




Insights from CGS

## How to Thrive in the Face of Disruption:


Why High Performing Companies Use Learning and Development as a Driver of Change



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## How to Thrive in the Face of Disruption:

### Why High Performing Companies Use Learning and Development as a Driver of Change

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This type of churn in the economy is nothing new. Businesses ascend. Businesses decline. And employment rises and falls right alongside.

What is new is the unprecedented pace at which change is happening. It makes lifelong learning not just important, but essential to helping organizations cope with yesterday's changes and drive toward tomorrow.

Yet for Learning & Development teams to become drivers of change, they need the support and buy-in of company leadership. Effective leaders understand the value of learning, they're adept at getting out in front of advancing trends and taking advantage of them, and they're seeing results too. According to a recent Harvard Business Review study, 70% of companies that align learning with business priorities are able to improve company revenue.

#### Follow the Leaders: Taking Notes from High Performers

This approach has not caught on with all organizations, but it certainly gets the attention of the successful ones. During a [recent webinar](#), CGS Enterprise Learning and Human Capital Institute asked a panel of learning experts to share their strategies for success. According to Alan Cooper, Associate Dean of Wilmsted School of Business at Adelphi University,

**“If you look at historical data, development/learning is one of the first things to get cut in companies that aren't high performers and the very last thing to get cut in companies that are high performers.”**

High performing companies instill four key principles that transform learning and development from a business cost to a true business driver within their organizations:

- **Align the goals of the organization**, the leadership and those of the workforce
- **Elevate learning programs** as a means to flatten the business hierarchy (so all players see themselves as owners)
- Employ **more effective strategies** for developing and sharing knowledge
- Establish objectives whose results are both **measurable and repeatable**

Plus, when businesses have a culture that values learning as a priority, knowledge flows in both directions- from the top down and from the lower levels up.

It's at these lower levels where the youngest employees, the millennials, have had a big influence. Members of this talented generation are active proponents of the leveling that has spread throughout many of today's most successful organizations.

## Lessons Learned: Tapping into the 'What's In It For Me?' Mindset

Young professionals born in the '80s and '90s, will make up nearly 50% of the workforce by 2020, **but 90% of them do not plan to stay at any given job for more than three years.**

The most frequent job-hoppers of the four generations of employees in today's economy, millennials, see companies less as places to lay down roots than as resources from which they can amass an ever more versatile set of skills.

But this 'what's in it for me' mindset is balanced by a willingness to share knowledge that this generation of workers can uniquely bring to the table. That twin emphasis helps all workers unite behind the importance of learning. As Jennifer Marshalik, Enterprise Learning & Development Manager at Grange Insurance notes, "It teaches people that every bit and every way they learn matters. It helps them deliver at the bottom line, and it plays a role in the company's success." It also helps these younger employees establish a sense of themselves as company owners- the ultimate indicator of a level hierarchy.

The significance of Millennials extends well beyond their numbers in the workforce:

- **Millennials now represent the largest generation in the United States**, comprising roughly one-third of the total population.
- They are the **most diverse and educated generation to date.**
- They represent the generation that will **shape our economy for decades to come.**
- This is the first generation to have **access to the Internet during their formative years.**

The sobering reality is that by job hopping, many young professionals may be making the right moves by looking beyond your organization for their current and future earning potential. The Federal Reserve Bank of New York issued a report discussed in the *Washington Post* which found that "across the board, the bulk of earnings growth happens during the first decade of employees' careers." Economists Fatih Guvenen, Fatih Karahan, Serdar Ozkan and Jae Song studied the career paths of about 5 million workers over nearly 40 years and reported that "the jump in pay could be largely driven by the steep learning curves presented early in your career. "

**Companies that take a strategic approach to nurturing young professionals, making it clear what's in it for them, avoid the high cost of turnover.** Recruiting, training, learning curves - they all add up to 50-200% of base salary to replace an employee. It's inarguably a far better use of those funds to develop promising employees and advance them in your own organization.

## Learning & Development: A Strategic Function

According to a four-year McKinsey & Company study, capability-building is a highly ranked strategic priority for executives. However, many companies are still using the same approaches to learning and skill development that they were using back in 2010.

Asked to list the two most notable challenges in their capability-building programs, executives report a lack of learning-related metrics and difficulty ensuring the continuous improvement of skills as the most pressing issues.

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Organizations that rate themselves as effective at capability-building, however, present a few best practices:

- Much likelier than others to sustain capabilities over time
- Link learning to company performance as an integral part of capability-building programs
- Use more methods than others to develop employee skills – digital, social, instructor-led
- Shared ownership between human-resources functions and businesses around learning
- Use metrics to assess the impact of their programs on the business
- Report more success at meeting their programs’ targets

The strategic importance of capabilities is apparent around the globe: Half of all executive respondents in 2014, say capability building is at least a top-two priority at their companies.

### Success Stories: Driving Business Results with Digital Learning Analytics

Savvy learning professionals are using digital strategies to share knowledge with and between employees via virtual classrooms, online learning, video storytelling, blended learning, app development, social engagement, mobile and so much more.

Examples of how this works in practice include the efforts of one of the largest telecommunications companies in the world to transform their onboarding process for call center employees to a fully-digital, self-paced virtual learning experience with personal coaches. Beyond simply reducing onboarding costs, the digital metrics and analytics provide essential insight for adapting the learning experience and, more valuably, identifying high performance characteristics to look for in future job candidates.

Then there’s the Fortune 500 company that hosted a global virtual conference to help their sales force and partners learn how to sell the technologies created by several of their newest acquisitions. The leading-edge learning solution--virtual pedestals, downloadable content, virtual labs configured with “real world” software scenarios, webinars, e-learning and coaching--was essential to core learning and social networking between participants. However, gaining buy-in and ensuring participation worldwide was essential to leading change. By leveraging rich media videos, messaging aimed at individualized buy-in and an outreach campaign, the client reached their goals of building global awareness and increasing in sales.

For most companies today, the need to adapt to changing business dynamics and customer needs is continuous. Some of the more successful client organizations are those that are able to establish a vision, set interim goals and blend formal and informal training and provide a continuous learning framework that allows them to rapidly meet the needs of employees, partners and customers.

Leveraging social models, such as discussion boards, rating systems and tagging, where possible is helping them to foster rapid collaboration and knowledge sharing. The ability to track the digital data spectrum from simple accesses to how much learners like the content, to behaviors demonstrated to virtual coaches and by video, to alignment with business goals, initiatives and tactics provides an unprecedented ability to adapt to change.

Typically, the success stories produced by effective learning strategies are not as cut and dry. And that lack of clarity is just one reason so many in the learning and development community are pushing to develop better analytics for measuring the success of their programs.

The strategic importance of capabilities is apparent.

When asked in 2014, 50% of all executives surveyed placed **CAPABILITIES BUILDING** as a **TOP 2 PRIORITY** at their companies.

The goal is to collect meaningful data that allows them, in the words of Adobe's Mass, to "course correct in real time," effectively turning the process into what Mass has dubbed learning forensics. "We've got to have the end in mind of anything that we produce, whether it's a document, a classroom experience, or a virtual one."

Grange's Marshalik agrees. "What gets measured, gets done," she says. "So you have to be able to look back and say 'Here's what we expected of you. How did you perform? What are you doing really well that will, in turn, lead to engagement and retention?'" Her focus is always from the standpoint of communicating what is expected from the teaching experience and holding people accountable.

In the words of Dr. Cooper it's all about, "**Outcomes, outcomes, outcomes...**" "If you have good outcomes," he says, "you show that the knowledge employees are gaining by being in your programs is changing their behaviors and increasing their value to the company."

When word about those small measurable successes spreads throughout a company, it creates the enthusiasm to learn more. That's why Elizabeth Woodward, Senior Manager of Learning Programs at CGS suggests starting small. "Start with a pilot," she says, "so that other people get a chance to see what that success looks like. Because if you have a team embracing this change, and sharing demonstrable results with their colleagues, peers and others, it makes people take notice. And, that ignites the match that spreads throughout the organization."

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is its **GREATEST ASSET**.

And how its Learning Programs enable that ability, speaks volumes about leadership's attitude toward change.

Woodward likens learning's effect on company behavior and results to "a drumbeat of incremental change that builds toward a larger transformational effort." This transformation results in a more cohesive business organization in which everyone drives change together. Through their active knowledge sharing, team members become more fully invested in the company's strategic goals. This not only makes the achievement of those goals more likely, it instills a greater sense of ownership in these high-value employees, making retention a lot easier too.

A company's ability to adapt its greatest asset. And how its learning programs enable that ability, speaks volumes about leadership's attitude toward change. If the approach is passive and rigidly hierarchical, the company won't have the agility to adapt to market dynamics. However, if learning and development is seen as an essential pillar of the organization, change becomes something less to be feared, and more a force to be harnessed and driven to the next level of success. **CGS**

