

LEARNING – THE FOUNDATION FOR AGILITY AND SUSTAINABLE PERFORMANCE

“The ability for organisations – and the people who work in them – to learn fast, adapt and manage change, has never been more important for organisational survival. Learning is a key strategic lever that organisations can use to maintain a leading market position. Learning should be high up the business agenda, but too often, learning professionals lack credibility and influence as business leaders. The Learning function needs to build its influence as an agent of change and performance improvement, leading the agenda in terms of how learning can enable organisation growth.”

Gillian Pillans, Report Author

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FOREWORD



For organisations operating in an era of unprecedented change, complexity and uncertainty, learning is taking on a new and increasingly important role. Making sure employees have the skills and support they need to perform effectively is still vital. But learning is increasingly about helping the whole organisation develop the bold, creative approach to problem solving it needs to meet new challenges and respond swiftly and effectively to change.

This report presents a compelling picture of the way disruption across many markets is changing the game for learning and the Learning function. It also articulates some of the big ideas that many of the companies we work with want to talk about: how to use learning to support the organisation's capability to develop new business models, how to put learning at the heart of the workforce, and how to get the organisation to regard learning and development as an enabler, not a cost. Owing to KPMG's experience in this area, it felt appropriate for us to be a sponsor of this report.

As the report highlights, learning delivery is shifting away from a traditional classroom setting, with new technology often providing a more convenient, more enticing and more effective way for employees to learn. Learning is moving from an organisation centric push approach to a learner centric pull approach as learners demand an experience closer to how they learn outside of work. Tools such as mobile learning and self-delivered e-learning are making it possible for people

to learn in this way. Meanwhile, collaborative digital platforms, where learners can share their experiences and develop new skills and ideas together, are bringing learning right to the heart of the workforce.

These new, highly effective approaches require significant investment so organisations must be confident their investment is delivering value. It's for this reason that we are helping a growing number of organisations to use data and analytics to focus their learning budgets precisely and to understand exactly what learning delivers in terms of an uplift in performance.

We believe that as change accelerates, learning gives organisations the capabilities they need to operate in new ways and to deliver new products and services. In this context, we believe that getting learning strategy and delivery right has never been more important as it provides a real competitive advantage.

Mark Williamson, Partner
KPMG in the UK



ABOUT THE AUTHOR

Gillian Pillans

Gillian Pillans has worked as a senior HR practitioner and OD specialist for several organisations including Swiss Re, Vodafone and BAA. Prior to her HR career, she was a management consultant with Deloitte Consulting and is also a qualified solicitor. Gillian has written various CRF reports on subjects including HR strategy, organisation design and development, leadership development, talent management, coaching and diversity.

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CRF would like to thank Duke CE and Lane4 for sponsoring this research.

ABOUT CRF

Founded in 1994, Corporate Research Forum (CRF) is a membership organisation whose international focus is on research, discussion and the practical application of contemporary topics arising from people management, learning and organisation development. CRF has become a highly influential focal point and network for over 190 members representing a cross-section of private and public sector organisations.

- Its annual programme of research, events and publications fully reflects members' interests, in addition to the annual international conference. Side meetings and interest groups are also initiated to meet challenges that members might have.
- Contributors are acknowledged experts in their field with a worldwide reputation as leaders and innovators in management thinking and practice.
- Sharing and collaboration among members is a key feature of CRF's activities. We actively encourage networking at all events, and especially through member lunches and HR director dinners.
- CRF is led and managed by highly-regarded former HR professionals who have a passion for delivering excellence in the leadership and development of organisations and people.

CRF's goal is to be valued for excellence, rigour, relationship building and providing an independent view which, together, lead to measurable improvement in members' people and organisation performance.

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EXECUTIVE SUMMARY

“A NEW TYPE OF THINKING IS ESSENTIAL IF MANKIND IS TO SURVIVE AND MOVE TOWARDS HIGHER LEVELS.”

Albert Einstein

- 1 We live in an age of ‘Digital Darwinism’, where business models can be disrupted at a stroke and once-successful organisations can go out of business almost overnight. Success in today’s world requires organisations to be agile: to make timely, effective and sustained changes to stay ahead of the competition in a fast-changing business context. The ability - for both organisations and the people who work in them - to learn fast, innovate and adapt has never been more important. Learning is a critical strategic lever that organisations can deploy to build and sustain a market-leading position. Learning can be a source of competitive advantage and should be high on the business agenda.
- 2 The Learning function should be taking a leading role in supporting organisation growth and building the capacity for innovation, change and performance improvement. Yet we find that the Learning profession is often under-powered, tucked away within HR, lacking business credibility, insufficiently focused on building the capabilities required for business growth, and struggling to demonstrate the business impact of its activities.
- 3 The way learning is delivered is fundamentally changing. Key trends discussed in this report include:
 - Learning is moving out of the classroom and online. The increased use of technology is offering the prospect of making learning more directly relevant to people’s jobs, decreasing the ‘transfer gap’ between learning and performance, and making learning resources available wherever and whenever needed.
 - Learning is becoming increasingly democratised and personalised. Learning content is being made available to an ever-wider audience who can choose how they navigate their way through the resources available.
 - The role of the Learning function is shifting: it’s increasingly about ‘curating’ content from both within and outside the organisation, and deploying technology to enable individual learners to take control of what, how and where they learn.

While these developments have many implications for the role and capabilities required of the Learning function, we need to be careful not to lose sight of the fundamental role of learning, which remains the same: the purpose of learning should be to enable delivery of the business strategy. New technologies and delivery methods are only useful to the extent that they enable learning to fulfil this core purpose.
- 4 If the Learning function is to remain business-relevant in a highly complex, fast-changing business context, the challenge is five-fold.
 - a. Learning has to focus on developing the critical capabilities needed to execute the business strategy. Learning should be targeted in areas that enhance the organisation’s competitive advantage. Delivering a generic curriculum of online courses is not good enough. The Learning strategy has to be clearly defined, aligned to the corporate strategy, and differentiated from competitors’. Design and evaluation of learning needs to begin with the question: what business problems are we trying to solve? The Learning function cannot act in isolation: there has to be governance and processes that support ongoing dialogue with key business stakeholders to determine priorities and whether learning is delivering the desired results.
 - b. Learning has to play a key role in supporting growth and innovation. We contrast ‘generative’ and ‘productive’ learning and argue that learning has to orient towards enabling generative learning in order to support sustainable business growth. Productive learning (learning about what we

“THE LEARNING FUNCTION SHOULD BE CONCENTRATING ITS ENERGY AT THE INTERSECTION BETWEEN LEADERSHIP, ORGANISATION DEVELOPMENT AND STRATEGIC CHANGE. THIS IS WHERE IT CAN HAVE GREATEST IMPACT ON STRATEGIC BUSINESS OUTCOMES. IT’S A GREAT OPPORTUNITY FOR THE LEARNING FUNCTION, BUT IT NEEDS TO REVISIT ITS PURPOSE AND CAPABILITIES IF IT’S GOING TO HAVE THE CAPACITY TO MEET THE DEMANDS BEING MADE OF IT BY THE C-SUITE.”

Michael Chavez, Chief Executive Officer, Duke CE

already know with the goal of improving productivity or quality) is necessary for optimum performance in today’s business but is insufficient to ensure long-term sustainability. Generative learning involves creative problem solving and coming up with new possibilities. It is also essentially a collaborative endeavour. Learning techniques such as action learning and experiential learning that are based on co-creation can be deployed to develop and test new strategies and open up new markets.

c. Learning needs to focus on building high-performing organisations – not just improving the performance of individuals. While most learning activity is focused on supporting individuals, greater impact can be achieved by helping teams and organisations improve their collective performance and learn together. We argue that creating a ‘learning organisation’ that’s capable of continuously learning and adapting is one of the most effective responses to the complex environment in which organisations operate. Learning organisations operate as a system, combining ‘hardware’ and ‘software’ in a way that facilitates continuous learning. The ‘hardware’ includes processes for experimenting, learning from experience and

continuously updating operating procedures to maximise efficiency. The ‘software’ describes a culture of psychological safety where people are encouraged to challenge the status quo, and openness to using mistakes or failures as an opportunity for learning rather than something to be avoided or blamed on someone else.

d. As learning moves out of the classroom, the Learning function is having to cede control over who learns what and where. This makes it even more critical that Learning professionals have deep expertise in how adults learn, so they can design highly effective learning products, and help educate learners and their line managers in how to sustain behaviour change. Learning professionals need to be guided by the features of good learning design: making the learning content engaging and relevant to the learner’s job; incorporating reflection and deliberate practice; engaging both rational and emotional parts of the brain; and stimulating the learner’s motivation to learn. It’s also important to make sure that the work context supports application of what’s being learned, and that line managers are engaged to support their teams’ learning.

e. The challenge for Learning professionals is to build the capabilities required to act as credible business partners to support the organisation in achieving its goals. This means having strong business acumen, to understand the organisation’s strategy, markets and future direction, and diagnose business-oriented learning solutions. Learning professionals also need to build skills in organisation development and consulting, so they can develop solutions to help teams and organisations develop and improve their performance. The key challenge for the Learning function is to be ahead of the game in terms of understanding where the organisation is heading, and to define and communicate how learning can help the organisation and its people achieve their objectives.



COMMENTARY ON CRF'S RESEARCH FINDINGS

Put simply, learning must move from the periphery to the centre of organisational growth and change. For me, that's the essential finding in CRF's Report, *Learning—the Foundation for Agility and Sustainable Performance*. This is because the ability of organisations – and the people who work in them – to learn fast, adapt and manage change, has never been more crucial to organisational survival.

At Duke Corporate Education (Duke CE), we believe leaders are the greatest levers for strategic success. This is not only because leadership is the ultimate 'connective tissue' between strategy and execution, but also because leadership has become more important than ever. As external pressures have become more disruptive and complex, businesses need to rely on more integrated, cross-boundary approaches to solve harder problems. Leadership is the key to mobilising these creative and agile solutions.

What is striking in reading the results from the report is that, in the past 15 years, while the field of leadership development has become more crowded, complex and option-rich, the fundamental issue remains the same: learning and the practice of leadership development need to take an exponential leap to help the business to achieve results. I'll go a step further: the Learning function must stop thinking of itself as 'supporting' the business and start thinking of itself as part of the business.

C-suite executives, too, are now realising that learning is key to growth and innovation, building high-performing organisations, and supporting large-scale change and adaptive readiness. From my experience working with clients on six continents, it is clear that even as we've recognised its increased importance, learning needs to be even higher up on the business agenda. This is because the target keeps moving. We are experiencing ever-accelerating rates of change and disruption which means our organisations and people are lagging further behind.

Great advancements in technology, tools, and methodologies have opened up a world of options for learning professionals and leaders to consider. Learning is becoming more personalised, focused, flexible and available. But this can translate into a relentless temptation to become mired in 'interesting' activity and miss the more fundamental call to action.

To cut through the noise of options and priorities, organisations must rethink learning, not just as a function, but as a capability. This can only be done with the ownership and sponsorship of the entire executive team, including HR.

As we move deeper into the 21st century what is not changing is the inexorable growth in the absolute and relative importance of our human capital. And, it's accelerating. In short, it's time for leaders to step up their game, and it's time for learning to lead.

Michael Chavez, Chief Executive Officer
Duke Corporate Education

01

SETTING THE SCENE – LEARNING AND THE NEW ECONOMY

This chapter sets the scene for learning in today's business environment, which is characterised by rapid change and increasing complexity and uncertainty. We consider why learning is so important now – and, in particular, the critical role it plays in building high-performing, sustainable organisations.

TOPICS COVERED

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“TECHNICAL CHALLENGES ARE NOT NECESSARILY EASY, BUT THEY CAN BE MET BY IMPROVEMENTS TO EXISTING MINDSETS AND ORGANISATIONAL DESIGNS. ADAPTIVE CHALLENGES CAN ONLY BE MET BY PEOPLE AND ORGANISATIONS EXCEEDING THEMSELVES.”

Kegan and Lahey, 2016

**1.1
DISRUPTIVE TIMES REQUIRE A DIFFERENT APPROACH TO LEARNING**

We are living in the age of ‘Digital Darwinism’, a term first coined in 1999 by Evan I Schwartz, who defined it as “an era where technology and society are evolving faster than businesses can naturally adapt.” New digital platforms disrupt traditional markets almost overnight, wiping out successful strategies, products and services at a stroke. Globalisation, emerging technology and changing customer needs and expectations mean that if organisations are to survive they need to be able to sense and respond quickly to changes in their markets. Stable environments are a thing of the past, and competitive advantages have become ephemeral.

MIT has found that 90% of organisations expect their industry to be totally disrupted by digital trends. However, the operating models of many organisations – especially large global businesses – have not kept up with the scale of the challenge. According to Michael Chavez, CEO of Duke Corporate Education (Duke CE): “We built our organisations on the assumption of a linear world, with neat boxes, hierarchies and reporting lines, but today’s context demands agility, adaptability and innovation. Today’s organisations are suffering from a severe case of structural lag, where their internal time clocks are increasingly out of pace with the external pace of change.” Organisations need to cultivate an operating system that can pick up on weak signals at the edge of the organisation, create new products, services and markets rapidly, and reconfigure themselves to deliver

them. This has profound implications for learning, at both the individual and organisation level.

Dealing with a highly disruptive context requires a different mindset. Ronald Heifetz of Harvard University distinguishes between ‘adaptive’ and ‘technical’ approaches to problem solving.

- **Adaptive approaches** are required to solve “problems for which there are no simple, painless solutions – problems that require us to learn new ways.” Adaptive problems demand innovation and learning.
- **Technical problems** may be highly complex and require deep expertise – Heifetz cites the example of doctors running a busy A&E department in a hospital. However, these problems are technical “because the necessary knowledge ... already has been digested and put in the form of a legitimised set of known organisational procedures guiding what to do. ... They are the product of previously accomplished adaptive work.”

Today, organisations need to be able to mobilise people to tackle tough problems, link seemingly unrelated events and come up with creative solutions. These are adaptive challenges. One of the issues for Learning is to make sure we are not trying to solve ‘adaptive’ situations with ‘technical’ learning solutions.

Organisations also need to be designed for agility. Research by Chris Worley of the Center for Effective Organizations at the University of Southern California (see CRF’s 2015 research report *Organisation*

Agility) found that organisations that maintained top-tier business performance relative to their peers over long timescales shared a number of ‘agile’ characteristics. Learning is a key feature of agile organisations. They:

- learn continuously by capturing the lessons from successful and unsuccessful experiments
- share learning with other parts of the organisation that need to act on it
- transfer learning into continuous improvement.

We see that learning plays a key role in helping organisations survive and thrive in today’s context. They need to apply learning both to help individuals develop adaptive capabilities, and to design organisations that are capable of learning and rapid change.

The purpose of this report is fourfold.

- Explore how organisations need to configure learning for a world that requires ‘adaptive’ solutions to problems, and gauge the extent to which we are on the right path.
- Consider the implications for the Learning function.
- Investigate how organisations can configure themselves for learning.
- Explore how to use the latest understanding about how adults learn when we are designing high-impact learning.

Figure 1: The routines of agility

Routine	Critical elements	Description
Strategising dynamically	Sense of shared purpose	The purpose or mission (outcomes other than profit or growth) and the business model (how we make money) are widely shared. Values embedded in these statements drive behaviour on a daily basis.
	Change-friendly identity	There is a clear sense of 'who we are' and 'what inspires us'. This long-term strategy explains success and encourages the organisation to change.
	Robust strategic intent	The current business strategy relevant in today's market, described by its breadth, differentiation and aggressiveness, but seen as momentary and flexible.
Perceiving environmental change	Sensing	The organisation explores the future deeply, and many parts of the organisation touch the environment continuously.
	Communicating	Information from the environment gets to decision-makers rapidly, in an unfiltered way. Information flows easily, in both directions, between the bottom and top of the organisation.
	Interpreting	Information is evaluated on the basis of the company's existing identity, intent, business model and risk tolerance.
Testing responses	Slack resources	Capable resources (people, money, time, tools) are available and can be readily deployed to experiment with new ideas.
	Risk management	These experiments are bounded by clearly agreed criteria for judging success and failure; the possibility of failure is accepted, as a vehicle for learning.
	Learning	Experience with running experiments is captured and applied with each new round, so that the company's capabilities are continuously improved.
Implementing change	Management and organisational autonomy	Executives delegate sufficient authority to line and business managers so that the company can execute changes with success; there is no second-guessing from HQ, only alignment around basic strategic objectives.
	Embedded change capability	The pragmatic ability to change collective habits, practices and perspectives is embedded in line operations, not isolated in staff groups.
	Performance management	Clear, unambiguous, accepted performance measures and targets are based on business-model drivers with rewards that matter.

WHAT IS AGILITY?

Agility is an advanced and dynamic organisation-level capability. It represents the ability to make timely, effective and sustained changes when and where those confer a performance advantage. Agile organisations do the following.

- Make timely changes, because they can sense or anticipate relevant shifts in their external environment better than their peers.
- Make effective changes, because they select and execute those that will help them counter challenges in their environment.
- Make sustained changes. There is no point changing something unless it solves the problem it was meant to address, and the benefit lasts. However, the changes agile organisations make don't become a permanent or institutionalised source of inertia; agile organisations continuously test, learn and adapt in order to stay ahead.

RESEARCH METHOD

This report is based on the following sources of data.

- Interviews with 50 experts, academics and practitioners.
- An online CRF member survey, completed by 193 respondents in April 2017. Respondents were predominantly senior HR and Learning and Development practitioners from a range of different industries. The majority worked for organisations with 10,000 employees or more. Three-quarters (77%) were UK based, 17% were from Europe and the remainder from Asia and North America.
- An extensive literature review of key academic and practitioner studies, books and articles. The Reading List in the Appendix contains relevant references.

Source: Williams, Worley and Lawler, 2013

“PEOPLE SAY THEY DON’T HAVE TIME TO LEARN. WE’RE TRYING TO GET AROUND THIS BY FRAMING LEARNING AS SOMETHING THAT HAPPENS ALL DAY, EVERY DAY. SO WE TALK ABOUT THE NOTION THAT, EVERY TIME YOU ARE DOING SOMETHING, IT CAN BE AN OPPORTUNITY TO LEARN. YOU HAVE TO RECOGNISE IT AS LEARNING, SPOT THE LEARNING OPPORTUNITY AND CREATE VALUE BY EXTRACTING AND APPLYING THE LEARNING.”

Michele Isaacs, VP Talent & Development, Thomson Reuters

1.2 THE PURPOSE OF LEARNING IN TODAY’S CONTEXT

WHAT IS LEARNING?

Wikipedia defines learning as “the act of acquiring new, or modifying and reinforcing existing, knowledge, behaviour, skills, values or preferences which may lead to a potential change in synthesising information, depth of knowledge, attitude or behaviour.” This view of learning encompasses all elements of the 70:20:10 model used by many organisations to distinguish how individuals learn: 70% from learning on the job, 20% learning from others and 10% formal learning. We take an even broader view of learning, encompassing both individual learning (where one person gets better at something), and organisational learning (where teams or entire organisations change their practices or behaviour). Note that throughout this report we distinguish ‘learning’ in its broadest sense from the ‘Learning function’, which is typically responsible for some or all aspects of formal – and sometimes informal – learning within the organisation.

Learning and the 70:20:10 model

We refer to the 70:20:10 model as it is commonly used (76% of respondents to the CRF member survey use or are influenced by it). However, there are a number of issues with this model.

- The boundaries between the different elements are increasingly blurred. For example, is a petrochemical engineer who watches a video to find out how to fix a faulty valve engaging in formal or on-the-job learning?
- Organisations – and not just individuals – need to build capacity for learning, and the model does not address this.
- The model is not based on empirical studies – it’s merely an estimate of how people learn. Indeed, one of the original researchers has described it as ‘folklore’.

The model is a useful reminder to both learners and Learning professionals that learning is not just about the 10% that happens through formal learning interventions such as courses. However, any attempt to follow it rigidly as a prescriptive model for learning strategy should be avoided. For further discussion about the 70:20:10 model, see CRF’s 2015 research report *Leadership Development – is it fit for purpose?*

organisation strategy, your strategic workforce plans, and your vision for learning within the organisation. The key connection is to identify how learning can help build the workforce you’ll need to execute on your strategy.”

- **Help individuals build and maintain the knowledge, skills and capabilities** they need to do their jobs well, develop the capabilities needed to progress in their career, and build pipelines of future talent.
- **Build capability in the organisation** to develop new products, services and markets, to sense and respond to external market forces, to innovate, and to build capacity to experiment and learn.

Given the context in which we operate, and the requirement for organisations to grow and thrive in a fast-changing world, this third element is becoming increasingly important.

Key trends in learning

We would highlight the following key learning trends, which we discuss further later in this report.

- Formal learning is moving out of the classroom. Face-to-face delivery of learning is being replaced by company-provided virtual learning and open-access content on Google and YouTube. Organisations are shifting away from designing and delivering bespoke content towards ‘curating’ best-in-class content from a variety of different internal and external sources.

In broad terms, learning needs to deliver three key elements.

- **Enable the organisation to deliver its organisational strategy and improve organisational performance.** The organisation’s strategic intent drives where investments in learning happen. For example, a strategy of product innovation might lead you to invest in teaching all employees design thinking, whereas a cost management strategy

would mean investing in developing lean management skills. Research by Wayne Brockbank at the University of Michigan’s Ross School of Business shows that organisations that tailor their investment in learning to the corporate strategy add considerably more value than those that invest in a generic ‘best practice’ curriculum. Mark Williamson, Partner, at KPMG in the UK said: “There needs to be clear alignment between the overall

“TODAY, THE LEARNING FUNCTION IS FOCUSED PRIMARILY ON PRODUCTIVE LEARNING. AS A RESULT, IT APPEARS THAT [LEARNING PROFESSIONALS] ARE MORE LIKELY TO WANT TO MAINTAIN THE STATUS QUO, RATHER THAN CHALLENGE IT.”

Kapp and O’Driscoll, 2010

- Explicit knowledge that would previously have been delivered by traditional ‘training’ is moving into ‘performance support systems’, which provide the information people need to complete a task when it arises in the course of their daily work. (We discuss these further in chapter 2.) This helps to solve the problem of people remembering only a small proportion of what they learn in the classroom.
- Learning is being ‘democratised’. Whereas in the past, attending a course might have been an option only for a small minority, now learning is much more widely available. Nicola Braden, Learning Innovation and Standards Director at Unilever, said: “We are democratising learning by getting rid of the barriers we used to have in terms of cost, location, time, language etc. This means people can get what they want, where and when they want it.” New technologies make it easy for a much broader audience to create learning content – this is no longer just the preserve of Learning professionals.
- ‘Social learning’ (learning from others via discussion, observation, imitation and modelling) is becoming an increasingly important element of learning strategy, and organisations are investing in technology to support it.
- The learning ‘journey’ for individuals is increasingly personalised. Curricula are being ‘sliced and diced’ and people can choose where to focus their time and effort, based on their own needs and motivations. New tools allow learners to personalise their learning feed so they receive internal and external learning content that matches their interests.
- People devote less time to learning, and attention spans are shorter. Bersin estimates that employees have on average 24 minutes per week to devote to learning, and that learners will spend no longer than four minutes watching a video. New generations of workers have grown up with Netflix and Facebook and expect corporate technology to look and feel the same. This is driving demand for virtual and mobile content and ‘micro-learning’.
- Learning specialists are having to become more expert at finding solutions to the particular problem at hand. Often what’s needed is a quick checklist or short instructional video – not a lengthy course.
- As well as sourcing content, the Learning function plays a key role in identifying, building and supporting the infrastructure needed to deliver virtual content. The market for learning content platforms has exploded in recent years, and the Learning function has to be technologically savvy and in tune with what learners really need.
- Although new technology platforms offer the opportunity to rethink learning content, much of what they provide is simply a rehash or truncated version of existing training content. Learning professionals need to think more carefully about how to create a compelling learning experience. Tony O’Driscoll, Global Head of Strategic Leadership Solutions at Duke CE, said: “In many ways the learning market has not changed much since medieval times. It’s still fundamentally a model of transmitting ideas through teaching people stuff. Technology is just being used to automate what happens in the classroom. What we really need is to get people collaborating and co-creating to solve business issues. People need to be able to ‘figure it out’ faster than the competition.”
- There’s still substantial investment in traditional face-to-face training and ‘courses’ delivered in a classroom outside the normal flow of day-to-day work. In some cases this is driven by the expectations of business leaders and learners, who don’t feel the organisation is investing in development unless these types of programmes are on offer. In other cases it’s the result of the Learning function being stuck in the mindset that classroom delivery is the only solution.
- However, smarter organisations are using more targeted face-to-face learning. For example, they ‘convene’ people to work out solutions to business problems, or to work out how to apply conceptual models to real-life business challenges with the objective of improving performance. They are using dialogue and discussion as the basis for learning through co-creation, often through experiential learning or action learning. This approach fosters the all-important ‘generative’ organisational learning, discussed in the next section.

“DONE RIGHT, LEARNING CAN BE A POWERFUL LEVER FOR STRATEGIC EXECUTION AND CHANGE. ONE THING THE LEARNING FUNCTION IS WELL PLACED TO DO IS TO CONVENE PEOPLE TO THINK TOGETHER ABOUT THE FUTURE OF THE ORGANISATION, TO SOLVE PROBLEMS AND TO GENERATE STRATEGIC OPTIONS. THIS IS WHERE THE LEARNING FUNCTION HAS THE POTENTIAL TO PUNCH ABOVE ITS WEIGHT, BUT IN MOST CASES, IT ISN'T.”

Michael Chavez, Chief Executive Officer, Duke CE

1.3 A NEW MODEL FOR LEARNING

Productive versus generative learning

Building an organisation that's capable of being ambidextrous – delivering high performance today while also sensing and preparing for the future – requires two types of learning to be happening simultaneously.

- **Productive learning:** Conveying information about tasks we already know how to do with the goal of improving productivity, quality or customer service. Productive learning can bring everyone up to the standard of the current best performer.
- **Generative learning** focuses on growth and innovation. Peter Senge, who popularised the concept of 'the learning organisation' in the 1990s, describes this as: "learning that enhances our capacity to create." Generative learning centres on imagining and building future scenarios, and sharing ideas and knowledge about tasks that are new and different. Often it is a collaborative endeavour that brings together networks of individuals to help them build a collective view of the future.

Kapp and O'Driscoll contrast the two types of learning: "Productive learning serves largely to maintain the status quo ... by conveying what is already known, while generative learning involves not only absorbing existing information but also creating new solutions to unanticipated problems."

We find that most of the innovations in the learning market, including virtual learning, over recent years are concentrated in the 'productive learning' space. But real value comes from new ideas and sources of growth that emerge from generative learning. The Learning function has a substantial opportunity to help the organisation invest in this type of learning. Indeed, it should make shifting focus from productive to generative learning a key priority if it wants to sustain its relevance and influence on key business outcomes.

Individual versus organisational learning

In addition to switching the focus of learning from productive to generative, the other key issue is to identify where learning will have the greatest impact on organisational performance. Traditionally, learning has focused on improving the skills of individual employees. While this is often necessary and worthwhile, we would argue that greater performance shifts happen when learning is focused at the team or organisational level, where it can help the organisation achieve strategic change. Helping teams develop a collective point of view on the future can deliver greater insight than any one individual could generate on their own.

Learning can deliver the greatest value when generative and organisational learning coincide, which involves bringing people together to come up with profitable, 'adaptive' solutions to business problems.

DOUBLE-LOOP LEARNING AS AN ENabler OF GENERATIVE LEARNING

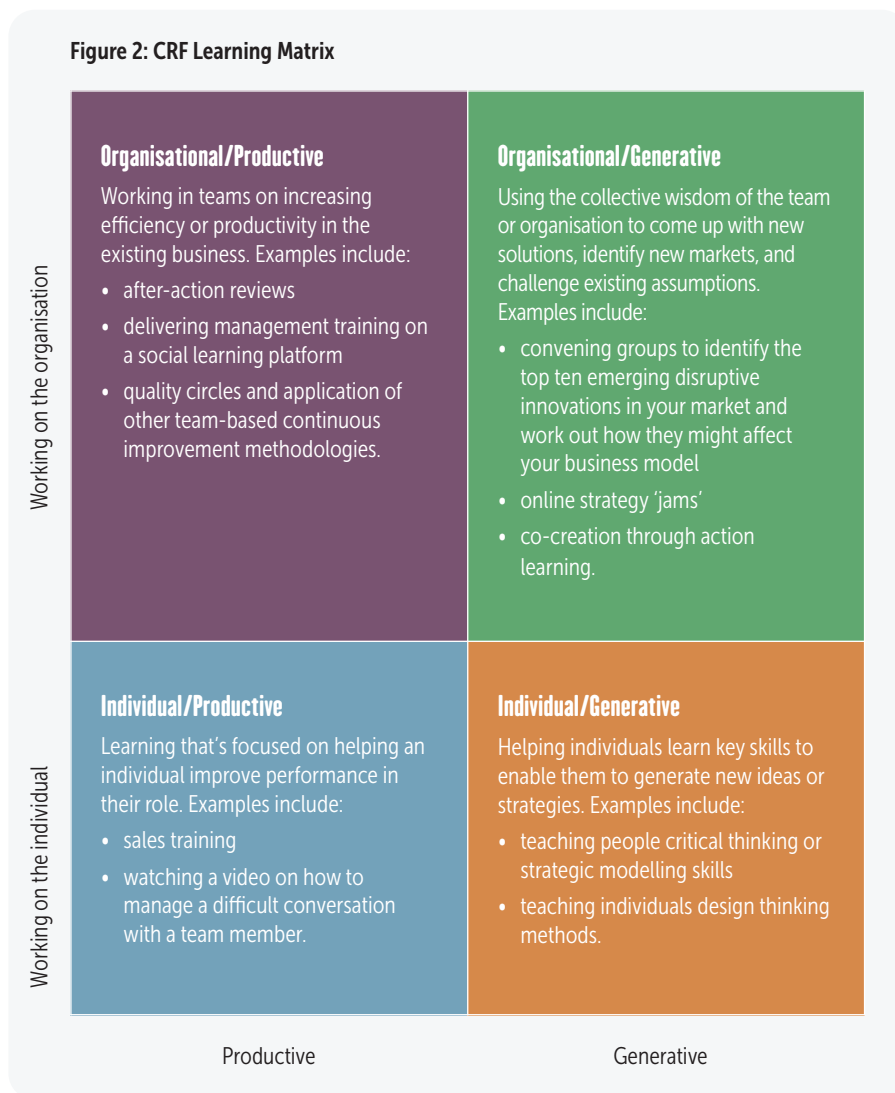
The late Harvard Professor Chris Argyris' concept of **double-loop learning** encapsulates the way of thinking needed in today's complex and dynamic world, where the ability to challenge assumptions and view problems and potential solutions differently grows ever more important. Argyris maintained that most people don't actually know how to learn. They are stuck in 'single-loop learning', changing actions while leaving the underlying assumptions unchallenged – essentially tackling the symptoms rather than the cause of the problem.

'Double-loop learning', by contrast, recognises that you need to modify the fundamental assumptions that underpin current approaches. Double-loop learning requires people to step back and reflect critically on their behaviour, identifying the ways their assumptions can hinder their ability to think differently about a given situation. By questioning these assumptions they can gain insights that will allow them to act differently in future. This is a key foundation of generative learning, as we discuss opposite.

“ONE OF THE MAIN CHANGES I NOTICE IN HOW THE ROLE OF LEARNING IS CHANGING, IS THAT WE’RE MOVING MUCH MORE INTO ORGANISATION DEVELOPMENT. IN GOOGLE, WE’VE SEEN A BIG INCREASE IN DEMAND FOR HELP WITH MORE SYSTEMIC ISSUES SUCH AS TEAM INTERVENTIONS, TEAM COACHING, HELPING TEAMS UNDERSTAND WHAT’S HAPPENING WITHIN THEIR SYSTEM AND THE EFFECTS THAT’S HAVING ON THE WIDER SYSTEM BEYOND THE TEAM.”

Stephanie Conway, Senior Organisational Development Practitioner, Google

Figure 2 shows how individual, organisational, productive and generative learning interact, with examples of the types of learning that might occur in each segment.



In some organisations we have seen a shift in the focus of leadership development towards the top-right corner, but this shift has mainly targeted the most senior population or high-potential future leadership talent. A key challenge for the Learning function is to find ways of equipping people and teams across all levels, at scale, with the type of generative skills they and the organisation need to remain agile and adaptable in a fast-changing business environment. To get behaviour and culture change at all levels you need to focus on the group or the organisation, not just the individual.

CASE NOTES - SKY

Deborah Baker, Director for People at Sky, recently led a cross-functional task force that identified how to create the conditions for successful innovation, and how to apply this in Sky. Baker found that a critical success factor was the extent to which leaders create a culture around them that fosters collaboration, optimism, resilience and diversity of thought. Sky has designed a programme which, at the time of writing, is being piloted with the leadership team. The team is working together to discover the conditions they need to put in place to support innovation, and to identify how they individually and collectively need to behave differently. Although this is currently in pilot phase with the senior team, Baker anticipates this could be rolled out across the organisation. This builds on two initiatives already rolled out at Sky over the last two years: “Better Self” and “Better Teams”. The idea underpinning these programmes is that, to deliver effective organisational change, leaders need to better understand themselves, and develop skills to create the conditions around them to help their teams perform at their best, which in turn leads to better business outcomes. Baker’s research into successful innovation found that the conditions necessary for creativity and innovation to flourish are similar to those needed to build high-performing teams. “The focus of the new pilot is to help people dial up some of the elements that we found helped foster creativity and innovation in others – such as creating an empowering, high accountability environment,” said Baker.

“ONE OF THE PROBLEMS WITH LEARNING IS THAT IT’S CONCENTRATED AT THE TOP – SENIOR LEADERSHIP – AND THE BOTTOM – NEW JOINERS. THERE’S A BIG VOID IN THE MIDDLE, WHICH ALSO HAPPENS TO BE WHERE THE MAJORITY OF THE WORK GETS DONE.”

Paul Morgan, formerly Head of Learning & Development, O2

1.4

LEARNING IS AT RISK OF GETTING ‘BOXED IN’

The capabilities needed for learning in the top-right box are different from those required in the other boxes. Nigel Paine, author of *The Learning Challenge*, said: “Solving an ‘adaptive’ problem requires wisdom as much as knowledge and, preferably, the wisdom of a diverse group who can share their insights. There is no template or model to follow when attacking an ‘adaptive’ problem, but the solution emerges from questioning, discussion, and clarifying the validity of assumptions.”

This implies that Learning professionals will also need to develop different skill-sets around helping teams address systemic issues, facilitating good conversations, helping people apply strategic concepts to real business situations, and extending the learning experience into the implementation of new ideas in the workplace. Working in the top-right corner will require the Learning function to build deeper organisation development skills.

We are at a learning crossroads. Emerging technologies have allowed the Learning function to rethink its role and deliver learning products more effectively at the point of need for individuals in their day-to-day work. There has been a lot of progress in the ‘productive’ side of the equation. But while this might be where growth in the learning market is happening, it’s not the foundation for organisational growth.

We are concerned that learning is in danger of boxing itself in to only delivering platforms and content. Learning’s real value lies in helping the organisation build the capability to define a clear vision for the future and make it happen. It’s about making learning and growing a fundamental part of everyday work, not something someone does on a Friday afternoon when they have 15 spare minutes to watch a video.

Businesses have had to fundamentally reshape themselves in response to changes in their competitive environment; the Learning function must do the same.

We challenge learning professionals to reflect on the following questions.

- Where on the Learning Matrix do you spend most time and effort?
- Are you in danger of getting boxed in to the bottom-left corner?
- Where would your organisation benefit most from you concentrating your effort?
- How are you helping the organisation shape solutions to current and future problems?
- What steps can/should you take to occupy all four quadrants of the matrix?

02

KEY TRENDS IN THE LEARNING MARKET

This chapter tracks current developments and trends in the learning market, and how these are playing out in organisations. We examine trends such as virtual and mobile learning – including their potential and pitfalls.

TOPICS COVERED

2.1	CRF SURVEY RESULTS	18
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In chapter 1, we considered the implications of the current business context for learning. Here, we examine the current state of learning in organisations, both with reference to the results of the CRF survey conducted as part of the research, and by synthesising interviews conducted for the research. We drill down further into some of the macro trends highlighted in chapter 1.

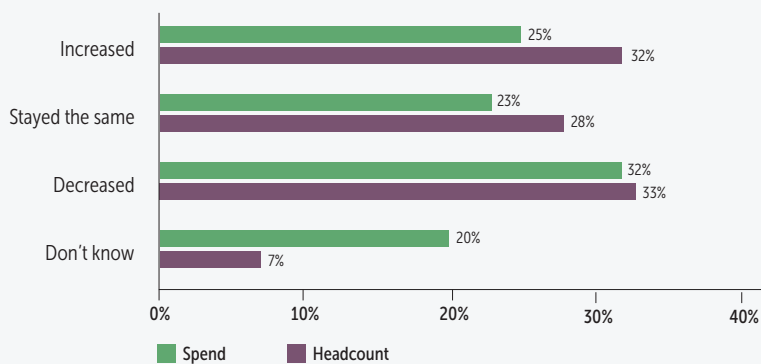
2.1 CRF SURVEY RESULTS

In summary, we find that innovations within the learning market, such as performance support systems that sit alongside people as they do their day-to-day jobs, are found mainly in the individual/productive corner of the CRF Learning Matrix discussed in chapter 1. For example, Amazon uses performance support and robotics to make its seasonal warehouse workers productive within two days of starting – this compares with two weeks in traditional warehouse jobs. But while such technologies may be making learning available to a wider audience and closer to the point of need, they are predominantly ‘technical’ solutions. They mostly help individuals do their current jobs more productively. They are not so helpful when it comes to developing ‘adaptive’ solutions to problems we may not yet be aware of – complex business problems that require organisations to bring people together to imagine new solutions and deploy collective critical thinking to work out what needs to be done. In short, they are tools for productive, not generative learning.

Had we produced this report in 2010, we might have expected learning budgets to be under pressure due to the recession following the 2008 financial crisis. Seven years on, we see a different picture. KPMG partner Mark Williamson has found that demand for learning within organisations is higher than it was five years ago, driven by investment in organisation and workforce transformation and a drive to improve productivity. Our survey results show the following trends.

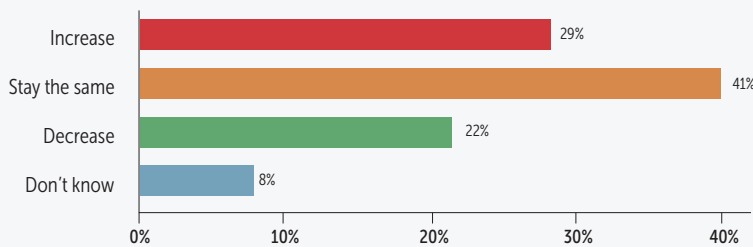
- Overall, respondents predict that learning budgets will remain stable or grow ‘somewhat’. Less than one-quarter (22%) expect their learning budget to fall over the next three years, 41% expect it to remain stable, and 29% anticipate it will grow.
- However, organisations face the perennial problem of knowing exactly how much they spend on learning. Only 61% of respondents to our survey consider their organisation has a clear view of its annual spend on learning, and nearly half (46%) don’t know how much their organisation spends per employee per year.
- Over the past three years, one-third of respondents (32%) have seen a decrease in learning budgets, 23% have seen budgets unchanged, and one-quarter (25%) have seen an increase.
- Learning headcount has increased at a slightly higher rate than budgets (33% of respondents report an increase), suggesting that learning activities are being brought back in house. Indeed, 15% of those respondents who outsource learning activities report that they are outsourcing less than they used to.

Figure 3: Trends in spending and headcount



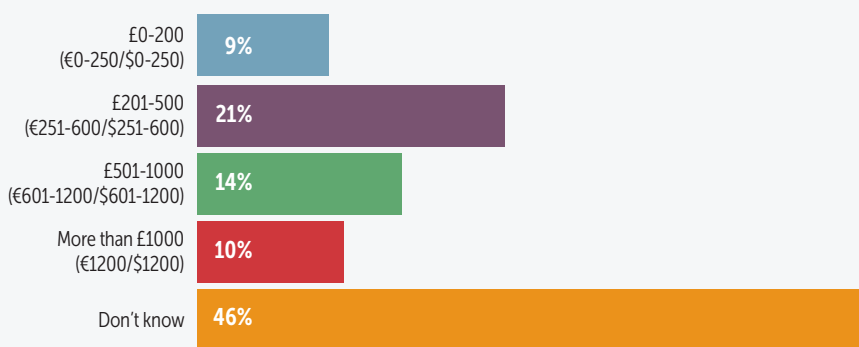
Source: CRF Member Survey

Figure 4: Future spending on learning. How do you expect your budget to change over the next three years?



Source: CRF Member Survey

Figure 5: Current spend per employee per year



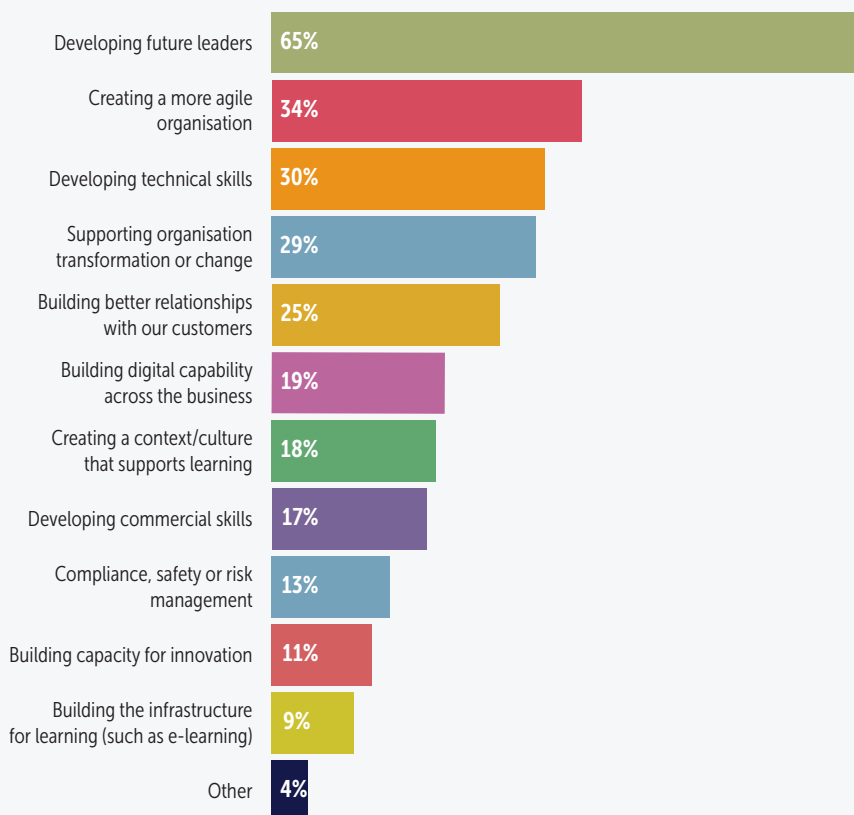
Source: CRF Member Survey

Respondents described the business factors that are driving the budget for learning. Text analysis shows the following, in descending order of priority.

- Increased business demands for learning, in particular to support business growth.
- The need to reduce cost or increase efficiency.
- Supporting organisation transformation, in particular digital business transformation.
- Investment in learning technology.
- Focus on compliance, conduct and regulatory requirements.
- Investing in leadership skills.
- Investing in technical skills and apprenticeships.
- Reorganisation of the Learning function.
- Investing in learning as a means of retaining key talent.

We asked CRF members to outline their current top three priorities for learning. The responses focus on developing future leaders, supporting organisational change and developing technical and digital skills. However, it is concerning that lower priority is given to building the types of commercial and customer-oriented capabilities needed to remain competitive: only 17% see developing commercial skills as a top-three priority for learning, and just one-quarter (25%) cite building better relationships with customers. And although many organisations say they want to improve innovation, only 11% of our sample see this as one of their top three learning priorities. It is interesting that while support for business growth is a key budget driver, investment in the commercial, customer and innovation skills that might drive that growth are seen as lower priority.

Figure 6: What are the main priorities for learning in your organisation?



Source: CRF Member Survey

- Innovation in the design and delivery of learning and better use of technology.
- Using more multi-modal approaches to learning, for example blended learning, coaching, action learning etc.
- Quality of leadership and coaching skills programmes.
- Technical skills development and compliance training.

No one said they were doing well at helping their business work out its future strategy, develop the capabilities that will be required to deliver on that strategy, or build capacity for innovation. These are essential for future growth and have a substantial learning component, so we would expect these to be top priority for the Learning function.

When asked what aspects of their organisation’s approach to learning respondents would most like to improve, the following themes emerged – in descending order of priority.

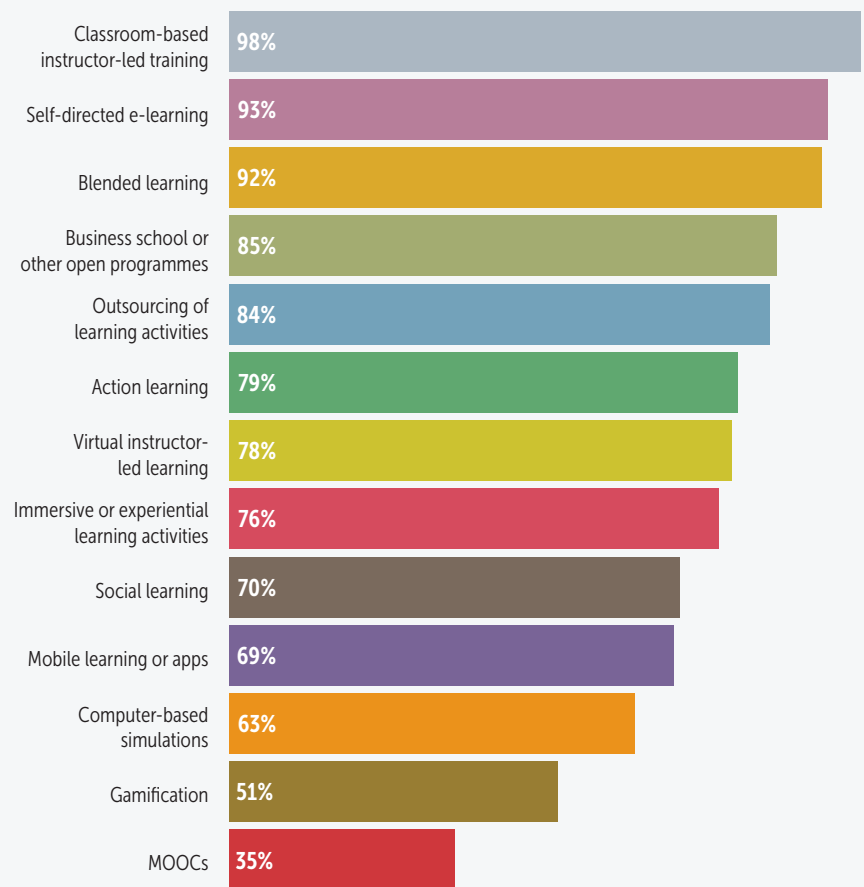
- Improvements to technology – especially Learning Management Systems, but also greater use of digital learning tools, performance support etc. and offering a better range of learning channels.
- Better evaluation of the impact of learning and obtaining good quality feedback from the business.
- Closer alignment between what the business needs and what learning delivers.
- Moving from a ‘push’ to a ‘pull’ learning strategy – so that individuals are in charge of what they learn and have the resources to learn what they need, where and when they need it.

When asked to describe what their organisation does well from a learning perspective, the following themes emerged – again in descending order of priority.

- Providing a wide range of quality solutions, sometimes on a very small budget.
- Use of technology has made learning accessible to a broader range of employees.
- Engaging the business and building commitment to learning within the business, both among learners and through senior management sponsorship (including financial commitments).
- Connecting learning and business strategy and responding to business needs.

- Engaging line managers to support their people's learning.
- A desire to change attitudes in the business, breaking out of a 'courses first' mindset, viewing learning as necessary for business success, not a luxury, and creating more of a learning culture.
- Improving communication with the business, and being able to respond in a more agile way to business needs.
- Improving the quality of resources (for example making e-learning more stimulating).
- Some learning teams deliver little learning beyond basic compliance requirements.
- Translating what people learn into improved performance on the job.
- Improving the structure and governance of the Learning function.
- Improving efficiency, delivering quality services to a tight budget, and doing more with less.
- Some felt the push towards technology-driven learning has gone too far, and that it is important to think more carefully about the most suitable solution for a particular learning need.
- Building the capability of learning professionals, getting them out of an old-school mindset of instructor-led training.
- A desire to move towards team-based learning.

Figure 7: Current use of different learning methods

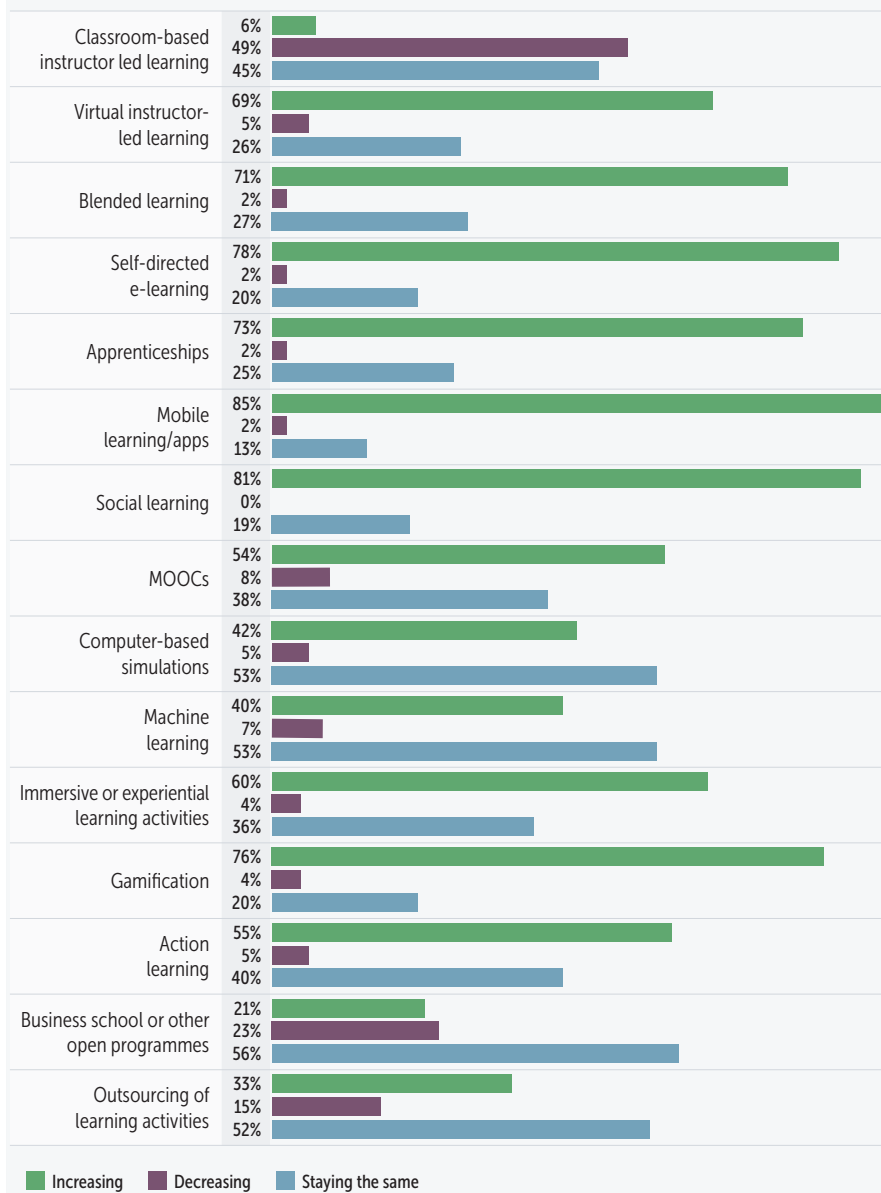


Source: CRF Member Survey

“TEACHERS SHOULD BE REPLACED WITH FACILITATORS, WHO CAN HELP DELEGATES TO CONSTRUCT THEIR OWN UNDERSTANDING OR ABILITY TO PERFORM A SKILL OR BEHAVIOUR. IT’S NOT ENOUGH FOR FACILITATORS TO SIMPLY TELL PEOPLE ABOUT A CONCEPT, SKILL OR BEHAVIOUR; PEOPLE NEED THE OPPORTUNITY TO DIRECTLY EXPERIENCE EACH OF THESE IF THEY ARE TO SHIFT THEIR BEHAVIOUR.”

Alison Maitland, Head of Product, Lane4

Figure 8: Is your current use of the following learning methods increasing, staying the same or decreasing?



Source: CRF Member Survey

Trends in use of different learning methods

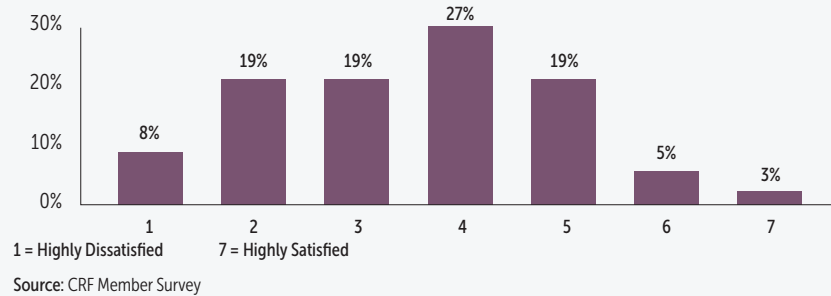
- We see that the most widely-used learning method is still classroom-based instructor-led programmes. However, this is also falling significantly, with nearly half (48%) of respondents reducing their use of the traditional classroom.
- The only other learning methods where we see a decrease in use are business school or other open programmes (24% are reducing usage), and outsourcing (15% are reducing their reliance on outsourcing).
- The greatest increases are in mobile learning, social learning, and self-directed e-learning.
- Some emerging learning methods such as gamification are increasing, but not yet particularly significant.
- It is interesting to see that the take up of Massive Open Online Courses (MOOCs) remains low compared to other methods. This perhaps reflects the fact that participants often don't complete the course (some estimates put completion at just 8%).

Our survey showed a reasonably positive view of learning technology – despite the many frustrations our interviewees voiced about Learning Management Systems (LMSs). Just under half (45%) of respondents are satisfied with their learning technology, 28% are neutral and 27% are dissatisfied.

“THE WORLD OF COURSES, COMPETENCIES AND CERTIFICATION IS RAPIDLY EVAPORATING – REPLACED BY A NEW ECOSYSTEM OF RESOURCES, GUIDANCE AND RATINGS.”

Nick Shackleton-Jones, Director, Learning and Performance Innovation, PA Consulting

Figure 9: How satisfied are you with your current learning technology?



TESCO'S CULTURAL SHIFT

One of the trends we observed is a move by many organisations from large-scale flagship learning programmes towards encouraging individuals to take responsibility for their own development, often in collaboration with others through social learning. For example, Tesco's philosophy has shifted. "We are looking to drive accountability by creating networks of learners and teachers across the organisation," said Louise Cavanagh, UK Academy Manager. This includes encouraging better 'learning' conversations between managers and colleagues, and educating colleagues about how to be a better learner. Tesco Academy is promoting a 'Try-learn-teach' model – educating people about learning choices and encouraging them to take responsibility for their own development. Where people are brought together, there are two principal differences compared to the way things used to work. First, the timing is different – people get support when they need it. "Colleagues used to attend programmes before they were promoted or moved roles; now we catch them after they move – at the point of need." Second, the focus has shifted from 'teaching' towards building networks, collaboration and developing skills together with others going through the same experience. "We do bring people together, but now the way we design and run programmes is much more collaborative, getting people to work together on common issues and challenges," said Cavanagh.

2.2

THE RISE OF THE 'CURATED' LEARNING PLATFORM

One of the biggest changes we have seen in recent years is the emergence of learning technology platforms that give learners direct access to learning resources, at their own instigation, without having to go through the Learning function. This began with e-learning, which in its early days was clunky and not very user-friendly. Systems are now more sophisticated,

combining content seamlessly from a variety of sources and incorporating text, video and games, and offering social media functionality. Usage is increasing accordingly. A survey by Degreed – a learning platform provider – found that 70% of respondents take live, virtual or e-learning courses provided by their employer at least once a year, and, on average, once

every three or four months. Instructor-delivered classroom learning is still important (a recent survey by the Association for Talent Development estimated that 55% of formal learning hours are still led by an instructor in a classroom), but the trend towards online learning is unstoppable.

At the same time, employees' expectations are changing. "It used to be that learning was driven by the needs of the organisation. Now we need to pay attention to the ways in which employees want to consume learning, and start there whenever we're designing a solution," said Savvas Koufou, Head of UK People and Change Banking at KPMG in the UK.

There are a number of associated trends.

- Virtual learning technology enables learners to come together online in cohorts, to engage with instructors and with each other, and to take part in coaching, exercises or action learning. For global companies, the removal of travel costs makes the substantial investment required to build a high-quality virtual learning environment worthwhile.
- Mobile. Many organisations have developed apps in response to demand from employees to access learning content while out of the office. While the majority of e-learning is still done via PCs, mobile is increasing. Degreed has found that 77% of workers do at least some of their learning on a smartphone or tablet: 17% of the time people spend learning on digital devices is spent on smartphones, and 13% on tablets. Being able to learn 'on the move' means they can utilise time while commuting or at home rather than having to take time out to learn when they're in the office.
- Online social learning appears to be an unstoppable trend. This involves people learning together outside of the formal organisation structure through dialogue and discussion, online and sometimes face-to-face. Usually topics and content will be curated by the organisation.

VIRTUAL VERSUS FACE-TO-FACE LEARNING – WHAT ARE WE LEARNING?

Organisations that have been delivering learning virtually for some time are now starting to understand what works well and in what circumstances. Here are some observations from our research.

BP has moved a substantial proportion of programmes delivered by its learning academies into a virtual environment. Key lessons include the following.

- You can't simply convert a multi-day face-to-face programme into a virtual copy. You have to completely redesign it so it can be delivered in a modular way.
- You may encounter resistance from both Learning professionals and learners themselves, and will have to re-educate them. Learning facilitators and designers also need re-skilling to work in the virtual environment. BP is finding that learner Net Promoter Scores are gradually increasing, indicating that people are getting used to learning in this environment.
- There are limitations to what the technology can do – particularly where participants have limited broadband access. Contingency planning is necessary.
- While some things can be delivered just as effectively virtually, others – networking, sense making and skills practice, for example – just can't. What virtual learning does tend to miss is the informal learning that happens in breaks and discussions – and it's hard to design for that.
- The types of content best suited to virtual delivery are those that teach a discrete technical skill. A design with short episodic inputs separated by time for practice, before reconvening to discuss learning and get input from peers and teachers, has worked well.

Kim Lafferty, VP Global Leadership Development at GSK, has run a number of experiments comparing virtual and face-to-face programmes and trialling social learning. She recently trialled a new first-line leader programme: some cohorts engaged in online peer-to-peer learning before a face-to-face module, while others didn't engage with each other before they met. She found that those who took part in online peer-to-peer learning before the event experienced accelerated learning at the event itself. She also compared groups who went through structured online peer-to-peer learning exercises against groups who had met online before the event, but in a less structured way, and found that the former experienced more accelerated learning. "My assumption was that this wouldn't work," said Lafferty. "People would be too busy. But I was surprised. The quality of virtual conversations was good, and it meant people could start the two-day face-to-face module higher up the learning curve than if they hadn't gone through the online experience. We also learned you can't just bring people together online and leave them to have a nice conversation. You have to provide learning content and skill building from the very first interaction."

Lafferty cautions that, before you move all programmes online, you need to decide what you are trying to achieve. For GSK, having mixed cohorts learn together virtually, works well. However, for programmes where building a network and learning together is a core part of the experience – those aimed at graduates, MBAs and enterprise leaders, for example – the company has had to retain a higher degree of face-to-face interaction.

Lee Waller, Director of Research at Hult International Business School, recently completed a study comparing the effectiveness of different modes of learning delivery (see References). Participants attended either a fully face-to-face programme, a fully virtual programme, or a blended programme (with online pre-work, a face-to-face simulation, and online debrief and feedback), all designed to develop the same competences. Waller and colleagues hypothesised that the virtual programme would have less impact on learning, but the results showed it was just as effective as face-to-face or blended delivery. Waller thinks what made the virtual programme effective was its live, synchronous, experiential and highly participative nature, along with the opportunities presented for feedback from facilitators. What appeared to be important was not the face-to-face or virtual environment, but the quality of the methodology and the opportunities it presented for participant interaction, practice and feedback.

- An ecosystem of apps. Whereas organisations used to have a single LMS that drove everything, they are now looking to plug in a variety of different best-of-breed technologies, deploy them for as long as they are useful, and then discard them when they have outlived their usefulness. A key requirement is that users need to be able to ‘plug and play’ the different elements of the ecosystem, which have to be capable of talking to each other. The ‘EdTech’ market has led to an explosion of start-ups in the learning field, and many large organisations are more open to trying out emerging technologies.

The trends identified here are having a significant impact on the corporate learning landscape.

- It’s increasingly in the hands of the learner to decide what, where and when to learn. It’s harder for the Learning function to keep track of what’s being consumed outside of the LMS. Sometimes managers experience a bigger cultural shift than employees. “Managers can find it hard to move to a model where employees are essentially in the driving seat, they can dip in and out during the course of the working day, and can choose what to consume and when, without requiring any approval from their line manager,” said Riet Grond, Global Head of Learning at Novartis.
- The resources learners use aren’t necessarily the ones the Learning function provides. A survey by Degreed found that 85% of respondents learn things for work by searching online at least once a week. Employees spend on average five times more time learning on their own than using their employers’

learning resources. When they need to learn something new for work, their first port of call is either their manager (69%) or colleagues (55%), followed by searching the internet (47%). Only 28% would turn first to their employer’s LMS and just 21% would speak to L&D or HR. Degreed also found that three-quarters of people invested their own money (an average of \$339 each) in career-related learning last year.

that be bespoke internally-developed learning resources, such as exercises, quizzes and videos, or external sources such as TED talks. Nigel Paine suggests that, increasingly, creating bespoke content should be a last resort, advising: “Only create when you cannot curate.”

- Learners who are distracted or try to multitask are less likely to remember what they learn, so learning designers need to build expertise in how to keep learners engaged when they are interacting in a virtual rather than physical classroom. Good learning design involves the following.
 - Being clear about the learning objectives, and how the learning will address them.
 - Making sure the content and exercises are highly relevant to the learner’s job, so they see the point.
 - Choosing the right channel – video or podcast for example.
 - Ensuring that the content is optimised for that channel. For example, many e-learning programmes make the mistake of simply transferring a PowerPoint slide deck onto video, without thinking about how to bring the content to life.
 - Building learning communities. Nigel Paine said: “You have to move away from only being concerned with putting content online, to using the digital experience to build a strong sense of community.”

Figure 10: Self-service learning



Source: Degreed, 2016

- The role of the Learning function is shifting from designing and delivering learning to selecting and managing learning platforms, curating content, and managing a collection of tools and content suppliers. Learning professionals need to know how to source the best content, whether

- Learning resources are in 'constant beta'. In a dynamic organisational context, learning is highly time-sensitive. Learning content has to be developed fast and kept up-to-date. Increasingly, organisations are adopting design thinking or Agile development techniques in order to rapidly develop and deploy learning solutions. Learning products are never seen as 'complete' – they are continually adapted to learners' changing needs, often through co-creation with them. They are also often co-created with users. Nigel Paine said: "The real opportunity lies in bringing learning closer to the workflow, instantly accommodating the needs of the learner, merging learning into a performance support and troubleshooting process that the learner can access in the moment of need."
- Traditional centralised LMSs are no longer fit-for-purpose in a network-driven learning environment with a strong social element. They have become too expensive and unwieldy for organisations that are looking to run in a more agile, distributed way. "Many LMSs were designed for a top-down, command-and-control style of learning, which is not how learning works today. Now, they've become essentially a glorified admin system," said Simon Gibson, Head of Talent & Organisation Development, Sonnedix.

CASE NOTES – TAKING AN AGILE APPROACH TO LEARNING AT SKY

Sky's UK Learning team, led by Tracey Waters, has radically changed the way it develops learning products. Waters said: "The way we historically developed learning products was out of sync with the needs of the business and the pace of change. Sky has adopted 'Agile' and 'Scrum' methods for technology development – what would stop us doing the same for learning?"

The start point was to look at customer needs. Waters said: "We asked why people would 'buy' from us as an internal Learning function. What did our customers want? What would make them a repeat customer? If we were an external supplier, would we act differently?"

Waters decided to trial Agile development processes as a way of changing the mindset of the Learning team. She and her team ran an experiment for 90 days: the team would run using Agile processes for this time to determine what difference that made to their performance. In practice this meant a number of things.

- The team segmented its internal customers into discrete groups with clearly defined needs. They identified critical points of need for each, such as a manager having to hire someone for the first time.
- The team came up with a list of priority products to be developed. They then developed each as a prototype through a series of time-bound 'sprints', each of which had a goal of producing a piece of work that was ready to go live within a couple of weeks.
- The learning was designed to address the real concerns and motivations of the people who took part. Waters said that her team responded to customer demand by delivering short, intense, face-to-face sessions on targeted issues. "Our customers told us that they wanted face-to-face interactions around subjects of immediate concern to them, so just pushing content online was not going to deliver what was needed," she said. Participants were away from their job for as little time as possible.
- The Learning team used real-time information from the HR system to identify people to invite to specific learning events. For example, the team can see when someone starts managing direct reports. Using automated email, the team sends highly targeted information about transition support. This is a combination of Sky-specific digital learning resources and intense mini-workshops with other first-time managers. The design allows resources to be focused at the point of need, and the Agile approach allows iterative testing of solutions with 'customers'.
- In one example, when a restructuring was announced, Waters' team was able to quickly refocus on supporting people through the transition. They built 90-minute workshops that managers could attend in groups in the week before they were due to have difficult conversations with people.
- Waters is now able to deploy her team of ten more flexibly. Previously, people were dedicated to specific learning areas such as leadership development. Now, teams are built based on the needs of the particular product being designed and the team can be redeployed to different learning products, as needs shift.

CASE NOTES – DIGITAL LEARNING AT IMD

Traditionally, attending a business school programme has been about leaving the workplace for an intense experience, engaging with faculty and other participants on campus. However, the demands of business school clients are shifting. Budgets are under pressure, and people are learning differently as demand for online and blended programmes increases.

Business schools are responding to changing market demand by developing their own blended and virtual programmes. IMD is offering a greater range of blended learning options in its programmes, and has also developed a set of digital open programmes – Global Leadership in the Cloud – which covers a range of topics including innovation, leadership, finance, marketing and strategy.

The design of the virtual programmes is different from a typical week-long campus programme.

- Participants work together as a cohort over eight weeks.
- Each week, participants access content via highly engaging videos presented by IMD faculty.
- Participants work in virtual teams of four or five people to discuss and apply the concepts. They also work together in pairs building important 'horizontal bonds' via disclosure, enabling them to share experiences and learning, and discuss obstacles and derailers, openly and effectively.
- Participants work with a coach to help them apply what they are learning to live issues they are working on in their organisation. This allows them to embed the learning immediately and minimises the 'transfer gap'. Participants use feedback and discussions with their coach to further refine and practise what they are learning, and coaches support them in a weekly action learning process. Paul Hunter, who's responsible for Digital Learning at IMD, said: "Our digital learning platforms are carefully designed to ensure not only knowledge dissemination but more importantly learning application. The mix and range of input challenges participants and enables them to move beyond knowledge acquisition. Live exercises embedded in their professional context ensure that learners see for themselves, on a weekly basis, the relevance and impact of what they have learned. The feedback loop from their personal coach helps them further evaluate the effectiveness of their actions and modify for the week ahead."
- Completion rate is high – 92% of participants complete their programmes.

Hunter set out some of the insights IMD has gained through rolling out virtual learning.

- Content input has to be short, compelling and use a range of stimulating pedagogic devices to maintain the learner's attention. Participants retain less information when they multitask. Hunter said: "The biggest competitor for digital learning is email. If the content is not sufficiently immersive and engaging, participants run the risk of playing a video on a second screen while they get on with 'real work'. If participants aren't focused, they are unlikely to retain knowledge and will certainly not apply their learning."
- Designed in the right way, digital programmes allow learning to be embedded in day-to-day work. A typical business school programme involves the participants being away from the office for an extended period, often in a different country. Hunter said that learning application has surpassed expectations, not only because participants practise applying what they are learning 'in situ' but also due to a deep relationship with their coach which extends over an 8-week period.
- Virtual learning addresses different learning objectives from face-to-face learning. Trying to 'translate' a face-to-face experience into the virtual arena is doomed to fail. It's essential that learning providers build the digital learning journey from scratch, deploying appropriate learning techniques for different distribution channels. Any digital programme worth its salt will apply backwards design: start with the learning objectives; define how you will measure them and only then start to create the content.

“IF YOU CAN PUSH EXPLICIT KNOWLEDGE AROUND HOW TO EXECUTE A TASK CLOSE TO WHERE THAT TASK IS PERFORMED, THAT RESOURCE WILL BE MUCH MORE READILY USED AND APPLIED. PEOPLE ARE MOTIVATED TO USE IT BECAUSE IT HELPS THEM DO THEIR JOB BETTER AND MORE EASILY.”

Tony O’Driscoll, Global Head of Strategic Leadership Solutions, Duke CE

2.3 PERFORMANCE SUPPORT SYSTEMS

Traditionally, e-learning has amounted to repackaging knowledge that would otherwise be shared in a face-to-face setting, and delivering it online. But this still leaves the problem of learning transfer – learners retain and apply only a fraction (some studies suggest 15%) of what they learn. As we discuss further in chapter 5, adults learn best when what they learn is highly relevant and immediately applicable to their job. Tony O’Driscoll said: “People think in tasks, but education deals in topics. The way we design instruction is not organised the way people execute. Sometimes people need instructions, not instruction.”

This insight has led many organisations to build performance support systems – learning resources that are accessible and applicable at the point of need. Performance support sits somewhere between an external search engine and the internal LMS. It holds a knowledge base that’s unique to the organisation, and it provides instructions to help people to perform job-related tasks more effectively. For example, a sales executive might access the system on a smartphone to watch a video giving instructions on how to set up a new customer on the CRM system. Nick Shackleton-Jones, Director, Learning and Performance Innovation at PA Consulting, compares such tools to in-car satnav. “It crystallises decades of accumulated wisdom, delivered in the form of simple guidance, at the point of need,” he said. (See the Case Notes opposite).

O’Driscoll advises looking for teams or individuals who significantly outperform their peers, and find out what they do differently from everyone else. You can

then share what constitutes exemplary performance more broadly. BP and others have also used this method to capture the knowledge of deep technical experts in order to share best practice and support the development of less experienced employees.

The new frontier for performance support is likely to be artificial intelligence (AI). For example, it’s becoming more and more difficult for doctors to keep up to date

with medical advances. The volume of research that’s published globally every year would be more than any individual doctor could possibly read. IBM’s Watson is developing applications that sit alongside doctors so they have all the latest medical information from across the globe at their fingertips when they are dealing with patients. This technology is likely to appear in many different applications over the next few years.

CASE NOTES – BP

Over the past few years, BP has built a number of performance support portals. They are designed to shorten the time it takes specific employee groups to become competent by providing the resources they need, when they need them, to become productive. Although the portals are learning resources and they are owned by the digital learning team, the start point was less about knowledge transfer than about making the organisation more usable for people who work there.

The company identified a number of key populations whose performance would improve if they had the resources to help them overcome typical blockers to productivity. Examples include induction for new joiners and resources for graduates. Some disciplines have their own sites – for example, the company’s 100 asset economists have their own portal which maps out the first 100 days for someone joining that team.

Ameet Thakkar, who runs the digital learning team, said: “We started by identifying problems people faced in these transitions and the things that they typically found hard to do. We asked people what had helped them get up to speed and what they actually use, and we brought together all the useful stuff into one place.”

The solution had to have a strong design element, compelling user experience, and be easy to use at key points of need. Typical content includes short videos delivered by subject matter experts, checklists, guides and infographics. Thakkar said: “It has to have both high form and function, because that’s what people are used to at home. It also has to work well on mobile, be easy to navigate and highly searchable.”

Both the design and the development process were heavily user centric. For example, a user advisory group assisted the learning team through the whole development cycle (not just at the design stage), providing direction on what would and wouldn’t work. This attention to detail has paid off: for example, the new starter site became one of the most heavily used sites on the internal network anywhere in the organisation.

A key point to note is that, although the portals are open to anyone within the organisation, they are not open for anyone to publish. Thakkar said: “The biggest risk to the portals’ success was content-dumping.” The digital learning team works with the main stakeholders for each portal to determine what should and shouldn’t go on each portal, in order to maintain quality and relevance. However, employees can share material with each other via other internal social media such as Yammer and SharePoint.

“SOCIAL LEARNING REQUIRES A COMPLETELY DIFFERENT MINDSET FOR THE LEARNING FUNCTION – YOU HAVE TO LET GO OF CONTROL.”

Simon Gibson, Head of Talent and Organisation Development, Sonnedix

2.4 SOCIAL LEARNING

In many ways, learning is – and always has been – a social process. The difference we see today is a collision between learning from others and social media. Most modern learning platforms now have a social media element, which allows people to comment, share and ‘like’ content. Increasingly, social learning is becoming a preferred way for organisations to deliver learning, build communities of learners who can support each other and provide advice and input on a just-in-time basis, or work together in cohorts in a more structured fashion. For example, at Thomson Reuters, a critical mass of leaders has developed the habit of regularly using the social learning platform to share insights, and this is encouraging people to get involved. For instance, the President of one business unit wrote a blog after returning from holiday about what he had read while he was away and what he had learned. He asked others to share what they had learned from their holiday readings and this got a conversation started.

Social learning is clearly a major development in the learning market, but there are two major concerns.

1. When people can generate their own content, it’s hard to maintain consistent quality. Like an herbaceous shrub in early summer, without substantial pruning the volume of content can spread and quickly become unmanageable. Organisations have a choice. Do they make their social learning platform open to anyone to post or share

content? Do they rely on the number of ‘likes’, ‘shares’ and hits to indicate its usefulness? Or do they maintain tight quality control by appointing subject matter experts (SMEs) who are accountable for keeping the content up to date and high quality?

The extent to which organisations maintain control over the content seems to depend on factors including the nature of the industry, the culture of the organisation, and the reason for creating the platform in the first place. For example, in safety critical industries such as energy, content that’s published to the system has to go through a gatekeeper who’s responsible for commissioning and verifying it. In retail, Tesco has piloted Workplace (like Facebook at work) but has not tried to manage the content that’s published. Louise Cavanagh, UK Academy Manager, said: “Tesco continues to make use of online social platforms for sharing information amongst colleagues and enabling them to connect. As with most large organisations, we are clear with colleagues on their responsibility when it comes to posting and sharing on social media. The challenge we face when shifting the way in which we learn is how much of our content is managed centrally vs learner generated through online forums and sharing.” Sometimes you see more than one policy in operation in the same organisation. For example, you might have tight controls in the regulated parts of a bank, but allow the digital development team to manage its own content. The principle

of ‘test and learn’ can apply here. For instance, BT recently created a new position – the Content Curation Lead – to take responsibility for the content on its Academy platform. The proliferation of content had become overwhelming, so the company needed to develop a more hands-on content management strategy to allow people to find the most useful and relevant content easily.

2. The second, and more fundamental, concern about social learning is whether it leads to real, sustained behaviour change. Alison Maitland, Head of Product at management consultancy Lane4, said: “We see a lot of interest around social learning, but behaviour change requires people to commit to ongoing practice. It can be easy to feel you’ve ticked a box, but changing behaviour requires much deeper engagement. The learning has to have a clear purpose, and has to connect back to the individual learner’s motivation and context.”

There are examples of social learning platforms being used as a tool for ‘generative’ learning – where people across the organisation co-create ideas and solutions. For example, IBM has run ‘jams’ involving tens of thousands of employees who come together in online forums to develop new ideas for innovations or discover ways of bringing new technologies to market. Over the course of three days, participants are invited to submit and refine ideas on the subject of the ‘jam’, and the best go forward to be commercialised.

“ONE OF THE CHALLENGES IS THE CULTURE WITHIN THE LEARNING FUNCTION NEEDS TO SHIFT. WE NEED TO STOP KIDDING OURSELVES THAT WE ACTUALLY HAVE TOTAL CONTROL OVER LEARNING CONTENT. AND IN SEEKING TO MAINTAIN CONTROL, WE CAN END UP ACTING AS A BRAKE ON LEARNING, NOT AN ENABLER. WE NEED TO LET GO OF THE NOTION THAT ONLY LEARNING PEOPLE CAN CREATE AND CONTROL THE QUALITY OF LEARNING CONTENT.”

Nicola Braden, Learning Innovation and Standards Director, Unilever

CASE NOTES – ONLINE SOCIAL LEARNING AT ASTRAZENECA

AstraZeneca has recently rolled out a learning programme for front-line leaders that’s delivered via online social learning. According to Rosie Mackenzie, Global Head of Leader & Enterprise Development: “We had to build something that could be rolled out in a consistent way globally, and fast. We were also conscious that people have little time to spend on learning – so whatever we did had to be highly relevant and applicable to their role.”

The programme runs as follows.

- Participants take part in cohorts of 100 to 150.
- The programme involves six modules over six months. Participants have a month to complete each module.
- Participants access video and other content, and engage in online discussions with other members of their cohort. They can share their own content, such as videos. There are some face-to-face sessions, which allow for a deeper dive. For example, some leaders have chosen to use the content of individual modules as the basis for more in-depth discussions on specific topics. Participants in some non-English speaking countries have followed up the English-language programme with sessions in their own language to reflect on and cement their learning. There are also live Skype sessions with senior leaders in the company. There’s a gamification element too, and the person who’s top of the leader-board for each cohort is awarded a prize.
- At the beginning of the programme participants have a session that advises them on how to make the most of social learning.
- The learning design leaves it to users to decide the most suitable route through the content for them. The programme was designed with the end user in mind. “We built a profile of the typical user of this learning – we named her Olga, to make her come to life. We focused on the predicaments Olga typically faces, and designed the solution to help her,” said Mackenzie.
- The programme was designed and built in three months. By the end of 2017, 30 cohorts covering 6,000 employees and 12 languages will have completed it.

2.5 GAMIFICATION

Gamification has generated a lot of interest in the learning field over recent years, although this is not a new technology – think flight simulators for pilots. The underpinning idea is that turning learning into a game creates an engaging, immersive experience that makes it easy for people to try out different strategies, learn new skills, learn from mistakes and test their learning. You can incentivise positive behaviours by immediately recognising learning and progress. The reality of gamification is generally more prosaic, however. The principal focus today tends to be on winning badges and publishing leader-boards, which

encourages individual users to compete with each other. Sophisticated games are very expensive to develop, and are beyond the budgets of all but the most deep-pocketed organisations.

However, organisations can use simple games to test and measure whether learning has enhanced knowledge and skills, and to personalise learning. “This can more precisely identify where learning has not been effective and allow targeted interventions to take place, pinpointing specific areas where the individual needs further support,” said KPMG’s Mark Williamson.

GAMIFICATION IN LEARNING

Policy training is a regulatory requirement for insurance companies, but it is generally unengaging and unpopular with staff. Direct Line Group now takes a more gamified approach to delivering policy learning. Instead of reading pages of dry text and completing a test, staff go through a series of scenarios. Learners earn badges for completing tasks and show what they have learned as they progress through, rather than having to complete a test at the end. The learning also takes less time to complete than traditional policy learning.

Steve Mahaley, Digital Learning Strategist at Duke CE, has used commercially available games as a way of teaching leadership skills such as strategy development and execution and collaboration. “They can be a great way of personalising the learning process so each person has a unique journey through the content based on their individual needs and motivations, or for taking people through a series of different decisions that push towards particular learning outcomes.” For example, he has used the fantasy game ‘Age of Empires’ to teach strategic thinking and collaboration. He also built a virtual 3D world in Second Life for a telecommunications company. This acted as a virtual meeting space for action learning teams, but it also helped participants work out how it feels to engage with technologies that are likely to disrupt their business, and figure out the implications for the business.

Tony O’Driscoll says that the learning experience within the game needs to be engineered so that ‘teachable moments’ arise at every turn. Effective gamified learning experiences tend to share the following features.

- Instructionally grounded: the narrative and mechanics of the game must serve the content that’s being taught, not the other way around.
- Participant centred: they need to create an immersive context that puts the learner in control.
- Contextually situated: the environment needs to be believable and action-oriented.
- Inquisitively discovered: the content has to spark the learner’s curiosity, and engage them in the content as they progress.
- Action-oriented: the teachable moments that arise need to be meaningful and relevant.
- Consequentially experienced: the design needs to reflect the idea that learning comes from trial and error, and is an iterative process.
- Collaboratively motivated: learners derive greater meaning and insight from shared experience, so gamification should focus on peer-based learning.
- Reflectively synthesised: self- and group-based reflection should be an integral element of the design.

However, gamification risks becoming a fad. Derek Hann, Chief Learning Officer at PayPal, said: “Gamification does drive learner behaviour through a natural sense of competitiveness. However, it doesn’t necessarily allow you to learn things you couldn’t do through other learning modalities that are already available to you.”

2.6

VIRTUAL REALITY AND ARTIFICIAL INTELLIGENCE

Virtual reality (VR) is an emerging technology that’s generating a lot of excitement because of its potential to transform the learner experience. It’s in its infancy and its use is limited by technical and cost constraints, but the visual and immersive aspects lend themselves to some unique applications.

Because it is highly immersive VR can sometimes be a disorientating experience. You can be instantly transported to what feels like a completely different place, and because the brain thinks it’s in a real environment, it creates a visceral reaction in the rest of the body. For example, you can experience vertigo when you look over a cliff edge, or smile back at a child who’s smiling at you; some people even think they can smell the place they’re viewing through the headset. Although people can go and look where they like in the VR world and experience it based on what they are interested in, for the time being it’s only possible to deliver a VR experience that’s been pre-recorded with special cameras, or is a virtual environment. For example, Mahaley is developing a VR sequence, recorded in India, that allows people to experience the uniqueness of the country without having to travel there.

However, we can imagine a time in the not-too-distant future where people don headsets and are instantly transported to the other side of the world in real-time. This would allow them to experience new situations or

collaborate with others in a much richer environment than is available today, without having to get on a plane.

Mahaley says that, while VR is a uniquely engaging technology, this in itself only takes you so far. To use VR and similar technologies effectively for learning requires a three-stage process.

- Engaging people in the content.
- Exploring the content deeply with expert guidance to help extract the key learning points.
- Embedding the practice.

We are also seeing the emergence of artificial intelligence (AI) technology that allows learners to interact with and learn from robots. For example, the US Navy has built an AI tool that enables junior officers to practise their team leadership and communication skills with a virtual human.

2.7

CONCLUSION

The market for learning is changing, with a proliferation of new technologies, applications and different ways of bringing learning close to the end user. The trend towards delivering learning through technology is inexorable, and this is shifting learning delivery away from traditional classroom settings. However, we must resist being swept along on a wave of technology for its own sake. It's vitally important to put the needs of the learner at the heart of what we do, to be clear about the objectives we're trying to achieve, and to design solutions that are consistent with the way we know that adults learn (see chapter 5). The 'classroom' can still be a highly effective setting for learning, particularly where learning is enhanced by discussion, interaction and dedicating time for practice. However, interventions have to be high quality and it has to be the appropriate medium for the topic that's being learned. Michael Chavez said: "Face-to-face learning should be used strategically – for shifting mindsets,

creating and developing new ideas establishing shared points of view, contextualizing tools, building networks, and shaping culture. The classroom is ideal for tackling live business issues: how can we get better at navigating the strategic challenges we face in our business?"

Sometimes, moving away from face-to-face learning can have unintended consequences. For example, one of the companies we interviewed faced a backlash from its graduate population when they realised their development would be delivered virtually – graduates felt this did not live up to the employer value proposition they had been sold. For other organisations, with high-touch cultures or in situations requiring interpersonal sensitivity or lots of feedback and practice, face-to-face can still be best. For strongly relationship-driven cultures such as that at Mars, it's a challenge to replicate in a virtual environment the value people get from meeting each other in the physical world. "We're a face-to-face culture – we love to

get on planes to see each other," said Jane Craig, Global Leadership Development Director. "Social media tools like Yammer that work well with other organisations aren't as successful, and we think that's because they're based on text. We're experimenting with more visual media such as video to see if that works better." Direct Line Group still delivers customer service training face-to-face. Jason Gowlett, Head of HR Operations, said: "We teach people how to connect with customers in a way that best suits their personality, and you can't do that virtually." However, some elements are now delivered online. "The point is not to reduce classroom learning for its own sake, but as a way to get people ready to do their jobs more quickly. If we can reduce the time it takes to get someone from being hired to being competent, that's a benefit for the business and it's better for learners, because they're productive sooner."

03

THE LEARNING ORGANISATION

In this chapter we revisit the concept of the 'learning organisation', which was popularised in the 1990s. We explore whether building organisational capacity to learn might help us get better at 'generative' learning, as described in chapter 1.

TOPICS COVERED

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“THOSE WHO CANNOT REMEMBER THE PAST ARE CONDEMNED TO REPEAT IT.”

George Santayana, philosopher

3.1
WHAT'S THE RELEVANCE OF THE LEARNING ORGANISATION IN TODAY'S CONTEXT?

In chapter 1 we argued that if the Learning function is to stay strategically relevant in a world of constant organisational change, it needs to shift its focus towards developing the organisation as a whole, not just the individuals who work there. The 'learning organisation' is an idea that gained prominence in the 1990s. Although the concept subsequently went out of fashion, some organisations have been consistently applying the underlying principles for decades. This has enabled them to create environments that are capable of rapidly adapting to external market forces, maintaining high levels of performance, and creating meaningful, empowering workplaces for their employees.

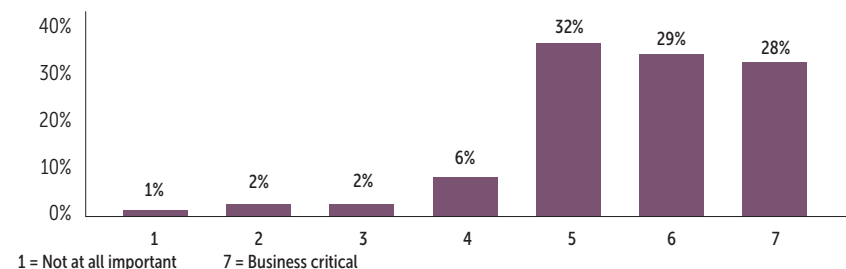
It's no coincidence that many of the capabilities associated with 'agile' organisations – the ability to sense and respond to changes in their environment, to move information freely between customers and decision makers, and to improve organisation capability through learning from experiments, for example – are consistent with the characteristics of learning organisations.

This chapter synthesises the work of Peter Senge, who popularised the concept of the learning organisation, Professor Amy Edmondson and colleagues at Harvard Business School, and Professor Robert Kegan, whose recent work on 'Deliberately Developmental Organisations' has aligned the learning organisation concept with the latest thinking in adult developmental psychology. We also explore some current examples of learning organisations in order to identify common features and practical applications.

LEARNING AS COMPETITIVE ADVANTAGE

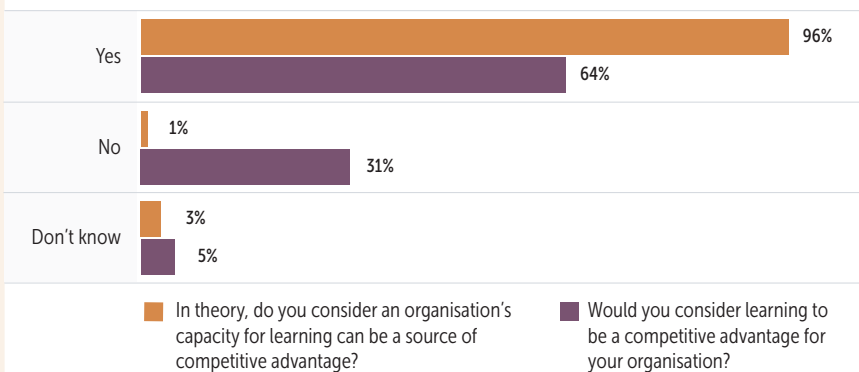
The CRF member survey showed that our members strongly believe in the value of learning in helping the organisation deliver its strategy and objectives. Almost 90% of respondents thought learning was 'important', 'very important' or 'business critical' in helping their organisation achieve its business objectives. Even more – 96% – thought that learning could, in theory, be a source of competitive advantage, with nearly two-thirds (64%) believing it provides competitive advantage for their organisation.

Figure 11: When you think about the factors that enable your organisation to achieve its business objectives, how important is learning?



Source: CRF Member Survey

Figure 12: Learning as a source of competitive advantage



Source: CRF Member Survey

“AN ORGANIZATION’S ABILITY TO LEARN, AND TRANSLATE THAT LEARNING INTO ACTION RAPIDLY, IS THE ULTIMATE COMPETITIVE ADVANTAGE.”

Jack Welch, former CEO of GE

3.2

DEFINING THE LEARNING ORGANISATION

Professor David Garvin of Harvard Business School defines a learning organisation as: “an organisation skilled at creating, acquiring and transferring knowledge, and at modifying its behaviour to reflect new knowledge and insights.” The second part is key. Knowledge needs to lead to new routines that change behaviour, if learning is truly deemed to have taken place. “Without accompanying changes in the way that work gets done, only the potential for improvement exists.”

We discuss below the different ‘flavours’ of learning organisation that exist. However, Peter Senge observed that they all have a common feature: their practices are rooted in systems thinking. Senge identified five ‘component technologies’ that underpin the learning organisation.

- **Systems thinking.** Each part of the system influences the other parts, so any action taken will affect the whole.
- **Personal mastery.** An organisation’s commitment to and capacity for learning can be no greater than that of its members.
- **Mental models.** These are deeply ingrained assumptions, generalisations or images that influence how we see the world and take action. Learning organisations need to be able to unearth implicit mental models and keep them under constant scrutiny.

- **Building shared vision.** Successful organisations usually have deeply shared goals, values and missions that drive long-term sustained high performance.
- **Team learning.** Team learning is vital because teams, not individuals, are the fundamental learning unit in modern organisations. Team learning is built around ‘dialogue’ – the capacity of team members to suspend assumptions and enter into free-flowing discussion that allows the team to ‘think together’. Thus, a team can uncover insights that would not be attainable individually.

Learning organisations share a number of common features.

- A vibrant learning culture that’s independent of formal learning activities.
- Intense focus on problem solving, critical thinking, feedback and performance improvement.
- Openness to ideas from the outside. Matt Nixon, Principal, Disraeli Group, said: “Hubris can cut you off as an organisation from what’s going on in the outside world. It puts you in danger of failing to act quickly enough when the world changes around you.”

- High levels of autonomy and accountability as low as possible in the organisation hierarchy, which fosters intrinsic motivation.
- Supportive leadership and a culture that respects individuals, supports their development and encourages them to speak freely and honestly.
- Dedication and consistency over time.

“THE ORGANISATIONS THAT WILL TRULY EXCEL IN THE FUTURE WILL BE THE ORGANISATIONS THAT DISCOVER HOW TO TAP PEOPLE’S COMMITMENT AND CAPACITY TO LEARN AT ALL LEVELS.”

Peter Senge

CASE NOTES – SHELL

Shell, the global energy company, has operated as a learning organisation for several decades. Jorrit Van Der Togt, Executive Vice President HR Strategy & Learning, shared four key elements that distinguish Shell’s approach.

1. *Clarity around the differentiated capabilities required to win in your chosen markets.* Van der Togt explained: “The place to start is ‘what is our strategic intent and how do we realise that intent through people and organisation’. It’s a completely different view of learning. Rather than saying ‘what courses do we have’, we focus on ‘how can we win through better deployment of our people through the organisation?’”
2. *Facilitated knowledge management infrastructure.* Shell has built a range of different global communities of experts who share knowledge and support each other in solving business problems. This has resulted in savings of \$145M since 2013. The systems for knowledge sharing are structured and owned by subject matter experts. “We wanted this to be a dialogue among communities of experts, not a free-for-all on Yammer,” said Van Der Togt. Once a solution to a business problem has been identified and tested, it is put into practice across the organisation by being codified into the company’s operating processes and technical standards.
3. *Accelerated development.* Shell has reduced the time it takes for a technical specialist to move into a first-line management role from ten years to less than five, which has had enormous benefit both in reducing costs and in increasing employee engagement. This has been achieved by building a structured curriculum that combines skills development off-the-job with career planning that makes sure people build the critical job experiences they need to progress. Van Der Togt said: “We identified key job experiences people need and we facilitate the necessary job moves. We also designed learning experiences that allow people to learn what they need in real time at the point of need. This reduces the transfer time from learning to practice. Ultimately my vision is that time-to-productivity should be reduced to zero.” People attend classes for skills building and practice, but all other elements of the curriculum are delivered electronically.
4. *Building organisational effectiveness.* Shell has invested significantly in organisational diagnostics and internal benchmarks to compare the relative health of different parts of the business. “We compare the performance of our departments to identify which most need to improve. We conduct a deep diagnostic, which takes a whole systems view of the organisation including looking at structures, processes, leadership capability, rewards and an overall health check. This allows us to uncover practices that we can spread elsewhere across the group, and helps build agility and resilience and shorten cycle times,” said Van Der Togt.

WHEN IS A LEARNING ORGANISATION INDISPENSABLE?

Professor Amy Edmondson says it is imperative to build a learning organisation in the following circumstances.

- Where the work requires people to juggle multiple objectives with minimal oversight.
- When people must be able to shift from one situation to another while maintaining high levels of communication and tight co-ordination.
- When it is helpful to integrate perspectives from different disciplines.
- When collaborating across dispersed locations.
- When pre-planned co-ordination is impossible or unrealistic due to the changing nature of the work.
- When complex information must be processed, synthesised and put to good use quickly.

“THE MANAGERIAL MINDSET THAT ENABLES EFFICIENT EXECUTION INHIBITS EMPLOYEES’ ABILITY TO LEARN AND INNOVATE. A FOCUS ON GETTING THINGS DONE, AND DONE RIGHT, CROWDS OUT THE EXPERIMENTATION AND REFLECTION VITAL TO SUSTAINABLE SUCCESS.”

Professor Amy Edmondson, Harvard Business School

3.3 REVERSE ENGINEERING THE LEARNING ORGANISATION

Similar to an IT system, learning organisations are made up of distinctive ‘hardware’ and ‘software’.

- The ‘hardware’ includes processes that allow people to learn while executing work, and that enable the organisation to run and learn from experiments. It also includes supporting people processes to ensure that selection and reward are congruent with the organisation’s learning orientation.
- ‘Software’ includes a supportive organisation culture and, in particular, one that is characterised by an openness to learning from failures and congruent attitudes and behaviours of senior leaders.

A key point when thinking about learning organisations is that you have to make the team, not the individual, the ‘unit of analysis’. Professor Amy Edmondson believes that learning within teams is the primary vehicle for organisational learning. “To excel in a complex and uncertain business environment, people need to both work and learn together.” Organisations increasingly need to operate not in rigid hierarchies but as fluid networks of interconnected individuals working to improve performance, solve problems and innovate. A key enabler is what Edmondson describes as ‘teaming’, whereby the team is not static but deliberately evolves even as the work is underway. “In this dynamic environment, successful organisations need to be managed as complex adaptive systems,” she says.

CASE NOTES – WL GORE AND ASSOCIATES

WL Gore and Associates, the American multinational company specialising in products derived from fluoropolymers (and maker of Gore-Tex), is renowned for its innovative and learning-oriented culture. Gore’s organisation design is unusual – the company is structured as a ‘lattice’ rather than a hierarchy, leaders are defined as people who others choose to follow rather than having formal positional authority, and employees (called ‘associates’ in recognition of the fact that they are co-owners of the company) have project-based ‘commitments’, not jobs. The culture places a strong emphasis on personal relationships, individual responsibility and trust. Teams are expected to manage themselves. Founder Bill Gore said in 1968: “We don’t manage people here, people manage themselves.”

Learning is fundamental to innovation at Gore. Indeed, according to Debra France, Leadership and Innovator Development, the idea of learning being the root of innovation is so deeply ingrained in the culture that associates use the terms learning and innovation interchangeably.

Learning happens at two levels: individual and team.

- **Individual.** Each individual associate has a ‘sponsor’. Their role comprises a formal commitment to help that associate succeed in the company. The sponsor ensures the associate is growing and contributing, in terms of their strengths and interests, and also acts as an advocate for them, helping them build relationships and credibility, and providing ‘air cover’ as necessary. Each new associate is assigned an initial sponsor when they join the company, but it is the associate’s responsibility to find the ‘right’ sponsor, with the help of the initial sponsor, to help them progress and develop. It usually takes six to 12 months to find the right sponsor – and some people have multiple sponsors to support them in different ways.
- **Team.** Gore’s core product development process – ‘Real, Win, Worth’ (RWW) – is designed both to move an idea from concept to launch and beyond, and enable learning all the way through. RWW kicks off as soon as an idea emerges and is being developed by someone in the organisation. Reviews take place at regular intervals as a project proceeds, at key points such as key project milestones, and at the end of the project. The review covers three key questions. Is the product real and can we make it? Is there a big enough market for us to win? Is it worth it? People from three core functions – Technology, Sales and Marketing, and Manufacturing and Operations – have to be involved through the entire product development life cycle, right from the idea’s initiation. The project reviews follow a rigorous set of practices with input from all three areas.

Gore’s philosophy is based on taking a long-term view and recognising that it’s necessary to create capacity – both time and resources – for innovation. Other organisations might be able to run operations more efficiently in the short term, but France said this would come at the expense of learning: “Often projects could be completed in less time than it actually takes in practice, but it is an active choice we make to invest in learning.”

“WE DON’T TALK ABOUT FAILURE; WE SAY ‘WE DIDN’T LEARN FAST ENOUGH.’”

Debra France, Leadership and Innovator Development, WL Gore and Associates

The desire to get things done fast and ‘right-first-time’ that characterises many modern organisations often inhibits learning. It leaves little time for reflection, and as soon as a team has achieved one set of objectives it needs to aim for another, more stretching, goal. It’s extremely difficult to make time for learning outside of day-to-day work, so somehow learning needs to be built in to what people do every day. Just as the performance support systems described in chapter 2 provide support in-the-moment, so learning organisations need to build ways of learning and improving into their operational processes. Edmondson argues that the concept of ‘execution-as-learning’ (essentially learning and doing at the same time) is all the more important in today’s knowledge-driven organisations. “Performance is increasingly determined by factors that can’t be overseen: intelligent experimentation, ingenuity, interpersonal skills, resilience in the face of adversity, for instance.”

Organisations that focus on execution-as-learning tend to adopt four processes.

1. They use the best knowledge currently available (which is inevitably a moving target) to design processes.
2. They enable employees to collaborate by making information available where and when it’s needed. This may happen in the physical (see, for example, Unipart’s Comms Cells, described on page 45) or virtual environment.
3. They routinely capture process data to discover how work is really done.
4. They study the data to find ways to improve.

Tolerance of the right kind of failure

Being ambitious and innovative as an organisation means taking risks. And sometimes the most well-intentioned and best-planned projects are unsuccessful. One of the hallmarks of a learning organisation is that it doesn’t view this scenario as a failure, but as an opportunity to learn and improve.

Edmondson has written extensively on strategies for learning from failure. Here, we summarise her conclusions.

- Learning from organisational failures is far from straightforward. It is human nature to try to avoid failure and to move on as fast as possible after failure occurs. Leaders need to ensure their organisations pause in order to discover the wisdom contained within every ‘failure’.
- Organisations need clear, structured processes for analysing non-judgementally the causes of failure, and for sharing learning in a way that others can translate into practice. This analysis needs to go beyond the superficial (“procedures weren’t followed”) or self-serving (“the market wasn’t ready”). Instead it should derive from, for example, running standard meetings around a consistent agenda or checklist of questions at key stages in a project. Simply exhorting people to reflect on what went wrong and avoid similar mistakes in future is not enough. People need to practise lessons learned until they become routine and ingrained in changed behaviour.
- Tolerance of failure needs to co-exist with high performance standards.
- Mistakes fall into three categories: ‘preventable’, ‘complexity-related’ and ‘intelligent’. Failures in tightly controlled, routine operations should be prevented. However, ‘intelligent’ failures can provide valuable new knowledge that can help an organisation overtake the competition. “They occur when experimentation is necessary: when answers are not known in advance because this exact situation hasn’t been encountered before and perhaps never will be again.” People need to understand what different types of failure to expect – and why openness and collaboration are necessary for surfacing and learning from them.
- Edmondson cautions organisations against running experiments only in best-case situations – for example, testing a new product with the most loyal customers who are bound to like it, but may not be representative of the broader market. It’s important to test things in a more realistic, typical scenario, planning for all the things that might go wrong. Learning – and not just making the idea look good – should be the goal of a pilot.
- Recognise failure as a necessary by-product of experimentation. “Failure is inevitable in today’s complex organisations. Those that catch, correct, and learn from failure before others do will succeed. Those that wallow in the blame game will not.” Some organisations even go so far as to celebrate or reward the ‘right’ types of failure. For example, Eli Lilly holds ‘failure’ parties to honour intelligent experiments that failed.

“THE TIME-LIMITED AND RELATIVELY FAILURE-INTOLERANT NATURE OF MOST WORKPLACE ENVIRONMENTS MEANS THAT THEY ARE NOT NATURALLY CONDUCTIVE TO LEARNING.”

Professor Shlomo Ben-Hur, IMD

Edmondson highlights the critical role of middle managers: how they respond to failure, whether they encourage open discussion, welcome questions, and display humility and curiosity, all help determine an organisation’s ability to learn from failure.

Psychological safety

Building a successful learning organisation not only calls for the right processes and practices. It also requires a leadership approach that encourages people to speak up, ask questions and share ideas.

Edmondson says organisations need to fulfil one key prerequisite before execution-as-learning can occur: they need to foster psychological safety. This means that no one is penalised if they ask for help or admit to a mistake. “Psychological safety is crucial, especially in organisations where knowledge constantly changes, where workers need to collaborate, and where those workers must make wise decisions.”

The most important influence on psychological safety is an individual’s nearest manager or supervisor. Signals sent by people in power are critical to employees’ ability and willingness to offer their ideas and observations. What can leaders do to create an environment of psychological safety?

- Communicate (by words but, more importantly, through their actions) that they respect employees, and the skills and expertise they bring.
- Actively encourage speaking up and reporting mistakes.
- Be accessible and approachable.

- Acknowledge that they don’t know all the answers, as this shows humility and encourages others to follow suit.
- Acknowledge their own fallibility.
- Tolerate failure while holding people accountable for their mistakes.
- Use failures or mistakes as opportunities for learning.
- Use direct, actionable language, which creates the kind of blunt, straightforward discussion that enables learning.
- Set clear boundaries around what is acceptable behaviour. Vague or unpredictable boundaries make people feel less psychologically safe.
- Invite participation from all team members, and actively bring in those who naturally tend to hold back.
- Autocratic behaviour, inaccessibility, or failure to acknowledge their own vulnerability all work against psychological safety.

Building psychological safety doesn’t mean treating the workplace as a holiday camp. Leaders must strike a balance between psychological safety and employee accountability by setting high performance aspirations while acknowledging areas of uncertainty that require continued exploration or debate. Edmondson says: “It’s not that the goal of learning is placed above the goal of meeting today’s performance standards; rather it’s about doing work in such a way that learning is a by-product of action.”

For a more detailed discussion and examples of leaders who create psychologically safe environments, see CRF’s 2016 research report *Creating an Inclusive Culture*.

Supportive leadership and organisation culture

While psychological safety at the team level is critical for learning, learning organisations tend to work at scale where the overall context is supportive. That means senior leaders setting clear expectations about how the organisation should operate and role-modelling supportive and encouraging behaviours. For example, Satya Nadella, who became CEO of Microsoft in February 2014, has made creating a learning culture one of the key elements of his vision for the company. He has said: “I am defined by my curiosity and thirst for learning. I fundamentally believe that if you are not learning new things, you stop doing great things.” At this stage, it is not clear how the culture Nadella espouses will translate into sustained organisational and process changes over time. However, Margaret Heffernan, who has discussed culture with many senior executives at Microsoft, said: “The culture shift has been palpable, and so are the results. From 2000 onwards, Microsoft had a spectacular string of failures in browser technology, gaming, mobile and search. Underlining this was a culture that was built on competition, not collaboration. It was risky to help others. It was a company that was built on a fixed mindset. Now, Nadella takes a completely different view of risk and failure. He asks questions like ‘What do you understand now that you didn’t when you got that thing wrong?’ He’s building a company with a growth mindset. And now it’s a cool place for the best people to work.”

“EXAMINING OUR FAILURES IN DEPTH IS EMOTIONALLY UNPLEASANT AND CAN CHIP AWAY AT OUR SELF-ESTEEM. ANALYSING ORGANISATIONAL FAILURES REQUIRES INQUIRY AND OPENNESS, PATIENCE, AND A TOLERANCE FOR CAUSAL AMBIGUITY. YET MANAGERS TYPICALLY ARE REWARDED FOR DECISIVENESS, EFFICIENCY AND ACTION – NOT THOUGHTFUL REFLECTION. THAT IS WHY THE RIGHT CULTURE IS SO IMPORTANT.”

Professor Amy Edmondson, Harvard Business School

CASE NOTES – BOSTON CONSULTING GROUP (BCG)

BCG, the global consulting firm, is founded on a model of apprenticeship and collaboration, which facilitates learning and knowledge sharing across a global network of offices. Nick South, Partner and Managing Director in the firm’s People and Organisation practice, shared some of the elements that make BCG a learning organisation.

- Although there is a substantial amount of formal training, the core development model is one of apprenticeship. At all levels in the firm, each individual, including the most senior partners, receives ongoing feedback and coaching from colleagues. Feedback from peers and juniors also plays into partners’ discretionary compensation. Projects are staffed with teams from across different offices, facilitating knowledge sharing across the network.
- The firm invests heavily in networking and relationship building. At each grade, all newly-promoted consultants attend a programme as a global cohort. People get to know each other well over many years, and this makes it much easier for someone to ask for advice from a colleague on the other side of the globe.
- The firm also has a formal knowledge management system, which it uses to capture information about projects completed. Nick South said that its usefulness comes not so much from the learning that’s formally written up in the form of after-action reviews, as from helping consultants work out who to contact to get under the skin of what really happened. “It’s really hard to capture lessons learned in a way that people can later do anything with. A follow-up conversation usually needs to happen before the learning can be shared.” The formal system is underpinned by an expectation of two-way exchange. “You’re expected to update the knowledge management system; and you’re expected to respond when someone calls or emails for advice,” said South.
- Staffing has to be balanced so there’s just the right mix of ‘apprentices’ and experienced people at each level. Too many inexperienced people and there isn’t enough resource to develop them properly; too many experienced people and there isn’t enough room for them to grow.
- At the start of each project, the project leader makes a mutual development agreement with each consultant. This sets out what that consultant needs to do to proceed to the next level, and the specific tasks they need to undertake on that particular project to help them build the experience they need to reach that goal.
- Each piece of work that’s delivered within a project will go through several iterations before it’s a finished product, and, according to South: “learning happens within the iteration.” He said: “People are often surprised by the number of iterations we might go through before a product is finished, but it’s rooted in our culture of feedback and collaboration. That means we have to hire people who see iteration as a good thing, not a threat to their brilliance.” To us, this is a description of a ‘growth mindset’.
- Collaboration is also rewarded. People who contributed to bringing in a sale are awarded ‘points’, so it is not just the lead relationship partner who is commercially recognised.

Many learning organisations also have a culture that encourages people at all levels to teach each other. For example, Steelcase’s culture is based on the ‘Think, Make, Share’ model, which connects the company’s core capability in design thinking with its learning culture. At IMI, participants in leadership programmes are expected to cascade what they have learned to their teams, and debrief their colleagues about the programme. Riot Games has built an online system – ‘Growth Profile’ – to enable learning from others. Individuals log their strengths and areas where they would like help to build their capability. The system matches people looking for help with those who are willing to provide support in specific areas, and they support each other through informal mentoring and shadowing. Thomson Reuters has ‘Pay it Forward Learning’. People with specific expertise offer via the learning management system to share insights by running a session that others can either attend live or view the recording. People can also request help on the same platform.

Supporting people systems

Organisations need to apply systems thinking when considering the people systems and processes they need to underpin the learning organisation.

- *Selection.* It is critical to hire and promote people who have strong intellectual curiosity, and are motivated by learning and experimentation. Some interviewees talked about looking for people who demonstrate a ‘growth mindset’. Google is famous for looking to hire ‘learning animals’. ManpowerGroup is piloting an assessment tool for recruitment that measures ‘learnability.’ Oberoi Hotels selects candidates for its two year hotel general management programme based not just on an individual’s aptitude, but also on how much they have gained from investments made in their education.

“LEARNING ORGANISATIONS – WHILE OFTEN CONSCIOUS AND PROUD OF THE FACT THAT THEY ARE A LEARNING ORGANISATION – ARE USUALLY HUMBLE AT THE SAME TIME. THEY’RE NOT DEFENSIVE ABOUT WHAT THEY GOT WRONG.”

Matt Nixon, Principal, Disraeli Group

CASE NOTES – WD-40

Garry Ridge, CEO of WD-40, has made learning central to the organisation culture. He insists that everyone in the company takes the 'WD-40 Maniac Pledge', a solemn vow to become, in his words, a 'learning maniac'. The pledge states: "I am responsible for taking action, asking questions, getting answers and making decisions. I won't wait for someone to tell me. If I need to know, I am responsible for asking. I have no right to be offended that I didn't 'get this sooner'. If I am doing something others should know about, I am responsible for telling them." Jeff Lindeman, HR Director, who recently joined the company, said this mindset plays out in the working practices of the organisation day-to-day: "What I've observed is the organisation is highly open and receptive to ideas emanating from the grassroots. There's an openness to experimentation I haven't seen elsewhere."

Since Ridge took over in 1997, WD-40 has changed from a bit of a 'one-trick pony' – making a single product and selling it mainly in its home market, the US – into a company that sells a broader range of brands and products in 176 countries.

Ridge has inculcated a key ritual at the company – the 'learning moment'. This might be a moment of frustration, a burst of inspiration, a breakthrough or a key collaboration, where people identify a problem or opportunity or something that hasn't worked, and communicate what they've learned without fear of reprisal. Ridge says: "Learning moments can be positive or negative, but they are never bad, so long as they are shared for the benefit of all. I want people to be inquisitive, I want people to ask questions and take chances. My job is to create a company of learners. My dream is for this organisation to be viewed as a leadership-and-learning laboratory for business."

- *Compensation.* Team-based reward and recognition can be used to reward good learning behaviour. In one example, bonus awards are determined by team performance. Each person is awarded a bonus based on their individual performance, but the organisation then applies a multiplier based on team performance. So a lower-performing team might have a multiplier of 0.6, and a highly successful team a multiplier of 3, for example.
- *Job design.* The agility research quoted in chapter 1 found that highly adaptive organisations build in some excess capacity to allow for experimentation and new idea generation. If we are to create space for 'generative' learning

within our organisations, we have to design jobs with this in mind, allowing people space to reflect and work together to develop ideas. Gianpiero Petriglieri, Associate Professor of Organisational Behaviour at INSEAD, has found learning to be "the most celebrated neglected activity in the workplace." He says we need to ask some difficult questions about how we design work: "Does it leave space for you to process your experiences and draw a few conclusions or imagine alternatives? Do you have access to people who see the world from another perspective – or just to good old feedback? How often does your team have open conversations about your work together?"

“THE GE WORKOUT WAS A LEARNING ROUTINE.”

Chris Worley, Professor of Strategy and Strategy Director, CLEO at NEOMA Business School

3.4

STRATEGY AND CULTURE DRIVE DIFFERENT ‘FLAVOURS’ OF LEARNING ORGANISATION

During the course of this research we interviewed a number of learning organisations. They had several things in common: they were transparent, they devolved responsibility as low in the organisation as possible, and they were prepared to challenge received wisdom, for example. However, each of them adopts a particular ‘flavour’ of learning organisation, depending on their strengths and strategic priorities. Then, having chosen what to prioritise, they focus on that one thing and do it well. Here are some examples.

- For WL Gore and Associates, innovation is key. So learning routines focus on generating, nurturing and commercialising new ideas. The organisational design and culture are based on mutual accountability, support for learning, and trust.
- Unipart is obsessed with operational excellence and lean management. Learning routines target operational performance and continuous improvement.
- Boston Consulting Group (BCG) has over decades built a culture of collaboration, feedback and mutual support that drives its core processes.
- Steelcase’s modus operandi is based around design thinking and putting customers at the heart of everything it does. This has fed through into a culture of ‘Think, Make, Share’, where everyone, from top to bottom of the organisation, is expected to teach others. All employees are taught design thinking, and Steelcase’s pedagogic framework for learning design is also rooted in user-centred design.

- Under Jack Welch, GE realised its old strategy model was starting to lose value in a connected world. The company was being overtaken by smaller, nimbler competitors. Welch introduced the ‘Workout’ – structured discussions on product and process improvements – to prepare GE for the new business paradigm. Ultimately around 200,000 employees worldwide participated in Workouts. Welch’s aim was to build ‘fungible’ management capability – managers who could successfully move from one business to another. Under his successor, Jeffrey Immelt, GE has retained the concept of the Workout, but it has morphed into ‘Radical Simplicity’, which is designed to prepare GE for the Internet of Things.
- Ritz-Carlton has an institutionalised routine across all hotels – the ‘Line Up’. Every morning, all employees come to a Line Up prepared with a story of outstanding customer service that they witnessed the previous day. There isn’t necessarily time for everyone to share their story, but everyone has to be ready to do so if asked. This encourages employees to remain alert to ways of offering exceptional customer service.

We found that each learning organisation operates as a whole system. So employee rewards, leadership development and strategy development processes, for example, have to work consistently with the organisation’s learning objectives, or the whole thing falls apart.

In summary, three factors are required for organisational learning.

1. A supportive learning environment, characterised by psychological safety.
2. Concrete learning processes and practices that allow essential information to move quickly and efficiently to where it’s needed. This could include experimentation, disciplined analysis and processes for gathering and sharing knowledge such as ‘after-action reviews’.
3. Leadership behaviour that provides reinforcement, such as making time for reflection and review, or willingness to focus on why things haven’t worked.

Edmondson, Garvin and Gino have developed a diagnostic tool (see the Appendix) that organisations can use to assess their current state and compare their scores with other organisations. The tool – and benchmark data – is available at los.hbs.edu. The tool can be used to prompt reflective discussion among managers about their organisational practices, and can help pinpoint specific behaviours or practices that may need to be developed or changed.

AFTER-ACTION REVIEWS THAT WORK

It's common to instigate 'after-action reviews' to extract learning from projects. However, these don't necessarily lead to the lessons being implemented – or they may simply disappear into a dusty archive. The US Army's After Action Review (AAR) process has been extensively studied. We think it's worthwhile to revisit what makes the process effective.

- Although there is systematic debriefing after exercises or projects, the AAR process begins before any action takes place. Exercises are designed as learning experiments. Before an exercise begins, the unit establishes a clear understanding of what it intends to do, how it plans to do it, and what it predicts will happen. Planning meetings establish a testable hypothesis – ie, 'in this situation, given this mission, if we take this action, we will accomplish that outcome'. This establishes the agenda for the AAR meeting – which reviews what actually happened, in what ways this deviated from the plan, and what can be learned from that.
- Instead of being filed in a report, email or knowledge management system, the information generated in AARs is immediately applied in practice.
- Lessons are not considered to have been truly learned unless they have been successfully applied. This means repeated, deliberate, ongoing practice until the new way of operating becomes routine. Action learning, which we discuss further in chapter 5, can be used to support this.
- AARs are regular, frequent, ongoing meetings, not one-off events. They may even occur daily during highly intense phases of a mission. Meeting frequently allows units to test out different assumptions and strategies, and design numerous small experiments.
- The reviews focus on a small number – two or three – key lessons, rather than overwhelming people with more than they can practically apply.
- Lessons must first and foremost benefit the team that learns them – before any attempt is made to transfer learning to other teams.
- The army's staff rotation programme – where around one-third of officers move to other units each year – allows the practice, and lessons learned, to be shared more widely across the organisation.

of people into more capable versions of themselves through the work of the business," says Kegan. DDOs engage people at their 'growing edge'. Leaders are directed towards enhancing the capabilities of their people, helping them uncover blind spots and questioning fundamental operating assumptions. Instead of working around people's issues, working on those issues becomes part of the job.

- In practice this means that both leaders and followers have to openly accept and acknowledge their limitations. DDOs need an open and transparent culture where it's acceptable to talk about your weaknesses in order to be helped to move beyond them. People need to be comfortable receiving constant, often critical feedback, and prepared to move into a more stretching role once they have mastered the one they are in.
- The optimal developmental culture has both a high degree of challenge and a high degree of support. A high degree of challenge combined with inadequate support tends to breed defensive routines such as back-covering and negative politics. Lots of support with inadequate challenge fosters a 'vacation' feel, which can breed complacency.

There are three dimensions of a DDO, each of which is necessary to sustain the whole.

- **Edge:** each person has a 'growing edge' that they are working on, that is transparent to everyone else in the organisation.

The Deliberately Developmental Organisation

Recent research by Professor Robert Kegan and colleagues has brought the latest thinking in adult psychological development to the organisational realm. His work explores what happens in organisations that nourish a culture where development of the business and development of the individual are intertwined and made front and centre for everyone, every day.

Kegan describes four deep underlying assumptions that 'Deliberately Developmental Organisations' (DDOs) hold.

- It's possible to keep growing psychologically into adulthood.
- Growth can be directly integrated and structured into everyday work.
- People can be helped to get the most out of giving and receiving feedback and coaching.
- People and business development can be made all one thing.

DDOs are designed to help people identify and address their individual limitations while also contributing to business profitability. "There's a seamless integration of two pursuits as if they were a single goal: business excellence and the growth

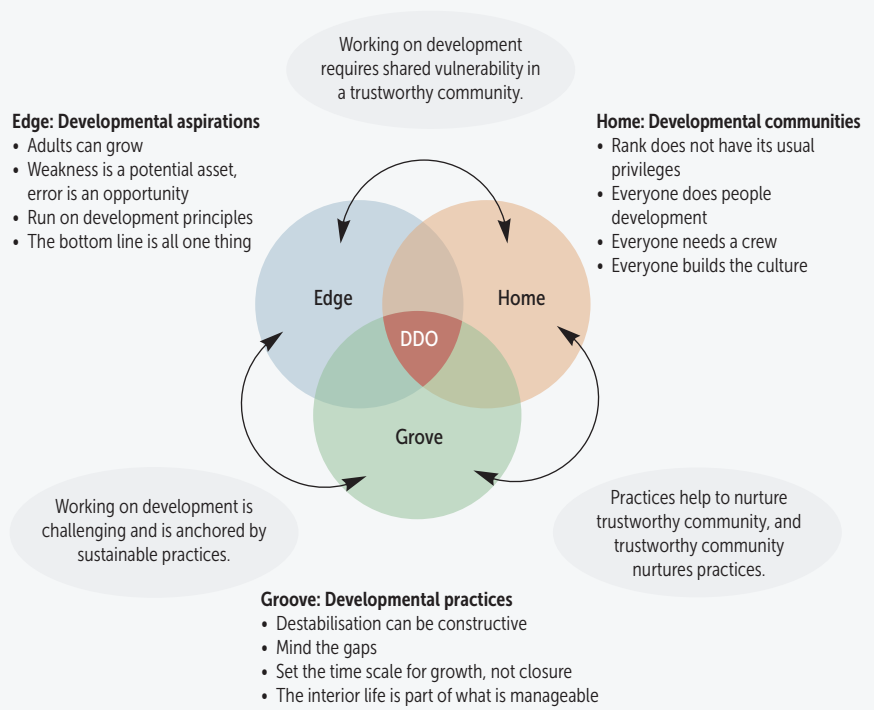
“ONE THING YOU NEED TO BUILD A CULTURE OF LEARNING IS INCREDIBLE CONSISTENCY AND DISCIPLINE. YOU CAN’T GIVE UP WHEN THE PRESSURE’S ON; YOU NEED A DEEP-SEATED BELIEF THAT DRIVES YOU ON.”

Margaret Heffernan, author of *Willful Blindness*

- **Groove:** a set of practices – how meetings are structured, how performance is assessed, and how people talk to one another – that prompt development and provide support.
- **Home:** growth happens through membership of workplace communities where people are deeply valued as human beings, where they are held accountable, and where they engage in real and sustained dialogue. These communities create psychological safety that allows people to be vulnerable.

In reality, DDOs are extremely hard to build and sustain, particularly for large organisations. Each of the examples cited by Kegan and Lahey has fewer than 2,000 employees and a founder or CEO with a conviction that this is the right way to run the organisation.

Figure 13: Dimensions of a Deliberately Developmental Organisation



Source: Kegan and Lahey, 2016

3.5

BUILDING A LEARNING ORGANISATION

Designing an organisation that’s capable of learning and adapting continuously sounds like an ideal solution to the difficulties businesses face in keeping abreast of changes in a highly dynamic marketplace. But in practice, it’s hard to do well and to sustain over time. This is one of the reasons the idea failed to take hold in the 1990s. Most of the exemplars have been operating in this way for a long time. For example, Shell’s history as a

learning organisation dates back to the 1970’s and Gore was set up as a learning organisation in the 1960s. They are often held in private hands, which allows their leaders to take a longer-term view.

However, by using the team as the unit of analysis, it’s possible to start anywhere there’s a willing manager. Chris Worley, one of the authors of the agility study cited in chapter 1, said:

“Building agility routines for learning begins at the project or team level. Does the team make time to stop and review what happened and why, and how they might do it differently next time? Do they complete after-action reviews and share the outcomes? Do they ‘feed forward’ by using what they’ve learned to refine the process next time? Those are places where you can start.”

“MOST SUCCESSFUL EXAMPLES [OF LEARNING ORGANISATIONS] ARE THE PRODUCTS OF CAREFULLY CULTIVATED ATTITUDES, COMMITMENTS AND MANAGEMENT PROCESSES THAT HAVE ACCRUED SLOWLY AND STEADILY OVER TIME.”

Professor David Garvin, Harvard Business School

Practical suggestions for where to get started include the following.

- Teach people skills such as problem solving, appreciative inquiry, and setting up and evaluating experiments. Create some space for people to engage in reflection and analysis.
- Help people build their understanding of how adults learn, so they can develop their own learning strategies. Support them with practical tools such as questionnaires, checklists or journaling (keeping a diary) that help them reflect on what they are learning (see chapter 5 for further detail).
- Open up organisation boundaries to stimulate the flow of ideas, through, for example, cross-functional projects, action learning teams focused on real business problems, or social learning groups.

CASE NOTES – UNIPART

Unipart was founded in 1987 as a spin-off from motor manufacturer British Leyland. Since then it has grown to be a leading provider of manufacturing, logistics and consultancy services. Unipart’s continued growth and reinvention over three decades has been underpinned by a lean manufacturing methodology – ‘the Unipart Way’ – which supports continuous learning and improvement.

The Unipart Way is a complete management system, with a number of critical elements that work together.

1. *An underpinning philosophy of empowerment and devolved accountability.* Teams run as self-directed units, decide how to allocate their work and are held accountable for improving their performance. Being owned and run by employees means the company can take a longer-term perspective. John Greatrex, Group HR Director, said the Unipart Way defines the organisation culture: “It is well-known that you will not get on in Unipart unless you engage fully in the Unipart Way.”
2. *Alignment of objectives from top to bottom of the organisation.* There’s a clear cascade process to translate objectives consistently from the executive to front-line teams. Objectives and performance against targets are transparent. Each team has a ‘Comms Cell’ (part of their work area where team objectives and current performance are physically displayed), which shows on one or two pages the objectives for the team and current performance. Teams meet in their Comms Cells daily to review performance and identify opportunities for improvement.
3. *A core process improvement methodology that’s consistently deployed across the whole organisation.* All employees are trained to a minimum standard in a six-stage problem-solving method. Teams are encouraged and empowered to seek out problems in the workplace and develop solutions together. Continuous improvement is embedded in daily operations: teams have daily process improvement meetings, called OCCs (‘Our Contribution Counts’). At the beginning of each shift, employees meet in their Comms Cell, where the team leader takes them through the daily plan and the self-directed team decides the best way to run the day. The team monitors progress of work through the day and decides whether it needs to reallocate resources as circumstances change. This process is deployed in every department, even the canteen.
4. *Continuous learning and progression.* Every employee has a ‘Gate to Great’ development plan and a coach. People learn about the Unipart Way through learning on the job with support from coaches – the company calls this ‘Faculty on the Floor’. Employees are encouraged to progress through five levels of training, from basic to being able to teach others or coach teams in other locations to help them improve their performance. According to John Greatrex: “We don’t have elitist talent practices. Our philosophy is that, with deliberate practice, anyone can become great at what they do.”

04

CONNECTING ORGANISATION, STRATEGY AND LEARNING

In this chapter, we explore in more depth the implications for the Learning function and Learning professionals of the new world in which we work. We look at how to align learning activities with business strategy, and how we can better evaluate the contribution of learning to business performance.

TOPICS COVERED

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4.3	EVALUATING THE BUSINESS IMPACT OF LEARNING	53

“PEOPLE FUNCTIONS NEED TO RE-LOOK AT HOW WE EMBED LEARNING INTO THE EVERYDAY COLLEAGUE EXPERIENCE. IF IT’S NOT CLEARLY ALIGNED TO A KEY BUSINESS OBJECTIVE, WE REALLY NEED TO ASK OURSELVES WHY WE ARE DOING IT IN THE FIRST INSTANCE. LEARNING TEAMS OFTEN GET CARRIED AWAY BY THE LATEST TECHNOLOGIES AVAILABLE AND LOSE SIGHT OF WHAT THEY ARE ATTEMPTING TO ACHIEVE FOR THE COLLEAGUE OR THE BUSINESS.”

Dave Buglass, Head of Colleague Product, Tesco Bank

As we have discussed throughout this report, organisations face a future characterised by growing complexity and accelerating change. We have discussed the role that learning can play in helping organisations and individuals respond to and prepare for the challenges of the future. Many of the trends identified by us and others pose threats for traditional Learning functions, which risk becoming irrelevant if they fail to adapt in this dynamic environment. Now, we consider two important questions: where should a high-impact Learning function focus its energy, and what capabilities does it need, if it is to remain business-relevant?

4.1

ALIGNING BUSINESS STRATEGY WITH LEARNING STRATEGIES AND PLANS

The answers to these questions lie in five key areas.

1. Aligning learning and business strategies.
2. Governance and design of the Learning function.
3. Effective evaluation to connect learning activities and business objectives.
4. Designing high-impact learning that reflects how adults learn.
5. Building the capabilities required of learning professionals.

We will explore the first three here, and the last two in chapter 5.

It seems self-evident that the focus of learning within the organisation should reflect current and future business priorities – how can an organisation execute its strategy effectively unless it has the capabilities it needs? Yet business leaders are dissatisfied with the return on their investment in learning. Professor Shlomo Ben-Hur, who directs IMD’s Organizational Learning in Action programme for learning executives, observed that research over the past ten years shows that the proportion of business leaders who are satisfied with their Learning function’s performance has remained stuck at around 20%. He said: “Top executives understand that learning is critical to their future success, so the ability to learn and reinvent themselves

fast is a key source of competitive advantage. However, the problem for many CEOs is that they don’t feel the Learning function is capable of helping them deliver what they need to build and sustain competitive advantage.” There seems to be a mismatch between the perceptions of business leaders and HR and Learning professionals. Our survey found that HR and Learning professionals feel there is a high degree of alignment between the actions of the Learning function and business strategy. Two-thirds (67%) of respondents considered learning to be ‘aligned’ or ‘highly aligned’ to organisation strategy.

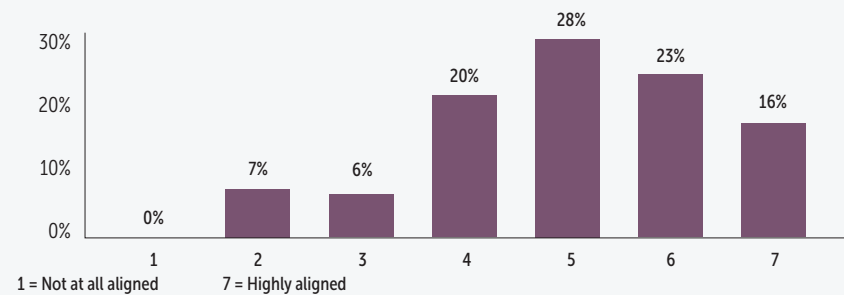
“I OFTEN HEAR FROM BUSINESS LEADERS THAT THEY FEEL THEY AREN'T GETTING ENOUGH FOCUSSED ATTENTION FROM L&D AND THAT THE LEARNING DOESN'T FEEL SPECIFIC ENOUGH TO THEIR BUSINESS. BUILDING LOTS OF BESPOKE LEARNING PRODUCTS ISN'T THE WAY TO SOLVE THIS AND AT KPMG OUR EXPERIENCE IS THAT DEVELOPING IMMERSIVE MICRO-LEARNING THAT ENABLES LEARNERS TO HAVE DIFFERENT EXPERIENCES GOES A LONG WAY TO ADDRESSING THIS CHALLENGE.”

Savvas Koufou, Head of UK People and Change Banking at KPMG in the UK

Other parts of our survey offer some insight into areas where business strategy and the Learning function are misaligned. Only just over half (53%) of respondents have an explicit learning strategy and only 54% say they have a formal approach or process for assessing learning needs. Furthermore, only just over one-quarter (26%) of respondents have a Learning Council or similar governance body that would enable them to get formal input from the business about learning plans. It is not surprising we have an alignment problem.

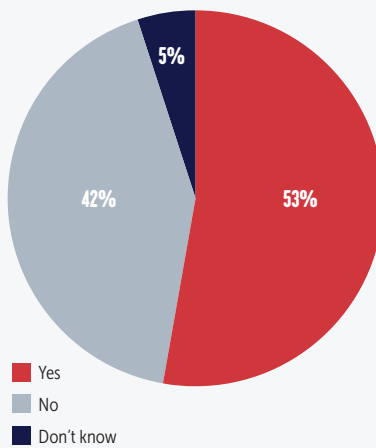
It is also revealing that the top priority for Learning professionals is developing future leaders. While it is necessary and valuable to do this, the Learning function risks being fixated on esoteric issues such as 'leadership' or 'talent' at the expense of the critical task of investing in key capabilities for growth, such as selling, commercial, customer and digital skills. Ben-Hur suggested one way to achieve alignment between strategy and learning is to focus on two or three key things that are required to enable the business strategy, rather than having an extensive smorgasbord of options (see the Balfour Beatty example on the next page).

Figure 14: To what degree would you say the actions of the Learning function are aligned with your organisation's business strategy?



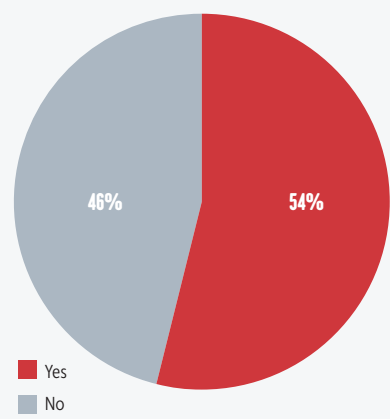
Source: CRF Member Survey

Figure 15: Does your organisation have an explicit learning strategy?



Source: CRF Member Survey

Figure 16: Do you have a formal approach or process for assessing learning needs in your organisation?



Source: CRF Member Survey

“WE HAVE TO UNDERSTAND HOW OUR BUSINESS MODEL WORKS, HOW IT MAKES MONEY, AND WHAT’S NEEDED TO MAKE IT SUCCESSFUL. FOR ANYTHING WE WANT TO INVEST IN FROM A LEARNING POINT OF VIEW, WE HAVE TO BE ABLE TO POINT TO ONE OF OUR KEY BUSINESS PRIORITIES AND SHOW HOW THE INVESTMENT IN LEARNING HELPS THAT MOVE FORWARD.”

Derek Hann, Chief Learning Officer, PayPal

LEARNING CAN PLAY A CRITICAL ROLE IN BUSINESS TRANSFORMATION

Construction contractor Balfour Beatty was hit hard by the recession in the late 2000s and came close to merging with a rival after a series of profit warnings. The company was suffering from a low quality of work won on poor contractual terms and at low margins. In 2015 Leo Quinn was appointed as CEO. One of the first things he did was launch a business transformation programme – ‘Build to Last’.

The programme has four key pillars.

1. Lean: delivering operational efficiency and eliminating waste.
2. Expert: upgrading the company’s engineering, design and project management capabilities.
3. Trusted: improving customer satisfaction and increasing visibility of results.
4. Safe: ensuring the safety of everyone who comes into contact with the company.

Pillar 2 involved a significant investment in strategic, targeted learning and development, focused on the people who would have the greatest impact on business results: commercial and project managers. All the company’s project managers were assessed and went through ‘high-value selling’ and commercial contract negotiation training. The programmes specifically addressed the issues that had been at the root of Balfour Beatty’s previous sub-par performance, focusing on improving margins and negotiating more favourable contractual terms. Quinn himself instigated the investment: he is an advocate for learning and has a track record of investing in people.

Decisions about investments in learning and development are now based on whether they contribute towards the Build to Last goals. Investments that don’t contribute don’t go ahead. This means that much of the more generic learning curriculum that the company previously provided has been scrapped.

Balfour Beatty is now profitable again and is bidding for fewer projects and winning a higher proportion of them. The cost of bidding has fallen. Paul Raby, Group HR Director, said: “We’re actually spending more on training than we ever did, but it’s highly targeted, and it’s making a big impact on the business.” Learning has played a major role in turning around the company’s performance.

Strategic workforce planning can be another route to aligning business, people and learning strategies. KPMG’s Mark Williamson said there are two key stages. Stage 1 is to work through in detail the implications of the business strategy for workforce plans and scenarios. Stage 2 is to drill down into the skills required. “You need to look at what you have now, what you need to build, where you will need to recruit, and what you will need to develop. It needs to be an integrated picture that connects both talent and learning plans.”

Similarly, new technologies are making it easier to build a bottom-up picture of learning needs. Today, over half (56%) of respondents to our survey do both top-down and bottom-up learning needs analysis. Social media, ‘jams’ and data from employee surveys and external sources such as glassdoor.com can help identify priorities. Google’s People Analytics team runs a detailed analysis every year, that crunches together many different sources of data, both from learning systems and other sources, covering qualitative and quantitative data, to identify key themes and priorities. Stephanie Conway, Senior Organisational Development Practitioner, said that a theme that emerged at Google two years ago was the need to equip executives and leaders to help their people deal with complexity. “We realised we had to upskill leaders so they could coach their teams, and get them comfortable with the sorts of polarities we see in our complex marketplaces and business models.”

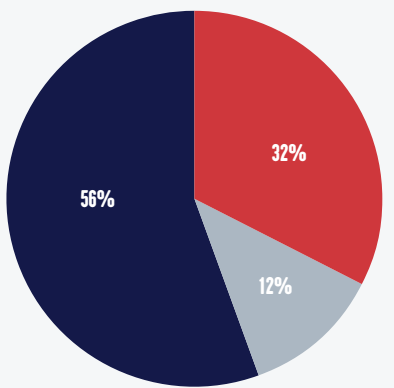
Working out what the business strategy means for learning requires an ongoing dialogue between the Learning function and its key stakeholders to define and agree priority areas for investment and negotiate necessary compromises. The Learning function needs high-quality relationships with key business decision makers, and appropriate governance structures, to facilitate a healthy dialogue. Learning professionals need to be, first and foremost, business people, so they can understand the business strategy, make

connections between it and their specialism, and bridge functional silos. Some organisations have appointed a senior business leader as CLO as a way to align strategic and learning interests. Two examples are Huvida Marshall at Oberoi Hotels and Anna Purchas at KPMG: both previously held senior line roles in their organisations before taking over respectively as Dean of the Oberoi Centre for Learning and Development and UK Learning Partner for KPMG.

“STRONG LEARNING ORGANISATIONS DON’T TURN LEARNING BUDGETS ON AND OFF WHEN BUSINESS GETS TOUGH.”

Matt Nixon, Principal, Disraeli Group

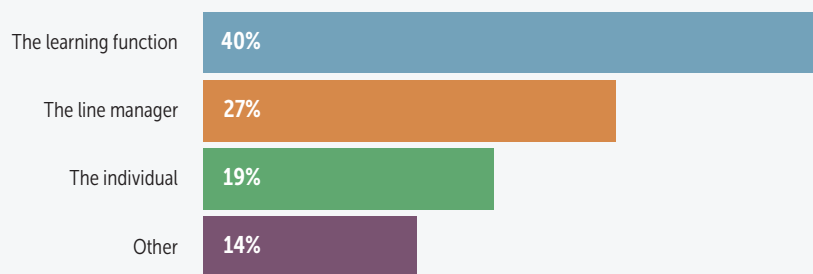
Figure 17: Top-down or bottom-up approach to learning needs analysis



- Predominantly top-down (i.e. starting with strategy and business objectives to determine learning needs)
- Predominantly bottom-up (i.e. aggregating the learning needs of individual employees)
- Both bottom-up and top-down

Source: CRF Member Survey

Figure 18: Who is primarily responsible for assessing learning needs?



Source: CRF Member Survey

Tony O’Driscoll at Duke CE suggests one way of checking you are focusing on the right priorities is to step back to observe the broader picture of what is going on in the organisation. “Do you ever stand back and simply ask: where is most of the learning happening in this organisation? Where does it need to happen, based on our strategic

intent and focus? How can the Learning function amplify the learning experience that’s already going on in pockets across the organisation? It’s about identifying real learning opportunities that will help the organisation advance its strategic priorities.”

4.2

GOVERNANCE AND DESIGN OF THE LEARNING FUNCTION

If the Learning function intends to be clearly aligned with the business strategy, the design of the function needs to reflect this. This means:

- having governance structures and communications lines that enable a dialogue between key business stakeholders and learning leaders
- designing the Learning function in a way that best delivers its business objectives.

We asked CRF members whether they had a Learning Board, Council or similar governance structure to define priorities for learning, allocate resources and evaluate learning impact in the organisation. Only 26% have such a mechanism in place. Even more concerning, our interviews revealed that even where there is such a structure, they are, for the most part, led by, and largely made up of, representatives

from HR and Learning, not the senior business stakeholders who are the customers of their services. As a result, discussions can focus on technical learning issues and budgets, rather than learning’s contribution to strategy and business goals.

“BRINGING THE LEARNING FUNCTION INTO THE CENTRE HAS GIVEN US THE SCALE WE NEEDED TO MAKE SOME BIGGER INVESTMENTS IN LEARNING INFRASTRUCTURE.”

Jason Gowlett, Head of HR Operations, Direct Line Group

In our view, it's essential that the business is involved in, engaged with and provides oversight of learning governance, because members of the governance body need clout and decision-making authority. Ben-Hur said: "This helps to establish clearly that learning and development are management responsibilities, and not relegated to a support function. For a governance body to be truly effective, it has to go beyond simple oversight of spending or arbitration to resolve the conflicting demands of key stakeholders. Through joint planning it can create a process for bringing together different views, ensure that a strategic debate about direction and priorities takes place, and see that the organisation profits from a united and holistic portfolio of offerings."

There also needs to be strong commitment to learning from the top. One measure of commitment is what

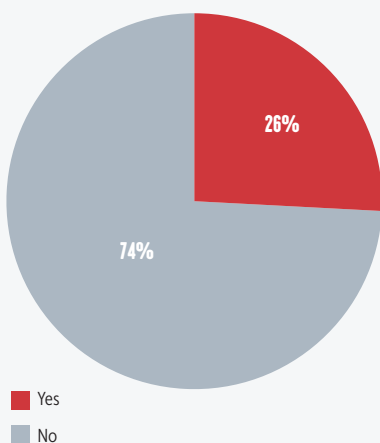
happens to budgets in a downturn. Stephanie Doyle, Head of Group Talent and Learning at Erste Group, the Austria-based bank, said: "We never cut the learning budget, even through the financial crisis. Our CFO has even gone on video to say he won't do it." Each of the business colleges within Erste's corporate university has a board made up of a sponsor from the bank's executive team, senior business leaders with a strong vested interest in the specialist area of the college, and representatives from Learning and HR.

In practice, the influence of the Learning function is often diluted because of its distance from the executive team. Most Learning functions (56%) report directly to the Group HRD, with 20% reporting to the Group Head of Talent or Leadership Development. While there are pragmatic reasons for this reporting arrangement, if senior learning professionals lack

unmediated access to senior business leaders, such as through a Learning Council, it's hard to see how they can make their voice heard amid executives' myriad competing priorities. Nicola Braden said: "If you don't have senior business people involved in your learning strategies and plans, then you're always going to be doing things at least one step removed from the key business priorities. And your measures will be learning measures, not business measures."

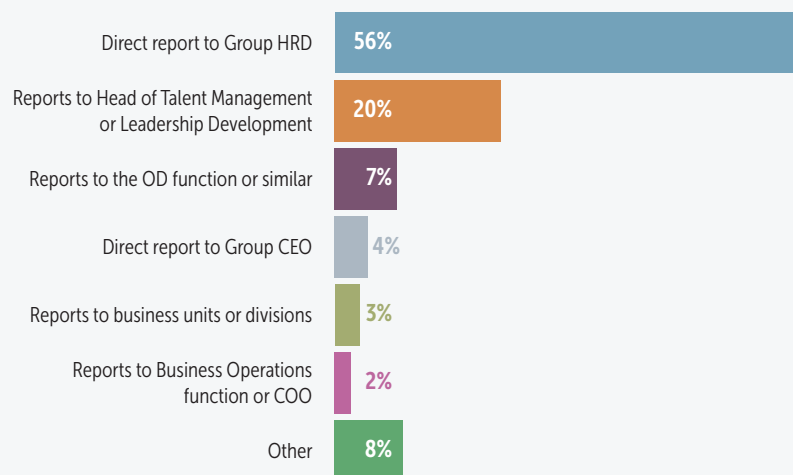
Business leaders also complain that they are unclear about the respective roles of HR generalists and Learning specialists. Mark Williamson said: "I find business leaders are often confused about where they are supposed to go to discuss learning needs. They just want to talk to one person, but sometimes HR doesn't make it easy for them."

Figure 19: Does your organisation have a Learning Board, Council, or similar governance structure for learning?



Source: CRF Member Survey

Figure 20: What is the reporting line of the learning function?



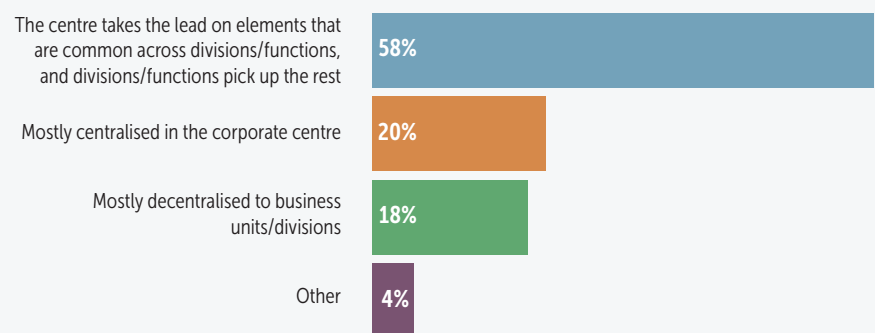
Source: CRF Member Survey

“LEARNING NEEDS TO WATCH OUT IT DOESN’T JUST BECOME A PROCUREMENT FUNCTION TASKED WITH SOURCING THE LATEST LEARNING TECHNOLOGY. IF IT’S GOING TO BE FULLY EFFECTIVE, IT HAS TO DEVELOP BUSINESS ACUMEN TO ADVISE WHAT’S REALLY NEEDED TO IMPROVE PERFORMANCE, AND IT NEEDS THE CONFIDENCE TO PUSH BACK ON WHETHER ALL THESE NEW THINGS REALLY ADD VALUE.”

Geoff Stead, Director of Digital, Cambridge English

The structure, configuration and degree of centralisation of the Learning function will depend on various factors, including the overall organisation design, the strategic priorities for learning, the level of business sophistication of the Learning function and the degree of credibility the function has with the business. We also found that some organisations have gone through a process of centralisation in order to take out cost, deploy a common platform, or outsource, but have later returned to a more decentralised model. Our research found that the predominant delivery model today is a central Learning function responsible for elements that are common across divisions or functions, with the rest decentralised. This allows for economies of scale in activities that are common across the group.

Figure 21: Which of the following most closely describes the delivery of learning in your organisation?



Source: CRF Member Survey

A key conclusion of our research is that, in a world where long-term success is largely determined by an organisation’s ability to adapt quickly to changing circumstances, the Learning function also needs to be designed for agility. In practice, this means the following.

- Strong communications channels and feedback loops between the Learning function and its customers, so the learning needs and priorities of the business are clear, and internal customers can shape the learning strategy so it delivers what they need.
- Learning products and services need to focus on building the capabilities required to deliver future organisation success, not just build more of what has made the organisation competitive in the past.
- Communications channels need to be flexible and responsive, so Learning professionals can pick up quickly on what’s important to end users.
- Learning needs to adopt a ‘test and learn’ mentality. It should develop solutions rapidly and update them based on experience and feedback from customers.
- Learning resource allocation needs to be sufficiently flexible that it can be redeployed as business demand changes.
- Learning should have a mindset of helping people in the organisation learn how to learn for themselves.
- Learning practitioners need to have organisation development as well as learning skills; ideally Learning and OD should be part of the same team.

“NOT EVERYTHING THAT CAN BE COUNTED COUNTS, AND NOT EVERYTHING THAT COUNTS CAN BE COUNTED.”

Albert Einstein

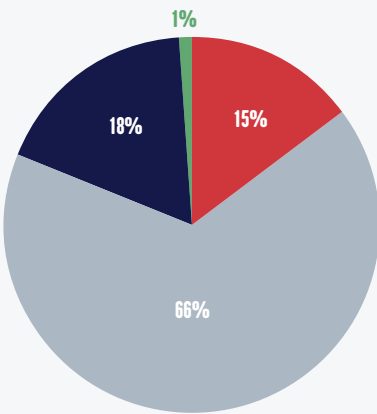
4.3
EVALUATING THE BUSINESS IMPACT OF LEARNING

How can we evaluate the impact of learning in terms of improving business performance? This continues to be one of the knottiest questions in learning. Indeed, it came second from top of the list of things our survey respondents

would like to improve about the approach to learning in their organisation. Only 18% of respondents were ‘satisfied’ or ‘highly satisfied’ with their organisation’s approach to evaluation. Our survey also showed that

four-fifths of organisations undertake some form of evaluation. While 66% evaluate some learning activities, just 15% say they evaluate all learning activities consistently.

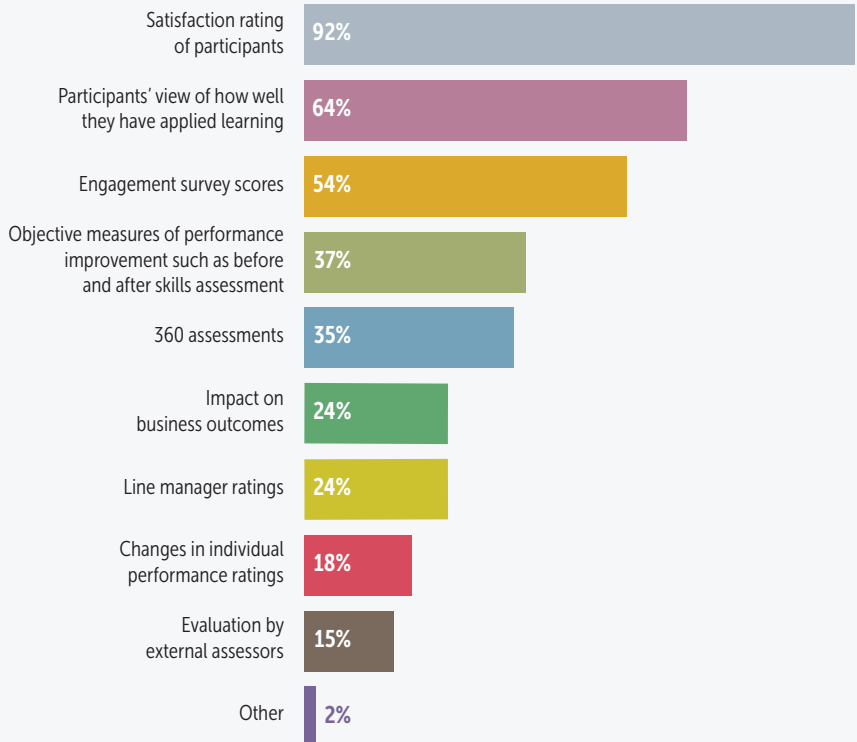
Figure 22: Does your organisation formally evaluate the outcomes of learning activities?



- Yes - we evaluate all our learning activities consistently
- Yes - we evaluate some learning activities
- No - we don't typically evaluate the outcomes of learning activities
- Don't know

Source: CRF Member Survey

Figure 23: Which of the following do you measure/evaluate?

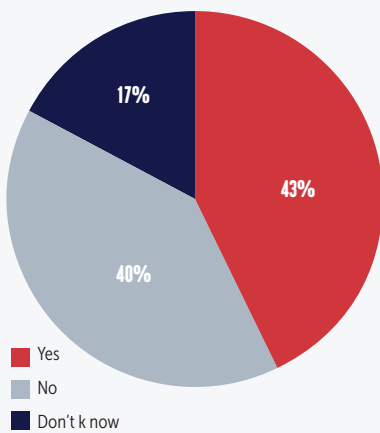


Source: CRF Member Survey

“WHATEVER WE DO, WE START BY ASKING: WHAT ARE WE TRYING TO DO AND HOW WILL WE KNOW IF WE ARE SUCCESSFUL? THAT THEN LEADS US INTO DEFINING WHAT MEASURES WE CAN TRACK TO TELL US WHETHER IT’S DELIVERING WHAT WE EXPECTED.”

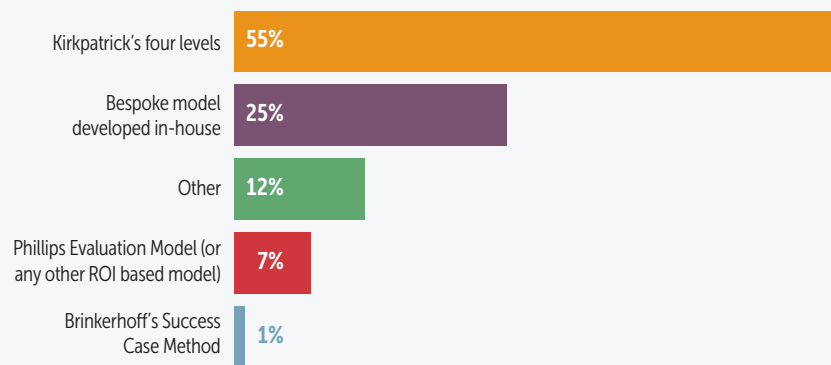
Michele Isaacs, VP, Talent & Development, Thomson Reuters

Figure 24: Do you have a model for evaluation?



Source: CRF Member Survey

Figure 25: Which evaluation model do you predominantly use?



Source: CRF Member Survey

However, when we drill down we discover that although the practice of evaluation is widespread, the quality is highly variable. Only 43% of respondents have a model for evaluation, and of those who do, by far the most popular (used by 55% of respondents) is Kirkpatrick's 'Four Levels'. (See the column on page 55 for a discussion of the limitations of Kirkpatrick's model.) What's more, what organisations measure relates predominantly to participants' perceptions of and satisfaction with the learning they have taken part in, when it should instead be an objective assessment of the effect on performance. Just over one-third (37%) look at objective measures of performance improvement such as before and after skills assessments, and a

little more than one-quarter (28%) look at the impact on business outcomes.

We also considered who is involved in evaluating effectiveness, and how long after a learning intervention evaluation happens. Again, for the vast majority of respondents (95%), it is the individual learner who determines the impact of learning, although 61% ask the learner's immediate line manager too. Evaluation predominantly takes place immediately after an intervention (in 78% of cases). Some 40% evaluate within one and three months after completion, and just under one-third (32%) continue evaluation beyond three months. Given that sustained behaviour change takes repetition and practice, most evaluation provides a limited picture of impact over time. From this analysis we conclude

that many organisations are doing little more than paying lip service to evaluation.

We suggest organisations may need to turn the typical approach to learning evaluation on its head. First, you have to start by defining the business outcomes that you want to change by investing in learning. Next, you need a testable hypothesis about the impact you would expect specific learning investments to have on business results. Then, you must go beyond simply thinking about evaluation in terms of the effect on individuals, and try to build a picture of the impact on the organisation as a whole.

“L&D SHOULD ONLY BE WORKING WITH METRICS THAT ARE ALREADY ON THE MINDS OF THE BOARD AND SENIOR MANAGEMENT TEAM. THERE NEEDS TO BE A BUSINESS CORRELATION BETWEEN WHAT YOU'RE EDUCATING AND THE OUTCOMES FOR THE BUSINESS.”

Paul Morgan, formerly Head of Learning & Development, O2

KIRKPATRICK'S FOUR LEVELS OF EVALUATION

Evaluation has moved on little from Donald Kirkpatrick's Four Levels, which he first outlined in 1959. It remains the most commonly cited model, and was referred to by many of the organisations we interviewed.

The model describes four levels of learning outcome.

- Level 1 – Reactions: describes how participants felt about the learning event – so-called 'happy sheets'.
- Level 2 – Learning: knowledge or skills acquired as a result of the learning.
- Level 3 – Behaviour: the application of learning to the job.
- Level 4 – Results: the impact of the learning on organisational objectives.

However, the model has limitations. Ben-Hur (2013) cites three.

1. **Limited focus on participant outcomes.** It misses out on various other key factors affecting learning impact, such as organisational culture.
2. **Liking does not produce learning.** The model presumes that positive reactions to the learning imply that something has been learned, but this is not necessarily borne out in practice. Indeed, research suggests that a degree of discomfort can help learning to 'stick'.
3. **Too ROI-focused.** It's almost impossible to determine ROI in development initiatives and that ROI is quite possibly the wrong measure. There are other ways of evaluating business impact, as we discuss elsewhere in this section.

We think Kirkpatrick's model starts in the wrong place, because it presumes that the learning intervention that's being evaluated is actually the right answer to the business problem at hand. A learning intervention could score well on the four levels and still have no meaningful impact on business results. Evaluation should begin by understanding key business priorities and identifying the learning needs that flow from there.

We propose the following steps in designing an effective evaluation approach.

1. **Define the business problem we need to fix.** What does the organisation need to get better at in order to deliver the business strategy? This might be getting new products to market faster or improving sales performance. You need to start by thinking about the outcomes you want to achieve, and work backwards from there to determine what actions are required.
2. **Is learning a possible solution to the problem at hand?** Paul Morgan, formerly Head of L&D at O2, said "L&D needs to be clear about how it contributes to the company's value proposition. Instead of being order takers, we have to become business consultants. We have to understand what the business end goal is, and whether it can actually be solved by some sort of learning solution. If it's a cultural problem, for example, learning won't sort it out."
3. **If learning is the right solution, what specifically will we do?** How do we know that what we are proposing will actually deliver the objectives? What's the underlying theory and is it robust and evidence-based? Have other organisations used similar approaches and what results have they achieved? What's the right sequence of activity?
4. **How will we evaluate whether we've achieved the desired results?** It is critical to consider this at the outset. Most organisations don't really think about this until activities are already underway. Think about how you will know the desired change has been achieved and where you will look for evidence. Which stakeholders need to be involved and does your proposed evaluation method give them what they need? It's

important to focus on outcome measures such as productivity, relative performance of different teams, or sales. It may also be appropriate to focus on qualitative measures such as the opinions of key business stakeholders. Also, consider triangulating a number of different measures to see if they provide a consistent picture, and use multiple methods and data points. What's the payoff in terms of cost of data gathering versus usefulness of the data obtained? Are resources available for data gathering and analysis?

5. **What's the performance baseline?** It's important to be clear about what you are measuring against.
6. **After the event, did the activity do what it was supposed to do?** Were key objectives met? Are there opportunities to improve?
7. **Who needs to know about the results of the evaluation?** What do we need to communicate to key stakeholders? How and when should we communicate?

Some further considerations.

- Evaluation has to begin where this chapter began – by aligning the organisation's strategic objectives with learning plans.
- The views of learners are helpful, but it's important to also understand whether business sponsors feel the actions taken were worthwhile, and whether these opinions triangulate with business measures.
- Consider running trials with different comparator groups to test out the relative effectiveness of different learning modes or to compare participants in a learning activity versus a control group. We highlight some examples throughout this report.

- The rise of people analytics capabilities in organisations is making it possible to build more data-driven pictures of the effect of investing in learning. Mark Williamson said: "Learning analytics is becoming more important. There's ever greater business demand for outcome-based views of what learning can deliver."
- The proliferation of virtual and online learning is opening up another rich seam of usage data – enabling organisations to determine which topics and specific learning content are most frequently accessed, by whom, when, where and for how long. Data analysis can help identify hotspots, areas where usage is low, or where content may need to be pruned or improved. App technology is also being used to provide feedback to learners from their bosses, subordinates and peers on how well they are putting their learning into practice.
- Analytics could potentially be disruptive for the Learning function, and raise expectations in the business in terms of its ability to answer questions about usage, cost and organisational impact.

QUESTIONS FOR REFLECTION POST-LEARNING

We emphasise in chapter 5, the role that reflecting on experience plays in helping to embed learning. Holding a post-event discussion with participants in learning activities can also be a good way of evaluating their impact. Here are some suggested questions to explore in post-event discussions with participants.

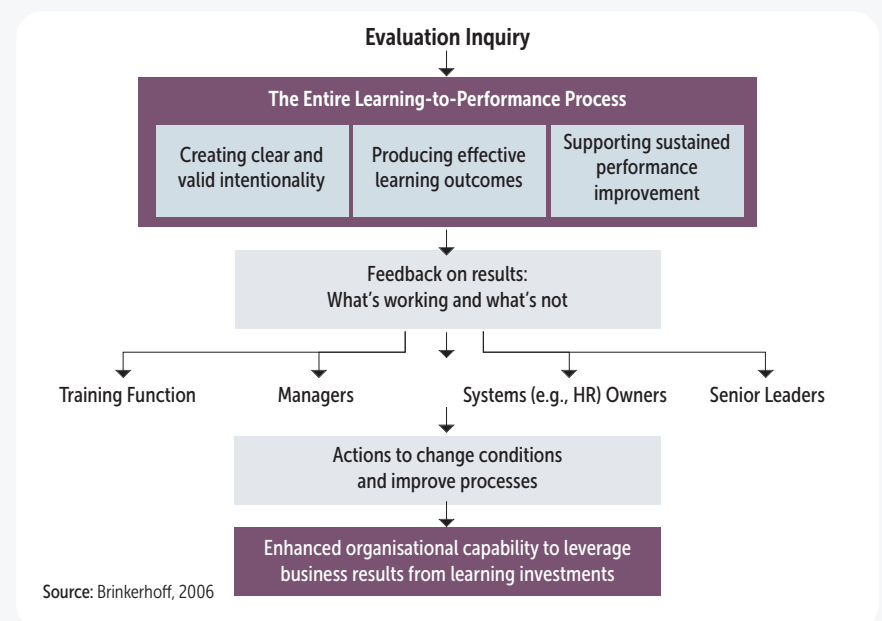
- What were your objectives in participating? To what extent were they met?
- What new skills and techniques did you learn?
- What did you learn about yourself?
- What new learning needs were highlighted that you weren't aware of before?
- What will you do differently as a result?
- What will you work to improve?
- What goals will you set for yourself?
- How will you track progress?
- Was the programme worth the investment, both in time and money?
- How could the programme be improved?

Brinkerhoff's Success Case Method

A number of organisations are using the Success Case Method (SCM) for evaluation, sometimes in conjunction with other methods. The SCM provides a more outcome-oriented alternative to the Kirkpatrick model. It starts with a simple question: what value has the learning intervention delivered to the business?

Brinkerhoff's model is based on a six-stage decision cycle, which begins before the intervention is designed and continues after it has been delivered.

Figure 26: Success Case Method Evaluation Strategy



It is founded on three key questions, which seek to determine how effectively learning is being used to achieve business results.

- How well is the organisation using learning to drive needed performance improvement?
- What is the organisation doing that facilitates performance improvement from learning, which it needs to maintain and strengthen?
- What is the organisation doing, or not doing, that is impeding performance improvement from learning, which it needs to change?

The following key principles underpin the model.

- It is pointless evaluating a learning programme in isolation: the focus of evaluation should be on improvements in business performance over time. This is not solely the responsibility of the Learning function and has to take place within the wider context of the business.
- The process begins by determining the business issue that's being addressed, before embarking on learning design.
- An holistic approach is needed – identifying all the factors that lead to success or otherwise, and comparing them against the costs.
- It is important to measure not only the impact of the learning, but also factors that make or break learning success.
- Analysis based on a deep investigation of a sample population will yield more than a comprehensive analysis at a superficial level.

The SCM is set out in more depth in Brinkerhoff's 2006 book, *The Success Case Method* (see References).

05

HIGH-IMPACT LEARNING- IMPLICATIONS FOR LEARNING PROFESSIONALS

In this chapter we look at the implications of adult learning theory for designing high quality learning. We also explore the capabilities Learning professionals themselves require in order to create high-impact learning in the new learning landscape.

TOPICS COVERED

5.1	HOW ADULTS LEARN	58
5.2	WHAT CAPABILITIES DO LEARNING PROFESSIONALS NEED TODAY?	63

“A GOOD CURRICULUM IS SOMETHING WITH WHICH THE LEARNER INTERACTS DAILY, NOT ONCE A YEAR IN A PERFORMANCE REVIEW.”

Kegan and Lahey, 2016

5.1
HOW ADULTS LEARN

If we are to design and deliver high-impact learning, we need to answer the question 'How do adults learn?' We know that traditional approaches to learning suffer from a 'transfer problem' – people remember only a small fraction of what they are taught, and if they don't practise, they forget. Kegan and Lahey point out that today's learning solutions – including coaching, development programmes, off-sites and corporate universities – share similar design flaws. First, they give people punctuated inputs, delivered from time to time, not continuously. Second, because they are 'something extra' – beyond the normal flow of work – it is difficult for people to transfer the skills they've learned to their day-to-day job. Third, these opportunities are only available to a select few at any one time. Fourth, and most importantly, they make the individual and not the organisation the start point for the intervention. We need to find ways of connecting work, learning and organisation purpose more effectively.

Why do we need to pay particular attention to adult learning theory today?

- As learning moves out of the classroom and online, Learning professionals need to work out how to design highly engaging learning that leads to sustained behaviour change.
- Virtual learning tools allow individuals to take greater control of their own learning: to help them make the most of the resources available, we need to teach people how to learn.
- Learning professionals are under pressure to do more with less – so fixing the 'transfer problem' by

narrowing the gap between learning and improved performance will help.

To design learning that sticks, and leads to sustained behaviour change, we need to take account of what we know about adult development. The short answer to the question of how adults learn is that it is predominantly through experience – the 70 in the 70:20:10 model. Here we take a short tour around the world of adult learning. For a more detailed discussion, see CRF's 2015 research *Leadership Development – is it fit for purpose?*

Applying Malcolm Knowles' principles, as set out in the column, as well as what we have learned more recently from neuroscience and other fields, there are a number of implications for learning design.

1. Learning has to be highly relevant to a person's job.

Content, exercises and activities need to be as relevant to real work as possible. The advantage of the performance support systems described in chapter 2 is that they make work and learning relatively seamless – people can find the information they need to learn at the time and place where it's most relevant to them. Where learning happens off-the-job, organisations need to think about how the learner will apply the learning in practice.

2. Learning needs to incorporate deliberate practice.

Mastering a new skill can take many years of trial, error and persistence.

KEY PRINCIPLES OF ADULT LEARNING

Malcolm Knowles was, in the second half of the 20th century, one of the central figures in developing understanding of adult learning. He identified six principles that underpin how adults learn.

1. Adults need to know why they are learning something.
2. They learn through doing.
3. They need to be responsible for their decisions on education and involved in planning and evaluating learning.
4. They learn most from subjects that are immediately relevant to them.
5. Their learning is oriented towards problem-solving rather than content or theory.
6. They respond better to internal than external motivators for learning.

Ericsson et al. have found that the development of genuine expertise requires 'deliberate practice' – focused, intentional, repeated practice of new tasks, often with support and feedback from a teacher or coach. "The journey to superior performance is neither for the faint of heart nor the impatient. The development of genuine expertise requires struggle, sacrifice, and honest, often painful self-assessment." Ericsson found that it takes at least ten years – and 10,000 hours of practice – to achieve mastery in any particular field.

“WE LEARN BEST FROM EXPERIENCE, BUT WE NEVER DIRECTLY EXPERIENCE THE CONSEQUENCES OF MANY OF OUR MOST IMPORTANT DECISIONS.”

Peter Senge, 1992

The 70:20:10 model can be helpful in reminding us that formal learning needs to be designed to reflect more accurately the real-life workplace, and that formal and informal learning experiences need to be better integrated and focused on improving performance. If someone isn't going to be able to immediately apply what they've learned in their job, then organisations might consider alternatives such as stretch assignments, project roles or secondments.

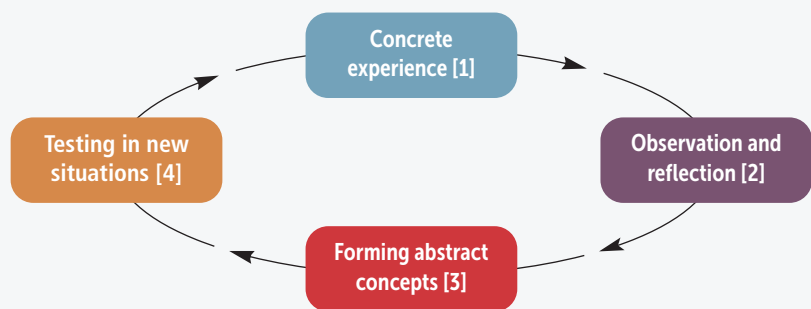
Organisations are increasingly using behavioural economics to help integrate practice into daily work, and remind people to practise what they have learned. For example, Novartis's learning platform includes a mobile app that sends learners alerts including reminders, questions and quizzes to prompt reflection on specific questions related to behaviours they are working on, linked to the company's behavioural competency model. Riet Grond, Global Head of Learning, said: "People can opt out if they find it intrusive, but it does enable us to deliver bite-size learning that only takes two minutes a day."

3. Learning is both rational and emotional.

Recent discoveries in neuroscience tell us that the highest quality learning engages the whole brain – sensory and emotional functions as well as the logical and rational parts (see the section on the neuroscience of learning on page 62). The design of learning should reflect this – engaging different emotions and senses, for example through storytelling, video and hands-on exercises.

Research has established that a moderate degree of stress appears to be the optimal environment for learning:

Figure 27: Kolb's Learning Model



Source: Adapted from Kolb, 1984

just enough stress stimulates the fight-or-flight response; too much shuts down the brain's executive functions. Emotionally charged events are memorable, but there needs to be enough emotion, and not too much. Over-stimulation inhibits learning due to release of the stress hormone cortisol, which impairs cognitive function and memory. Immersive experiences or storytelling can be effective ways of engaging learners' emotions.

We also know that learning is a process. David Kolb's experiential learning model (see above) suggests that learning happens in a reinforcing loop.

- You have an experience, which you reflect on and derive meaning from.
- Based on this meaning, you form concepts about things such as your organisation, your leadership and yourself.
- You form a view of how the concepts you've learned apply in a given situation.
- You test your theory of the case in practice to determine its validity.

Some have criticised Kolb's approach as over-simplistic, but it can be used as a guide to designing learning interventions that cover the whole process of learning, rather than focusing simply on theory.

Learning is also a social activity. Throughout history, the apprenticeship model has transferred expertise from a more experienced person to a novice working alongside them. However, this model is under threat as people have less time to dedicate to learning or teaching – they are too busy 'doing'. Coaching is a similar model, albeit generally at more senior levels. But companies are adapting 'social learning' for the modern context. GE, for example, has built its learning model around social learning – bringing people together to the company's campus at Crotonville to develop new strategies and work through problems with others who are going through the same experience in their business. As we discussed in chapter 2, social learning is also moving online.

“WITHIN THE LEARNING FUNCTION WE NEED TO ENGAGE WITH THE HEARTS AND MINDS OF LEARNERS, AND UNDERSTAND HOW THE NEW LEARNING TECHNOLOGY IS ALLOWING PEOPLE TO EMBRACE AND TAKE OWNERSHIP OF THEIR OWN LEARNING.”

Riet Grond, Global Head of Learning, Novartis

ACTION LEARNING AND IMMERSIVE LEARNING

Action learning can be a great way of applying the principles of adult learning, while also solving complex business problems, and helping people build their networks and work across organisational boundaries. It is commonly used for leadership development, but the principles can be applied in any learning context where people have to come up with answers to complex problems. Typically action learning groups meet in person, but they also collaborate online or by phone.

Pioneered by Reg Revans in the 1940s, action learning is a continuous process of learning and reflection, supported by colleagues, with a focus on getting things done. There are some key considerations when designing an action learning intervention.

- Projects must be meaningful and directly linked to business imperatives, not just ‘make work’.
- They must be sufficiently stretching and open-ended to allow for a range of solutions.
- Outcomes and deliverables must be clearly defined.
- They need to be supported by expert facilitation, to help extract the lessons from participants’ experience.
- There must be active sponsorship and involvement by the relevant level of management, and participants need to know the organisation will take action as a result.

Michael Chavez, CEO of Duke CE, said: “Action learning used to be something you did between modules of a programme. Now, learning needs to be built around solving real business problems – so the action learning *is* the learning. You might still have to learn skills and tools, but they need to be delivered in context of the real business problem and then applied to real-life situations immediately.”

Immersive learning experiences can also help people make sense of unfamiliar scenarios or change their mental models about their own work and organisation. For example, Duke CE recently ran an intervention for a major car manufacturer to help the senior leadership team better understand the way their customers experience the brand. Each team member spent time with car owners in their own vehicles, to understand what it was really like to be a customer – from buying a new car at a dealership to having their car serviced. The team realised that many factors driving the customer experience were outside the manufacturer’s control, and that they therefore needed to change their mental models of who their customers were and the customer experience.

people up’ developmentally, by giving them an experience that’s a long way out of their normal context. It unsettles their world view enough to start a process for them of questioning their assumptions – and that becomes developmental.” IMI’s leadership development programmes all contain an element of teaching participants how to learn. The task for leaders who attend one of these programmes is then to go off and teach what they have learned to their people. They then have to report back to their peers on the programme how that process went. “Leaders are held to account by their peers, by their manager, and by their coach, to pass what they’ve learned on to their teams,” said Sue Hall, Head of Capability Development.

It’s important not only to make people aware of how to learn, but also why learning is so critical in today’s business context. Mara Swan, EVP Global Strategy and Talent, ManpowerGroup, said: “Our senior leaders spend a lot of time making people aware of what’s going on in the business environment, what it means for them, and why it’s necessary for them to be continually working on their learning.”

It’s important to find ways of engaging individuals’ intrinsic motivation to do their job better – for example, by getting them to complete a self-assessment or set objectives for their learning before they participate in an activity. Mara Swan said: “Before I commit to spending money on a training programme, I will ask someone questions about what they’re doing for their own learning, such as what books have they read recently or who have they talked to, to find out more. That gives me a good gauge as to how motivated they are to learn.”

4. Learning needs to engage the learner

Teaching learners how adults learn, helping them work out their own preferred learning strategies, and giving them practical tools such as checklists or models to aid reflection, can be helpful. GSK has used a checklist to help learners develop ‘conscious competence’, so as to identify what they are learning on the job and how they can apply it.

Participants are briefed on 11 characteristics of good on-the-job learning, encouraged to evaluate their personal objectives against these 11 characteristics, and use a checklist to evaluate what they have learned and how they put it into practice. KPMG uses 70:20:10 to remind people about the whole learning cycle beyond attending a course. Jane Craig at Mars said: “We’ve found that sometimes you have to ‘wake

“RESPONSIBILITY FOR TEACHING PEOPLE HOW TO LEARN HAS TO START WITHIN THE LEARNING FUNCTION ITSELF. ARE WE REALLY ROLE-MODELLING WHAT IT MEANS TO LEARN HOW TO LEARN?”

Jane Craig, Global Leadership Development Director, Mars

5. Engaging the learner's line manager

The relationship between an individual and their line manager is critical in ensuring that learning leads to improved performance. Managers can make a crucial difference in ensuring that individuals don't just focus on achieving performance objectives, but also reflect on what they are learning and how they could improve their practice. Thomson Reuters' impact studies have found that, for programme attendees whose managers are more highly engaged in their learning, those participants report a higher rate of application of what they've learned and they experience a higher performance gain.

Line managers also need to understand how adults learn, what they can do to help their people sustain their learning, and how they can create an environment in their team that's conducive to learning. For example, when GSK kicks off learning programmes, it hosts a whole-cohort webinar involving the learners and their line managers, where they discuss the respective responsibilities of the participant and their line manager. Line managers also receive instructions about the role they are expected to play in a learning programme, and sometimes line managers will participate in action-learning projects. Kim Lafferty said: "We never do anything that's independent of the system within which that individual works. Part of our job as a Learning function is to stay connected to the learner's line manager."

Some organisations are using technology to remind managers via 'nudges' sent by an app on their phone to check in with a team member who has been through a learning programme.

Leaders can encourage individuals to take responsibility for their learning in simple ways, by thinking about how to build opportunities for learning into their everyday work. For example, instead of directing people what to do, you could say: "I need to figure out this problem. Can you come up with some potential solutions for us to work through together?" Another option could be to ask a junior team member to summarise an article on a new service being developed by a competitor, at the next team meeting.

6. Creating the context for learning

The work context has to allow for new skills acquired to be put into practice and perfected. This is often where learning falls down – and also why we think the Learning function has a key role to play in developing the organisation rather than just individuals. In chapter 3 we talk about psychological safety in the context of the learning organisation, but the same principle applies to creating a context where learners feel sufficiently safe to try out new skills, and accept that they may not get it right first time.

Learning programmes that work at a team level, with people working together to understand how they can apply theoretical expertise in their unique

environment, solving shared problems and establishing shared routines, are much more likely to be effective in the longer term than programmes based on developing individuals. This approach sits firmly in the top half of the matrix we describe in chapter 1 – 'working on the organisation'.

Contextual factors can make all the difference between whether or not an investment in learning bears fruit, yet these are seldom considered as a core part of the learning design.

In summary, the goal of learning has to be sustained behaviour change, leading to better team and individual performance. When designing learning interventions, therefore, you have to consider what behaviour change you are looking to achieve, and how that will happen and be sustained.

“ANY LEARNING PROGRAMME THAT PUTS AN EMPHASIS ON BEHAVIOUR CHANGE OR CULTURE CHANGE AND OFFERS SUPPORT THAT TAKES ACCOUNT OF THE ORGANISATION’S RESISTANCE TO CHANGE IN THE CONTEXT OF THE REAL WORK ENVIRONMENT, IS GOING TO BE MORE EFFECTIVE THAN ONE THAT IGNORES THESE THINGS.”

Nigel Paine, author of The Learning Challenge

The neuroscience of learning

Recent advances in neuroscience means we are building a better understanding of what happens in the brain when we learn and, therefore, how to design more ‘brain-friendly’ learning. One of the most important discoveries of the past 30 years is neuroplasticity: conventional thinking held that neural development stopped in young adulthood, but we now know that the brain is plastic, and capable of change even through adulthood. Learning affects the brain in one of two ways: either by altering existing neural connections or creating new ones. When we put into practice new things we have learned, the brain is reorganised to take in new data and, if it is useful, retain it. Every time we practise a new behaviour we reinforce new neural pathways.

Traditionally, it was thought that learning was a rational process, focused in the brain’s prefrontal cortex. Now we understand that learning happens all over the brain, and engages emotions as well as logic. It is therefore important to engage as much of the brain as possible in learning – through stimulating different senses and emotions.

Here we summarise some practical implications arising from the latest brain research.

1. **Less is more.** Focusing on a smaller number of concepts in one sitting, and creating space for people to reflect, practise and apply what they have learned to different problems tends to be more effective than bombarding people with lots of different ideas.
2. **Engage the learner’s motivation.** Get people to think about what they will be able to do as a result of learning or how it will help them achieve other goals.
3. **Practice and repetition.** New neural pathways are built and maintained through repeated use. Rewiring the brain also means ‘forgetting’ old behaviours – so get people to think about the things they might do that would lead them back into an old way of behaviour, and help them develop strategies for what they would do if they found themselves slipping back.
4. **Make the learning environment feel more like the work environment.** When learning happens outside the normal run of work, it’s important to connect it as closely as possible to the experience of real work. For example, get people to imagine what sorts of barriers they will encounter when they try out new skills, and plan for how they will overcome these.
5. **The brain needs time and space to embed learning.** Neuroscientist Dr Tara Swart recommends a spaced learning method in which highly condensed learning content is repeated three times, with two ten-minute breaks filled with activities such as exercise. Creating opportunities for reflection without distraction is also valuable.
6. **Learning approaches that engage multiple senses are likely to enhance learning.** Stimulating different parts of the brain simultaneously generates greater brain activity. Visualisation and mental imagery engage the brain in a very similar way to real-life practice. Using video and other media, stories, humour and experiential learning may increase the effectiveness of learning. Recently discovered ‘mirror neurons’ show that, as well as learning from doing something yourself, you can also learn from observing others, or even imagining yourself doing it.
7. **Making the experience emotionally engaging enhances learning.** Emotion and cognition are not neatly divided in the brain, and virtually all mental activities involve both.
8. **The brain functions better when we exercise, eat well and stay hydrated.** Sleep is also critical, as that’s when the mind synthesises information. A good idea is to allow people to ‘sleep on it’ and recap the following day.
9. **Creating opportunities for people to make meaning of what they’ve learned** and apply it in their own way is beneficial, as is helping learners to tap into their prior knowledge and experience and make new connections. This can be done through storytelling, making comparisons or drawing analogies.
10. **Teaching learners about how the brain works** and helping them to consciously adopt effective learning strategies can increase their capacity to learn.

Some organisations are redesigning their learning to take account of these insights. For example, Riet Grond at Novartis said: “We’re very conscious of the ‘forgetting curve’ and so we are making learning more of a journey than just one-off activities. Through a mix of different experiences over a longer time-frame – a nine-month virtual programme, for example – we package a number of experiences such as self-directed knowledge building, team projects, peer coaching, expert coaching and regular nudges to reinforce the learning over time.”

“WE NEED MORE DISRUPTORS IN THE LEARNING FUNCTION. THEY SHOULD BE THINKING ABOUT HOW THEY CAN BAKE LEARNING INTO EVERYTHING WE DO IN THE ORGANISATION, NOT JUST ABOUT COURSES.”

Mara Swan, EVP Global Strategy and Talent, ManpowerGroup

EXPERIENTIAL LEARNING – CONNECTING BRAIN AND BODY

A research project at Ashridge Hult International Business School has studied the physiological responses of learners to experience-based programmes in order to understand the optimum learning design.

The programme was based on simulations of typical critical incidents that participants would have to deal with in the workplace, such as handling a performance problem, or dealing with conflict. The findings suggest that challenging learning experiences are likely to result in longer-lasting and more effective learning.

- Finding opportunities to practise dealing with difficult situations can increase learners' success when they encounter them for real. By practising, individuals build their confidence in being able to rise to the challenge. If they practise under pressure and with the opportunity for reflection and feedback, learning is improved.
- Developing 'muscle memory' through practice meant, when participants faced similar scenarios at work, they felt they had the internal resources to cope, as they had experienced them before.
- Moderate levels of stress appeared to enhance cognitive processes and result in longer-lasting learning.
- There is a fine line between 'challenge' and 'threat', so it is critical that experiences happen in a safe and supportive environment.
- The 'happy sheets' that are typically used to evaluate participants' reactions to a programme may give a misleading impression of its effectiveness. Attendees may not appreciate challenging experiences 'in the moment', but if they are well designed they should feel their impact over time.

The study concluded: "Development needs to be hard-hitting, challenging, and present the potential for failure. Carefully taking leaders into the 'stretch' zone raises their heart rate, and improves both their cognitive performance during the experience and their perceived learning from it." (Waller *et al.*, 2014)

5.2

WHAT CAPABILITIES DO LEARNING PROFESSIONALS NEED TODAY?

The learning marketplace is very different from what it was ten years ago, and the capabilities required of learning professionals are also changing.

- **Business acumen.** First and foremost, learning professionals have to understand their business, its strategy, markets and future direction and priorities.
- **Being on the front foot.** Learning needs to be in the game at the start when it comes to strategic change, helping to shape strategy and plans and demonstrating how learning can enable a better outcome. Simply delivering a training programme at the end of a project is not good enough.
- **Consulting skills.** The ability to diagnose situations, ask good questions, contract effectively and manage projects is key.
- **Skilled in organisation, as well as individual development and consultancy.** Learning professionals will need tools, methodologies and skill sets covering all four boxes of the Individual-Organisation/Productive-Generative matrix in chapter 1. They will need to be highly skilled in putting together solutions to help teams and organisations improve performance and develop new capabilities, as well as to help individuals improve.
- **Strategic and analytical thinking.** They need to be able to view issues systemically and identify patterns and trends.
- **Strong external orientation and intellectual curiosity.** The best ideas for learning are highly likely to come from outside the organisation or from related fields. It's also important to understand what's happening among the

organisation's broader market – suppliers, customers, competitors etc.

- **Deep mastery of adult learning theory.** Learning professionals need deep technical mastery of adult learning theory and behaviour change methodologies and expertise, in order to design interventions such as action learning programmes or large group interventions, or use collaborative tools.
- **Partnership management.** Learning professionals are likely to partner with various external organisations at any time. It's important to know how to negotiate, build and maintain good commercial relationships with suppliers.
- **Design and technology skills.** The technical skills required of learning professionals have changed. Learning design in virtual, mobile and social media contexts is very different from the design of classroom-delivered learning. Learning professionals will need to get closer to IT designers and understand concepts such as user-centred design and Agile development methodologies. They need to be able to speak the same language as the people who are building the products they use. Learning professionals need to know their way around the different technical solutions and know what works best in what circumstances.
- **Focused on delivery, learning and continuous improvement.** They need a strong execution orientation, and to be prepared to push themselves to get things done and see things through.

Above all, learning professionals need to show that they are committed to their own development and growth, and role model the right mindset for the rest of the organisation.

06

CONCLUSIONS AND RECOMMENDATIONS

This chapter sets out the key conclusions of our research and highlights recommendations for building the learning capabilities required to deliver future business growth.

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“LEARNING PROFESSIONALS NEED TO DEVELOP THE ABILITY TO CONSULT AT THE STRATEGIC LEVEL INTERNALLY WITH BUSINESS CLIENTS, AND TO INTERPRET BUSINESS CHALLENGES DIRECTLY INTO LEADERSHIP AND LEARNING CHALLENGES. THEY NEED TO BE ABLE TO GUIDE THE BUSINESS AND PUSH BACK WHERE IT’S NEEDED; NOT JUST TAKE ORDERS.”

Michael Chavez, Chief Executive Officer, Duke CE

6.1

CONCLUSIONS

- The ability for organisations – and the people who work in them – to learn fast, adapt and manage change, has never been more important for organisational survival. Organisations that are highly agile are also skilled at learning, experimentation and transferring learning into improved performance. The capacity for learning can be a key competitive differentiator.
- Learning is an important strategic lever that organisations can use to maintain a leading market position. There are examples of organisations that have managed to remain top performers over decades through putting learning at the centre of their operating model. In contrast, there are many examples of once successful organisations going out of business because they have failed to learn from changes going on in their industry and adapt fast enough.
- Learning should be high up the business agenda, and there are indeed examples where CEOs advocate investing in learning as a way of building competitive advantage. Too often, however, learning is hidden away in the HR function, and the people who are responsible for learning lack credibility and influence as business leaders. The Learning function should be an agent of change and performance improvement, leading the way and not just providing a service only when asked.
- In adapting to the challenges of today’s world and carving out a successful future it is important to distinguish the type of learning that is required for success. This is *generative learning* – the type of learning that enables people to come up with ideas for growth and innovation, and make those ideas operationally successful. This is different from *productive learning*, which we argue has been the principal focus of Learning functions in recent years. Productive learning – helping people improve performance in what we already know how to do – is important and valuable, and is critical for continuous improvement and delivering high-quality products and services in a cost-effective way. However, it won’t on its own assure corporate survival in a fast-changing world.
- In the same way that ground-breaking ideas are rarely the product of a single individual, so generative learning needs to happen at a team and organisational level. While you can teach people the skills and mindset required for generative learning, ideas generally come to fruition through teams and organisations working in collaboration. Learning professionals are often primarily focused on helping individual learners improve, whereas what is required for learning and growth to take off is to focus on improving team and organisational learning.
- We have seen much innovation in the learning market in recent years, with the rise of learning technology in particular. This has had profound implications for the Learning function. Learning professionals have moved away from being instructors running internally-developed, classroom-based, face-to-face programmes towards curating content from various internal and external sources. The Learning function has also had to become much more technology savvy.

- A key risk for the Learning function is that it will become 'boxed in' to being just about delivering learning technology platforms and curating content. The real opportunity lies in helping the organisation develop its capacity for learning and growth and, in particular, helping people think about what's happening in the world outside the organisation and what they might need to do to prepare it for the changes and challenges ahead. This requires sophisticated organisation design, development and consultancy skills, which many Learning professionals lack, and requires close collaboration between Learning and Organisation Development professionals and other functions involved in strategy and organisation design. The results of our survey suggest this is not as high up the list of priorities for the Learning and HR functions as it should be.
- We see a trend towards individuals taking greater control of their own learning. We have moved away from learning being prescribed by the organisation or the Learning function towards individuals navigating their own way through both internal and external learning resources that are available to them anywhere and at any time. We think this places an even greater onus on the Learning function to develop expertise in adult learning, so that it can create compelling learning experiences that make it as straightforward as possible for learning to translate into improved work performance.
- Key areas for improvement are aligning the learning strategy to the overall business strategy, and ensuring that key business stakeholders are sufficiently involved in defining and overseeing the implementation of learning strategy. Not enough companies evaluate the impact of learning on business outcomes, and where it does happen the quality of evaluation is generally disappointing. If the Learning function is to have credibility as an enabler of new business strategies, it needs to be able to demonstrate that its activities have a positive influence on business performance.

“ONE WAY FOR THE LEARNING FUNCTION TO RECLAIM LOST GROUND IS TO REFRAME ITSELF AS ORGANISATION DEVELOPMENT. IT’S WHERE LEARNING GETS WOVEN INTO THE IDENTITY OF THE ORGANISATION THAT IT HAS THE GREATEST IMPACT.”

Geoff Stead, Director of Digital, Cambridge English

6.2 RECOMMENDATIONS

1. **Connect learning to business strategy.** Is there a clear mission, strategy and plan for learning in your organisation? Are you clear about the role and purpose of the Learning function in delivering this? Does your organisation have a clear business strategy? How does the learning strategy support delivery of the business strategy?
2. **Be clear about the role of learning in the organisation.** Where is most learning taking place in your organisation today (in the broadest sense, not just learning products that are delivered by the Learning function)? Where should learning be happening in order to deliver future growth plans for the business? What role does/should the Learning function play in making this learning happen?
3. **Rethink learning governance.** Does your current governance structure for learning allow for sufficient dialogue between business and HR/Learning leaders regarding priorities and objectives for learning? How do you get business input into learning plans and strategies?
4. **Get the balance right between generative/productive learning and working on the individual/the organisation.** Think about the CRF Learning Matrix in chapter 1. How does the Learning function split its effort and resources today across the four boxes? Given your organisation’s business challenges, how should the effort be shared across the four boxes? Does the Learning function pay enough attention to building the context for learning as well as the content? Are there gaps or resource imbalances that need to be addressed? In what ways could the Learning function better help the organisation work out answers to the business problems it faces into the future?
5. **Deploy learning technologies and delivery methods appropriately.** Thinking about the learning technologies available in your organisation and the different ways in which learning is delivered, are you clear about which format best suits different learning needs? In what situations is it worth investing in bringing people together? Where you are using online and virtual learning, have you taken care to reformat the content to make it compelling for those media, and reflect how people learn best?
6. **Engage individual learners.** How are you educating your employees about their role in learning – both their own learning and their contribution to building the organisation’s capacity to learn? Is a capacity for learning one of the key characteristics you look for when you hire people into the organisation? Should it be? In what ways do you recognise and reward good learning behaviour?
7. **Equip line managers to support their teams’ learning.** What role do you expect line managers to play in supporting their teams’ learning? Are you selecting and developing line managers with the necessary skills? Do you teach line managers how adults learn – and the actions they can take to create a good environment for learning within their teams? Do you reward and promote managers who are skilled in helping their people grow and develop?
8. **Evaluate.** Do you have a process for evaluating learning? Are you clear about what information key stakeholders need and how you will gather the data?
9. **Invest in the capabilities of the Learning function.** Does the Learning function have the capabilities you will need to deliver your learning strategy? Do you have sufficient organisation development and strategic thinking capability? Do you need to improve the business acumen of Learning professionals? Do your Learning and OD teams collaborate closely enough?
10. **Communicate the priorities and impact of learning, and the tools for learning that are available.** How do you communicate the learning plan to the business? How do you share with learners and line managers what is expected of them with regard to learning, and what tools are available to support them? How do you report back on what is being learned and the impact on business performance?

07

APPENDIX

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7.1

REFERENCES AND READING LIST

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7.2

LEARNING ORGANISATION QUESTIONNAIRE

This diagnostic survey, which you take online, is designed to help you determine how well your company functions as a learning organization. The complete interactive version, available at los.hbs.edu, includes all the self-assessment statements below; they are divided into three sections, each representing one building block of the learning organization. In the first two blocks, your task is to rate, on a seven-point scale, how accurately each statement describes the organizational unit in which you work. In the third block, your task is to rate how often the managers (or manager) to whom you report exemplify the behavior described.

Dynamic scoring online synthesizes your ratings (some are reverse-scored because they reflect undesirable behaviors; these are marked with *) and yields an estimated score for each building block and subcomponent. Synthesized scores are then converted to a zero-to-100 scale for ease of comparison with other people in your unit and other units in your organization. In addition, you can compare your scores with benchmark data that appear online.

BUILDING BLOCK 1:

Supportive Learning Environment

Psychological Safety

In this unit, it is easy to speak up about what is on your mind.

If you make a mistake in this unit, it is often held against you.*

People in this unit are usually comfortable talking about problems and disagreements.

People in this unit are eager to share information about what does and doesn't work.

Keeping your cards close to your vest is the best way to get ahead in this unit.*

Appreciation of Differences

Differences in opinion are welcome in this unit.

Unless an opinion is consistent with what most people in this unit believe, it won't be valued.*

This unit tends to handle differences of opinion privately or off-line, rather than addressing them directly with the group.*

In this unit, people are open to alternative ways of getting work done.

Openness to New Ideas

In this unit, people value new ideas.

Unless an idea has been around for a long time, no one in this unit wants to hear it.*

In this unit, people are interested in better ways of doing things.

In this unit, people often resist untried approaches.*

Time for Reflection

People in this unit are overly stressed.*

Despite the workload, people in this unit find time to review how the work is going.

In this unit, schedule pressure gets in the way of doing a good job.*

In this unit, people are too busy to invest time in improvement.*

There is simply no time for reflection in this unit.*

BUILDING BLOCK 2:

Concrete Learning Processes and Practices

Experimentation

This unit experiments frequently with new ways of working.

This unit experiments frequently with new product or service offerings.

This unit has a formal process for conducting and evaluating experiments or new ideas.

This unit frequently employs prototypes or simulations when trying out new ideas.

Information Collection

This unit systematically collects information on:

- competitors
- customers
- economic and social trends
- technological trends

This unit frequently compares its performance with that of:

- competitors
- best-in-class organizations.

Analysis

This unit engages in productive conflict and debate during discussions.

This unit seeks out dissenting views during discussions.

This unit never revisits well-established perspectives during discussions.*

This unit frequently identifies and discusses underlying assumptions that might affect key decisions.

This unit never pays attention to different views during discussions.*

Education and Training

Newly hired employees in this unit receive adequate training.

Experienced employees in this unit receive:

- periodic training and training updates
- training when switching to a new position
- training when new initiatives are launched.

In this unit, training is valued.

In this unit, time is made available for education and training activities.

Information Transfer

This unit has forums for meeting with and learning from:

- experts from other departments, teams, or divisions
- experts from outside the organization
- customers and clients
- suppliers.

This unit regularly shares information with networks of experts within the organization.

This unit regularly shares information with networks of experts outside the organization.

This unit quickly and accurately communicates new knowledge to key decision makers.

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CORPORATE RESEARCH FORUM

Corporate Research Forum

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