business ease of finding employees with necessary skills, by skill**

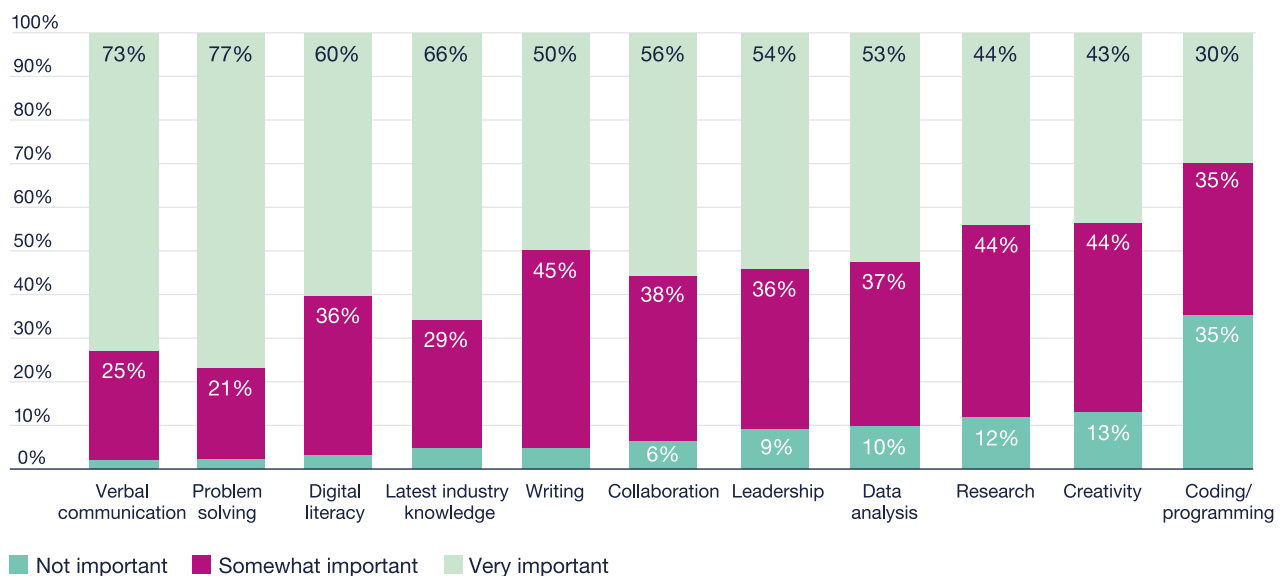


Source: Deloitte Access Economics survey (fielded by Dynata)

15 McKinsey Global Institute, AI, automation, and the future of work: Ten things to solve for (2018) <<https://www.mckinsey.com/featured-insights/future-of-work/ai--automation-and-the-future-of-work-ten-things-to-solve-for>>.  
 16 Deloitte Insights, The path to prosperity: why the future of work is human. Building the Lucky Country #7 (2019) <<https://www2.deloitte.com/au/en/pages/building-lucky-country/articles/path-prosperity-future-work.html>>.  
 17 Schwab, K., World Economic Forum – The Fourth Industrial Revolution: what it means, how to respond (2016) <<https://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond/>>.  
 18 Deloitte Access Economics, Soft skills for business success (2017) <<https://www2.deloitte.com/au/en/pages/economics/articles/soft-skills-business-success.html>>.  
 19 Deloitte Insights, The path to prosperity: why the future of work is human. Building the Lucky Country #7 (2019) <<https://www2.deloitte.com/au/en/pages/building-lucky-country/articles/path-prosperity-future-work.html>>.



**CHART 2.2: Importance of employee skills to businesses, by skill**



Source: Deloitte Access Economics survey (fielded by Dynata)

The most important skills can sometimes be the most difficult to find.

Businesses in professional industries appear to value a wide variety of skills across their organisation, with some skills appearing relatively more important than others (Chart 2.2). Most notably, **problem solving skills and the latest industry-specific knowledge are considered to be both important and comparatively hard for surveyed businesses to find.** In contrast, verbal communication is considered to be another relatively important skill for surveyed businesses in professional industries, but they face less difficulty in finding employees with this skill.

Moreover, the skills needs in professional industries are rapidly evolving as digital disruption and other trends affect the nature of work in these industries. This has implications for how businesses facilitate and deliver learning and development for their employees, as described in the NAB case study.

## CASE STUDY 1

# Skills needs and ongoing learning at NAB

The National Australia Bank (NAB) employs approximately 38,000 people in Australia. Like many other large organisations, NAB is required to support a significant breadth of skills, which are rapidly evolving over time. For example, growth in banking via online channels means that digital capabilities are now needed across all parts of the business, with a number of critical areas emerging such as artificial intelligence, data analytics and cyber security. Other skills that are rising in importance include customer service, experience design and risk management capabilities.

Employees at NAB are encouraged to drive their own learning journey, with the business facilitating this by making high quality learning assets widely available across the workforce. This includes utilising digital content delivered by other learning providers, from micro-learning options such as LinkedIn and Coursera, to university short courses and qualifications. The availability of these different learning options means that employees can tailor their learning to their own requirements and interests. According to Damien Woods, General Manager of Learning at NAB, “the role of our business’s learning function is to enable learning that is flexible, accessible and enjoyable. This means we need to have learning and development assets that are available 24/7, accessible on mobile devices and that supports micro- through to university-level qualifications.”

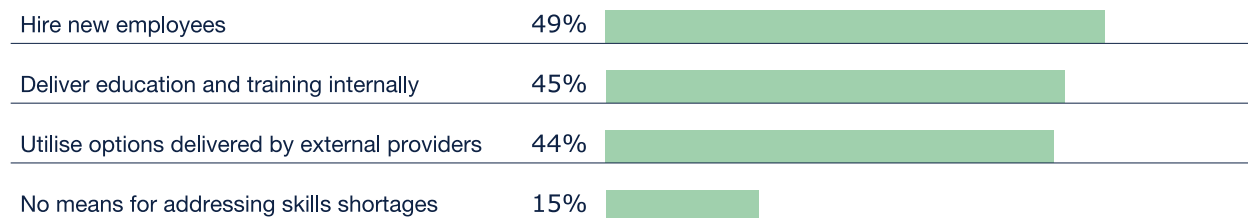
NAB believes that learning within the business should not solely be about compliance, but rather about development initiatives that enable capability uplift and ensure employees’ skills are up to date. Damien says that “this requires learning to be integrated across the business, thereby encouraging communities of practice, consumption of relevant digital content and collaboration between employees. We work with other teams to ensure that learning initiatives are driven by relevant business units and leaders. For example, we recently supported the Finance team to define the required capabilities of a modern finance function and then curated a set of digital learning assets to help employees develop the identified skills, which included coding and human-centred design. There was significant adoption of the digital content and an increase in worker engagement following the uptake of this learning.”

### How are businesses addressing skill needs?

Our business survey for this report indicated that 15% of surveyed businesses in professional industries have no means of addressing skill shortages within their own organisation. However, across the 85% of businesses that do have a means to manage skill shortages, both internal and external training opportunities are important strategies.

The surveyed employers in professional industries use hiring (49%), internal training (45%) and external training (44%) to address skills shortages to a similar extent (Chart 2.3). Information Media and Telecommunications businesses are least likely to state that they do not have a means for addressing skills shortages (10%) and the most likely to hire new employees (62%). In contrast, businesses surveyed in the Professional, Scientific and Technical Services industry are relatively less likely to have any means to address skills shortages (19%) and the least likely to hire new employees (43%).

**CHART 2.3: Business approaches to skill shortages within their organisation**



Source: Deloitte Access Economics survey (fielded by Dynata)

While our survey results suggest that overall, businesses in professional industries are using a range of strategies – including both hiring and training – to address organisational needs, they do not provide an indication of the magnitude of skills gaps being addressed using each method. Previous research has found that every year, Australian businesses spend \$7 billion on recruiting new workers with the right skills, and \$4 billion on training and developing the skills of existing employees.<sup>20</sup>

This is the case even though the risks of hiring a new employee can be higher than those associated with building the skills of current workers, with the cost of replacing a bad hiring decision within six months estimated to be 2.5 times the worker’s salary.<sup>21</sup>

On the other hand, the cost of training and developing current employees is generally more cost effective than hiring new ones,<sup>22</sup> and can have additional positive impacts such as increasing employee commitment to and retention in the business.<sup>23</sup> Greater use of training options instead of hiring could therefore be beneficial for employers.

<sup>20</sup> Deloitte Access Economics, Soft skills for business success (2017) <<https://www2.deloitte.com/au/en/pages/economics/articles/soft-skills-business-success.html>>.

<sup>21</sup> Yager, F., The Cost of Bad Hiring Decisions Runs High (2012) <<https://insights.dice.com/report/the-cost-of-bad-hiring-decisions/>>.

<sup>22</sup> Mosteller, K., The Cost of Hiring the Perfect Candidate vs. Training an Existing Employee (2015) <<https://fosteredu.pennfoster.edu/the-cost-of-hiring-the-perfect-candidate-vs.-training-an-existing-employee>>.

<sup>23</sup> Brum, S., ‘What Impact Does Training Have on Employee Commitment and Employee Turnover?’, Seminar Research Paper 45 (2007) <[http://digitalcommons.uri.edu/lrc\\_paper\\_series/45](http://digitalcommons.uri.edu/lrc_paper_series/45)>.

LEARN. WORK. REPEAT.



## Who is currently engaging in lifelong learning?

Lifelong learning is a model of fairly continuous educational engagement for employees. It is a broad term that captures many different forms of educational engagement—both informal and formal. Informal means of engaging in lifelong learning are self-organised and unstructured. Searching for information online or reading a job-related book are examples of informal learning. The employee develops their job-related knowledge organically and in short bursts.

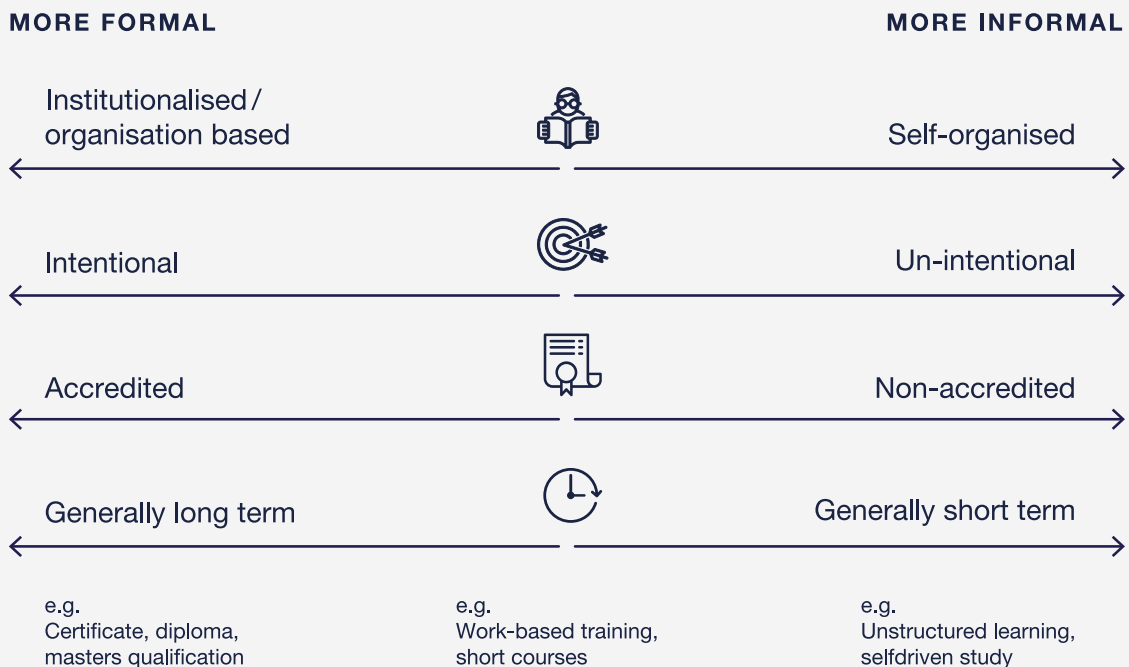
At the other end of the spectrum, more formal education represents deliberate engagement with learning opportunities sourced from an organisation or educational institution in order to gain recognition (through accreditation) for learning. Formal education products tend to be traditional education qualifications, such as diploma or postgraduate programs. An employee is required to commit to learning for a pre-determined period of time.

Engagement in lifelong learning can also fall in the middle of this spectrum, with some education and training options possessing characteristics from both formal and informal learning (Figure 3.1).

**FIGURE 3.1:** Spectrum and characteristics of lifelong learning

### LIFELONG LEARNING

Continual engagement in education and training in the workforce





## Lifelong learning options

There are a variety of sources and providers through which workers can currently choose to engage in lifelong learning. Traditional qualifications can be gained through studying in person with universities and vocational training providers, but the rise of the internet has resulted in a range of other educational products being delivered online (including some qualifications as well). The expansion of Massive Open Online Courses (MOOCs) provided open access to both qualification and non-qualification-based learning to over 101 million students globally in 2018—involving over 900 universities and 11,400 courses.<sup>24</sup>

Other non-traditional education providers include private web-based services such as LinkedIn Learning and Khan Institute, which offer learning opportunities of varying structures for workers to engage with online. Workplaces also choose to develop and deliver training internally to support their workers. **An estimated 35% of all work-related training is delivered by an existing staff member in Australia, with another 46% by an external consultant and 18% by an external provider.**<sup>25</sup>

Professional accreditation conducted by professional bodies and/or accreditation agencies account for a significant component of training in some industries where accreditation is required (e.g. finance, accounting).



<sup>24</sup> Shah, D., By the Numbers: MOOCs in 2018 (2018), <<https://www.classcentral.com/report/mooc-stats-2018/>>.

<sup>25</sup> ABS, '4234.0 Work-Related Training and Adult Learning, Australia', 2016-17 (2017).

Given the broad spectrum of options for workers to engage in ongoing education and training, and a lack of consolidation in sources of information on lifelong learning, this section will look at engagement in lifelong learning across various parts of this spectrum in Australia.

Estimates of engagement in lifelong learning vary based on the source and types of education and training captured within the definition of engagement. According to the ABS, **over a third of adults** (37%; aged 25-64) **participated in structured work-related training and adult learning** in 2016-2017.<sup>26</sup> An estimated 8% of adults engaged only in learning that results in a formal qualification recognised by the Australian Qualification Framework. A quarter (25%) of adults only participated in less formal learning that is structured but does not form part of an award or qualification, and 4% participated in both forms of learning.

Participation in structured learning varies by age and employment status. Younger adults are more likely to participate in learning than older individuals—both qualification and non-qualification based learning (Chart 3.2). All cohorts are more likely to engage in non-qualification based learning than qualification based learning. Adults who are employed part-time are most likely to be engaging in structured learning (53%) followed by unemployed individuals (47%).

**CHART 3.2: Participation in structured learning by age and employment status (25-65 years), 2016-2017**



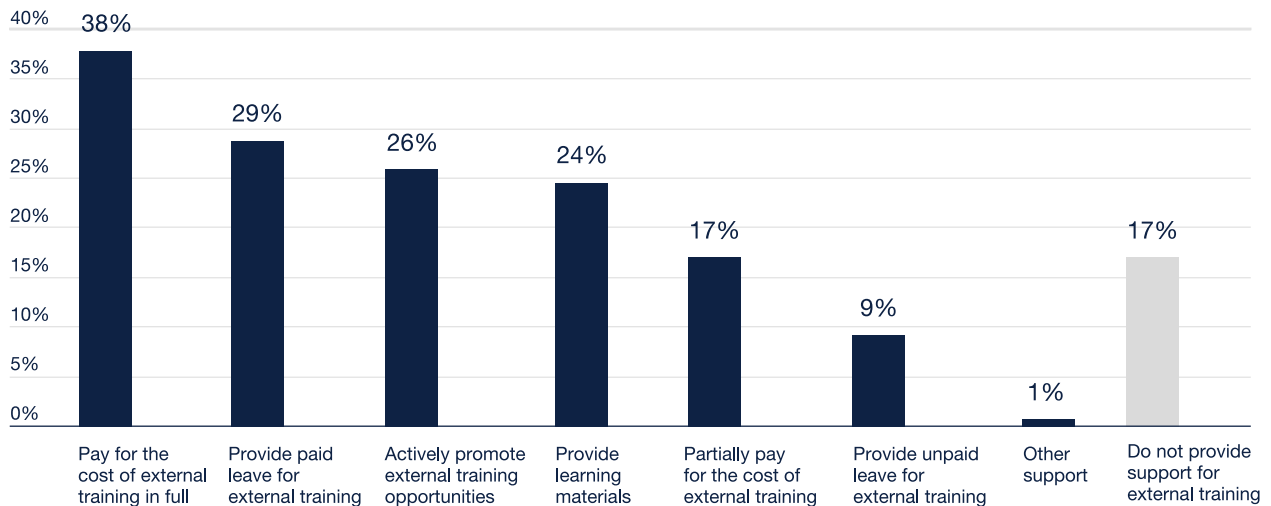
Source: ABS, 2017

26 Ibid.

Participation in informal learning in Australia is currently not well identified due to the large variety of services employees can engage with and the self-directed nature of engagement. Attendance at seminars, watching online educational videos and reading academic papers are all examples through which more informal lifelong learning can be facilitated.

Australian employers in professional industries clearly recognise the need for lifelong learning, with **84% of surveyed employers indicating their willingness to provide employees with some form of support** (Chart 3.3). Over half of professional employers surveyed would be willing to provide some financial support: either the entire cost of formal training (38%) or partial costs (17%). Some surveyed employers also indicated they would be willing to provide paid study leave (29%) and promote external training opportunities to workers (26%).

**CHART 3.3: Proportion of employers willing to provide a given support for their employees to engage in education and training**



Source: Deloitte Access Economics survey (fielded by Dynata)

Despite the willingness to provide support, there can be barriers that impede greater employee engagement in lifelong learning. These barriers include the cost of education, a lack of time to commit to education, inaccessibility of learning options (e.g. too far away), no relevant educational opportunities and a lack of flexible learning options.<sup>27</sup>

Both employers and employees indicate that time and cost are the largest barriers to continual engagement in education over the course of an individual's career. From the employer perspective, our business survey finds that professional employers believe that employees in their organisation may not be engaging in external education

and training opportunities because they are too expensive (cited by 38% of businesses surveyed in professional industries). This is closely followed by 35% of businesses believing that workers do not have the time to engage in external training.

From an employee perspective, previous research has found that workers that are not interested in engaging in formal (qualification-based) learning opportunities report difficulties such as not having the time (cited by 37% of workers) and formal learning being too expensive (28%).<sup>28</sup> The largest barriers to more informal forms of education are also difficulties in finding the time to learn, and financial obstacles.<sup>29</sup>

27 Falasca, M., 'Barriers to adult learning: Bridging the gap' (2011), 51(3) Australian Journal of Adult Learning, 583-590.

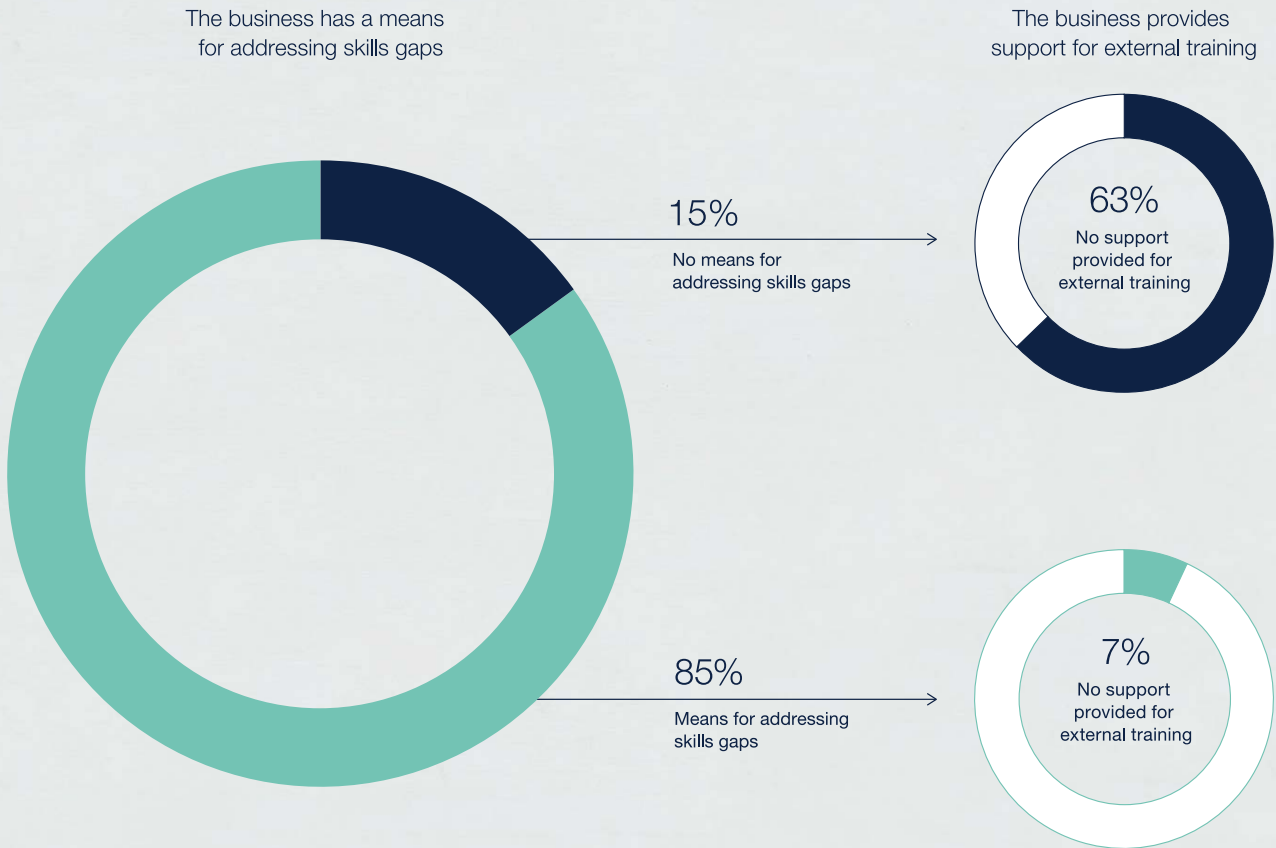
28 Deloitte, Where to next? Beyond the Skills Gap (2019), <<https://www2.deloitte.com/au/en/pages/public-sector/articles/where-to-next.html>>.

29 ABS, '4234.0 Work-Related Training and Adult Learning, Australia', 2016-17 (2017).

The level of support provided to workers to overcome these barriers varies based on the extent to which a business feels equipped to meet skills gaps within their organisation. Employers who indicated that they had no means of addressing skill shortages (15% of surveyed businesses in professional industries, as discussed in

Section 2) were much more likely to state that they did not provide support to their employees to engage in external training (63%). In contrast, of those surveyed professional employers that indicated they actively seek to address their skills gaps, only 7% did not provide support for external training to their employees (Chart 3.4).

**CHART 3.4: Businesses' ability to address the skills gap in their organisation, and support provided for external training**



Source: Deloitte Access Economics (fielded by Dynata)



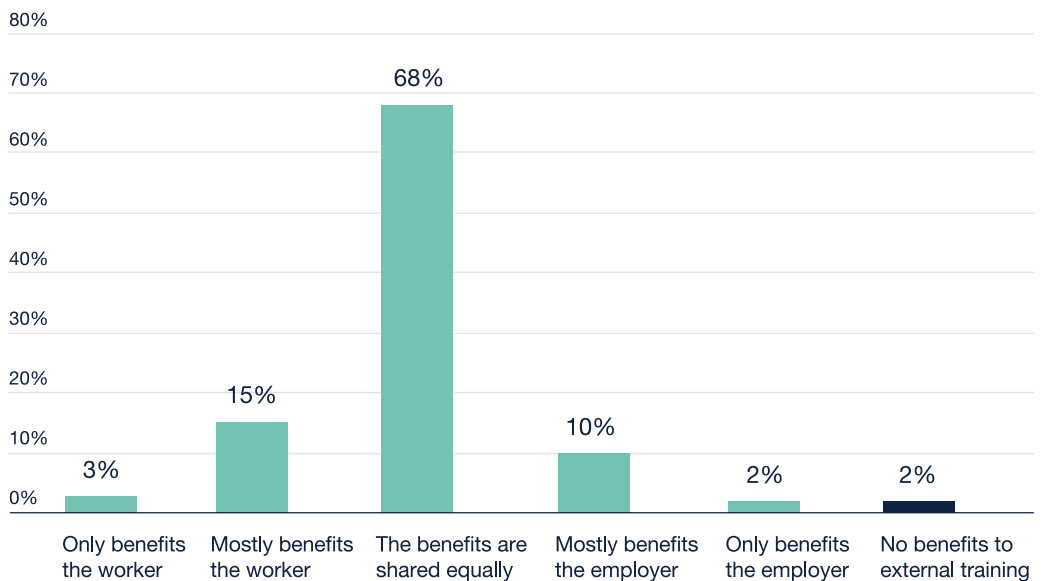


## Sharing the benefits of lifelong learning

Ongoing engagement in education and training can be beneficial for both workers undertaking this learning, and the businesses that employ them. Previous research has found that the general benefits for individual workers include developing relevant skills and knowledge to meet current and future job requirements, as well as greater employee satisfaction and performance. Meanwhile, general employer benefits comprise revenue and market growth, better organisational performance and higher employee retention.<sup>30, 31</sup>

Almost all surveyed businesses in Australian professional industries (95%) believe that they, as an employer, receive some benefits from their workforce engaging in ongoing external learning opportunities (Chart 4.1). **Over two-thirds of professional employers surveyed believed the benefits are shared roughly equally between the individual worker and the business overall.**

**CHART 4.1:**  
Extent of shared benefits from an employee engaging in external education and training



Source: Deloitte Access Economics survey (fielded by Dynata)

This finding is consistent across businesses of all sizes across professional industries in Australia, as identified in case study 3 with REA Group.

<sup>30</sup> Jehanzeb, K. and Bashir, N.A., 'Training and Development Programs and Benefits to Employees and Organizations: A Conceptual Study' (2013) 5(2) European Journal of Business and Management.

<sup>31</sup> Adzido, R.Y.N., Dzogbede, O., Kamasah, V.Y. and Dzineku, W.K., 'Assessing the Mutual Benefits of Investing In Staff Training and Development' (2015) 3(3) International Journal of Education and Research.

## CASE STUDY 2

# The benefits of employee learning at REA Group

REA Group is a digital media business with more than 1,400 employees globally, and 1,000 people in Australia alone. The business has a diverse workforce, with around half of its employees in Australia comprised of technology-based roles—such as engineers, developers and business analysts—and the remainder in other areas including sales, marketing, product, design, finance and human resources. The business places importance on both interpersonal skills and technical skills across their employees. Interpersonal skills, such as teamwork and leadership, are relevant across all roles within REA Group, while ongoing development of technical skills is necessary to ensure that employees are on top of the latest changes in their area of specialty. This is particularly the case for the technology community in the business: given the rapid pace of digital change, it is critical for REA's people to keep up with the newest technologies, systems, platforms and languages, in order to meet evolving consumer expectations around experience and functionality.

Active engagement in learning and development provides benefits for both REA Group and its people. According to Ambra Perera, Learning and Development Manager at REA Group, “there’s a strong correlation between an individual’s learning, development and career growth opportunities and their overall engagement. This translates to more motivated and productive employees, who tend to progress faster and stay with the company longer. REA Group is built on ideas and innovation; but businesses don’t develop ideas, people do. Ongoing learning is therefore essential when it comes to remaining at the top of our industry in terms of problem solving, creativity and collaboration.”

REA Group supports their workforce through a mix of internally and externally delivered learning opportunities. These are provided through a range of formats, including bite-sized online modules, webinars, conferences and face-to-face sessions. The business also recognises the importance of integrating everyday learning and work in a more organic way. Ambra says: “our strong culture of learning from each other means that ‘social learning’ is just as important as formal training sessions. We’re about to introduce a new learning platform that uses artificial intelligence capabilities to better facilitate everyday ‘moments of learning’. The platform also allows anyone to upload and share information with others, and automatically tags content and generates suggested articles and videos to minimise the time required to find targeted and relevant material.”

Small businesses are sometimes perceived to make fewer investments in general learning opportunities because they could potentially receive limited benefits, due to larger, higher-paying employers poaching skilled workers after training has been completed.<sup>32</sup> However, our research finds that this is not the case in professional industries: 95% of surveyed businesses with less than 20 employees stated that they benefit from workers engaging in external education and training, and the majority (76%) believe that benefits are shared evenly between the employer and the employee.

In addition, previous OECD research on productivity and value-add improvements as a result of ongoing education and training undertaken by the workforce has also found that there are mutual benefits to employers and employees.

For each hour of informal learning, businesses are found to experience an average increase in productivity of around 1%, while employee wages increase by 0.5%.<sup>33</sup>

These shared benefits are important to highlight if increased engagement in lifelong learning is to be encouraged across the Australian workforce. The following sections explore the nature of the benefits to both employees and employers in further detail.



<sup>32</sup> UK Commission for Employment and Skills, Encouraging small firms to invest in training: learning from overseas (2010) <<https://core.ac.uk/download/pdf/4151307.pdf>>.

<sup>33</sup> Fialho, P., Quintini, G., and Vandeweyer, M., 'Returns to different forms of job related training' (2019), OECD Social, Employment and Migration Working Papers No. 231, <[https://www.oecd-ilibrary.org/social-issues-migration-health/returns-to-different-forms-of-job-related-training\\_b21807e9-en](https://www.oecd-ilibrary.org/social-issues-migration-health/returns-to-different-forms-of-job-related-training_b21807e9-en)>.





## How do employees benefit from lifelong learning?

Employees engaging in lifelong learning experience both work-related and personal benefits. From a work perspective, engagement in ongoing education and training provides career development opportunities that ensure an employee remains competitive in the labour market.<sup>34</sup> Employees develop skills and knowledge that help them remain relevant and meet the changing demands of business.<sup>35</sup>

Increased skill levels and competencies in the workplace as a result of lifelong learning are found to result in greater job motivation and satisfaction. Research shows workers feel more competent in their roles from a reduction in skills gaps—decreasing potential anxieties or frustration from work and generating superior performance. In turn, the employee is likely to stay in their jobs for longer due to increased satisfaction.<sup>36</sup>

Employees expect that engaging in lifelong learning can help them achieve their career goals. Previous research conducted by Deloitte indicates that **almost 70% of workers believe lifelong learning opportunities will enable them to achieve their career goals** over the next 10 years.<sup>37</sup> The top four motivations to study for those interested in engaging in lifelong learning (Chart 5.1) are to develop skills or knowledge to be applied to their current job, role or industry (26%), for personal interest (20%) to enable them to transition to a new job, role or industry in the future (19%) and to improve the qualifications on their CV (17%).

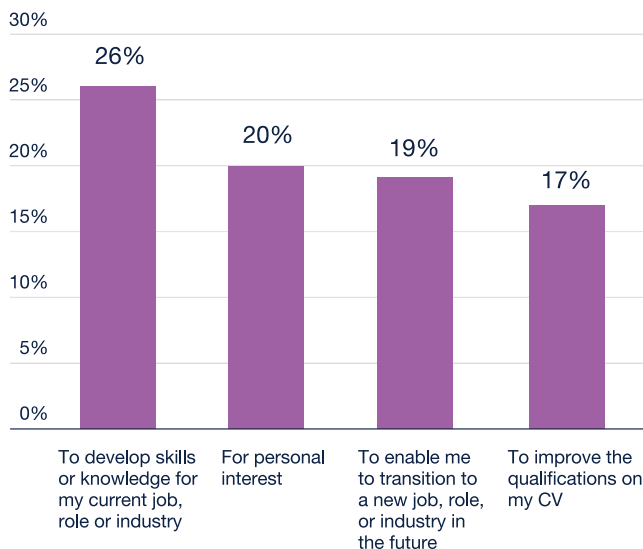
<sup>34</sup> Clarke, M., 'Understanding and managing employability in changing career contexts' (2008). *Journal of European Industrial Training*, 32(4), 258–284.

<sup>35</sup> Adzido, R.Y.N., Dzugbede, O., Kamasah, V.Y. and Dzineku, W.K., 'Assessing the Mutual Benefits of Investing In Staff Training and Development' (2015) 3(3) *International Journal of Education and Research*.

<sup>36</sup> Elnaga A, Imran A, 'The effect of training on employee performance' (2013) 5(4) *European Journal of Business and Management* 137-47.

<sup>37</sup> Deloitte, *Higher Education for a Changing World* (2018), <<https://www2.deloitte.com/au/en/pages/public-sector/articles/higher-education-changing-world.html>>.

**CHART 5.1: Top four motivations for being interested in engaging in lifelong learning**

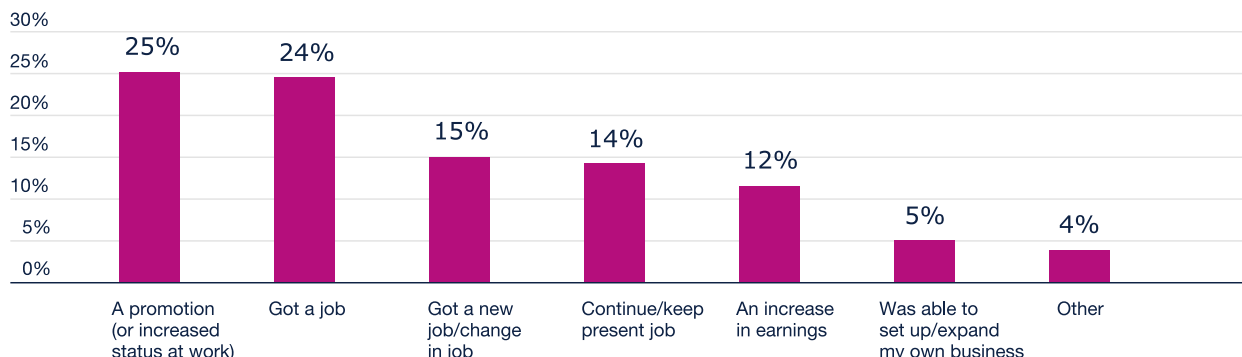


Source: Deloitte 2018

Evidence from vocational education and training data suggests that these type of benefits are being experienced by Australian employees. Outcomes from single-subject vocational enrolments—used to capture short-burst, more informal lifelong learning engagement of workers (as opposed to qualification-based learning)—indicates that 93% of those who completed a single subject achieved their main reason for studying which could be personal or job-related.

Approximately half of those engaging in training (48%) identify at least one job-related benefit. Of these benefits the most common was to gain a promotion or increased status at work (25%), followed by getting a job (24%) (Chart 5.2). Separately, 44% of learners also reported improved employment status after completing the single-subject courses.

**CHART 5.2: Job-related benefits from single-subject vocational education enrolments, based on those who identified at least one job-related benefit**



Source: NCVET

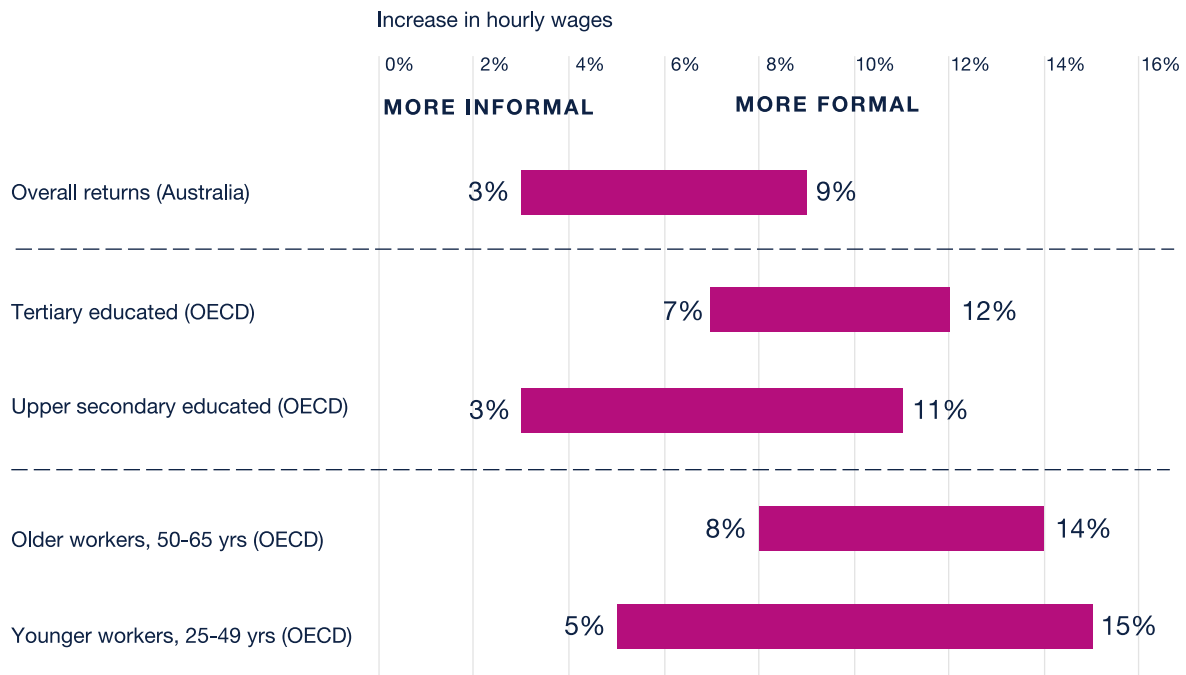
Research from the OECD helps to quantify the monetary benefits of non-qualification based lifelong learning engagement.<sup>38</sup> At the lower end of returns, engagement in more informal qualifications within a 12 month period are found to increase wage returns by 3% in Australia (Chart 5.3), while engagement in more formal forms of education in a 12 month period can result in returns of just under 10%.<sup>39</sup> These returns are more substantial than work experience—an additional year of tenure is only associated with a 1% increase in wages.<sup>40</sup>

Employees experience variation in average wage returns based on their characteristics. Tertiary-educated workers across the OECD experience the highest returns to engagement in non-qualification based lifelong learning (Chart 5.3). Therefore, higher educated workers both participate in more training (based on highest qualification) than less educated workers and they also benefit more from it. By age, returns for younger workers from OECD countries are lower than for older workers for more informal styles of learning, but similar for more formal education.

38 Fialho, Priscilla, Glenda Quintini, and Marieke Vandeweyer, 'Returns to different forms of job related training' (2019), OECD, <[https://www.oecd-ilibrary.org/social-issues-migration-health/returns-to-different-forms-of-job-related-training\\_b21807e9-en](https://www.oecd-ilibrary.org/social-issues-migration-health/returns-to-different-forms-of-job-related-training_b21807e9-en)>

39 Returns are estimated as the short-term, private increase in hourly wages based on engagement in training undertaken after entering the workforce in a given 12 month period. These figures are corrected for socio-demographic and job characteristics as well as selection into training (e.g. motivated workers).

40 Based on the OECD average. Wage returns estimated for Australia are broadly similar to those estimated at for all OECD countries (with data available) which ranges from 3.5% to 11%.

**CHART 5.3: Wage returns to engagement in lifelong learning within a 12 month period, by education level and age**

Source: OECD (2019)

Recent research by Deloitte Access Economics on returns to investment in soft skills finds similar returns. A 10 percentage point (or one standard deviation) increase in human skill attainment is associated with a 5% increase in wages. This is equivalent to an additional \$3,822 per year for the average Australian full-time worker.<sup>41</sup> Again, the nature of this return likely varies for the style of learning a worker participates in.

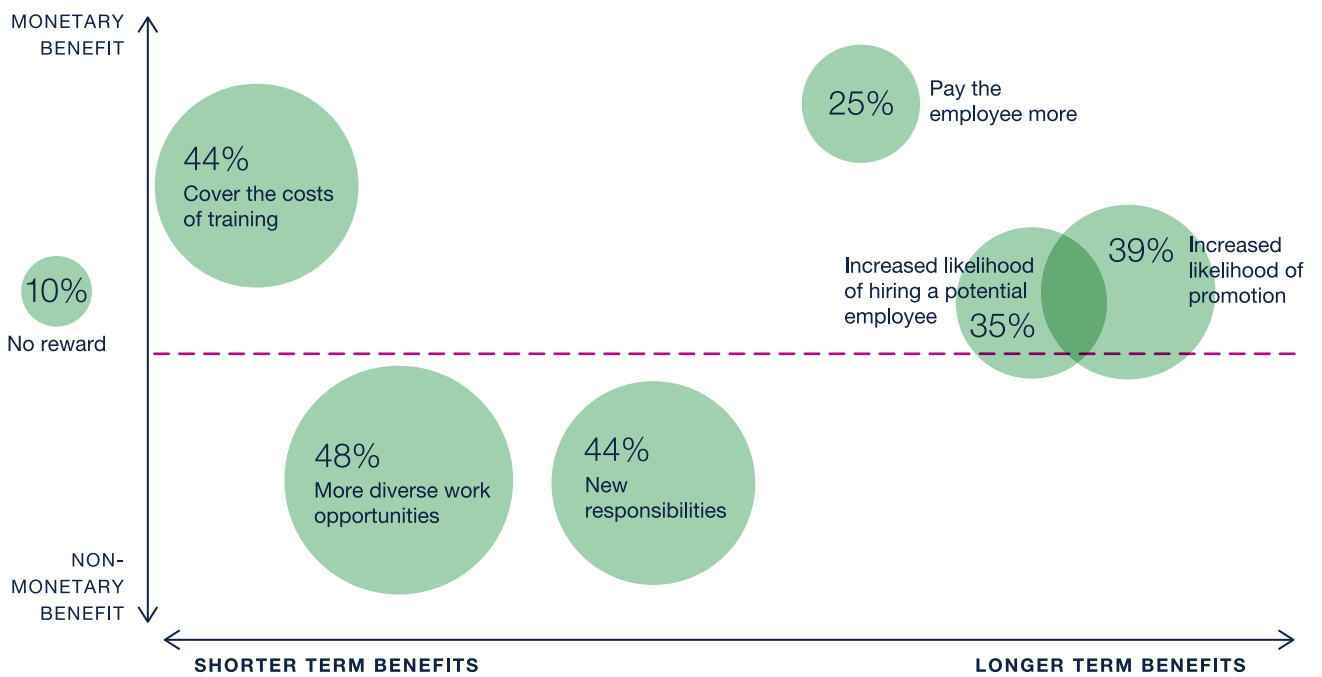
The financial returns from lifelong learning can take some time to materialise, and wage returns have been found to generally accrue a year after completing study.<sup>42</sup> At the same time, businesses can also provide non-monetary rewards to employees. Our business survey finds that **in the short term, professional employers in Australia are more likely to provide non-monetary rewards** to employees undertaking external education and training (Figure 5.1). Surveyed businesses want to give workers new responsibilities (48%) and to provide employees with more diverse work opportunities (44%). This compares to the monetary benefit of immediately paying the employee more, which only 25% of surveyed employers indicated they would be willing to do.

**More responsibilities and opportunities in the short term can ultimately lead to longer-term financial returns** for a worker. Non-monetary rewards provide a means for a worker to prove a higher level of expertise or knowledge that is then subsequently rewarded. A substantial proportion of surveyed businesses (39%) still indicated that they would likely reward an employee through a promotion, which is often associated with an increase in wages.

41 Deloitte Access Economics, Premium skills: The wage premium associated with human skills (2019), <<https://www.deakinco.com/premium-skills>>.

42 Dorsett, R., Lui, S., & Weale, M, 'Economic benefits of lifelong learning' (2010), LLAKES Research Paper, 13.

**FIGURE 5.1:** Employee benefits to lifelong learning engagement, and proportion of employers (size of bubble) who would reward lifelong learning in this way



Source: Deloitte Access Economics survey (fielded by Dynata)



## How do employers benefit from lifelong learning?

Lifelong learning offers businesses the opportunity to improve and grow. Market based benefits, i.e. financial/human capital benefits from training, include increased productivity and associated positive flow on effects to profitability – although the size of these gains can vary significantly by industry and by estimation method.<sup>43</sup> Other market-based benefits include greater technological innovation within firms, new work processes and better organisational performance.<sup>44, 45</sup> An example is described in the Aurecon case study.

<sup>43</sup> Australian Workforce and Productivity Agency, 'Human capital and productivity: literature review' (2013), AWPA, Canberra.

<sup>44</sup> Cedefop (European Centre for the Development of Vocational Training), 'Benefits of vocational education and training in Europe for people, organisations and countries' (2013), Publications Office of the European Union, Luxembourg, viewed 05 April 2016.

<sup>45</sup> Adzido, R.Y.N., Dzugbede, O., Kamasah, V.Y. and Dzineku, W.K., 'Assessing the Mutual Benefits of Investing In Staff Training and Development' (2015) 3(3) International Journal of Education and Research.

### CASE STUDY 3

## Building capabilities with speed and scale at Aurecon

Aurecon is an international engineering, design and advisory firm with around 5,500 employees across Australia, New Zealand, Asia and the Middle East. The diverse range of projects and sectors that the business works across on requires a workforce with a broad set of capabilities. In this context, the business has recently developed a skills blueprint that maps critical mastery domains such as technical, digital, client, commercial, innovation and leadership to what is required to achieve Aurecon's strategic direction.

Within these domains, Aurecon has sought to provide a more expansive view on how the required skills are relevant across its workforce. This means working with teams and business leaders to identify skills needs at the foundation, intermediate and advanced levels. For example, Sam Fernando, Global Talent Development Leader at Aurecon, describes what this looks like in the digital mastery domain: "we're demystifying what digital change means for our business. While technical digital skills remain a part of our learning programs, the digital domain also includes courses that enable our people to become well-rounded digital professionals, such as in data-driven decision making, information management, blockchain foundations and uses, financial metrics for digital businesses and digital market research."

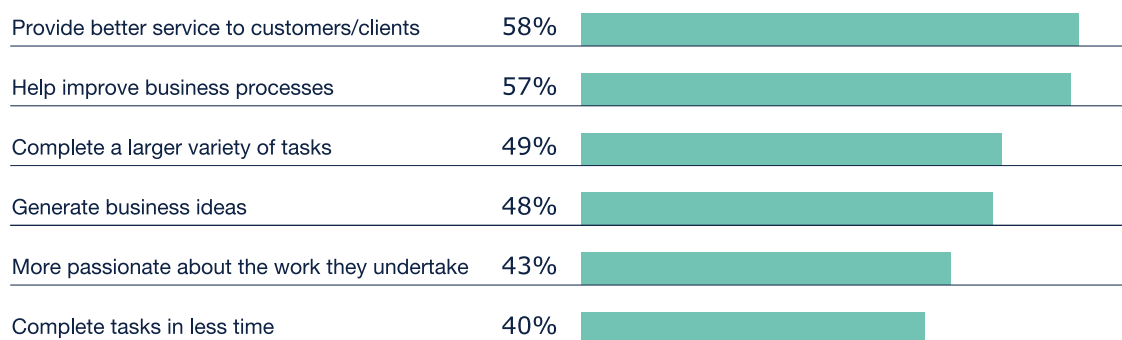
Aurecon believes that blended delivery is critical for ensuring that ongoing learning is embedded into employees' workflows. Classroom training is used for targeted courses where there is particular value in face-to-face collaboration and dialogue, such as for the design academy and leadership programs. Meanwhile, online learning content can assist when skills need to be developed quickly and at scale across the workforce, which is increasingly required given the rapid change and growth of the business.

According to Liam Hayes, Chief People Officer at Aurecon, "we want to democratise learning and enable all of our people to be creators, consumers and curators of learning". In this context, the business has recently implemented a new digital learning platform, AureconU, which enables employees to create and publish their own learning materials, such as courses and videos. The platform tags content to align with the skills blueprint and to make it easy for individuals to align with their skills and development goals, allowing employees to access targeted content anywhere and at any time. Sam says that "AureconU went live in late 2019 and the uptake has been amazing: we've had 37,500 enrolments to date globally, and 26,000 completions. Peer-to-peer learning is gaining momentum through the platform and this is helping us to build capability at the speed and scale that our business requires."

Non-market benefits relate to the social and culture benefits associated with investment in education and training. As noted in the previous section, workers can experience increased job satisfaction and retention from lifelong learning. This also benefits the employer. It strengthens cooperation in a business workforce, reduces labour turnover and absenteeism, and can increase a business's reputation as a business of choice.<sup>46</sup> While not directly market based, these influences can indirectly result in economic dividends for a business.<sup>47</sup>

Our research identifies the specific benefits of ongoing employee engagement in education and training for Australian employers in professional industries. Lifelong learning across the workforce enables businesses to stay at the forefront of service development and delivery, and **the most common benefit – cited by 58% of surveyed employers in professional industries – is that their workers can provide better service** to customers and clients (Chart 6.1). Customer service has been found to be the most in demand skill in the Australian economy in 2019, with a shortage of 5.3 million workers requiring these skills of “interacting with and building relationships with clients and stakeholders”.<sup>48</sup>

**CHART 6.1: Benefits to business from employees engaging in lifelong learning**



Source: Deloitte Access Economics survey (fielded by Dynata)

In addition to external business benefits associated with better customer service, continuous training and development across the workforce also leads to internal benefits in professional industries. Across all professional industries, **57% of surveyed employers state that they benefit from lifelong learning through employees being able to help improve business processes** (Chart 6.1). This is particularly the case in the Information Media and Telecommunications and Financial and Insurance Services industries, where improved processes was the most frequently cited benefit to the employer (Chart 6.2). Better client service was identified as the most common benefit in the Professional, Scientific and Technical Services industry.

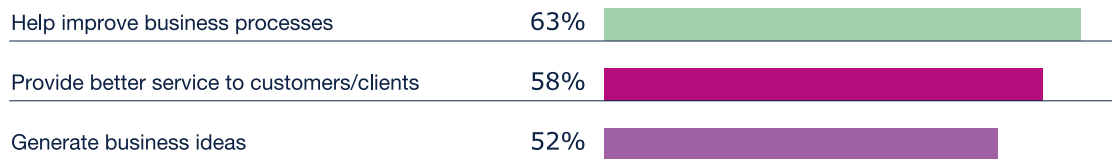
<sup>46</sup> Cedefop (European Centre for the Development of Vocational Training), 'Benefits of vocational education and training in Europe for people, organisations and countries' (2013), Publications Office of the European Union, Luxembourg, viewed 05 April 2016.

<sup>47</sup> Griffin, T., 'Costs and benefits of education and training for the economy, business and individuals' (2016), NCVET. <[https://www.ncver.edu.au/\\_data/assets/pdf\\_file/0031/59368/Costs-and-benefits-of-education-and-training-2873.pdf](https://www.ncver.edu.au/_data/assets/pdf_file/0031/59368/Costs-and-benefits-of-education-and-training-2873.pdf)>

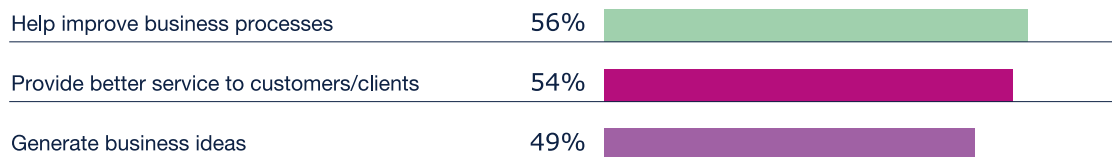
<sup>48</sup> Deloitte Access Economics, The Path to Prosperity: Why the future of work is human (2019) <<https://www2.deloitte.com/au/en/pages/building-lucky-country/articles/path-prosperity-future-work.html>>.

**CHART 6.2: Top 3 benefits to the business from employees engaging in lifelong learning, by industry**

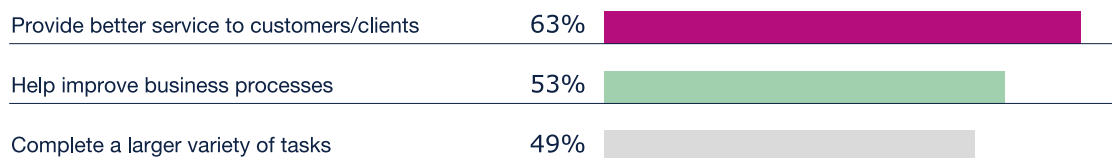
**Information, media and telecommunications**



**Financial and insurance services**



**Professional, scientific and technical services**



Source: Deloitte Access Economics survey (fielded by Dynata)

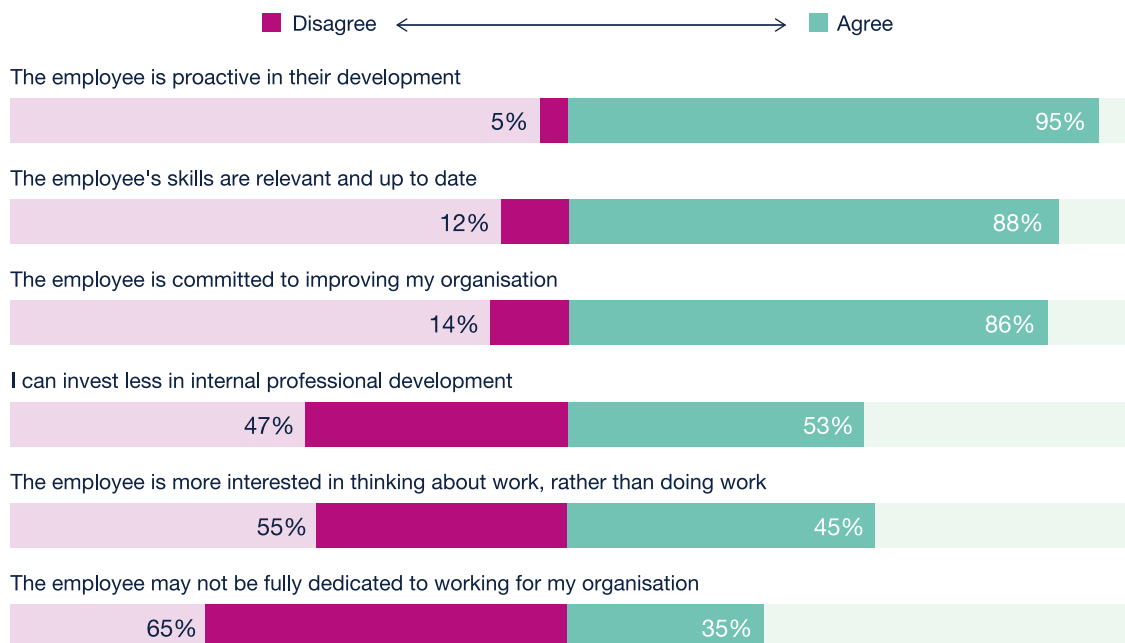
Further, training and education opportunities that are delivered by external providers outside of the business can provide additional benefits to training that is provided internally within an organisation. Our research finds that **72% of surveyed employers in professional industries believe that external training provides workers with diverse perspectives**, while 66% state that these external options develop a greater variety of skills than internal training. These new skills and perspectives can provide employers and employees with a competitive edge by enabling more innovative decision making, identifying new business opportunities and improving the longer term strategic agenda.<sup>49</sup>

<sup>49</sup> Bailey, C., Why keeping your head down may damage your company's future (2010) <<https://www.som.cranfield.ac.uk/som/p14515/Think-Cranfield/2010/March-2010/Maintaining-an-external-perspective>>.



As a result of these business benefits, employers in professional industries generally feel very positively towards employees undertaking ongoing education and training throughout their time in the workforce. Almost all (95%) surveyed businesses in these industries agree that engagement in lifelong learning demonstrates that a worker is proactive in their own professional development, as well as believing that it demonstrates that an employee’s skills are up to date (88%), and that an employee is committed to improving the business (86%; Chart 6.3).

**CHART 6.3: Employer perceptions about what engaging in lifelong learning opportunities demonstrates**

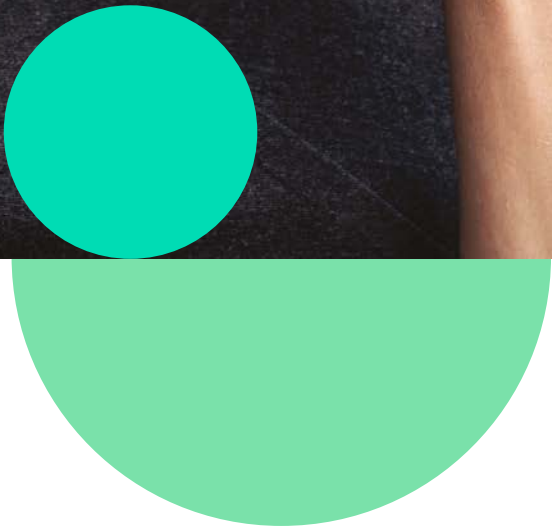


Source: Deloitte Access Economics survey (fielded by Dynata)

At the same time, some employers also see external education and training as a distraction from the core work tasks required by employees: 45% of surveyed businesses agree that undertaking these learning opportunities can demonstrate that an employee does not actively want to engage with doing their work and one-third (35%) believe that it demonstrates a lack of dedication to working at the business (Chart 6.3). These perceptions are more likely to be expressed by the parts of the business that are directly responsible for training and recruitment, and less likely to be the view amongst more operational managers, directors and leaders within the business.

This difference in perception may reflect a broader concern of those involved in recruitment that employees may leave for a new role as a result of engagement in lifelong learning. While job tenures in Australia have remained relatively stable (discussed in Section 2), there is a perception of increased job change and competition for top talent.<sup>50,51</sup> However, research suggests that it is a lack of providing necessary training and education opportunities that would lead to job change, rather than the other way around.<sup>52</sup>

50 Deloitte Insights, The path to prosperity: why the future of work is human. Building the Lucky Country #7 (2019) <<https://www2.deloitte.com/au/en/pages/building-lucky-country/articles/path-prosperity-future-work.html>>.  
 51 Mercer, Global Talent Trends 2019 (2019) <<https://www.mercer.com/content/dam/mercer/attachments/private/gi-2019-global-talent-trends-study.pdf>>.  
 52 Udemy, 2018 Skills Gap Report (2018) <[https://research.udemy.com/research\\_report/2018-skill-gap-report/](https://research.udemy.com/research_report/2018-skill-gap-report/)>.





## Ensuring relevant lifelong learning for employers and employees

There are evidently significant benefits from ongoing engagement in external education and training by Australian workers in professional industries, and this report has demonstrated how these dividends are shared across both employers and employees.

While the individual and business cases for undertaking lifelong learning are clear across the professional workforce, there are a range of different education and training products available to workers seeking new learning opportunities (as discussed in Section 3). It is therefore useful to consider what types of education and training are most necessary for maximising the employer and employee benefits that can be achieved.

Previous research has found that, from an employee perspective, cost, flexibility and reputation are key considerations for those who want to undertake further study.<sup>53</sup> These are the most important factors for informing course and/or provider selection. Shorter time-commitments are also preferred with 54% of Australian workers having more of a preference for short courses, compared to postgraduate courses (49%) and professional accreditations (18%).

Employers' perspectives on the most relevant features of external education and training opportunities relate to ensuring that the learning undertaken by workers matches business needs. They are more likely to be indifferent about how their employees choose to engage in these external learning opportunities. In particular, almost half of surveyed employers in professional industries do not care about the type of provider delivering the training or the mode of delivery (online or in-person; Chart 7.1).

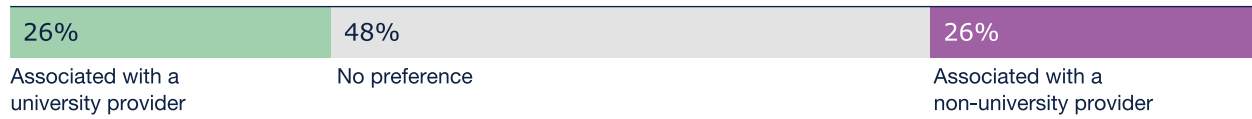
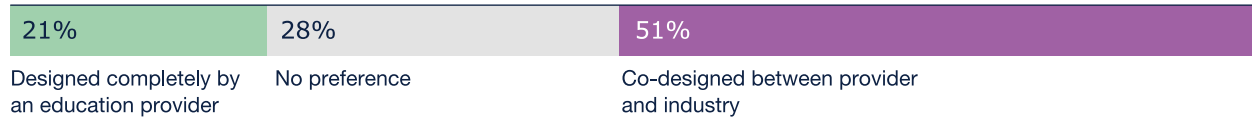
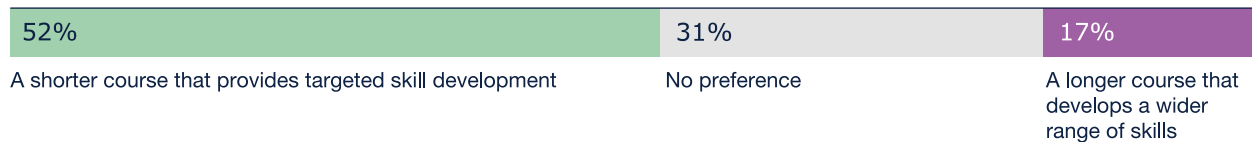
Employers care about what employees learn instead. On average, surveyed professional employers prefer that employees refresh and update their skills through undertaking external training that:

- **is shorter and provides targeted skills development** (preferred by 52% of surveyed businesses, relative to 17% preferring the converse of a longer course with wider content)<sup>54</sup>
- is **co-designed** between the education provider and industry (preferred by 51% of surveyed businesses, relative to 21% preferring the converse of education designed only by the provider)
- develops **specific technical skills** (preferred by 42% of surveyed businesses, relative to 29% preferring the converse of developing general business skills).

Notably, these employers state a preference for external learning opportunities that develop technical skills even though a number of general business skills, such as verbal communication, are identified as amongst the most important skills for their organisation (discussed in Section 2). This could be indicative of broader perceptions amongst businesses in professional industries that external learning providers are best placed to deliver education and training for technical skills, rather than general ones.

<sup>53</sup> Deloitte, Where to next? Beyond the skills gap (2019) <<https://www2.deloitte.com/au/en/pages/public-sector/articles/where-to-next.html>>.

<sup>54</sup> Our survey defined a longer course as external education and training of a duration longer than six months, and a shorter course as being less than six months in length.

**CHART 7.1: Employer preferences regarding external education and training products****Education and training provider****Delivery mode****Timing of delivery****Course content****Skills developed****Course length**

Source: Deloitte Access Economics survey (fielded by Dynata)

Surveyed employers in professional industries judge the relevance of employees' training based on their understanding of the skills that are being developed, with 65% stating that an outline of the competencies taught in a course is useful for determining whether external learning opportunities help to meet their skill needs. By comparison, 44% of surveyed businesses believe that familiarity with the education provider is a useful factor for enhancing this understanding of meeting organisational needs, while 43% believe that a formally accredited qualification is necessary.

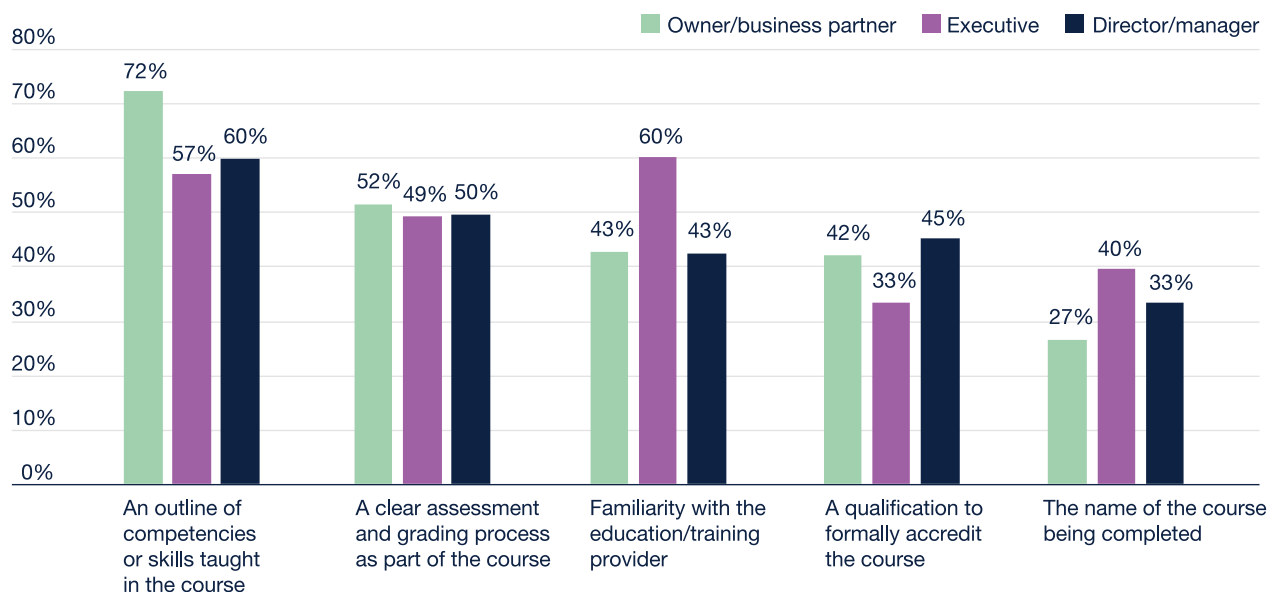
Employees undertaking external education and training therefore need to be able to clearly demonstrate the competencies and knowledge that have been developed, so that employers can understand how these enable the meeting of business skill needs. In this context, competency-based education and training – in which

learners complete milestones by proving their mastery of particular competencies through multiple assessments at their own pace – could be a valuable and relevant means for workers' ongoing skills development.<sup>55</sup>

It should be noted that perceptions on the relevance of employee training can vary based on a potential employer's position in the business. In professional industries, people in the most senior leadership positions at the executive level are significantly more likely to be influenced by familiarity with the education provider, with 60% of surveyed executives stating that this is useful for judging the relevance of completed training for meeting organisational skill needs, compared to only 43% of surveyed business decision makers at other levels. However, executives are significantly less likely to believe that a formally accredited qualification is useful (Chart 7.2).

55 Strategy Labs, Understanding competency-based education (2017) <<https://www.ecs.org/wp-content/uploads/CBE-Toolkit-2017.pdf>>.

**CHART 7.2: Usefulness of factors in understanding whether employee training meets organisational skill needs, by position within the business**



Source: Deloitte Access Economics (fielded by Dynata)

Variations in how employers at different levels of seniority understand the relevance of training for meeting skill needs can be indicative of broader operational challenges associated with maximising the uptake and value of lifelong learning opportunities. A lack of consensus across an organisation on the training that is most relevant for meeting skill needs and how this value can be demonstrated may discourage employees from engaging in continual education and training. In contrast, alignment in views across the business can help to actively ensure that training is ‘lifelong’ throughout an employee’s career, rather than once-off, by encouraging skills development through educational pathways that facilitate continuous learning.<sup>56</sup>

It is therefore important for employers to foster a collective understanding of lifelong learning across different levels of decision makers and other relevant stakeholders. This can be done through:<sup>57, 58</sup>

- Developing a vision of and commitment to adult learning in the workplace – defining strategic goals for undertaking continuous training and specific purposes for particular initiatives
- Governance and coordination of educational and training activities – scoping the requirements for employees to engage in ongoing learning and having frameworks in place to meet these requirements
- Planning and ensuring relevance of adult learning in the workplace – taking stock of existing skills and identifying how changing skills demands will impact their businesses, and ensuring that learning opportunities can meet new needs
- Monitoring and evaluation – transparency around worker engagement in internal and external learning opportunities, such as through data collection to understand levels of engagement and their benefits.

Building a collective understanding of lifelong learning in this way ensures that both employers and employees can benefit from investment in ongoing education and training. Undertaking relevant lifelong learning opportunities supports employers and employees to stay on top of the rapidly changing nature of skills demand, equipping businesses and workforces overall to be adaptable and resilient to the ever-evolving future of work.

<sup>56</sup> European Commission, Promoting adult learning in the workplace (2018) <<http://www.eurydice.si/wp-content/uploads/2019/04/promotion-of-adult-learning-in-the-workplace-ET-2020-final-report-Group-on-Adult-learning.pdf>>.

<sup>57</sup> Ibid.

<sup>58</sup> World Economic Forum, Accelerating Workforce Reskilling for the Fourth Industrial Revolution (2017) <[http://www3.weforum.org/docs/WEF\\_EGW\\_White\\_Paper\\_Reskilling.pdf](http://www3.weforum.org/docs/WEF_EGW_White_Paper_Reskilling.pdf)>.

## Appendix: Survey methodology

Data for this research was gathered using an online survey designed by Deloitte Access Economics and fielded by Dynata. The survey was targeted towards decision makers working at businesses in three industries identified as professional industries: Professional, Scientific and Technical Services, Financial and Insurance Services, and Information and Media Technology.

### **The survey focused on four areas of research:**

- The need for lifelong learning in professional industries and businesses' approaches to addressing lifelong learning
- The value of lifelong learning to employees and businesses
- The features of lifelong learning that businesses in professional industries value
- The benefits of and barriers to lifelong learning.

A total of 602 survey responses were received. Of these, 235 were from the Professional, Scientific and Technical Services industries, 213 were Financial and Insurance Services and 154 were Information Media and Telecommunications. The total sample size of 602 provides a good representation of businesses across professional industries in Australia. The survey sample is not intended to be representative of all business (only capturing three out of 19 industries defined in the Australian and New Zealand Standard Industry Classification)—it is meant to be generally representative of businesses in the three professional industries.

It should be noted that there are some difference between the sample and the distribution of professional industries in Australia. Specifically, our sample is more evenly weighted across industries than the actual distribution of industries by business count and employment (Chart A.1). For example, the Professional, Technical and Scientific Services industry accounts for 39% of the sample, but 55% of businesses and 64% of employment in professional industries.<sup>59, 60</sup> Financial and Insurance Services represents 35% of the sample, 41% of professional industries businesses in Australia and 24% of employment. Information Media and Telecommunications is relatively over-sampled, representing 26% of responding businesses, but 4% of the professional industries business count and 12% of employment.

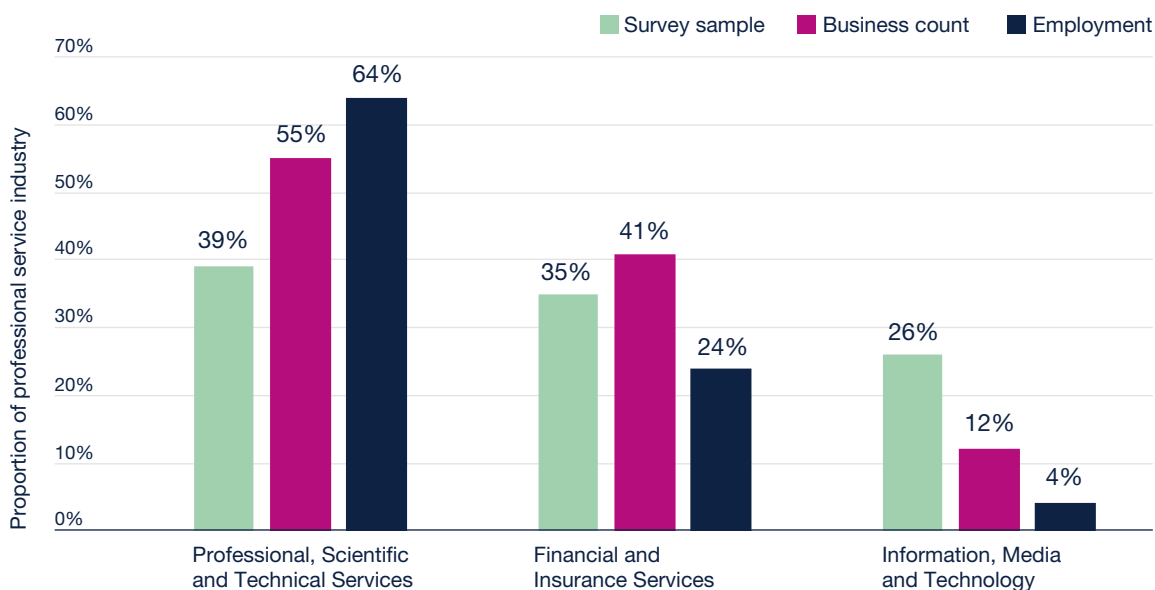
Oversampling certain industries ensures a sufficient sample size to be able to better identify differences between the three professional industries, in addition to overall trends.

---

59 ABS, '8165.0 - Counts of Australian Businesses, including Entries and Exits, June 2014 to June 2018' (2019a).

60 ABS, '6333.0 - Characteristics of Employment, Australia, August 2019' (2019b).

**CHART A.1:** Distribution of professional industry businesses in survey sample compared to business count (2019a) and employment (2019b)



Source: Deloitte Access Economics survey; ABS, 2019a; ABS; 2019b

In addition to identifying businesses across three different industries, businesses were sampled based on their employment count to ensure all business sizes were covered. The distribution of businesses by size is provided in Table A.2. The following characteristics were also monitored to ensure large enough sample sizes to make further comparisons between businesses: type of business (e.g. government agency, public, private), position in business (e.g. executive, manager) and role in business (e.g. involved in recruiting, not involved in recruiting).

**TABLE A.2:** Distribution of survey sample by business size, position in business and role in business

Business size	Position in business	Role in business
1-19 (small) <b>50%</b>	Owner/ business partner <b>47%</b>	Human Resources <b>13%</b>
20-399 (medium) <b>25%</b>	Executive <b>10%</b>	Responsibility for employee training and/or recruitment processes <b>37%</b>
400-999 (large) <b>11%</b>	Director/manager <b>42%</b>	Involved in the process of employee training and/or recruitment, but not directly responsible <b>20%</b>
1,000 or more (large) <b>14%</b>		Involved in the process of employee training and/or recruitment <b>29%</b>

Source: Deloitte Access Economics survey



**About RMIT Online**

RMIT Online offers a world-class education that delivers work-ready skills and knowledge to transform your career. 100% online, built with industry leaders and backed by RMIT.

We offer short courses and degrees at the nexus of business, design and technology, leaning into the future of work needs. We team up with industry leaders and experts to deliver the best in structured, flexible education using the latest digital tools and interactive technologies.

We're dedicated to our mission of future-ready careers and creating a community of lifelong learners, successfully navigating the world of work. For more information, please visit our website [online.rmit.edu.au](https://online.rmit.edu.au)

**About Deloitte**

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's approximately 244,000 professionals are committed to becoming the standard of excellence.

Disclaimer: This paper was prepared by RMIT Online and Deloitte Access Economics. This publication contains general information only, none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively the "Deloitte Network") nor RMIT Online are, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No warranty is given to the correctness of the information contained in this publication, or its suitability for use by you. To the fullest extent permitted by law, no liability is accepted by RMIT Online or any entity in the Deloitte Network for any statement or opinion, or for any error or omission or for any loss whatsoever sustained by any person who relies on this publication.