Rewriting the rules for the digital age

TAKE ANOTHER TURN

[Image: A stylized game board with a clock and figures representing doctors and a nurse, with the instruction 'TAKE ANOTHER TURN']
The concept of career is being shaken to its core. Employees now enjoy the prospect of 60-year careers. Yet at the same time, the half-life of skills is rapidly falling. These new realities are forcing companies to rethink the way they manage careers and deliver always-on learning and development (L&D) opportunities. Leading companies are moving to overhaul their career models and L&D infrastructure for the digital age, though most organizations are still in the early stages of this transformation.

- This year, the issue of improving employee careers and transforming corporate learning emerged as the second most important trend in our survey, up from fifth last year.
- Learning technology is changing rapidly. Traditional learning management systems are being complemented with and replaced by a wide range of new technologies for content curation, delivery, video distribution, and mobile use.
- This upheaval in learning and careers has become a catalyst for radical change. Nearly half of our surveyed executives (45 percent) cite this problem as urgent or very important (an increase over last year). As capabilities fall behind, companies’ ability to keep up with employees’ demands for learning and career growth has dropped by 5 percent.

### WHAT EMPLOYEES EXPECT FROM THE 100-YEAR LIFE

In many instances, employees themselves are pushing for continuous skill development and dynamic careers. Glassdoor data reveal that among Millennials, the “ability to learn and progress” is now the principal driver of a company’s employment brand. Yet only one-third of Millennials believe their organizations are using their skills well, and 42 percent say they are likely to leave because they are not learning fast enough.
Leading organizations are paying attention. Companies with dynamic career models outperform their peers by providing continuous learning opportunities and a deeply embedded culture of development. As the authors of The 100-Year Life point out, employees facing careers spanning 60 to 70 years expect employers to help them continually reinvent themselves, move from role to role, and find their calling over time.

Companies worldwide are scrambling to catch up with employees’ desires. Fully 83 percent of the respondents we surveyed this year say their organizations are shifting to flexible, open career models that offer enriching assignments, projects, and experiences rather than a static career progression. And 42 percent of surveyed respondents now believe their organization’s employees will have careers that span five years or less.

THE NEED FOR RAPID SKILL DEVELOPMENT AND THE COMMODITIZATION OF CONTENT

Virtually all CEOs (90 percent) believe their company is facing disruptive change driven by digital technologies, and 70 percent say their organization does not have the skills to adapt. This doubt reflects the fact that skills are becoming obsolete at an accelerating rate. Software engineers must now redevelop skills every 12–18 months. Professionals in marketing, sales, manufacturing, law, accounting, and finance report similar demands.

The good news is that an explosion of high-quality, free or low-cost content offers organizations and employees ready access to continuous learning. Thanks to tools such as YouTube and innovators such as Khan Academy, Udacity, Udemy, Coursera, NovoEd, edX, and others, a new skill is often only a mouse click away. Leading universities offer graduate-level courses online through edX Micro-Masters programs for a fraction of the cost of a full master’s degree. Completion of a series of online courses opens the door for learners to then apply for admission to a formal master’s program at one of the many top institutions participating.

The ongoing commoditization of content can be highly disruptive to corporate L&D departments. They face a stark choice: harness this trend to their company’s benefit or risk watching their learning programs become obsolete.
Leading companies are embracing continuous learning delivered digitally. GE created Brilliant U—an online learning platform that features video sharing and offers employee-driven learning across the enterprise. In year one, more than 30 percent of GE employees developed content and shared it with their peers.8

NEW TOOLS ARE LEAVING BEHIND TRADITIONAL LMS

At most companies, the learning management system (LMS) is among the oldest and most challenging to use. Today a new set of learning tools has entered the market, pioneered by vendors such as Degreed, Pathgather, EdCast, Grovo, and Axonify. These tools provide curated content, video and mobile learning solutions, micro-learning, and new ways to integrate and harness the exploding library of external MOOCs and video learning available on the Internet.

The fastest-growing segment in HR technology spending is now the adoption of new employee learning systems.9 Companies are seriously looking at replacing their employee learning infrastructure and shopping for new tools at all levels of the learning technology stack.
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THE NEW LOOK OF L&D

As a result of these forces, the structure, operations, and mission of corporate L&D are facing radical change. Only a decade ago, companies were content to build virtual universities and online course catalogues. Today, we see the learning function as a highly strategic business area that focuses on innovation and leadership development by delivering a world-class learning experience, promoting lifetime learning for longer careers, and bringing multifunctional teams together to connect and collaborate.

There is also a new focus on convergence—bringing together disciplines such as sales, marketing, design, finance, and IT onto cross-functional teams to build products and solutions faster. Forward-thinking L&D departments are facilitating this growth in interdisciplinary thinking by viewing the corporate university as a commons instead of a training center.

For business and HR leaders, the new models are a wake-up call to adapt or risk falling behind in hiring, employee engagement, productivity, and product innovation.

THE CHANGING ROLE OF L&D LEadership

To keep pace with these changes, chief learning officers (CLOs) must now become the catalysts for next-generation careers while also thinking about how to support the overall growth of the business. They should become part of the entire employee experience, delivering learning solutions that inspire people to reinvent themselves, develop deep skills, and contribute to the learning of others.

The goal is a learning environment adapted to a world of increased employee mobility. Interdisciplinary skills development is critical because these capabilities align with the organizational shift to networks of teams. Learning should encourage, and even push, people to move across jobs.

Leading organizations are adopting these types of learning strategies to help employees adapt—what Tom Friedman terms “intelligent assistance.”

Since 2013, AT&T has invested $250 million in education and development programs for 140,000 employees with a focus on continuous career development.

As John Donovan, AT&T’s chief strategy officer said, "We felt a fundamental obligation to reskill our workforce." The company expects that these individuals will change roles every four years.

To facilitate this mobility, AT&T now offers a wide range of online learning opportunities and encourages employees to find new jobs, seek out mentors, and learn new technologies. To make the transition as easy as possible, AT&T has partnered with universities to pioneer affordable online courses in the skills it needs. As Bill Blase, head of HR explains, "It’s a new bargain—one that, done well, benefits both the organization and the employees who learn new skills to advance their careers.”

Ironically, as legacy L&D responsibilities become less relevant, the opportunities for L&D to be more relevant have never been greater. L&D organizations that recognize the new future of careers, embrace exponential changes in technology, and become flexible content curators rather than rigid content creators have the potential to become highly valued business partners.
Lessons from the front lines

Top-tier research universities offer insights into new approaches for CLOs struggling to adjust to demands for convergence. The University of Southern California (USC) is leading the charge on how learning can drive innovation and empower individuals to reach their peak performance.

Like many organizations, USC realized it needed to rethink its underlying approach to make a real impact. Under the guidance of the provost, Michael Quick, and president, C.L. Max Nikias, USC challenged itself to reimagine how learning can be used as a strategic asset for the student, university, and society at large.

USC has 19 distinct “business units,” each with its own profit and loss statement. Like many corporate CLOs, USC faced the challenge of breaking through the silos. The process started with interdisciplinary thinking, bringing together learners and researchers from distinct business units. This yielded incremental benefits, but not real change.

The next step in the evolution was convergence—forming interdisciplinary teams from the ground up, focusing on a specific problem, and then using all the assets of an organization to attack it. In the Eli and Edythe Broad Center for Regenerative Medicine and Stem Cell Research, the university brought together leading minds in science and top talent from the cinematography school. Why the cinema school? Because it offered advanced skills in digital imaging and virtual reality, accelerating the work of the science team to solve complex scientific issues. This not only brought new thinking to the problem, it reframed the careers of the cinema school employees as well—a prime example of learning and convergence.

Another example is the Iovine and Young Academy for Arts, Technology and the Business of Innovation, established with a gift from the founders of Beats. In an early example of convergence, Beats brought design thinking, engineering, and the love of music to a breakthrough design for headsets. As the company grew, finding the right talent proved a constant challenge. To solve it, Beats worked with Dr. Erica Muhl, dean of the Roski School of Art and Design, to found the academy at USC focusing on “new literacies,” including visual design, collaboration and iterative design, technical skills, and business acumen. This approach has led to breakthrough design thinking that is being applied to advanced cancer research and global, satellite-based Wi-Fi for the world.

What lessons should corporate CLOs apply? Think beyond interdisciplinary and move to convergence. Focus on defining and addressing tough problems which, if solved, would make a real impact. Challenge teams to go after vexing problems by starting from the ground up. Bring together people with nontraditional skills.

Companies such as Nestlé, Dell, and Visa are following this path to build new corporate learning functions, using their corporate university as a cornerstone for collaboration, leadership development, and cross-functional innovation. As people become more dynamic in their careers, the need to build relationships and community connections becomes integral to performance and innovation.
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Start here

• **Evaluate internal mobility:** As the demand for cross-functional teams continues to rise, mobility will only grow in importance. Study existing patterns of career mobility and begin more aggressive programs, including developmental and rotational assignments and professional development programs.

• **Review the organization's job architecture:** Be sure it is as nimble and streamlined as possible to support the new career models of the future.

• **Build a culture of hiring from within:** Hold managers accountable for training and supporting internal candidates in new roles.

• **Track learning metrics:** Emerging technologies offer new measures of development, such as the number of hours employees spend on learning platforms. Forward-looking companies are collecting and leveraging this data.

• **Refocus the L&D team:** Move away from training toward curation, culture, and bringing people together.

• **Rethink the entire L&D technology infrastructure:** For many companies, this will mean moving away from LMS toward a learning-centric model, which may involve replacing core LMS with new learning-experience software.

• **Rethink the corporate university:** Invest in a place to bring people together for cross-functional and interdisciplinary programs in addition to great learning.

• **Manage the employment brand:** Tools such as Glassdoor keep metrics on whether a company provides opportunities for career growth. Potential candidates can evaluate these ratings and may avoid organizations that do not consistently offer opportunities.

FAST FORWARD

The impact of the fourth industrial revolution is fundamentally changing the nature of work and the meaning of career, and making it imperative to constantly refresh one’s skills. Unlike some of this year’s trends where the organization can help drive what needs to be done, when it comes to learning, the organization’s role is to create the environment and systems to allow employees to constantly learn and relearn. The explosion of free content means that the learning organization should seamlessly integrate internal and external content into its platforms.
Figure 3. Careers and learning: Old rules vs. new rules

<table>
<thead>
<tr>
<th>Old rules</th>
<th>New rules</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees are told what to learn by their managers or the career model</td>
<td>Employees decide what to learn based on their team’s needs and individual career goals</td>
</tr>
<tr>
<td>Careers go “up or out”</td>
<td>Careers go in every direction</td>
</tr>
<tr>
<td>Managers direct careers for people</td>
<td>People find their career direction with help from leaders and others</td>
</tr>
<tr>
<td>Corporate L&amp;D owns development and training</td>
<td>Corporate L&amp;D curates development and creates a useful learning experience</td>
</tr>
<tr>
<td>People learn in the classroom and, sometimes, online</td>
<td>People learn all the time, in micro-learning, courses, classrooms, and groups</td>
</tr>
<tr>
<td>The corporate university is a training center</td>
<td>The corporate university is a “corporate commons,” bringing leaders and cross-functional groups together</td>
</tr>
<tr>
<td>Learning technology focuses on compliance and course catalog</td>
<td>Learning technology creates an always-on, collaborative, curated learning experience</td>
</tr>
<tr>
<td>Learning content is provided by L&amp;D and experts</td>
<td>Learning content is provided by everyone in the organization, and curated by employees as well as HR</td>
</tr>
<tr>
<td>Credentials are provided by universities and accredited institutions; skills are only certified through credentials</td>
<td>Credentials come in the form of “unbundled credentials,” where people obtain certificates in many ways</td>
</tr>
</tbody>
</table>
**ENDNOTES**


2. Bersin by Deloitte proprietary research with Glassdoor.


5. Gratton and Scott, *The 100-Year Life*.


8. Mani Gopalakrishnan (chief learning officer, GE), in discussion with the authors, spring 2016.


12. Ibid.

13. Ibid.

14. Michael Quirk (provost, University of Southern California), in discussion with the authors, October 2016.

15. Ibid.

16. Dr. Erica Muhl (dean of the Roski School of Art and Design, University of Southern California), in discussion with the authors, fall 2016.

17. Executive conversations with the authors.
Bill Pelster, Deloitte Consulting LLP | bpelster@deloitte.com

Bill Pelster has more than 25 years of industry and consulting experience. In his current role, Pelster is responsible for leading the Bersin by Deloitte Research and Products practice and is a senior advisor to the Integrated Talent Management practice. A well-respected speaker and author, he has recently led, supported, or authored key research pieces including Talent 2020, Global Human Capital Trends, and The Leadership Premium. In his previous role as Deloitte's chief learning officer, Pelster was responsible for the total development experience of Deloitte professionals, and was one of the key architects of Deloitte University, Deloitte's $300 million learning facility outside Dallas. Pelster is a former US board member for Deloitte Consulting LLP.

Dani Johnson, Bersin by Deloitte, Deloitte Consulting LLP
danjohnson@deloitte.com

Dani Johnson has spent the majority of her career writing about, conducting research in, designing, and consulting on human capital practices. Johnson led the Human Resource Competency Study with the University of Michigan and six other professional organizations around the world, and co-authored the resulting book, HR Competencies: Mastery at the Intersection of People and Business (Society for Human Resource Management, 2008).

Jen Stempel, Deloitte Consulting LLP | jstempel@deloitte.com

Jen Stempel has more than 20 years of experience in corporate learning. She leads Deloitte's Americas Learning Solutions practice and the US Learning Advisory practice, working with large, complex, global companies to help them optimize their learning functions and realize value from their learning spend by improving program effectiveness, operational efficiency, and business strategy alignment. Stempel is a frequent writer and speaker on learning and talent topics.

Bernard van der Vyver, Deloitte Consulting BV | bevandervyver@deloitte.com

Bernard van der Vyver is a leading advisor on human capital matters, focusing on learning and development. By merging his background in technology and its effective use with the development of people, van der Vyver brings a unique strength to the HR domain. As Deloitte's global Learning Solutions leader, he aspires to grow and strengthen the global learning community by leveraging the organization's knowledge and expertise to deliver learning solutions that create unique value for clients.

CONTRIBUTORS
Jason Galea, Greg Stoskopf