

# Corporate learning

## How current trends are accelerating the demand for transformation

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Unlike their predecessors, many millennial and Generation X workers expect training and support services to be as readily available and rapidly accessible as most of the other information in their lives—available anytime, anywhere, on any device.

The past few years have seen corporate learning and development (L&D) come into sharp focus as an area in need of improvement within both HR departments and the wider business community, especially given the growing acknowledgement of its role in attracting and retaining staff.

According to executives participating in Deloitte's Global Human Capital Trends 2015 survey, retaining and developing existing talent—especially future leaders—will be a top priority over the next few years, as opposed to sourcing

it from outside the organization. Despite this, many of them also believe their organizations are doing a “fair/poor” job of leadership development and managing/delivering effective training programs. Clearly, there is a significant misalignment between the perceptions of management and the ability of L&D to deliver adequate solutions for the needs to be addressed. As factors like technological advances and demographic change challenge traditional perceptions of corporate learning, a number of key trends are emerging that signal the direction in which L&D transformation needs to head. ➔





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#### **Aligning enterprise learning strategy with business strategy**

As maintaining and growing talent becomes an increasingly important priority, companies have started looking at learning and development as part of their overall strategy rather than as a small subset of the HR department's role. The most successful HR organizations have distinguished themselves by successfully aligning their learning and development strategies with business objectives. This has enabled the development of programs that:

- Rationalize spending on learning and optimize the use of the organization's human capital
- Streamline and outsource operations and simplify the technology landscape
- Focus on the learning programs that offer the best return on investment (ROI)
- Contribute to shaping skills and behaviors that reflect the company's strategic direction and help drive it toward its growth objectives
- Increase the learning impact not only globally but also locally, developing specific strategies to support, for example, key business lines or units

To reap these benefits and unlock the value of learning and talent, it is important to understand the business drivers and the forces affecting the overall organization and identify the potential limitations of the current learning strategy, operating model, governance, resources and learning offering. Different business contexts (e.g., changes in the regulatory landscape, mergers and acquisitions, global expansions, etc.) provide different opportunities to align the learning strategy and ensure that the L&D function is focusing on the right problems, with the right resources (i.e., time, money and people).

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#### **Optimizing operations and enhancing ROI**

While many organizations already spend millions of euros on training, most lack any significant insight into how exactly this sizeable investment is spent or what results, if any, it delivers. The most glaring factor contributing to this opaqueness is the fact that the L&D function is not treated in the same way as other parts of the business; our research and conversations with clients show a surprising lack of discipline and structure within the training function at many companies. Only 49 percent of organizations have a senior leader running the training function and fewer than 45 percent have a written business plan for learning, let alone one that has been aligned with the organization's broader objectives.

Rarely is there a centralized department responsible for learning, so it's not entirely surprising that most training programs lack a cohesive strategy or direction aligned with that of the business, let alone any assessment of their effectiveness. This problem has been exacerbated by the relentless, ongoing nature of globalization, which has disrupted the traditionally linear



growth patterns of organizations with a sharp increase in M&A activity. This often results in learning groups operating largely independently of one another, within siloes which each have numerous learning management systems and vendors in use.

Many successful learning transformations have focused on transitioning decentralized learning operations to a shared operating model, developing common processes, setting up standard services for technology, content management and authoring tools, and consolidating vendors to rationalize training, reduce operating costs and provide a greater impact on the business without increasing expenses. The success or otherwise of these changes often depends to a high degree on improving visibility into how L&D funding is spent. Research shows that most companies underestimate their spending by a factor of two to three, as a result of uncoordinated and duplicated programs. Efforts aimed at identifying and rationalizing L&D spending often uncover opportunities for improvement with

minimal extra investment, or savings with minimal losses in the effectiveness of existing programs.

Developing a standardized approach toward L&D measurement and evaluation is the best way for a business to see how their training budget is being spent and to measure the ROI of these kinds of programs.

**Moving from a “push” to a “pull” model**

Training programs have historically been “push” based, with content distributed to employees in lectures or classes based on the training department’s schedule, and success typically measured by employee attendance rates. Today’s employees, however, have different expectations and preferences relating to how they want to acquire and develop their skills. Unlike their predecessors, many millennial and Generation X workers expect training and support services to be as readily available and rapidly accessible as most of the other information in their lives— available anytime, anywhere, on any device. ➔

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The need to provide a platform that meets these expectations, which contrast so starkly with those of past generations, has resulted in a so-called “pull” model, where L&D is seen as a continuous process and training is “pulled” through seamlessly by the employee when it suits them.

This arrangement is particularly suitable given that employees now seem to be willing to take an unprecedented amount of responsibility for continuously developing their skills throughout the course of their careers. In a “pull” learning environment, workers take it upon themselves to utilize available resources, improve their knowledge and share their expertise. In fact, our research has shown that creating this type of learning culture, which not only facilitates but encourages employees to share their skills and knowledge, is now one of the most important factors in achieving sustainable success.

This is contributing to a major shift in the role of L&D. Today, L&D leaders and professionals must come to view themselves as “learning experience designers” as opposed to “instructional designers.” Applying this idea to L&D involves firms studying their employees’ learning experiences and using the information to create all-encompassing, end-to-end experiences. The result of this is a learning program that is highly engaging for employees, because it allows them to find the learning they need rather than looking elsewhere, or even changing jobs, if they cannot. This theory aligns closely with Deloitte research which highlights “availability of learning” as one of the biggest factors in employees’ minds when it comes to retention and engagement—arguably two of the most important elements of today’s cut-throat labor market.

This transition toward employees being the active drivers of the learning experience has made HR’s role in the process both more interesting and more critical. HR departments are ground zero for efforts to ensure companies become more effective users of learning and development tools, and should strive to be facilitators of

learning and curators of content, rather than just developers and deliverers of training programs. They are well-placed to guide this transition, with most in possession of deep understanding of the capabilities and skills companies need to be successful—especially as the trend toward finding employees with financial or operational expertise in HR departments continues to accelerate.

The change itself is invariably a difficult process, as is identifying why, how and when it needs to occur. An organization's ability to adapt is dependent upon many factors, including its existing perceptions of L&D, existing programs, existing resources allocated etc., so it is unsurprising that many organizations struggle with the transition. Other organizations, however, are seizing the opportunity to promote new learning cultures and extract more value from their L&D activities; these agile first-movers are adopting new mindsets, and fundamentally rethinking the meanings of L&D in the context of their businesses. This process has seen people placed at the core of an employee-centric architecture and vision that treats learning not as a series of episodic events, but as one continuous process, the responsibility for which is spread throughout a company.

### Using technology to drive "employee-owned" learning

The shift toward "employee-owned" learning has also disrupted the technology landscape, amid the massive digital transformation of recent years. The LMS market is changing and many of the legacy systems are not providing the user experiences that people want. The prevalence of highly customizable, interactive, user-friendly digital platforms like smartphone apps has led to employees wondering why their professional development experiences can't be as simple, and the answer is that there isn't a good answer. Most companies have simply been very slow to recognize and adapt to the opportunities that the digital age has created, instead forcing employees to persist with antiquated learning management systems when they already have access to a viable alternative in the palm of their hand. The ubiquity

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of constantly connected mobile devices, and their increasing affordability, makes learning theoretically available everywhere and accessible to all at low cost. The last few years have witnessed an explosion of new learning solutions, including MOOCs (Massive Open Online Courses—offering free or low-cost courses), digital learning tools, video offerings, and new cloud-based training systems.

Newer products like SAP Jam and Workday Learning propose radically different approaches from traditional LMS tools, which are becoming "back-end" systems hidden from employees, and supporting the innovative, engaging, mobile and highly interactive "front-end" platforms driving a curated, on-demand and recommendation-based approach to learning.

In this consumer-centric reality, the employees are in charge and they expect L&D to standardize, simplify and integrate learning technology into a single platform, allowing them to access content, resources, tools and connections that will enable them to do their jobs and build their careers more successfully.

The best solutions will provide mobile and social capabilities, easily integrate any type of digital content and use analytics to recommend content in a manner similar to Netflix and Amazon. In other words, the learning team will no longer focus on telling people what to learn but instead show them what they can learn. Companies should be cautious before investing in massive new systems, and they should monitor developments from innovative vendors to help build effective learning applications.

### Conclusion

Current trends present a unique opportunity for companies to reorient their learning and development programs toward the incoming generations of employees, providing them with more desirable skillsets that better meet the needs of businesses. Looking ahead, technology will continue to streamline the delivery of learning and development programs, creating a more enjoyable experience for the employee at reduced cost to the employer. Firms that are able to innovate by combining these new platforms with a strong understanding of their own strategic objectives are likely to see improvements in ROI, as well as in the engagement and retention of their workforce. ●