The Growth of Informal Learning & the Opportunity It Creates

Exploring the fast-growing landscape of lifelong learning and how it is impacting the corporate learning environment

Contents

> Learning is now a lifelong requirement and with that there comes a need to record an individual's experiences and progress' beyond school or college.

EdTech Europe

Introduction

A drastic change is happening in the way individuals learn. As learners pursue lifelong knowledge, reliance on formal learning—a traditionally-structured model where individuals follow a stated curriculum and complete tasks assigned by others—is declining in favor of informal learning. This non-traditional learning is more open, takes place in an educational ecosystem accessible to all, and gives individuals the control over their own learning.

This shift in learning isn't happening just in education; it's happening in the business world as well. As technology allows for a more open distribution of knowledge, businesses have more options—and opportunities—than ever when it comes to the training and development of their team members.

Formal vs. Informal

While traditional education is still prominent for many after high school, the tide seems to be turning for both job seekers and employers looking for more flexible, relevant, efficient learning solutions. Peter Senge, from the MIT Sloan School of Management, said "the only sustainable competitive advantage is your organization's ability to learn faster than the competition." Co-chairman at Deloitte's LLP Center for the Edge, John Hagel III, suggests flexible learning is increasingly a driver in the growth outlook of any organization, and that "in the context of a world where scalable learning becomes the critical factor for success, Chief Learning Officers who get this right have the opportunity to become the next CEO of the company" (Work). And from the macro trend perspective, demand for informal learning has increased in demand as:

Organizations are increasingly geographically dispersed

Technology allows for a growing number of employees to work remotely

One articulation of the shift away from formal education comes from Mark Cuban, a billionaire businessman and EdTech investor, explains: "As an employer I want the best prepared and qualified employees. I could care less if the source of their education was accredited by a bunch of old men and women who think they know what is best for the world. I want people who can do the job. I want best and brightest. Not a piece of paper."

> # I want people who can do the job. I want the best and brightest. Not a piece of paper.
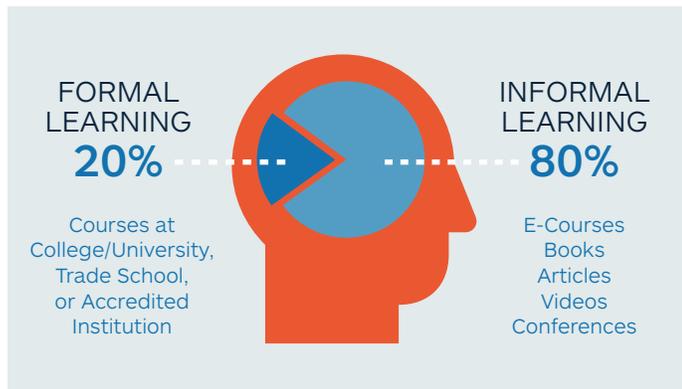>
> Mark Cuban

To attract and retain the "best and brightest", there is a greater need for employers to create an atmosphere where continued learning and development can take place. Informal learning provides that solution because it allows for:

❖ **Flexibility:** Individuals can have the ability to learn at their convenience

❖ **Relevancy:** Individuals themselves determine the path and focus of their learning

❖ **Efficiency:** Organizations can spend less money and time on ineffective employee training

However, informal learning often goes unrecognized. Today, nearly all informal learning is not being adequately tracked or accredited in a way that is comprehensible and valuable to individuals and organizations. As a result, a significant portion of learning is not accounted for, and it needs to be.

Informal Learning Today

As learning resources increase and become more accessible, the amount of informal learning occurring also increases. However, little information is available about how much informal learning takes place at the individual level. Many cite the statistic that 80% of an individual's learning is informal while the other 20% is formal (The True)(Amount).

FORMAL LEARNING **20%**
Courses at College/University, Trade School, or Accredited Institution

INFORMAL LEARNING **80%**
E-Courses
Books
Articles
Videos
Conferences

At the organizational level, more information is available. A study by Bersin & Associates found that learning organizations were (Top 10):

46% more likely to be the leader in their industry

34% in increased ability to respond to the needs of the customer

17% more likely to become the market share leader

While these figures illustrate the impact a learning culture within an organization can have, they don't account for the time spent on informal learning or explain its added value in terms of knowledge and skills gained at an individual level. This gap highlights the need for informal learning tracking methods. Several tracking methods have been suggested, including:

◆ **Surveys asking employees about their experiences (How)**

◆ **Assessments that measure how much employees absorb from informal learning**

◆ **Worker productivity comparisons that measure how much workers are able to achieve on their own with informal versus formal learning (Fuller)**

◆ **"User generated input" (Spiro) tracking that measures the content (article, video, etc.) individuals add to a system**

The rise of the MOOC

While the tracking of informal learning is underdeveloped, organizations that facilitate informal learning are growing exponentially. These informal learning programs are often referred to as MOOCs or massively open online courses (open refers to the content being reusable).

MOOCs started around 2008 when two educators, George Siemens and Stephen Downes, launched Connectivism and Connective Knowledge, an online course where "anyone could join, modify or remix the content" (Marques). Later in 2012, Stanford professors

Sebastian Thrun and Peter Norvig launched a free online course about artificial intelligence. After 160,000 students signed up for the course, Thrun and Norvig became motivated to launch Udacity, an online platform for free courses.

The development of Udacity spurred the launch of many more MOOC providers, including Coursera, EdX, Udemy, Curious, Open Sesame, et al. Beyond just individuals using these sites, organizations have begun using them for training and development. This transition in usage led to a surge in the growth of online learning platforms as evidenced by venture financing from 2013-2014:

Udemy – raised $32 million (Udemy)

Lynda - raised $103 million (Lynda)

Plural Sight - raised $135 million (Plural Sight)

Curious – raised $15 million (Curious)

Open Sesame – raised $8 million (Rogoway)

Moreover, the number of courses offered by MOOC providers has increased from "100 MOOCs in 2012 to almost 700 starting in 2013, with an average of nearly two new MOOCs starting every day" (MOOCs). These figures are extremely high not only for education but for any industry.

Similar to how news underwent a shift with the advent of blogs in 2001, training content is experiencing a shift with the growing presence and impact of informal learning. Developments in technology make it possible for subject matter experts to create learning content. This content is increasingly specialized, allowing for very targeted audiences, skills, and learning. The emergence in MOOCs as a category is spurring growth of accessible learning resources and encouraging organizations to focus on informal learning, new forms of training, and chief learning officers as drivers of success.

However, a major question remains: with these transitions, how can organizations leverage resources in a way that tracks learning and keeps individuals engaged? While MOOCs increase the accessibility of online courses, they have higher drop out rates than traditional education, and tracking, accrediting and making the training shareable and comprehensible to others is a need.

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Quantity vs. Quality

One of the biggest paradoxes facing the growth of informal learning is that as the amount of available learning options and number of courses increases, individual learners must filter through an ever growing pool of options to find the right solutions for his learning needs. The retail industry has faced a similar challenge, and wholesale giant Costco has found a successful answer. Compared to other mass-market retailers "Costco tries to act as a curator of great values" (Lutz) by filtering products for consumers. Interestingly, "a typical Costco only stocks about 4,000 different items, a fraction of the 50,000 at a typical supermarket or the 100,000 at the average Wal-Mart" (Logan).

WALMART	SUPERMARKET	FILTER	COSTCO
100,000	50,000		4,000
products	products		products

■ = 1,000 products

This initially seems like a disadvantage, but filtering options is the key to Costco's success, and it helps to avoid what is referred to in the retail industry as customer "analysis paralysis." People prefer a filtered selection; it gives them the ability to find the best content in the right amount at a convenient moment. For example, a marketing research study found "if you offer 24 different types of jellies, you're not to going to sell as many as if you offer them six" (Logan). Costco acts as a filter that allows individuals to be more productive, which increases the organization's sales.

While Costco's solution relates to maximizing profit in mass-market retail, its concept can also be applied to informal learning. Filtering informal learning resources to provide the most relevant and interesting information to individuals is the key to deriving the greatest benefit. Moreover, providing a form of accreditation for this informal learning is necessary to track individuals' knowledge and make it shareable with the larger community.

Edtech Europe, a group co-founded by IBIS Capital, predicts these changes in tracking and accrediting informal learning will occur in 2014. They note three new introductions of significance in the education space that will change the learning landscape. First, there are more tracking methods than ever. And now that "learning is now a lifelong requirement" and with that there "comes a need to record an individual's experiences and progress"(12) beyond school or college. Second, shareable quantification methods for informal learning are becoming more prominent and used. And third, there is "greater focus on rewards, certificates, and accreditation"(12).

One challenge that exists in both e-learning and informal learning is the inability to accredit learning in "an effective and useful way to the consumer" (12). Furthermore, providing credits to reward informal learning might also be a solution to leveraging the learning resources in a way that keeps people engaged.

Ideal Conditions for Informal Learning Platforms

It is important to consider the ideal conditions and goals for lifelong informal learning, such as:

✦ **Filtering information to make it relevant and beneficial to the user's needs, work, and interests (in a similar way to Costco).**

✦ **Providing a tracking or measuring mechanism, which allows for the cost, benefit, and ROI of informal learning to be analyzed.**

✦ **Ensuring effective use of time, resources, and money spent on training and development programs in organizations.**

Many organizations spend millions of dollars on training programs for their employees. For example, "in 2012 U.S. companies spent an average of $706 per learner" (Press).

✦ **Creating personal motivation to learn**

degreed.

Jailbreaking the Degree

Many people define their education in terms of college degrees. However, degrees fail to measure the totality of an individual's learning. Resources available today make learning possible long after school or college, and degrees do not come close to credentialing those lifelong learning experiences. Degreed, an online learning platform that helps you track, organize, share, and validate all of a person's academic, professional and informal learning, achieves many of these ideal conditions. The idea, explains CEO David Blake, is to "jailbreak the degree".

ORGANIZE   TRACK   SHARE   VALIDATE
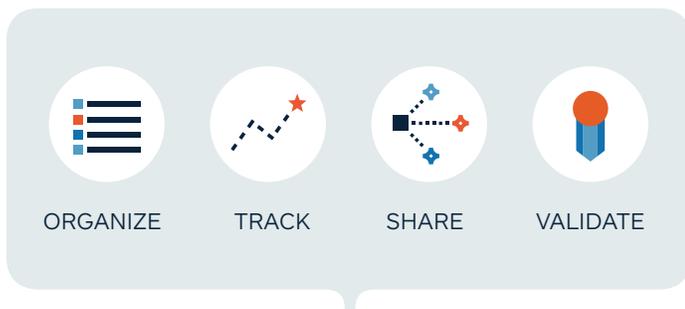
Degreed then uses that information to help make the disparate world of education something that's easily understood by employers and others. The insights Degreed gathers are used to match individuals with the best learning resources in the world: courses, articles, conferences, videos, books, professional certifications, etc. Moreover, Degreed extends that information to an organizational level by helping organizations track everything their have learned. Organizations can set goals, track learning across all employees, and measure spending back to the skills gained. This allows organizations to create continual

learning paths for employees for their continued personal and professional growth, and contribution to the organization. By doing so, "Degreed turns education into actionable data predictive of success" explains Dave Ulrich, a business professor at the University of Michigan and co-founder of the RBL group.

Additionally, organizations that use Degreed are able to facilitate a bottoms up rather than a top down approach. The more individuals use Degreed, the more insights employers gain about what employees know, and the more organizations benefit from their investment in Degreed. In this way, Degreed is able to adapt and evolve alongside individuals and organizations based on their needs. What's more, Degreed unlocks the explosion of e-learning resources that have hit the web in the last few years.

The unparalleled insights Degreed provides about employees' knowledge allows organizations to always maximize time and training while avoiding inefficient spending and managing diverse learning platforms.

Degreed turns education into actionable data predictive of success.

Dave Ulrich
HR Magazine's #1 most influential
thought leader worldwide in HR

Conclusions

As we've laid out in this paper, the explosion of free-and-low-cost-but-high-quality learning resources in an increasingly connected world will undeniably have an effect on a company's learning and development in the coming years. As businesses move to embrace the challenges of this changing educational landscape, they will also find themselves with the opportunity to cultivate a culture of learning, dramatically improve their learning and development ROI, and most importantly, show improved perfomance from their team members.

Find out how Degreed can help you empower your employees and leverage ALL their learning.
Learn more at get.degreed.com or call us (415) 935-3543.

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