



WHY YOU NEED A NEW APPROACH TO LEARNING

By Jens Baier, Elena Barybkina, Vinciane Beauchene, Sagar Goel, Deborah Lovich, and Elizabeth Lyle

NOW MORE THAN EVER, companies are competing on how fast they can innovate and help employees pick up new skills—in particular, digital skills. But people don't learn just by taking online classes or reading articles. And they don't absorb new material in a day or even a week. Building knowledge requires focus, practice, coaching, and the forming of new attitudes, all of which take months. If organizations want to win at learning, they need to incorporate their skill-building efforts into the work that people do every day. And they must build skills at all levels of the enterprise—top to bottom—as an integrated part of the business and use regular business metrics to measure impact.

As companies take steps to recover from the COVID-19 crisis and rebuild for the new reality, learning must be part of everything they do. Learning is required in order to innovate and deliver in a world that has been catapulted by COVID-19 a full five to ten years into the digital future. Learning must be embedded in the corporate culture so that people learn *how* to learn and

can continue to adapt. That will be essential to attracting, developing, and retaining the critical talent needed to support a company's digital transformation. Corporate leaders who do this successfully will follow in the footsteps of Microsoft CEO Satya Nadella, whose successful turnaround of the technology giant was based in part on shifting from a “know-it-all” to a “learn-it-all” culture.

The Skills Chasm

A chasm exists between the skills that people possess today and what they will need to have in the future. Even before the COVID-19 crisis, addressing this gap was the number-one challenge for companies that were adopting new technologies, according to research on the future of work conducted by BCG, the World Economic Forum, and Burning Glass Technologies. Other research has found that the vast majority of CEOs are somewhat or very concerned about the lack of digital skills in their workforce. The crisis has made addressing the skills gap an even greater strategic priority.

More than ever, organizations will rely on skills to differentiate themselves from the competition. They can no longer afford to separate learning from core business operations.

Building Skills at Speed and Scale

BCG's work with clients across geographies and industries has shown the following skill-building practices to be essential.

Link business goals directly to skill-building plans. Even after the COVID crisis has passed, people will work online more than ever, which will require companies to automate processes. This calls for workforce planning down to the skills level. And because skills go out of date so quickly, companies need to start thinking of workforce planning as an ongoing process rather than something they only have to do every few years.

For example, as part of its global digital transformation, the home-goods retailer IKEA conducted a comprehensive assessment of its IT workers' skills in preparation for designing a workforce strategic plan. First, the company built an algorithm to uncover gaps between the group's existing skills and those it would need in the future. Then it determined the best way to close those gaps by upskilling current employees, hiring people with new skills, automating certain functions, and outsourcing others.

Include everyone. Skill-building plans should cover everyone in the organization, not just people with technical capabilities who need to work digitally. And each cohort needs its own learning journey to build the needed muscle:

- **Senior Executives.** Top leaders must adopt digital and agile ways of working in order to model them for the rest of the company. When workers see senior leaders exhibiting the needed changes themselves, it sends a signal that skill building is something to take seriously regardless of who you are or what you do.

- **Managers.** Operations or function managers need to know how to work with the teams leading the digital transformation and the IT staff that support those teams. They must therefore learn such skills as data-based decision making and agile ways of working.
- **Digital Talent.** Organizations need to provide their digital talent with continuous training on the latest technologies. And if they lack sufficient expert-level digital talent, they may need to compensate by upskilling existing staff to gain those skills.
- **Disrupted Talent.** People whose jobs are being replaced by automation or advanced software need to be reskilled for new roles. Truck drivers, for example, who may one day be replaced by autonomous vehicles, could be reskilled to work as robotics mechanics.
- **Digital Users.** Whether a company launches a digital transformation to improve sales, the customer journey, or other processes, the changes will affect how work gets done. Organization-wide, people must be encouraged to adopt the skills needed to perform daily tasks, such as multichannel customer communications and team collaboration platforms.

Make every moment a learning moment. The best way to build a new skill is to use it every day, get feedback and coaching, and try again. We've found that the most effective approach is to have leaders, managers, digital producers, and users practice new skills daily and, at the end of the day, reflect on what worked and what didn't. Working alongside digital or agile experts helps create these learning moments, in which people can pick up new knowledge and immediately apply it on the job.

For example, an Asian real estate firm undertaking a large-scale business transformation had its top managers practice needed new skills in preparation for their

regular monthly leadership meetings. The managers were expected to scout for trends, identify opportunities, and present what they'd learned to the group, all of which helped them take ownership of the process—and ultimately helped the company launch a more aggressive business strategy that resulted in higher sales and market share.

Companies can use the following additional tools to make learning a part of operations:

- **Intentional Staffing.** People can diversify their skills and acquire new ones through temporary or permanent reassignments, transfers to different parts of the organization, or rotation through multiple roles.
- **Tandem Running.** An ant that finds food will lead another ant to it, and once the second ant learns the route, it passes that knowledge onto a third ant; in this way, followers become leaders throughout the colony. Companies can adopt this social-learning phenomenon, known as tandem running, throughout a function or team by pairing people who need to learn a skill with more experienced colleagues. As the less experienced employees master the skill, they become change agents for the rest of the team.
- **Feedback Culture.** People need regular, real-time feedback to gauge how well they're adopting new skills. At one large bank, managers began carving a few minutes out of regular leadership meetings to share feedback with each other on new ways of working. Within a few months, the group's adoption of the new ways of working increased by 30%.
- **Digital Nudges.** People can use push notifications and other digital nudges to reinforce a new skill at the exact moment that they need help. One type of nudge is a training program that sits on top of a software application that needs to be mastered. If an employee gets stuck, the training program displays suggestions for solving the problem.

Create a learning culture. Historically, human resources and learning and development staff have led learning efforts. As a result, learning has always been considered an add-on, something to do in addition to daily work and, for that reason, easy to minimize or skip. But minimizing learning is no longer an option. Business leaders and their teams must lead on learning, with HR and learning and development acting as partners to deploy it. In addition, learning experts can work within business units as coaches to coordinate and reinforce learning activities.

Going forward, managers need to view learning as part of their job. They should ask their direct reports, "What are you learning?" as often as they ask, "What are you working on?" Every step of an employee's career path should include skill building, with time given to acquire knowledge, practice new skills, and reflect on and reinforce what has been learned. For both teams and managers, bonuses and promotions should be linked to the mastery of new skills. Leaders can support the learning culture at all levels by publicly sharing their own skill-building efforts.

Measure learning against the digital transformation's goals. As organizations encourage employees to adopt new skills in support of their digital transformations, the metrics used to assess learning effectiveness should reflect the initiative's goals. Metrics could include such business outcomes as new-product development, revenue increases, and profits.

Making It Stick

An efficient skill-building program needs a well-structured plan. We recommend that companies consider the following when creating such a plan:

- **Don't forgo formal training.** Skill-building programs won't erase the need for more traditional, structured forms of learning, with employees stepping away from their regular duties on occasion to take a class or attend a seminar or conference. But even formal training is

changing to accommodate employees' preferred ways of learning, including the incorporation of online classes.

- **Apply the new practices outside of the digital transformation.** The need to upskill and reskill people for digital transformations was the aha moment that pushed companies to adopt new ways of building skills. But the methods are universal and can be applied to any situation in which a company needs to gain skills quickly.
- **Teach people how to learn.** As part of their efforts to create a learning ecosys-

tem, companies may consider offering mindfulness training or other less traditional methods of encouraging learning and reflection.

THE COVID-19 CRISIS has accelerated the pace at which companies are transitioning to digital. And it has made the shortcomings of traditional learning and development programs all too clear. The companies that embed learning into their operations and culture will create the workforce they need in order to thrive in the post-pandemic economy.

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