HOW the WORKFORCE LEARNS

degreed. + Harvard Business Publishing Corporate Learning

LEARNING ALONE DOESN'T DRIVE BUSINESS FORWARD. SKILLS DO.

introduction

Eight out of ten CEOs say skill shortages threaten their companies' growth.[1] These shortages are stunting innovation, hurting quality, and limiting the pursuit of market opportunities.

Learning and development (L&D) teams are expected to provide answers. The problem is that traditional approaches — which largely rely on live classroom training and online courses — are missing the mark.

To better understand the challenges and help form more effective strategies, Degreed and *Harvard Business Publishing Corporate Learning* surveyed 772 executives, managers, and employees from all over the globe. We collected data on how they're learning, what factors are limiting their growth, and what support they want from their organizations.

In this report, we'll share these findings and offer three solutions to keep your skills in sync with your growth.

1 PricewaterhouseCoopers, 22nd Annual Global CEO Survey, 1/2019

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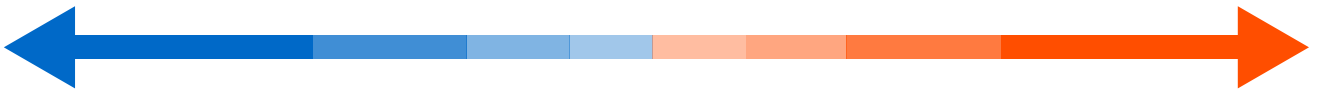
1 *skills put learning to work*

SKILLING VS LEARNING

The disconnect between C-suite executives and enterprise learning strategies often comes down to impact. Executives look for measurable impact, but many L&D leaders are still focusing on knowledge retention, course completion, and satisfaction surveys — learning.

To better tie learning strategies and investments to meaningful business results, the most progressive business leaders are beginning to make a distinction between learning and skilling.



Learning is about information transfer and retention, not necessarily application and impact. If knowledge is transferred, learning is happening, even if it doesn't solve any particular problem.

Skilling is the transfer of knowledge with an intent to bring impact through behaviors and actions on the job. When people are able to apply knowledge to address specific issues, they are using their skills.

Learning, while comprehensive, is fleeting if left unapplied; skilling is targeted and purposeful. Skills can be benchmarked, quantified, and analyzed. Today's business world is always changing. It requires continuous upskilling and reskilling focused on growth, not just learning.

This difference can be crucial for workers and companies, just ask Kraft-Heinz. The food giant spent the last few years squeezing cost efficiencies out of its operations while neglecting the skills it needs to excite customers and retailers — innovation, marketing, and merchandising. Meanwhile, its sales have gone backward by $229 million since 2016 and executives recently lowered their forecast for future profits by 25%.

Learning will always be the cornerstone of these strategies, but right now, building skills is what's most urgent. The World Economic Forum expects more than half the global workforce will need new skills in the next five years.[2] But doing that requires fundamentally different approaches to learning and development.

THIS IS THE MOMENT WE'VE ALL BEEN WAITING FOR

54%

of the workforce will require significant upskilling and reskilling within the next five years.

80%

of business leaders believe more innovation is needed in learning and development.[3]

2 World Economic Forum, The Future of Jobs Report, 9/2018

3 Harvard Business Publishing Corporate Learning, The State of Leadership Development: Meeting the Transformation Imperative, 4/2018

2 L&D isn't working for the workforce

Many L&D teams say they put workers at the center of their plans but our data shows that this isn't the case — it's much easier said than done.

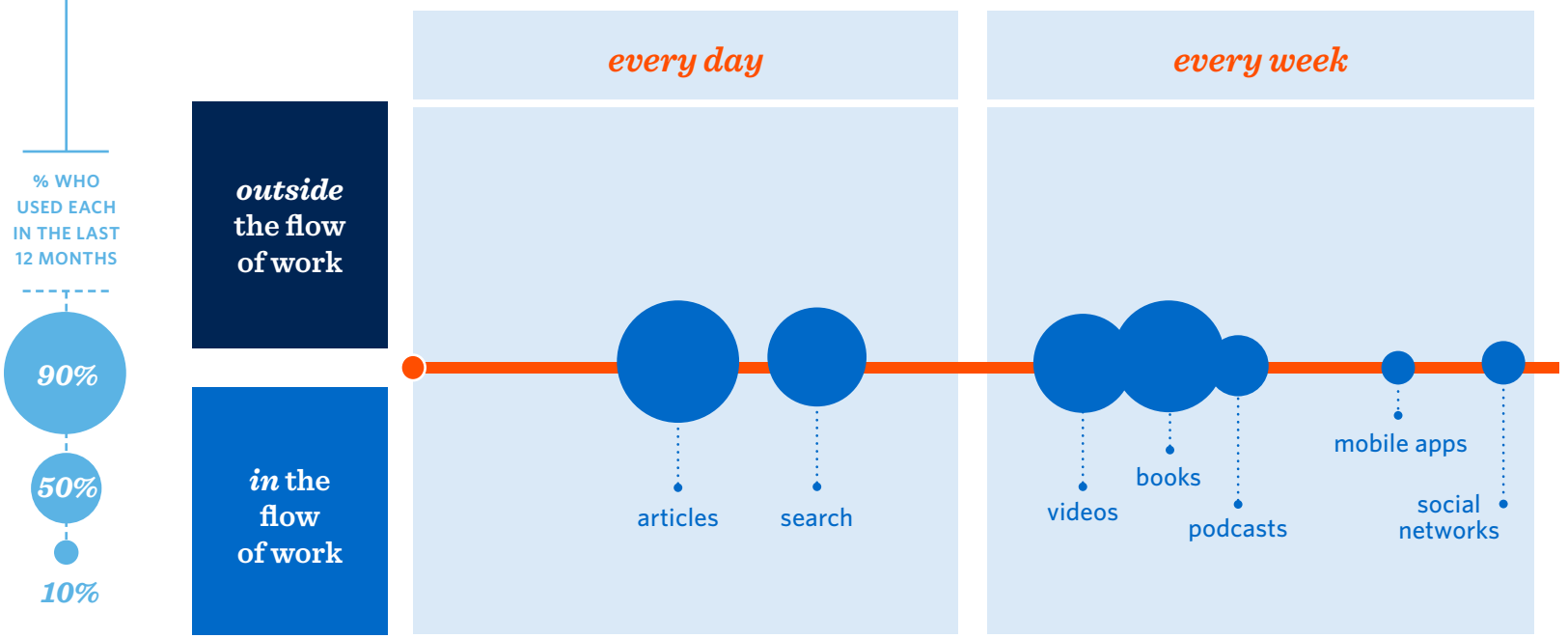
Our researchers asked people about the L&D opportunities at their organizations, and the results are alarming. We found that the Net Promoter Score (NPS) for learning and development across organizations is -25.

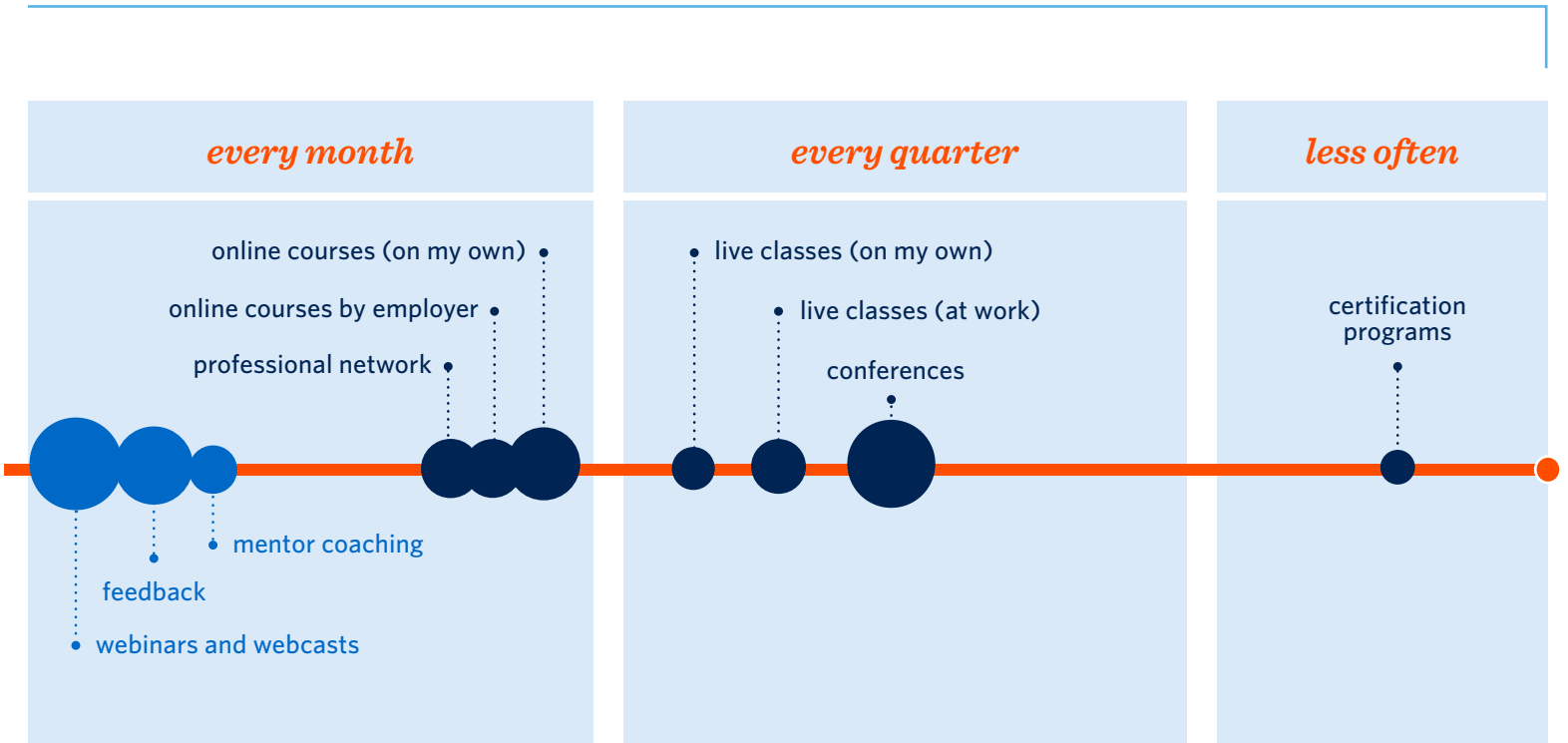
DOES YOUR LEARNING *WORK* FOR YOUR WORKFORCE?

Champions are needed. Only one out of every five people are promoters for their organization's L&D, while nearly half are detractors. The least satisfied are employees in non-management positions, who give L&D an NPS of -33. The most satisfied respondents were those who work in HR.

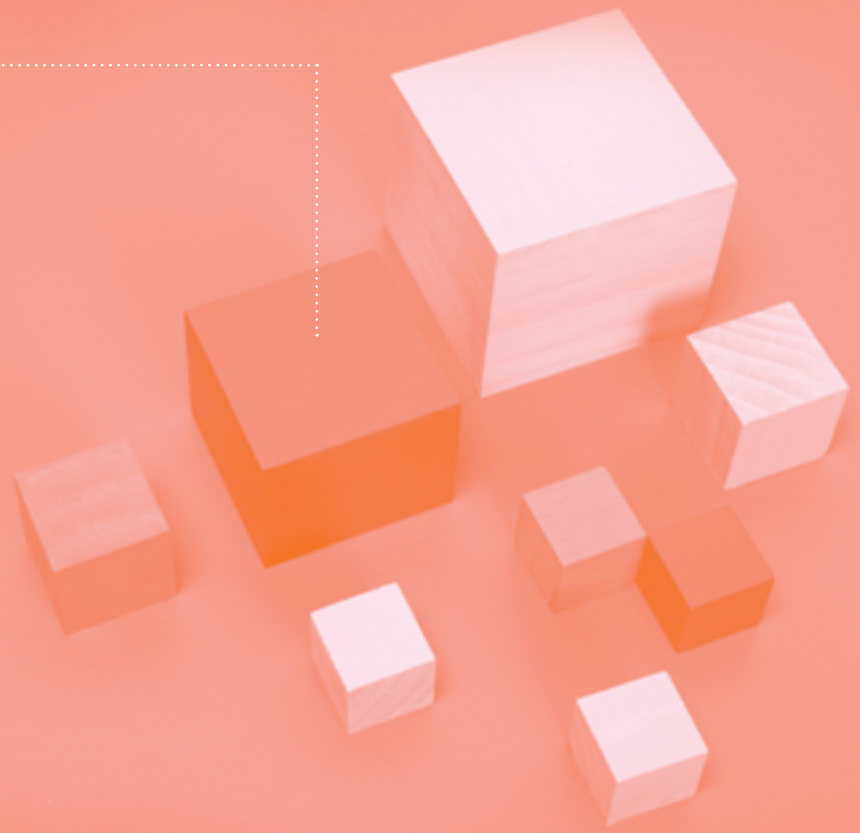
The low scores indicate that our respondents are either unaware of their companies' learning opportunities, or the right opportunities are simply not offered. Instead, people are pursuing independent learning activities to fill in the gaps for themselves:

HOW THE WORKFORCE *REALLY* LEARNS




every month
every quarter
less often
online courses (on my own)
online courses by employer
professional network
mentor coaching
feedback
webinars and webcasts
live classes (on my own)
live classes (at work)
conferences
certification programs

Our data shows that people are constantly reading, searching, listening, and watching in the flow of work. However, the disconnect between these independent learning activities and enterprise L&D efforts means limited visibility into which skills employees have and which ones they are working to build. Without this detailed data on learning behaviors and objectives, leaders can only provide standardized — and largely ineffective — corporate L&D strategies.



The most advanced L&D teams put these independent, unscheduled learning activities at the center of their strategies. They are data-driven, leveraging informal learning to upgrade capabilities continuously, and aligning that informal learning to business objectives.

Even though most organizations are behind on skills initiatives, the workforce is not waiting around. Workers are painfully aware that today's skills have an expiration date. Gartner research shows only 20% of workers are confident they have the skills they need for the future.[4]

This data exposes several opportunities for L&D to better connect with the workforce by offering the right opportunities for everyone. This will entail three strategic shifts for L&D professionals:

1. ***Lean into how learning actually happens.***
2. ***Commit to the new fundamentals of L&D.***
3. ***Make the shift from learning to skilling.***

4 Gartner, Shifting Skills Survey, 9/2018

3 *lean into how learning actually happens*

Classrooms and curricula are a huge part of organizations' L&D offerings and budget spend, but they're just a small part of how workers, managers, and executives actually build their skills over time.

Just 50% of our respondents took any kind of live class or online course last year. Those who did only did so every three or four months. So this begs the question, if they're not in class, how is the workforce actually learning?

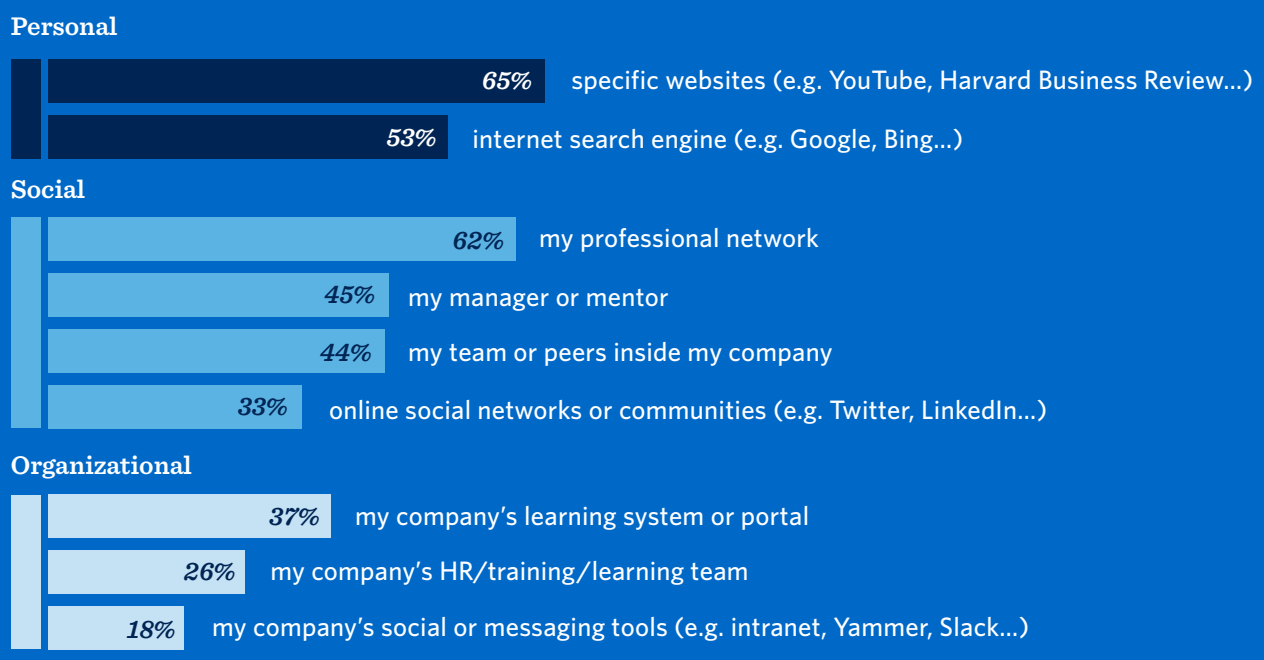
PERSONALLY AND SOCIALLY

Most learning happens independently or with close colleagues. Organizations' official offerings are used much less.

Accordingly, the most enlightened L&D teams focus on connecting people with the right resources — content, colleagues, and insights — not just delivering classes, courses, and programs. They create the conditions for learning, not only the general structure.

THE WORKFORCE DECIDES *WHERE* THEY LEARN

Which of the following did you consult for guidance or recommendations when you needed to learn something for your job or career last year?



THROUGH THE RIGHT TOOLS

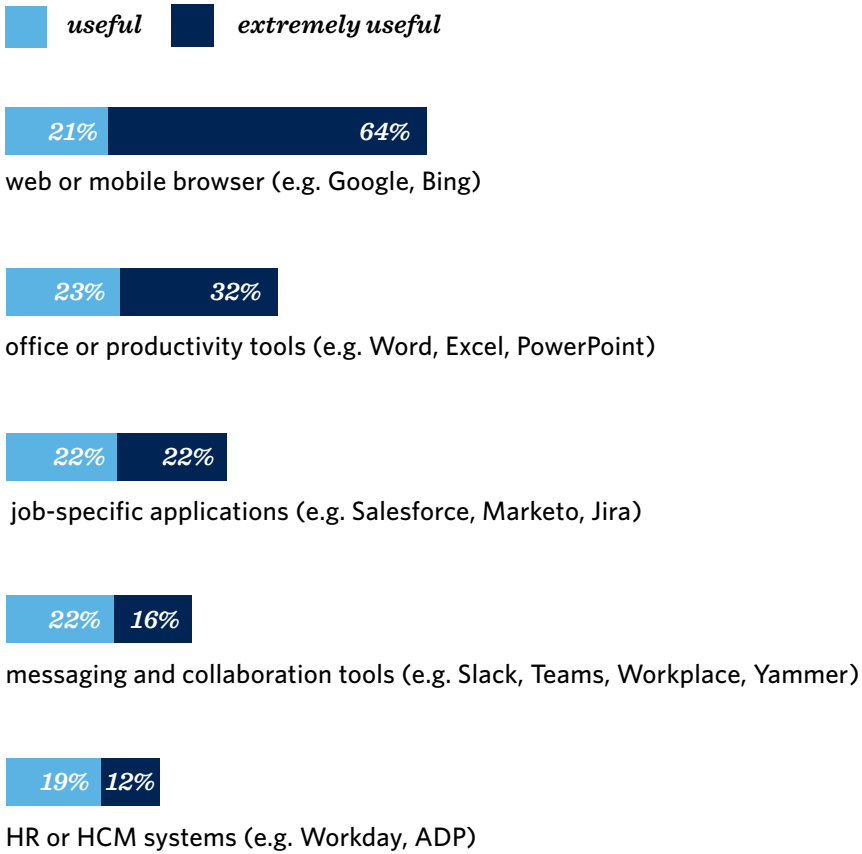
Learning can happen anywhere, not only in stand-alone apps. But our data shows that some tools are better for learning than others.

People want learning integrated into their web browsers and office software. They are less interested in learning within collaboration tools like Microsoft Teams or HR systems like Workday.

Sometimes people just want to get things done. The smartest L&D teams will note the difference and integrate accordingly.

WORKPLACE TOOLS CAN ALSO PROVIDE *GUIDANCE*

How useful would it be to have access to recommended learning resources while you are working in the following software?



the value of getting it right

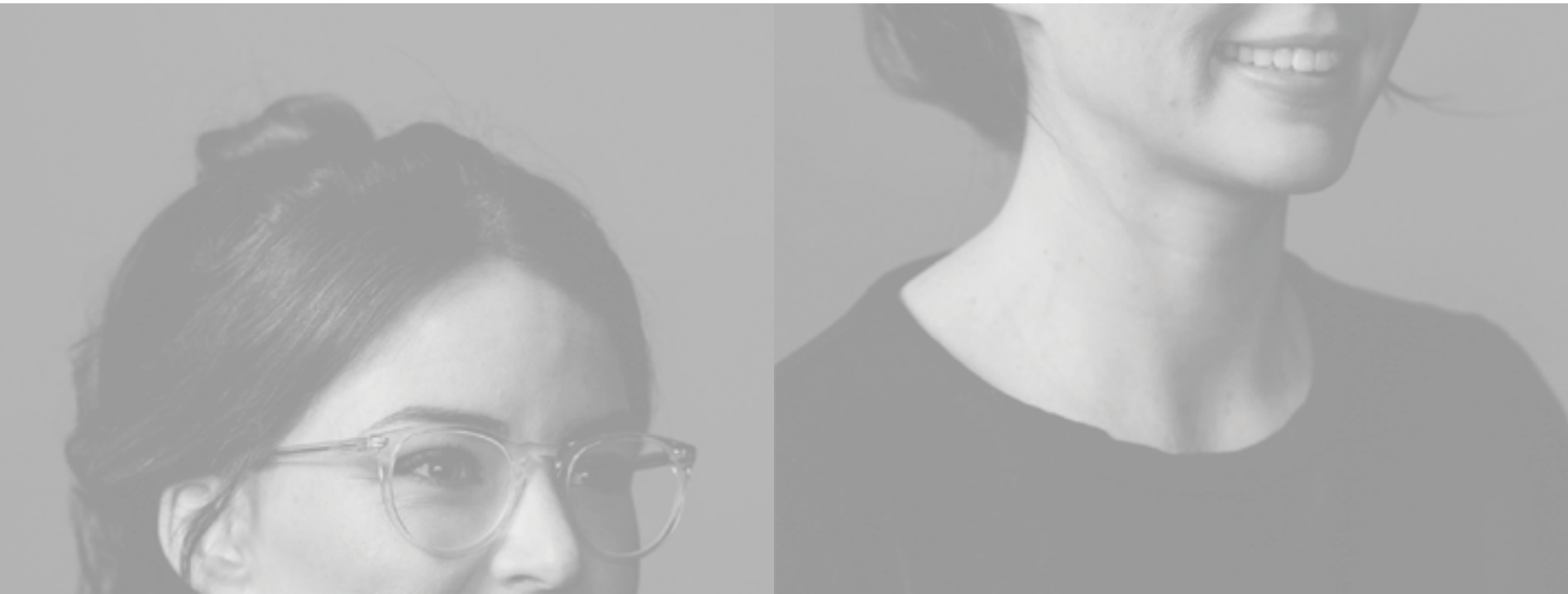
BOOST UTILIZATION: Promoters of their companies' L&D strategies are 3.9x more likely to consult their talent development teams and 2.4x more likely to use their organizations' learning systems.

BOTTOM LINE: *The more utilization, the more efficient L&D becomes.* Companies can get more out of the assets they've already paid for by leaning into how learning actually happens.

4 commit to the new fundamentals of L&D

The game has changed. L&D departments were not initially designed for today's habits — learning independently and incrementally, through multimedia, professional networks, and workplace tools.

Top L&D teams are revising their assumptions about how to support learning. They're listening to what the workforce wants and making three fundamental adaptations:



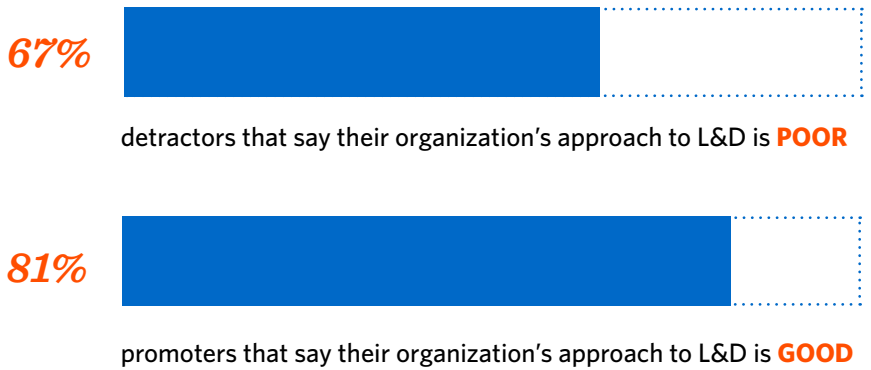
FROM MANAGING LEARNING TO EMPOWERING DEVELOPMENT

In our survey, two-thirds of detractors disliked their organization's approach to L&D. They criticized unclear priorities, inadequate investment, and inconsistent, limited opportunities.

Among promoters, though, 81% of comments praised their firms' L&D strategies. They cited more thoughtful planning and more relevant and diverse opportunities.

What explains the difference? For detractors, learning is exclusive, managed from the top down. For promoters, learning is empowering and inclusive.

IT'S ALL IN YOUR *APPROACH*



Customized to my professional needs. It isn't...just to fulfill HR's goals.

There is an incredible degree of investment across the entire organization.

Learning is offered at all levels and is tailored to individual needs.

what promoters say

Designed specifically to be in line with my professional development needs and relevant to my work.

My employer invests constantly in my development and learning.

We have a real focus on growth, both as a company and individuals.

HR is providing this with a tick-the-box attitude rather than a vision of employees' skillset growth.

Plans are designed to optimize cost and maximize reach — it makes sense from an HR point of view, but quality and value are scarce.

We place value on development but lack a clear process and initiative.

They do not regard people as critical to the organization's success.

what detractors say

Learning and development opportunities seem very fragmented and lack coordination.

Leaning into the ways that employees are already learning every day will allow more visibility into how, what, and when they're building their skills. This is why top L&D teams are putting their employees into the driver's seat and allowing them the autonomy to pursue the skills they need.

FROM CREATING CONTENT TO CREATING CONDITIONS

Nearly half of the workforce says the biggest constraint on their learning is *time*. They also report that 86% of learning happens in short bursts of 45 minutes or less.

In the past, L&D created content for a captive audience. Those days are over. Workers don't have time, and there are plenty of useful resources that employees come into contact with every day through recommendations, searches, or manager feedback.

Instead of creating more *content* for learning, innovative L&D leaders are creating the *conditions* for learning. They embed more learning into the flow of work to make skill development part of everyday routines. They focus on building consistent learning habits and providing better tools to support those habits.

TIME IS NOT THE ONLY CHALLENGE

What are your biggest obstacles to job-related learning or professional development?

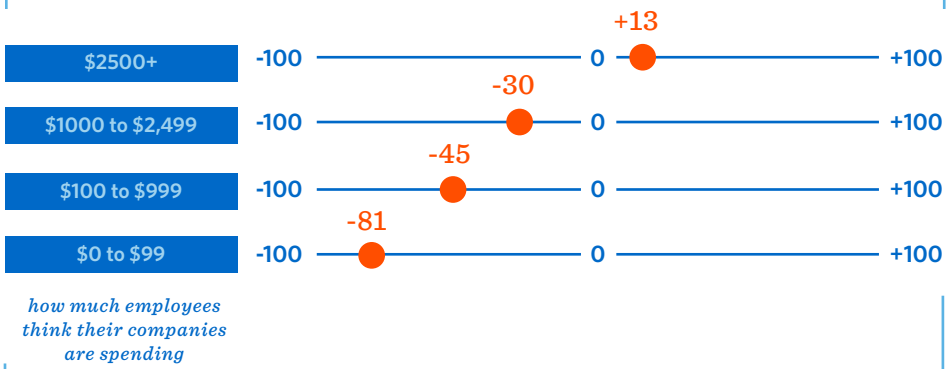
FROM ALL-IN-ONE SYSTEMS TO INTEGRATED ECOSYSTEMS

Our research indicates that people who feel like their employers invest more in their development tend to be more satisfied with L&D. So how can L&D make people feel these investments with limited budgets?

One key is more guidance and resources (not simply more money). Our data shows that people learn through a diverse array of channels and formats. It also shows that, by providing a wide variety of learning opportunities, including articles, videos, podcasts, on-the-job projects, career guidance, and coaching, you can make people feel learning and skill development more consistently.

MAKE PEOPLE *FEEL* IT

Roughly how much money do you think your company invested in your individual training and development last year?



A more diverse L&D ecosystem — a network of the right tools, content, insights, and people — better enables employees to make learning part of their routines every day and every week. Give them options to pursue the skills they need to build in a way that works for them.

the value of getting it right

BOOST RETENTION: Promoters are 21% less likely to have left their organizations for a new role in the last five years.

Keeping people feels good, but this isn't only about feelings. It's about impact. According to the Work Institute, the cost of voluntary employee turnover is roughly 33% of the employee's annual salary. [5]

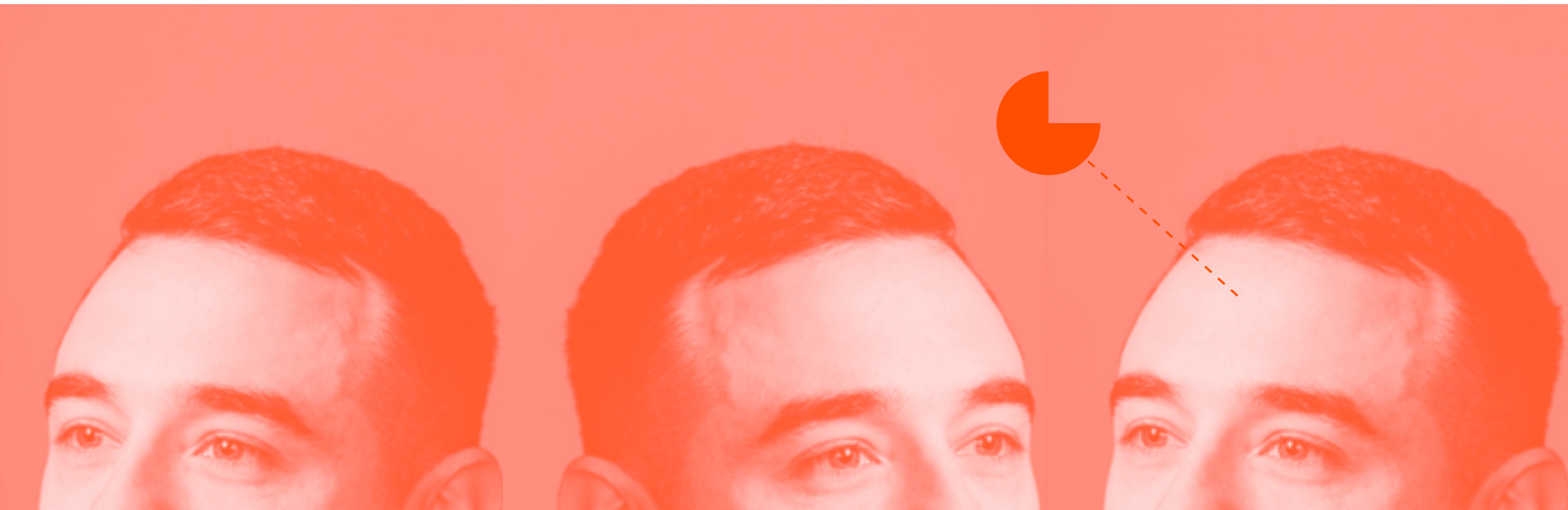
(5) Sears, 2017 Retention Report, Work Institute

5 *shift from learning to skilling*

ALIGN LEARNING TO GAPS

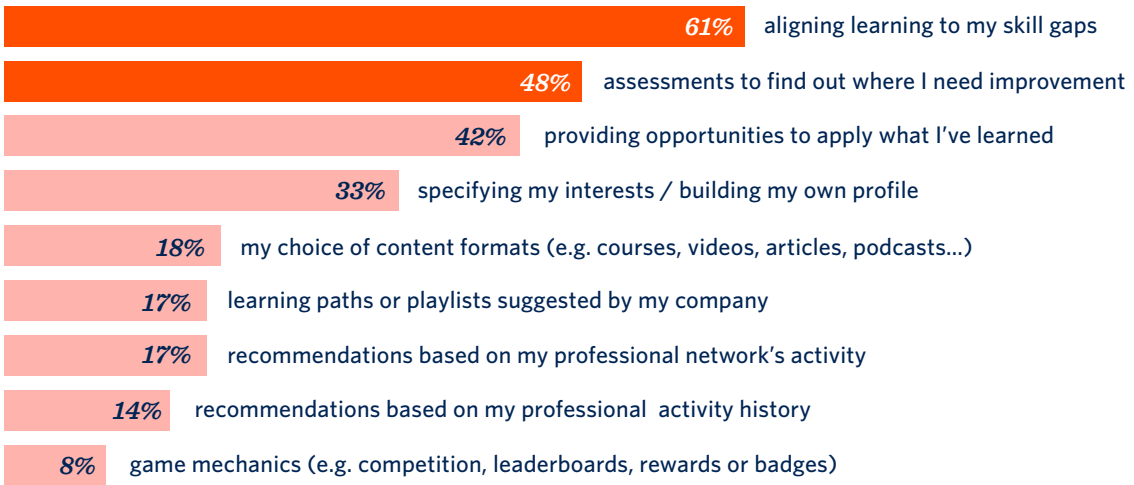
Let's be honest: People are motivated to learn mostly for personal gain. This motivation is among the most powerful drivers of employee engagement. So when we asked how L&D could be most helpful, respondents replied loud and clear:

- ***Assessments to find out where I need improvement. (48%)***
- ***Aligning learning to my skill gaps. (61%)***



THE WORKFORCE WANTS GUIDANCE ON *WHAT TO LEARN*

Which of the following would be most helpful in making your learning more relevent to your job or career goals?



Top L&D teams offer short, simple assessments to help people understand what skills they need to fill important roles, to stay ahead of disruption, and to reach both personal and business goals.

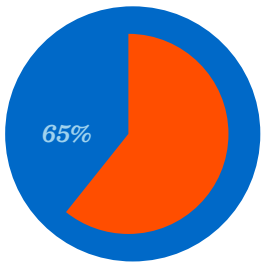
After individual assessments and benchmarking, these leading L&D teams align their workers' skill-building to larger organizational goals.

GUIDE, ENABLE, REWARD

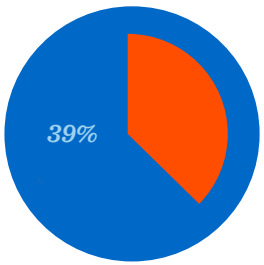
Easy as 1, 2, 3. Even when showing great initiative, workers still need guidance. Our survey shows that encouragement, recognition, and direction are in short supply.

Improving management habits is a huge opportunity for L&D. An annual performance review is not enough guidance. Workforces thrive when managers give learning recommendations, open up development opportunities, and agree on relevant goals for upskilling.

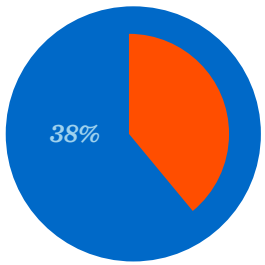
MANAGERS *DON'T* PROVIDE CONSISTENT GUIDANCE OR SUPPORT



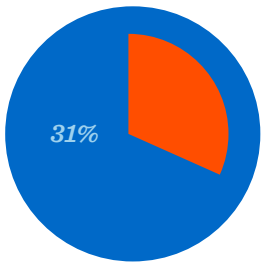
held an annual performance review



gave regular feedback on performance or skills



conducted periodic check-ins



offered projects or other development opportunities

the value of getting it right

BOOST AGILITY & PERFORMANCE:
Promoters are 27% more likely to have moved into a new role on another team and 28% more likely to have earned a promotion in the last three years.

Flexibility and promotions are good indicators of individual performance. Plus, they also signal a healthy, agile organization. McKinsey's research finds companies that reallocate talent dynamically also perform better financially.

6 *ready to put learning and skills to work?*

To stay ahead of disruptions and seize opportunities, the most advanced L&D teams make sure learning is ***more than just content*** and ***more than a one-size-fits-all experience.***

Effectively building the skills to grow and create value requires an expansion of the current data set many organizations use today. It requires evolving data that takes into account when, where, how, and what employees are learning.

It's finally our time. Now that skills are a top concern for CEOs, L&D leaders have a chance to transform their organizations. With a user-centered approach and the adequate data, the right skills strategy can drive business forward.

7 demographics & methodology

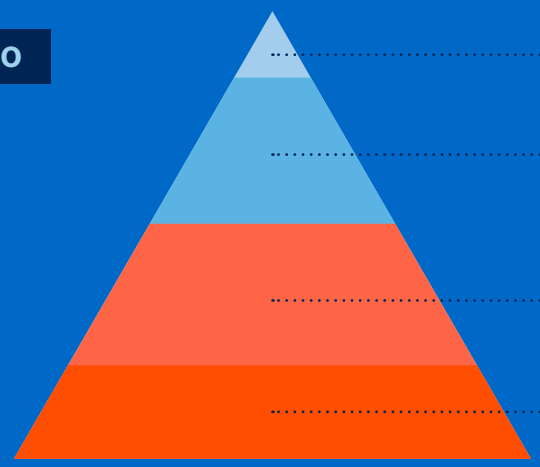
This research was undertaken during the period January 21–February 3, 2019. 5,938 Harvard Business Review Advisory Council members were emailed the survey. Of these, 772 completed the survey — a response rate of 13%. The margin of error for this survey is +/- 3.4%.

The following were excluded from the survey:

- Companies/organizations with fewer than 1,000 employees
- Those not in full-time or part-time employment
- Those in education and government/NFP
- Those working in training or mentoring functions
- Chief HR Officers and Chief L&D Officers

SURVEY SAYS...HOW THE WORKFORCE *LEARNS*

WHAT THEY DO

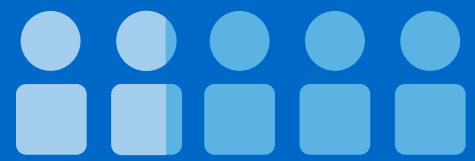


- *9%* c-suite executives
- *36%* function/business leaders
- *34%* team managers
- *21%* front line workers

WHERE THEY LIVE

- *43%* North America
- *6%* Latin America
- *31%* Europe, Middle East, or Africa
- *20%* Asia Pacific

WHERE THEY WORK



- *35%* companies with more than 10,000 employees
- *65%* companies with 1,000 - 9,999 employees

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Degreed helps you build the skills you need next. We integrate and curate all the resources people use to learn, all in one place — including learning management systems and millions of courses, videos, articles, books, and podcasts from thousands of sources. Then we use behavioral and data science to continuously analyze everyone's skill-sets, and to automatically personalize development based on their unique skills, roles, and goals.

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