

Learning and Development in 2011

A Focus on the Future

Duke CE's Client Study



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Duke CE deeply appreciates the hard work of Robert Reinheimer Ph. D. and many others in the design and execution of our study and creation of this report.

Our special appreciation goes out to the 142 L&D professionals that responded to our request and provided us with their insights.

The Recession of 2008: A Catalyst for Accelerated Change

In October 2007, the Dow Jones Industrial Average (DJIA) closed at a record high of 14,164. Two months later, the first tremors of instability in the financial system were felt when the US Fed, the European Central Bank and other global institutions announced coordinated liquidity measures. Throughout 2008, troubling events began to multiply, culminating in the death of Lehman Brothers in September: the financial world had been shaken off of its foundation.

Late in 2008 and into 2009, our client conversations at Duke Corporate Education (Duke CE) demonstrated an increased pace of change in the Learning and Development (L&D) work our clients were doing for their companies. In our experience, learning strategies are always evolving, and tactical plans regularly shift as a matter of course. But as the financial crisis deepened, programs that had been scheduled months previously were delayed or cancelled. At a time of year when L&D professionals typically would have been deeply immersed in planning for the coming year, such discussions had come to an abrupt halt.

Forward-thinking strategic discussions turned to tactical conversations about program preservation, and it became clear that many companies in many regions were finding it necessary to alter their L&D activity at a pace far above the norm. Our preliminary conclusion was that the recession served as a powerful catalyst to accelerate changes already contemplated and to create new stresses in the system that motivated changes not seen before.

By the following spring, with the DJIA at 6,469 (March 6, 2009), it appeared that the worst of the carnage was over, and all of us in the L&D community began to try to understand what we had been through, why so much had seemed to change, and, most importantly, what was coming next. At Duke CE, as we tried to answer those three questions for ourselves, we realized that we would have better insights for our clients if we were more systematic in determining what had transpired and in forecasting what might lie ahead. With that realization, the idea for this study was born.

As we defined the scope of this research effort, we elected to ask our study subjects to look beyond immediate circumstances rather than to collectively wring their hands about what had already occurred. At some point, the recession would abate (we fervently believed!). When that finally happened, would we all go back to business as usual in the L&D space, or would we find that things had irrevocably changed? And if they had, what did those changes look like?

The answers we received to these questions were thoughtful and rich in detail. So, with the results of this study in hand, a team from Duke CE began the process of better understanding what we had survived, what there was to be learned, and how we could best prepare for what was likely to come next.

The Study

This document describes the findings from a two-stage investigation of how respondents predict L&D will look in 2011. In choosing this future-oriented focus for the study, we were conscious that every respondent's answer would rest on a set of very early plans—or on pure assumptions. But we concluded that those plans and assumptions were the best barometer available of the direction in which the winds of change might blow.

In the first phase, we conducted a series of in-depth telephone interviews with senior L&D professionals asking a variety of questions about what they expected in 2011. For the second phase, we followed those interviews with an online survey that had the same focus. Both phases of the study asked respondents to address three general questions:

1. What will be different about the work of your L&D organization in 2011 and beyond when compared to pre-recession (2008)?
2. What factors are driving the changes that will be made?
3. What new approaches to the design, delivery and operation of L&D are contemplated in light of how the landscape has changed?

The telephone surveys ran through the summer and early fall of 2009, and the online survey was conducted in September of that same year. We sought a sample that would allow useful generalizations about what was likely to happen in L&D worldwide.

Our final sample consisted of 142 interviews or survey responses from L&D professionals who work for large organizations that each had more than US\$3 billion in sales. (One company was only US\$1 billion in size.) The majority of our respondent companies had global business operations while being headquartered in North America and Europe. A wide range of industries (including Energy and Utilities, Materials, Capital Goods, Commercial and Professional Services, Transportation, Consumer, Health Care, Financial Services, IT & Telecom, Government and NGOs) was represented in the sample.

Our study findings can most reliably be generalized to companies headquartered in Europe and North America, as the sample draws predominantly from these regions. But the study also generated some information from a handful of organizations in other regions in the world. We report results from developing markets as anecdotal information only because the size of the sample makes it difficult to suggest that the data represent the regions from which they come.

The sample on which these findings are based is described in the table below.

Number of Respondents by Geographic Region

Region	Phone	Online
North America	24	72
Europe	9	21
Middle East	4	3
South Africa	1	2
India	4	1
Australia	—	1
TOTAL	42	100

This paper is a blend of comment and insight gleaned from our 42 detailed interviews with L&D professionals and our online survey results. The interviews gave us a rich, textured understanding of some of the things that are likely in the future L&D marketplace; the survey helped us understand the strength and likelihood of changes and trends. All in all, it appears that the learning landscape has changed in a way that will likely endure, and we believe that the results reported here may help all of us be more ready to make the most of a new era now beginning to unfold.

Our Findings

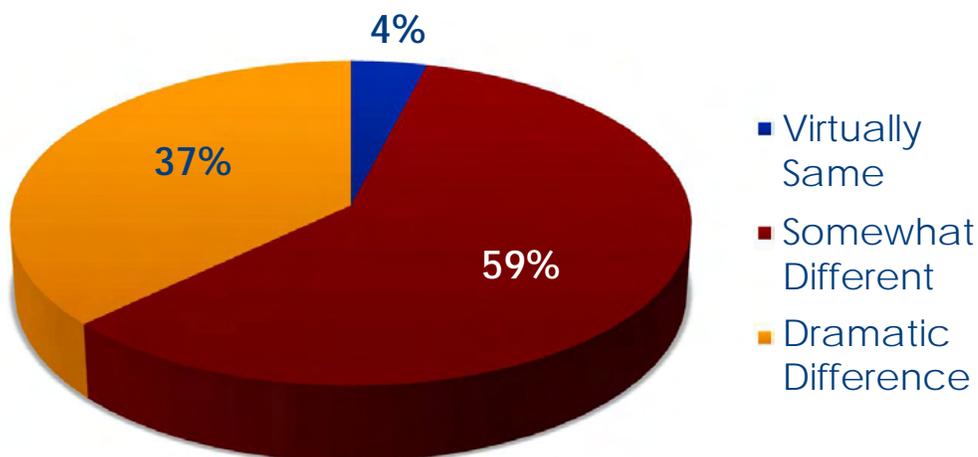
The remainder of this paper reports our study findings organized as follows:

- The magnitude and story behind the change
- How people will learn in 2011
- What people will learn in 2011
- Summary and conclusions

The Magnitude and Story Behind the Change

In the first section of the study, we asked respondents to forecast how different their L&D tools, processes and products would be in 2011 when compared with 2008. More than one-third of our sample saw 2011 as “dramatically different,” and fully 96 percent of our respondents believed that 2011 would be “somewhat” or “dramatically different” compared to that prior year. Clearly, lots of change was anticipated and already underway.

Forecast Level of Change in L&D for 2011 Compared with 2008

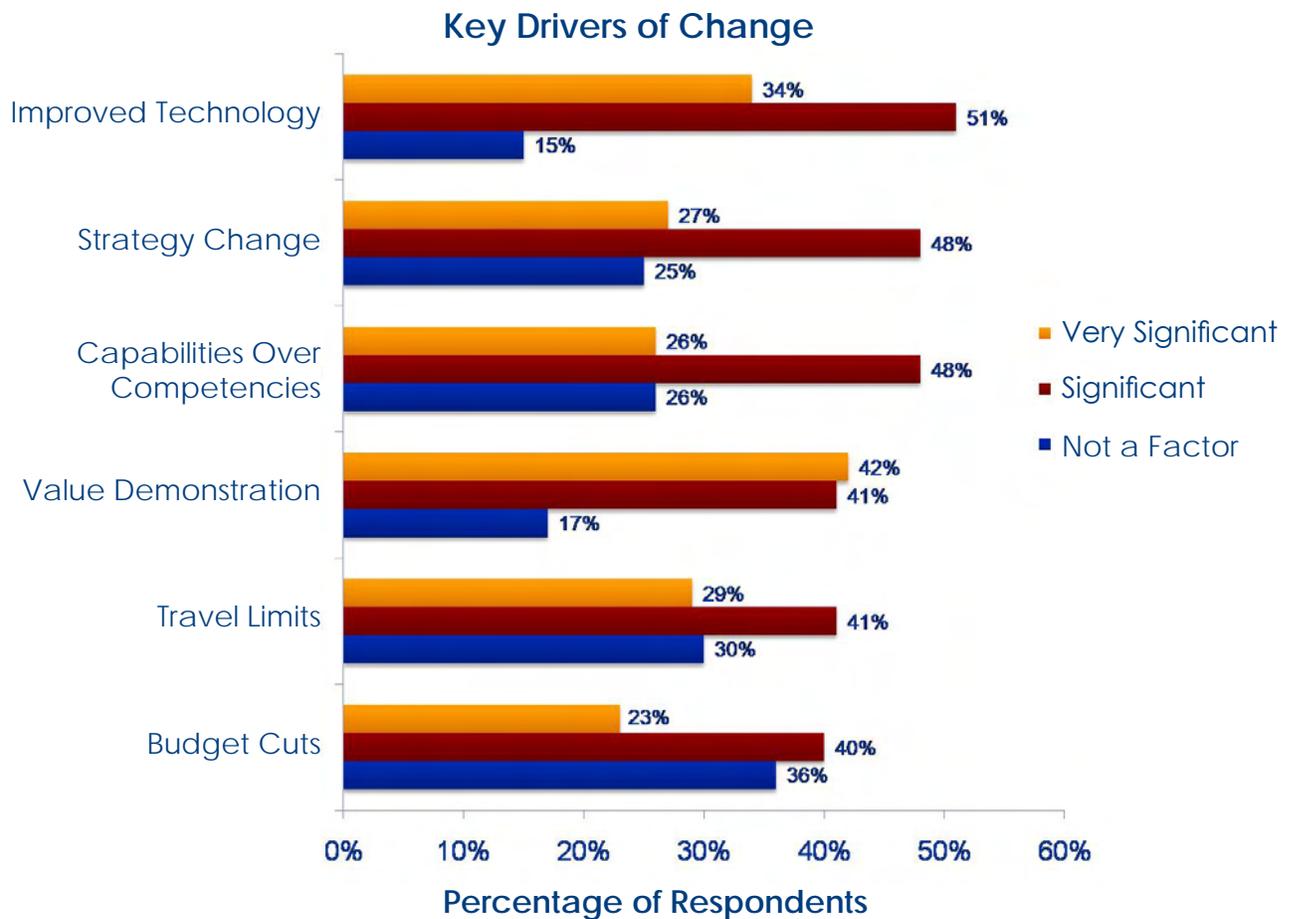


So what was behind this widespread pattern of change in L&D? When Duke CE first witnessed the sharp decline in L&D activity, we concluded (rather simplistically) that budget cuts were the primary driver of change. The forward-looking story revealed by the study proved more nuanced and more interesting.

Gwen Callas-Miller, Textron’s executive director of global leadership development and Textron University, summed up a complex story that came together as a “perfect storm”:

There’s been a reduction in travel budgets. We’re much further along the curve in terms of e-learning. There’s more demand for virtual classes and webinars at reduced prices. We’re going to be very selective in terms of topics or businesses that we’re supporting. More will be done virtually. We’ll be selective in what we can do in terms of instructor-led programs. They will be shorter and more blended so that we don’t need as much face-to-face. Even without the change in the economy, we were headed in that direction.

Ms. Callas-Miller captured in her single statement a number of the causes for change reported by our respondents:



Clearly the events that occurred in 2008 and 2009 served as a catalyst for change for many.

As the survey results in the preceding graph demonstrate, recession-driven events (budget cuts) were a “very significant” factor for 23 percent of our sample and were “significant” for 40 percent. At the same time, the effect was narrower than our anecdotal suspicions suggested. Budget cuts were “not significant” for fully 36 percent of our respondents. It was clear that budgetary events had fallen hard on some industries and companies, but for others, budgets remained unscathed.

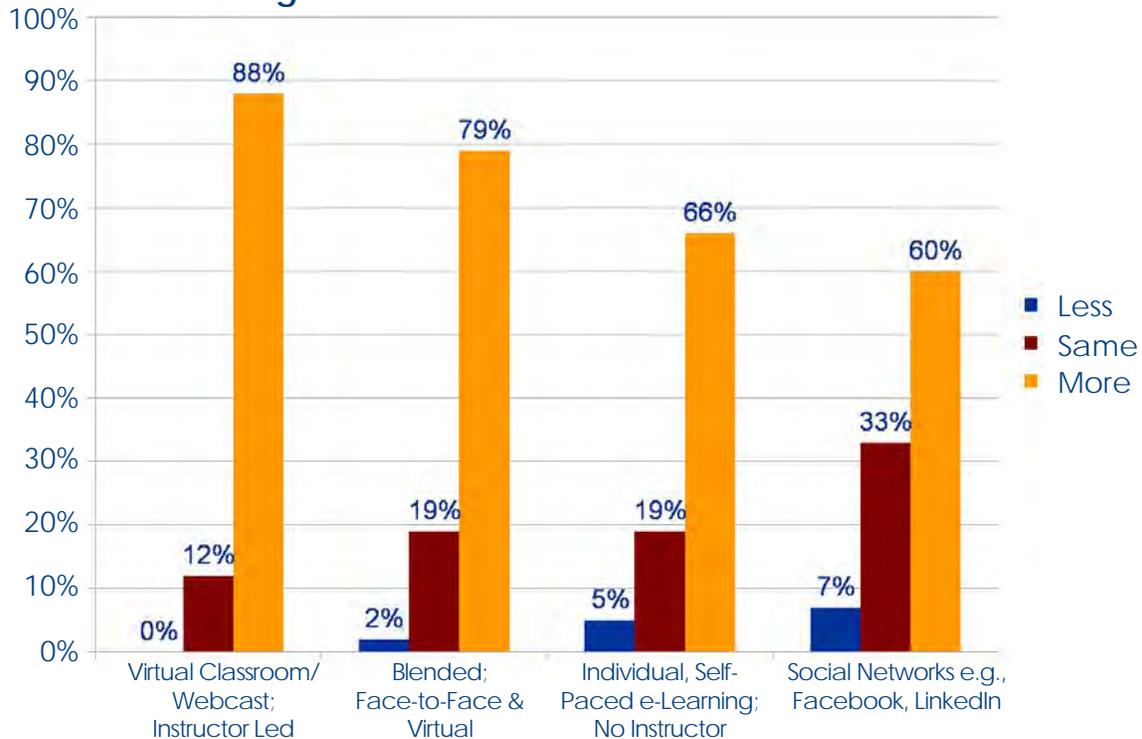
We found similar results when we asked if travel restrictions had affected the ways in which L&D was likely to be delivered in 2011. Before the recession, assembling people in the same location for learning was a preferred method of operation. The events of 2008 and 2009 made residential learning impossible for roughly one-third of our respondents and less of a default choice for another 41 percent. For nearly two-thirds of our sample companies, travel had become a less attractive means of convening learning events. We might assume that travel would return after the recession, but our respondents told us that expense was not the only reason behind the change. Environmental concerns and the risk of pandemics were cited as more enduring reasons for limiting travel for learning. As in the case of budget cuts, roughly one-third of our sample was unaffected by a reluctance to travel.

Taken together, budget and travel restrictions drove us to take another look at technology-based delivery and increased the pressure to demonstrate the value derived from L&D activities.

These events alone might have been the driver of change for some; more importantly, they drove a reversal in a pattern that had persisted in L&D activities for almost 20 years. Since the 1990s experience with “click and learn,” many companies had resisted the move to technology-based education. Burned on their investments in e-learning that were neither engaging nor effective, they eschewed e-learning and reflexively turned back to classroom-based education as the safe bet.

Now, since money was in shorter supply and travel was limited, the classroom had some new liabilities associated with its use. Those liabilities caused L&D organizations to take a fresh look at all sorts of technology-mediated delivery channels. Finding that technology had progressed in significant ways, 85 percent of our respondents reported that improvements in learning technology were a significant factor driving change in their approach to L&D in 2011. While getting past the old antipathy about e-learning would not be easy, virtual means of delivering learning had improved so dramatically in recent years that they appeared to be suitably effective and impactful for systematic use. The following graph demonstrates that a significant number of companies surveyed will increase their use of a wide range of virtual learning methods in 2011.

Change in Use of Virtual Methods 2008 to 2011



Because our interview results detected such strong readiness to use recently developed technology, we became curious about whether that spirit might extend to innovative practices in L&D in general. Were we as a professional community ready to take the plunge into new, different and unproven methods of learning? So we asked our respondents about the likelihood of pursuing innovation as an explicit part of their strategy for reshaping L&D in 2011.

In asking this question, we wondered whether innovation might be what Richard Weaver refers to in his book *The Ethics of Rhetoric* as a god-term. Weaver explains god-terms as ideas that possess an “inherent potency” so that, when invoked, they inspire universal and automatic approval. As an example, Weaver posits that “progress” served as god-term for the 20th century until questions about the price of progress began to emerge as environmental concerns became very real in the 1970s. Our experience in conversations with company executives had led us to suspect that innovation might now be seen in the same light—always desirable, always positive. Would that be the case in L&D?

Not so much. A third of our respondents were most comfortable sticking with the tried and true. They had little to no desire to experiment with new ideas. Half of our sample reported a willingness to try isolated new ideas here and there even if they did not all work out in the end. But only 12 percent of our L&D respondents reported a preference for being highly innovative. L&D professionals’ willingness to use learning technology—while simultaneously remaining cautious about other sorts of innovation—amplified our conclusion that virtual means of learning had improved so much that they had not only become attractive but also were seen as comparatively safe.

While the results of our study revealed a reversal in the anti-e-learning pattern, another familiar pattern was reinvigorated by the recession. *The need to demonstrate the value of L&D activities* was a “very significant” driver of change for 42 percent of our respondents, higher than any other single driver. Fully 83 percent of the sample ranked this driver as significant. It is clear that in these tough times, L&D is on the line to demonstrate a return on company investment. But our respondents seemed to be addressing the issue of return in a different way than they might have in the past.

Our respondents told us that when you can’t do it all, you figure out a way to do what is most important.

Our respondents are becoming more focused in the projects and programs they put forward to leadership.

- They are connecting more directly to company strategy
- They are shifting their focus from individual competency to organizational capability
- They are targeting their investment to groups that are strategically critical

Two-thirds of our respondents cited a change in company strategy as a reason that their approach to L&D will be significantly different in 2011. The same percentage of respondents reported that the focus of their L&D activities had *shifted to organizational capability development* rather than remaining devoted to the strengthening of individual competencies.



This connection between strategy and L&D and a clearer focus on the development of organizational capabilities appears to be a significant structural shift in how L&D organizations strategize about the impact they seek to achieve.

The remarks of Cathryn Klassen, vice president of leadership and talent development for Sun Life Financial, illustrate the link between demonstrating value and the strategic focus of L&D.

In my view the impact (of the financial crisis) on our work has been that we have to demonstrate the value for every dollar spent. This might not mean that budgets are cut – in fact, we made additional investments. It does mean there is a spotlight focused on real business value. Development has to be in the service of the organization; it's no longer appropriate to be just in the service of the individual. Development must be tied to the actual organizational capabilities your company needs to build.

This focus on capabilities represented a key change in the role of L&D in organizations. Many L&D organizations (and their colleagues in Human Resources) have traditionally focused on developing the individual by building the competencies required by their current role and expected for advancement in the company. A focus on capabilities implies something different, as noted by Ms. Klassen. Rather than beginning with the individual and with a competency model, the job of L&D is shifting to developing the organizational capabilities required to deliver the strategy the company is espousing right now.

The L&D organization of 2011 is directly responsible for ensuring that the company is able to do what it needs to do in order to deliver on its goals.

From Competencies to Capabilities

Over the past eight years or so, our client work has profited from our paying attention to capability building rather than focusing exclusively on the matter of competencies. The study's results indicate that the capability lens is becoming more and more useful in the realm of human capital management, broadly, and in L&D in particular. As we see it, capabilities exist within teams, functions or organizations. A company's strategic aspirations are grounded in what it is capable of doing as an enterprise, and its ability to

execute any strategy depends on it having the right capability set in place. If the company wants to change its strategy, it must change its capabilities so that it can deliver when it takes the new strategy into the marketplace.

As the next figure suggests, a number of elements combine to create an organizational capability, some of which L&D directly affects and some of which must come from other organizational sources.

Capabilities Shape Strategic Possibilities and Drive Strategy Execution

What people are needed? What competencies are needed? Do we have the right numbers of people with these attributes?

What knowledge is needed? Where is it?

What processes should we develop or utilize?



What technology supports our strategic requirement?

What culture do we need to ensure the beliefs & behaviors vital to our strategy's success?

L&D directly touches people who in turn affect a number of the components of a capability. An organization's entire human capital management system is responsible for the people component in that the company has to recruit the right people in the right numbers and put them in the right places. L&D and the functional units themselves are then responsible for ensuring that the right insights, skills and beliefs are present in those employees so that they perform as expected. L&D's partnership with HR departments is central to ensuring the people ingredient is done right.

Another focus of L&D strategy is ensuring that the right knowledge is available in the right places at the right times. While systems can do part of this job, our results suggest widespread disappointment with the significant investment in knowledge management systems that many companies have made. When we asked our respondents who had such systems whether they were satisfied with the results of the investment, only 5 percent reported that they were highly satisfied, roughly half reported some satisfaction, and 33 percent reported they were not satisfied at all.

The return on the investment in knowledge management systems, we believe, is not a product of the number of available domains but is the explicit connection of people to the resources they need when a problem presents itself. L&D has an obligation to teach and drive the social and habitual aspects of knowledge sharing. Until that happens, companies will continue to be disappointed in what was perceived as a significant strategic investment.

L&D also can play an impactful role in shaping a company's culture. The behaviors that companies teach, the values that they reinforce, and the relationships that learning experiences nurture operate as key influences on the culture that evolves. And organizational culture, as we all know, is vital to what a company is able to accomplish.

For a company to be certain it is ready to deliver an existing strategy in a sustained way or to change in order to deliver a new strategy in an effective way, the right capabilities need to be in place. If L&D professionals can begin to speak to their line-management partners in these terms, the connection between strategy and L&D becomes clearer, providing a powerful mechanism for demonstrating the relevance and value of the work.

It is not coincidental that the same percentage of respondents who reported a strategy shift as the motivator for change also reported the need to focus on building capability. By showing duplicate percentages, these two results seemed to track one another. The parallel nature of those results suggests that L&D in these companies consciously adopted a mission of preparing the company to deliver on a different strategy by delivering the capabilities that it required. We see this as a powerful approach to creating value in a visible and enduring fashion.

But what becomes of people development? Many of us can remember a time when the thinking of the day suggested not only that developing people for the sake of development was a good thing but also that providing a broad array of educational experiences that might be germane someday was a beneficial investment in the company's future. In recent years, we have seen that thinking change, and it appears that the recession has pushed it over the edge. Respondents told us that in 2011 investments in L&D would be much more targeted toward segments of their population directly linked to strategic capabilities required to meet the company's goals.

The L&D spend will be directed toward groups where a real return on investment as measured by a likely improvement in business results is possible and visible.

Many respondents told us that they will target their investment on high performers and the next generation of leaders.



We are targeting our leadership development work much more at top talent; we are more focused on targeted leadership development. We're doing much more virtual work, but in 2010 we plan to reinstitute our traditional, face-to-face, top talent leadership development programs.

*Jim O'Hern
Director of Learning & Development
Hess Corporation*

If we're going to develop people, let's be strategic about the investments we're making and where that investment will take us. So it's much more tied to the succession ... creating leaders who will round out our bench now and in the future. There's much more 'end state' in the discussion about the investment. Development to what end, development for what purpose?

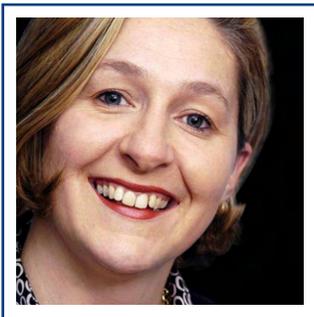
A Financial Services Company



In a discussion of the study's preliminary results with 19 respondents present at the Duke CE CLO Roundtable in early November, the trend toward targeting became even more apparent and strategic.

- Several companies who participated in the Roundtable talked about how they were actively targeting populations that were historically under-represented in leadership ranks.
- One company told us that its targeting scheme was focused on the company's efforts to improve its overall performance by identifying the handful of end-to-end processes that were critical to success. L&D professionals from that company reported that they targeted the individuals who most directly touched those key processes so that as they developed those key individuals, they simultaneously strengthened the performance of the process itself.

Another company told us about a fascinating targeted leadership development strategy that came about as it considered the unique challenges of emerging markets.



We have a hypothesis ... that emerging market (non-Western) leaders are actually much better suited to the way the world is going. ... The classical leadership way of thinking that many business schools and many corporations used ... assumed a world that was controllable and predictable. ... One of the things our leaders have always had to do was deal with masses of ambiguity, enormous amount of change.

*Christine Williams
Director, Global People Strategies and Metrics
Standard Bank of South Africa Limited*

So what meaning can we draw from what our respondents told us about the drivers of change in L&D and what they mean to strategy?

The events of 2008/2009 were catalytic events that caused a new look at why and how we do L&D in our organizations. As a result, L&D's role will focus more and more directly on demonstrating real value to the business and getting what is most important done. Important will be defined as building critical organizational capability in groups and individuals that are directly relevant to the company's strategy and business goals. Evidence of increased capability in targeted areas will be the proof of value.

This focus on value and relevance to the business will also affect how companies will expect their people to learn in 2011.

How People Will Learn in 2011

For many years the L&D community has embraced the 70-20-10 formula (based on the research of Lombardo and Eichinger at the Center for Creative Leadership) as a smarter way to think about education in an organization. The 70-20-10 finding espouses that 70 percent of learning takes place at work, 20 percent through coaching and mentoring, and only 10 percent takes place in learning programs. Most company's "people surveys" confirm that their people believe that their most impactful development occurs on the job.

Our results suggest that by 2011 L&D will be much more serious about moving learning closer to the work.

One senior L&D professional from a global financial services company told us about his aspiration of creating a culture of learning at work.

The future of learning will be more about how it happens real-time 'on the job.' The challenge is finding solutions that embed learning into our work as individuals and together as teams. Now and in the future, we want to create a culture where we value the learning from what we do on the job every day, institutionalize that kind of behavior in the organization to drive performance, and push beyond traditional models of learning and development.

*Craig DeWald, VP Organization Capabilities, Human Resources
American Express Co.*

Another talked about his experience to date and why he continues to pursue the dream.

(There are) pockets where we do a better job than others, where it's working well: R & D, teams that work together, senior leaders and junior scientists on the same team, mentoring and modeling—work that gets done in operations groups, partnering with people, job rotations that allow people to learn on the job. We do it less strategically than we could. ... The organization couldn't sustain all the learning if it happened in the classroom. We'd all be learning and not doing.

A Healthcare Company

What does bringing learning closer to work mean to our respondents today? The variety of responses leads us to believe that as a community we are not entirely sure.

To some, it meant focusing on real business issues in formal learning events by including action-learning activities that return immediate value to the business. One of our respondents captured her company's use of this approach as follows:

We're also increasing our action learning—everything we offer has a project that is applicable back to the business. We are really heightening this and putting more discipline around identifying the value to the business.

*Rita Smith
Vice President of Enterprise Learning
Ingersoll Rand*



To others, it meant bringing the conditions of the workplace environment more directly to formal learning interventions. In a business environment that now requires an improved ability to cope with ambiguity and complexity, one respondent suggested that only by emulating the environment are we able to prepare our learners for the challenges they face.

If it is about dealing with ambiguity, that fundamentally changes the type of learning experience we want to create. I see it moving more experiential, moving possibly to areas of simulations, moving to areas of action learning.

*Christine Williams, Director, Global People Strategies and Metrics
Standard Bank of South Africa Limited*

Finally, a group of respondents interpreted their responsibility for bringing learning closer to work as working more closely with their counterparts in talent management to increase the effectiveness of the ultimate learning/work connection: job assignments.

We're moving away from some of the structured educational experiences toward more succession planning and development assignments using a 70-20-10 type of principal, focusing on the 70 and very targeted in those efforts.

Jim O'Hern, Director of Learning and Development, Hess Corporation

While most companies have used assignments as a developmental tool, they also admit that more work remains to foster real learning in the course of a stretch assignment. Our respondents believe a tighter link between talent management processes and L&D can ensure that development objectives are articulated and supported along with performance goals.

So, we predict learning at work will be a topic of much study and research in the years ahead. But for now, whether it is accomplished by moving formal learning environments closer to the conditions of work or by creating more disciplined opportunities for learning in the actual course of work, it appears that proximity is the name of the game. The closer we get to accelerated development at work, the quicker learning becomes application becomes business results.

As our respondents told us about greater acceptance of virtual learning and a focus on learning at work, we wondered what role classroom learning would play in 2011. What we found is that rather than showing that face-to-face learning is on the way out, as some suspected, our results clearly demonstrate that it continues to play an important role into 2011 and beyond.

There is a place for classroom learning which can't be replaced. The proportion may reduce, but I don't think that will go away.

Piyush Mehta, Senior Vice President, Human Resources, Genpact

But that role is being more carefully chosen. One of our respondents summarized this more thoughtful approach to face-to-face learning:



I do believe classroom and programmatic learning play a very important role in the future. You have to be smart about how to bring people together. Take the time now, given what you do, to define when it is appropriate and in what form you should be bringing people together. It will be more relevant and aligned with the business. Make it highly relevant to what they need.

*Tom Evans
Chief Learning Officer
PricewaterhouseCoopers*

Team-Based Learning

Duke CE has been focused on accelerating learning at work for the past two years. We began by asking the question “Where does learning at work occur in a planned and disciplined way?” This question led us to teaching hospitals and more specifically to Johns Hopkins Teaching Hospital. Working with the doctors and team there and with PricewaterhouseCoopers (PwC), we found that a number of the routines embedded in the training of physicians could actually

accelerate the learning, development and engagement of teams in firms. We refer to this methodology as Team-Based Learning (TBL).

By instilling learning-centered routines into the day-to-day work of teams in a fashion patterned after the learning routines that are regularly used to train physicians at first rate teaching hospitals, TBL puts specific behaviors and simple processes to work to ensure that every moment on the job has its learning potential regularly exploited.

TBL is truly a change in our everyday behaviors, the way we coach and collaborate within our teams. This model creates more lasting learning experiences for our staff and earlier development of their skillset, which translates into distinctive client service. It is a necessary ingredient to the PwC experience, both from a unique people experience perspective as well as the unique client experience. I personally believe that this is one of the most important people initiatives that the firm has undertaken in recent years.

Assurance Partner, PwC

Today’s L&D professionals still believe that having people participate in a common, live learning experience is unique in its impact because of the relationships that form, the networks that emerge, and the increased ability to work together across boundaries when people know and trust each other.

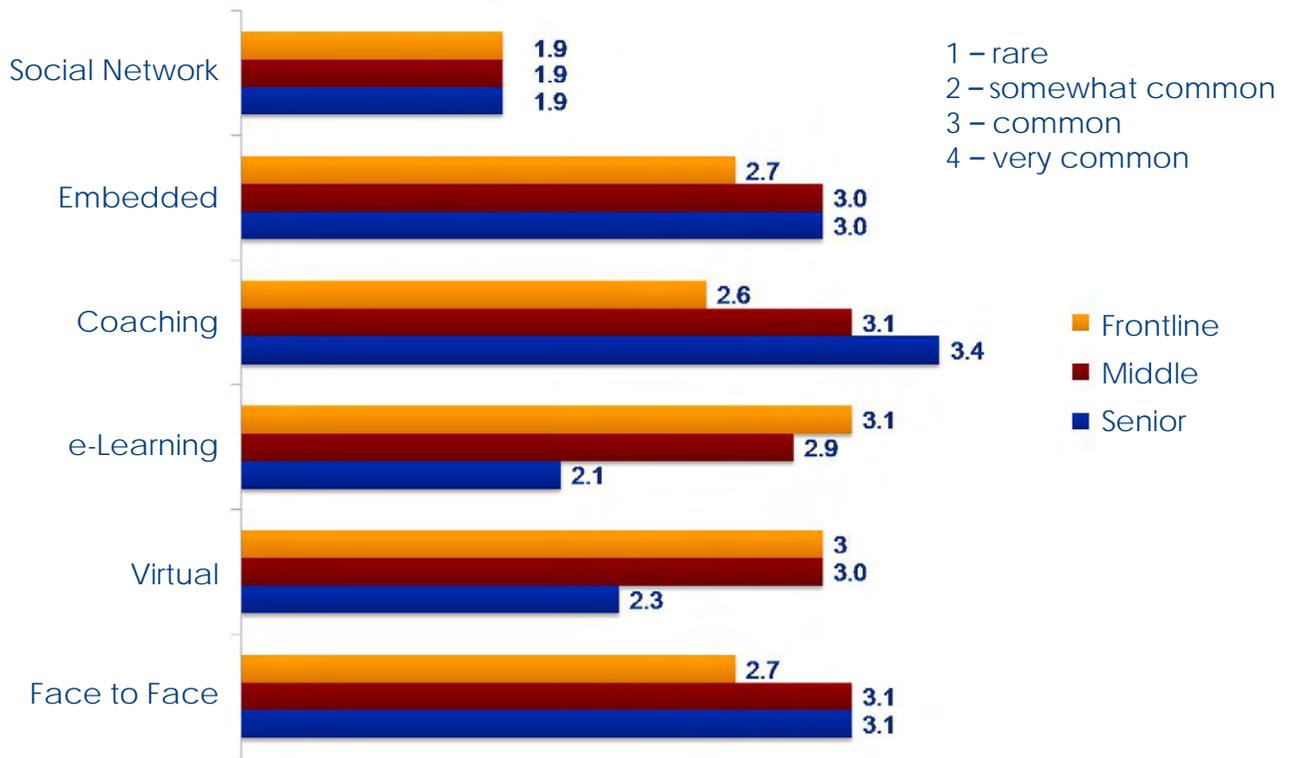
What’s different, though, is that our respondents believe that beyond learning outcomes there must be an explicit business reason to make the investment in face-to-face learning worthwhile.

We used to bring people together just for information sharing. I don't think that will happen again. We live in an on-demand world now, so sitting in a classroom just to get information is old and it's wasteful, not a good use of people's time. ... Now if it's experiential, then okay, that's worth getting together.

*Larry Lenox, Senior Manager, Organization and Talent Development
Oracle Corporation*

More deliberate utilization of face-to-face learning is consistent with the themes of greater targeting, connection to the business and demonstrable value in 2011. These themes are further demonstrated in responses to our question about what learning methods our respondents were likely to use with groups of learners at different levels of the organization.

Methods for Developing Leaders by Organizational Level



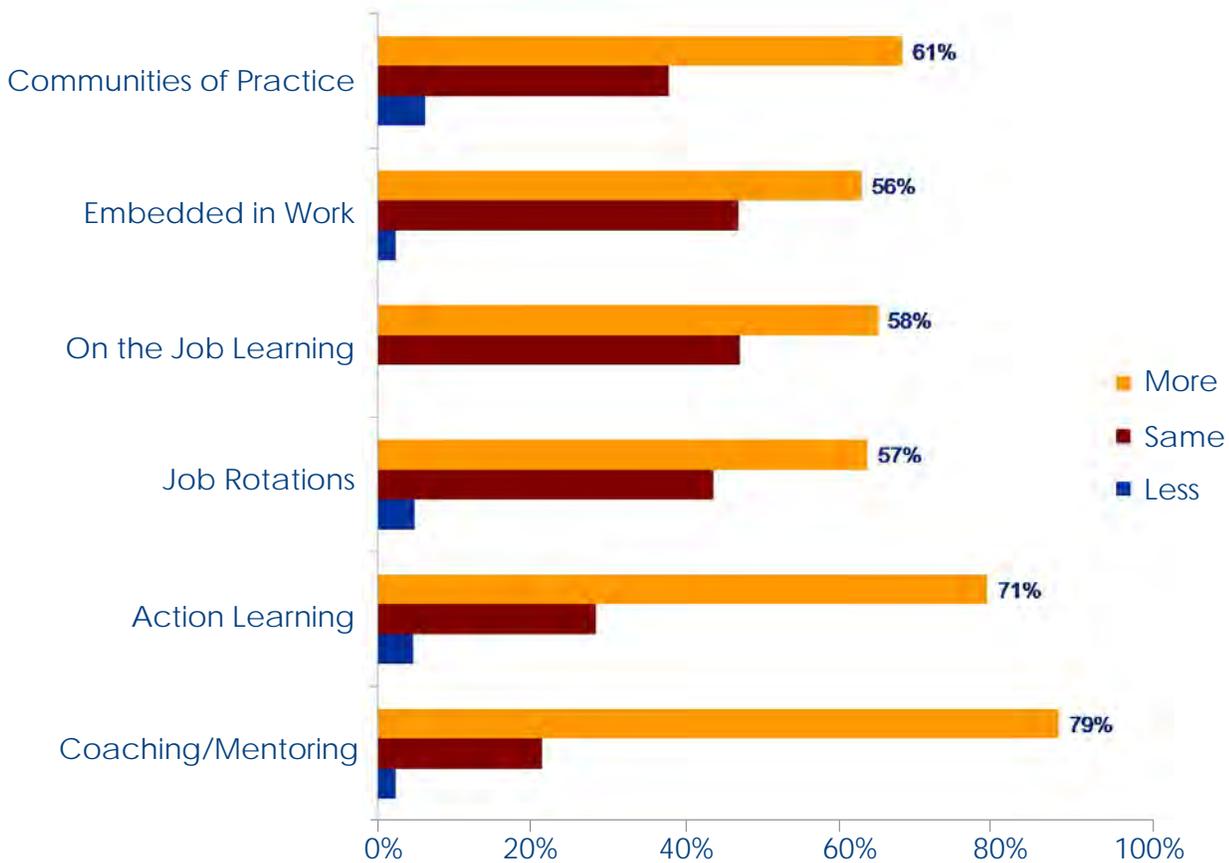
Our graph depicts the mean of responses to the question “how common will each of these learning methods be for each level in your organization in 2011?” The scale goes from one to four, with one meaning the method will rarely be used and four meaning the method will be very common. At first glance we were struck by the range of methods our L&D professionals intend to employ, but they are making choices about the extent to which methods will be used with each population.

Starting at the bottom of the graph, our respondents tell us that face-to-face methods will continue to be common with middle managers and senior levels of the organization. In the years prior to the recession, we might have expected to see a mean closer to four for senior managers.

Virtual methods (learning events that occur online but that involve instruction or facilitation) will be common for frontline and middle levels of the organization but less likely for more senior learners. Here we see the willingness of L&D organizations to depend on learning technology with those levels (and potentially those generations) in the company where those methods can be successful. Similarly, pure e-learning (self-directed tutorials where n=1 and no live facilitation is present) will be common among frontline employees, less so with middle level employees, and much less so with senior audiences.

Clearly, our respondents anticipate that coaching will be an important learning method for more senior learning populations. In fact, in response to a more general question shown in the graph below, 79 percent of our respondents indicated that coaching will be used more in 2011 than 2008. The focus on senior leaders, we believe, is reflective of the level of investment that high-quality coaching requires. The responses on embedded learning require a little more explanation. While it is clear that embedded learning will be as commonly used for developing middle managers as other learning methods, the level of interest for frontline managers is more puzzling, particularly in light of our respondents' answer to a question regarding the use of informal learning methods in 2011 vs. 2008. Fifty-six percent of our respondents indicated that embedded learning would increase in 2011. Perhaps they are not yet sure of how.

Change in Use of Learning Methods 2008 to 2011



The topmost result tells us that the use of social networks for L&D will be somewhat common (at most). In an earlier question, 60 percent of respondents commented that they will use social networks more in 2011 than in 2008. But the responses about actual anticipated use across all levels of the organization suggest that they may be seen as an opportunity, but they continue to be a real puzzle for our respondents.

That's our next frontier (using social networking): we haven't jumped in yet. If I got the learning people in here, it would be a pretty short conversation. We had an IT project leader who did a presentation on the implications of Web 2.0 for HR functions... fascinating. I realized how much I don't know about this stuff. We've got to get our younger people together to find out how they want to access learning resources.

A Media Company

Digging deeper into our interviews, we found other reasons behind the reluctance to move quickly toward social networks as a recognized learning opportunity. The first issue that surfaced was whether employees were able to access these networks at all. In some cases, restricted access to outside networks due to company IT security limitations or a belief that employee usage of these networks on company time reduced productivity (social NOTworking) caused some L&D professionals to respond that there was no role for these networks in their learning strategy.

A second set of interview responses indicated that L&D professionals know that employees are using these networks while at work, and they wondered how they might exploit those networks as tools to encourage productive learning.

In India, where technology is reshaping the country and the nature of the businesses that dwell within, the power of the network is particularly evident:

The ability to work with and leverage people and the power of what they can do is so important. The nature of work and social networks will take on a different direction, and that will have a bearing on what and how it is learned.

An Indian Conglomerate

Companies who reside in the information technology industry also clearly see the opportunity that lies ahead if we can integrate learning strategy with these ubiquitous networks:

I think we will take much more advantage of social and learning networks, and I think that will only increase. It fits nicely on common issues, common challenges, and learning from each other. ... It's to their benefit to network with more people – we wouldn't restrict them to inside.

Jeff McHenry, GM, Leadership Development & Recruiting, Microsoft

Even with all the potential that is clearly in our sights, no responding company reported that it had a firm set of recommendations or expectations about how to proceed in making social networks an explicit part of its L&D strategy. L&D professionals remain puzzled by the dilemma presented by social networks: loss of control vs. access to knowledge and ideas.

Social networking is happening, and while some (companies) are trying, we cannot manage that form of informal learning. Unfortunately idea sharing and information flow that happens outside corporate firewalls can create risks for organizations. Some companies are looking into bringing social technologies into their firewalls so they can manage their employees' information flow and mine that data for learning. At Qualcomm we are experimenting with tools such as Yammer to encourage informal learning among our employees.

*Tamar Elkeles, Vice President, Learning and Development
Qualcomm*



As L&D organizations look at 2011 and beyond, the variety of ways that people can and will be asked to learn will reinforce the trend towards L&D professionals becoming more deliberate about the business outcomes they are trying to achieve with a particular set of learners in a particular business context.

Outcome, population and context will increasingly drive modality. L&D professionals will have to have a point of view on “how best to get it done.” Our results suggest that strategic relevance of both the outcome and the targeted population will drive direct investment in 2011. And how to get it done will vary, we believe, on the immediate strategic relevance and needs of the task.

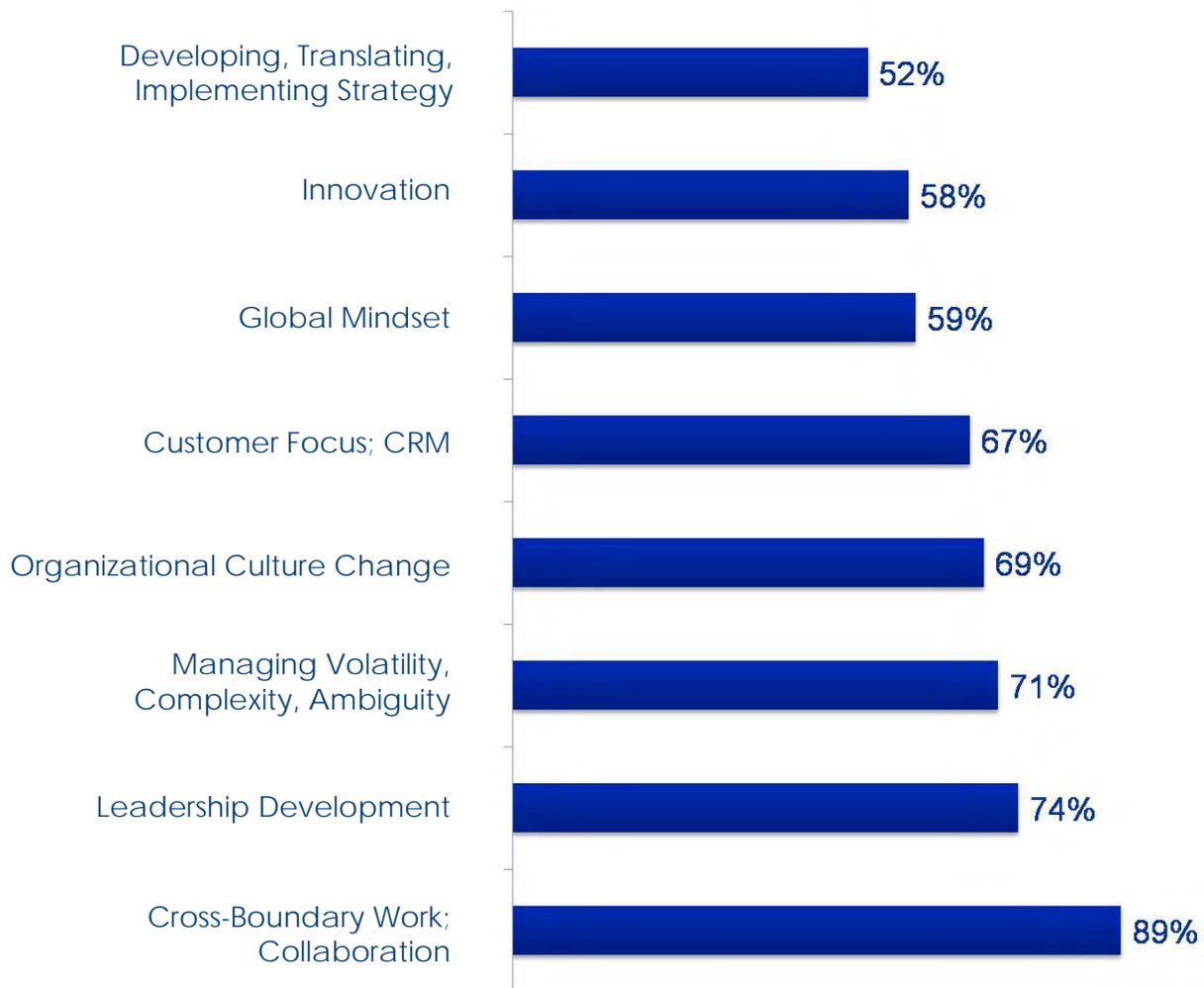
So how will people learn the less strategic but necessary skills and knowledge required to do their job? We believe this will happen increasingly through e-learning, learning in the course of work, knowledge sharing systems and social networking. The last bit, social networking, will happen with our support or without it.

What People Will Learn in 2011

In addition to methods, learning strategies inevitably focus on what employees need to better understand, do more effectively or believe differently to accomplish the company's goals. A section of this study asked how the company's emphasis on various learning topics would look in 2011 when compared with 2008.

The study asked respondents to rate 13 topics, and the results from the eight topics forecast to get the greatest emphasis in 2011 are displayed next:

Share of Respondents Planning to Emphasize More



Our first reaction to this graph was that we as a community are not as clear about targeting what people will learn as we are about other changes in L&D. Certainly differentiating among learning topics is a key part of orienting L&D work toward strategic capabilities. Yet a number of the high-emphasis topics looked familiar and have been a likely area of focus for L&D efforts for some time. We can reason this out by recognizing that developing, translating and implementing strategy, innovation, customer focus and organizational culture are key to the development of core capabilities in most companies. Our hope is that our respondents are clear on the specific business context in which they will be taught.

Seventy-five percent of our respondents indicated increased emphasis on leadership development for 2011. This makes sense in two ways. First, leadership development is by its nature a targeted opportunity. Many companies use their leadership development programs to expand understanding of their strategy, address leadership challenges and build the capability required by the strategy. Second, the retirement of baby boomers has put stress on the leadership pipeline of many companies requiring them to accelerate the development of potential leaders.

But the comments of our interview respondents also indicate that the kind of leaders we will seek to develop could be changing.

There is an increased emphasis on the ability of leaders to run their business well in a challenging environment.

Historically we have given a lot of weight to people who are brilliant and great thinkers, and a lot are not strong leaders. I think we will start valuing people who can run a business effectively and expect more from the brilliant and functional folks – a much greater focus on operational excellence.

Jeff McHenry, GM, Leadership Development & Recruiting, Microsoft

In a similar vein, leadership development is no longer about skill sets but about something even more fundamental—mindsets.

We are moving away from skill development and more toward mind-set development. It is about changing mindset: defining a global mindset, an innovation mindset, is a starting point for us.

Dimitra Manis, Senior Vice President, Global Head of Talent Thomson Reuters

The need to help leaders develop a global mindset has grown in importance as the character of the marketplace has become increasingly global and interdependent. But developing a global mindset refers to more than just learning how the enterprise operates around the world; it's about developing a broader, more integrated perspective about how things work and a more expansive approach to solving problems and developing opportunities.

I hear more interest in innovation and diversity of perspective and I think both of those have to do a lot with "looking outside," being less insular, a broader focus on the marketplace. We've got to provide people with an opportunity to develop a broader world view ... something that gets people out of their four walls.

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This finding puts our most pronounced area of emphasis in context. Eighty-nine percent of our respondents reported a greater emphasis on cross-boundary work and collaboration in their 2011 L&D activities.

Increasing global interdependence, regulatory shifts, and merger activity along with a heightened emphasis on diversity, innovation, and efficiency have catalyzed a concerted effort to address a well-known concern about the toll that silos and walls take on performance.

Familiar boundaries between organizational levels (hierarchy) and organizational functions (silos) were mentioned first. But respondents also spoke about generational boundaries, cultural boundaries, geographic boundaries, gender boundaries and the boundaries between the company, its customers and suppliers as real barriers to business performance. In an increasingly interconnected world, it is urgent that businesses find ways to become more interconnected. One of our respondents from the Middle East spoke about the importance of operating differently in a different world:

People are learning from the recession to overcome many challenges, and they just want to talk more about that, to innovate and find new ways, due to the fact that the world has changed. Apart from the financial crisis, due to technology and networks, the world is becoming a little village now. So it seems we need new techniques and tools to practice knowledge transfer.

Adel Al Shared, Executive Chairman, Mohammed bin Rashid Center for Leadership Development, United Arab Emirates

L&D professionals believe they can play a significant role in improving cross-boundary interaction and collaboration. Further, they believe that the company that can make it happen will have a real advantage in what is a highly competitive environment:

So there's a mindset shift. You've got to run this business as if you've got 10,000 businesses nipping at your heels.

Mike Westcott, Global Human Resources Director, National Grid

Finally L&D professionals seem to be crossing boundaries of their own, in the HR organization, with more purpose and intent. Our respondents told us that the time of undisciplined and unaligned talent development processes and learning curricula is over. HR and L&D are working together to align themselves with one strategy specifically directed toward achieving the company's goals. Anything else is too expensive and wasteful.



The downturn is making everyone focus on coming out stronger. Financial strength and creating business performance strength requires a business-wide response to which L&D will also have to respond. You have to do some serious soul searching with the business. ... We're seeing renewed emphasis on wider talent management processes managed from the center but orchestrated in different areas.

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We are becoming much more focused as a HR function, both within Talent Management and across the broader HR function, on how we organize effectively and how we look at change and transformation, running more lean, doing it right the first time.

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Summary and Conclusions

The Perfect Storm

The study results summarized here combine to create our belief that a “perfect storm” happened in 2008/2009. Three primary forces came together to drive broad change in the role of L&D organizations and the manner in which they would accomplish their organization’s goals.

- For some companies, budget cuts required that L&D be done with significantly fewer resources.
- Travel restrictions growing from the combination of lowered budgets, concerns about carbon footprint and isolated fears about a possible pandemic contributed additional impetus to finding new ways to enable employees to learn.
- Improvements in learning technology offered new methods of achieving learning in impactful and cost-effective ways.

The events of 2008/2009 increased the emphasis on demonstrable value from learning and development activities and practitioners are responding by:



- Driving a greater connection between L&D activities and the goals of the business;
- Focusing on the capabilities required to succeed;
- Joining forces with HR and talent development organizations in producing results;
- Targeting groups that are strategically connected to the company’s goals for L&D investments; and
- Preparing leaders for a more connected and challenging world.

We believe that this response represents a structural shift in the role and responsibilities of L&D. And it requires a mind-set shift of L&D professionals.

- From individual competency to organizational capability
- From people development to strategic development
- From learning programs to a variety of learning methods fit to population and purpose
- From static curriculums to dynamic agendas and integrated strategies for development
- From responding to the requests of a variety of stakeholders for programs to creating a timely agenda that will further the company’s ability to achieve its goals now and in the future

It appears likely that the results of this storm will be long-lasting and that the L&D profession will not go back to the patterns and habits of the years leading up to 2008.

The past two years are likely to be remembered as a difficult and challenging time. But the results of this study suggest that these difficulties may have done L&D a great favor by focusing us on organizational capabilities that matter, by clarifying how and when we demonstrate value, by re-energizing our search for achieving learning in the workplace, by opening our eyes to what learning technology can accomplish today, and by demanding so much more of how we think about our strategies and the learning activities that they produce.

It's often uncertain whether the wish, "May You Live in Interesting Times," attributed to an old Chinese proverb, is intended as a blessing or a curse. While the interesting times of the past two years have felt very much like a curse, as L&D professionals look ahead to 2011 and beyond, perhaps the blessing is beginning to emerge.