

“Distance learning for a strategic HR”

Extracts from a White Paper from CrossKnowledge

The best practices of innovative companies
By Steve Fiehl, CrossKnowledge
(Edited by Nige Howarth, Towards Maturity CIC)

Introduction

Distance learning has consistently increased in importance for corporations over the last few years. After “the fad effect”, the time has come for more mature and better thought-out applications, based on the first successful experiments. Today, very few people question the relevance of distance learning, least of all its users. However, we still need to ask how we can benefit from its full potential. How can it help the heads of Human Resources Departments play the role that management committees expect from them? How can a company use distance learning to attract talented individuals and gain their loyalty, ensuring that it has access to the key skills it needs for growth, helping it to stay agile and ready for change, and implementing strategy effectively?

This white paper is designed to answer these questions. It is based on:

- Hundreds of distance learning projects in corporations of very different sizes and backgrounds
- The experience of dozens of company Executives, Human Resources Directors, and Chief Learning Officers of large companies
- Surveys on the management organisation of large corporations that have been conducted in order to understand the strategic value given to learning and skills development policies.

The challenges

Any thinking on learning strategies and skills development must take into account three significant phenomena in contemporary society within the human resources context.

1. The “knowledge worker”, the new key asset for corporations

The first phenomenon emphasises the rise in power of what Peter Drucker calls the “knowledge worker”. Services and innovative work now have a major impact on the added value of companies. Companies’ performance today relies massively on the human factor. As Peter Drucker explains, *“The most important contribution to 20th century management has been the increase of the manual worker’s productivity by a factor of 50. The most important contribution to management during the 21st century will be to increase the knowledge worker’s productivity in a similar way. The key asset of 20th century companies was the physical equipment. The key asset of 21st century companies will be their knowledge workers and their productivity.”*

For two corporations with similar product lines, identical strategies and same market conditions, the one that will “outperform” its competitor will be the one with employees that are more qualified, more motivated and more in tune with company strategy. All top executives will support this assumption, but the real world is unfortunately far away from this ideal. A

survey carried out by Harris Interactive in the United States on 23,000 employees in companies across all sectors revealed:

- Only 37% of those surveyed stated that they perfectly understood their company's objectives and the "raison d'être" for those objectives
- Only one in five agreed to being enthusiastic about their team and company objectives
- Only one in five understood the connection between what they were doing and the company strategy
- Only 15% believed that their organisation gave them the means to carry out their key objectives
- Only 17% thought that their organisation promoted dialogue on new ideas
- Only 10% thought that their organisation held them accountable for their results
- Only 20% admitted to having confidence in their organisation
- Only 13% acknowledged working with a feeling of trust towards other company departments.

Defining objectives for "knowledge workers", motivating and supporting them and improving their skills – these have become key challenges for all organisations, and no longer just fall within human resources policies. Failure in this regard is likely to make overall company performance plummet. Now that human resources professionals are increasingly numerous on executive committees, what solutions must they propose? Specifically, what should their policy be on leadership development? What support can they provide for management? What skills development strategy can they suggest when learning is still considered as an expense and thus a scarce resource?

2. Strategy implementation and change management

The second phenomenon at work is the acceleration of change and strategic discontinuities in organisations. Radical changes in business models like that of IBM (who progressively abandoned the manufacturing of computers to move to the service industry) or that of Thomson Multimedia (who dropped consumer electronics for multimedia services and technologies sold through B2B) are no longer unique examples. The creation, in just a few years, of Internet giants capable of changing the rules of complete economic sectors, and the emergence of new Indian or Chinese leading industry players (heretofore and for a long time the prey but now becoming industry raiders) are making the European, Japanese and American multinationals take stock of the transient nature of their competitive advantage. For this reason, the CEO of a large Fortune 100 company asked all of his managers to put a sheet of paper in their pockets with the following words: "*Your business model is no longer sustainable.*" They had to read it every morning!

The acceleration of these changes brings about enormous problems of adjustment. If, as we have seen, business depends on people, then every time a large company changes strategy, it must communicate this change to its whole management who in turn must pass it on to the teams. These same teams must develop new skills in order to adapt to the new strategy, to the new positions, and to the new way of doing things. From here on, workforces are getting increasingly larger, more widely dispersed, and more international. This is probably where the real challenge lies, and where learning policies are most valuable in general for management.

When IBM and the ASTD (American Society for Training & Development) surveyed 50 Presidents and CEOs of large American groups to find out where they thought learning created most value, the response was overwhelmingly: 1/ strategy implementation, 2/ change, 3/ leadership development. Intermediate management plays a key role in this difficult management of change: It must communicate top management's policies into a language understandable by everybody. It must do it in such a way that the message is neither transformed nor left open for interpretation. It must implement the strategy while justifying the project, setting the objectives, selecting the managers and defining and controlling the action plans. It must support and motivate the teams to reach the objectives defined by the top management, using the following tools: personal leadership, reward policy, delegation,

learning and development. Is management sufficiently prepared for the difficult task of handling this change? It is a very good question! As Jacques Horovitz, professor at IMD, noted, *“Managers are often found accountable for the failure of policies decided by top management: we often hear people saying ‘intermediate management isn’t sophisticated enough’, ‘management resists change’, ‘management won’t take initiative’, and ‘management has rerouted our initial objectives.’ On the contrary, in companies where things are done, it is very often the managers who are to be thanked.”*

As we all know, human capital development policies are far from easy in the context of rapid and brutal changes. Change affects the corporation differently at different levels. A new activity, a new business, globalisation, a new range of products, and so forth - these developments may require an extremely rapid increase in the skills of salespeople, the intensive training of a call centre or the setting up of a project team. Management of human resources departments must not only follow but anticipate, by responding more and more quickly to the demands of operational staff by supplying the necessary skills, in the same way that, years ago, factories had to supply products and purchase raw materials.

3. Skills development, a marketing weapon in the war for talents

The third phenomenon is both demographic and sociological. With the “baby-boom” generation reaching retirement, companies are going to face a scarcity of qualified human resources. Between now and 2010, 50% of the management of numerous large Western and Japanese corporations will retire. This means the recruiting and intensive learning of tens of thousands of people to replace them. The new managers must be able to work in increasingly complex and changing environments, with more and more technology, in teams, often remotely and with a large degree of autonomy and responsibility.

The famous “war for talents” has started. Attracting talent as well as identifying and winning applicants’ loyalty is becoming a general management obsession. Skills development policies have become a sales pitch to attract candidates and form an integral part of what is now called “Corporation Branding”. As demonstrated by a survey carried out by the Hay Group of 500,000 people in 300 British companies, *“a company’s ability to train its staff and continuously develop their skills has become the no. 1 key to attracting and keeping business partners.”*

This major phenomenon is explained by the new behaviour of the working individual. According to Loïc Cadin, careers today follow a new model: that of the “mobile career”. Evolution is no longer linear but contains breaks and reorientations, sometimes associated with identity crises. Employees have understood that they should no longer expect the company to provide them with a career plan but must, first and foremost, develop their own skills and their employability so as to be able to bounce back, change professions, or adapt to changes in scope or application. Companies are today proposing a new contract: performance versus employability. In practical terms this means: *“help us to benefit from your working ability and the corporation will guarantee the learning and support that will keep you employable on the jobs market.”*

In this context, skills development policies must no longer only serve organisations’ strategic interests but also meet individual needs. In learning, the individual becomes the key actor in plans for the customisation of career paths, the development of self learning, the recognition and taking into account of individual experience, and so on.

Changes in European legislation and their strong emphasis on learning policies that promote individual skills and employability development, confirm this trend. Offering individual support to all associates must from now on be part of a companies’ marketing plan on the new skills market. But how can such a promise be organised and financed? Never before has so much been expected from human resources management in the areas of learning and development policies or the quality of management.

Which learning strategy?

There are five objectives for new policies on skills improvement and in facing these challenges, companies seek to adapt their HR – learning policies and equip themselves with what could be called a “learning strategy”. Such a strategy is simply one in which all forms of learning are valued in the interest of serving the company’s long term objectives.

Objective No.1: to increase access to learning and knowledge, while controlling costs

It is hard to envisage increasing the performance of “knowledge workers”, aligning teams with the required strategies and new skills, and serving individuals in their personal development projects without massively increasing access to learning and knowledge. Despite these efforts, the rate of access to learning remains unsatisfactory. For example, L’Oréal, a company known for its strong training philosophy, recognises the disparity in marketing culture between its European managers and those in Asia, and has set itself the objective of addressing this gap. The first objective of each learning strategy is to therefore increase access to learning and knowledge.

Objective No.2: to favour flexibility and responsiveness

Human resources management must “deliver” the teams and skills that operational departments need, in the shortest possible time. First of all, this means having a very effective and responsive learning system, calling into question:

- 1) Learning production methods: expensive educational design, calling for several months of set-up before programme launch, is becoming less and less satisfactory; the time has come for rationalisation and the elaboration of “ready to use” core curricula.
- 2) Ways of implementing learning internationally: The need for “cascading” which is lengthy and difficult to master, progressively leaves room for the local reproduction of programmes designed elsewhere, or for worldwide implementation of programmes no longer needing contact classroom learning.

This requires an ability to anticipate needs: identifying key organisational skills, and more systematic identification of the gap between needs and available skills. Finally this means more individualisation, in order to be able to interact with the right people, in the right place and at the right moment, without having to think systematically in terms of large programmes and large classroom groups. In other words, this is “just in time” learning and not “just in case”.

Objective No.3: to demonstrate measurable impacts

The question of metrics for learning is crucial, and Return on Investment is a recurrent one. Even if you can demonstrate that a particular course is efficient (which is far from easy), the impact on performance and on the bottom line is normally still unclear. Without trying to measure ROI per se, analysing the impact of learning can no longer be limited to ascertaining the degree of user or client satisfaction. We must be able to get feedback on the effect of that learning on individuals’ work, on their capacity to reach objectives, and on the skills that they have gained.

Objective No.4: to favour a learning culture

A lot of companies that call into question their skills development practices find out that they must first change their learning culture. In order for teams to develop and adapt continuously, learning behaviour needs to evolve from a passive to an active one. The idea is no longer just

to send employees off for training sessions, even if done with a high degree of understanding of the real challenge of the programme, and with a real follow-up by management. Rather, it is to implement a culture where people take stock of their own skills improvement and manage their learning strategies themselves, with the support of management and HR services. In other words, it's a question of developing the workforces' learning capabilities, to use a concept forged by Phillipe Carré and Marc Dennery. *"We want to form in our company a culture where self-education becomes a daily practice and learning is considered as an investment rather than an expense."* This statement comes from Shell's Chief Learning Officer: the job title itself shows the importance of all types of learning for the company. At Valeo, a HR kit is distributed to all the managers, explaining the different methods of providing learning, including pair-work tutorials, sending colleagues to conferences or exhibitions, switching positions, favouring temporary mobility for a year, and encouraging self-learning at the individual's workstation or at a resources centre. There is a whole range of possibilities for self-learning before sending an employee to a face-to-face session. Forming a learning culture helps in practical terms to increase the number of occasions for self-learning for all participants, without necessarily increasing the global budget. Competence and motivation are enhanced and learning becomes different: it is no longer just "going to a session", but rather it fits with the daily working situation, thus becoming more operational, more tangible, more relevant and more efficient.

Objective No.5: to serve business AND individuals

As we have seen, all skills development policies will be increasingly valued by the participants, who will be asking themselves if the company has their individual interests in mind and whether their employability is being well maintained, or even increased.

The objective of all HR development policies must therefore:

- 1) On the one hand, provide immediate performance ("learn for today")
- 2) On the other, develop individuals for the near future ("learn for tomorrow"), through individualised programmes that respond to participants' personal concerns (What skills improvement do I need for what type of career? What qualifications do I need? Will they be recognised elsewhere?). These programmes must also respond to the organisations' concerns (What are the key skills for tomorrow's professions?).

Five innovative practices in HR

Through the experience gathered from one hundred international clients and thousands of learning projects using distance learning, CrossKnowledge has identified five large innovative practices responding to all or part of the technical specifications that we have described above. These examples are not exhaustive but show some strong trends.

Innovative Practice No.1: from "mono-mode" to "blended learning"

Traditional learning practices, notably in behavioural learning, are based on the seminar principle: gathering a group of about ten people for a period lasting from one to five days, with a preference for many sessions rather than longer course duration. Studies today show that: 66% of classroom learning is forgotten two days after the training session and skills are more easily gained by learners if the support period is extended, right up to and including the practical implementation of the skills.

Training managers are finding it increasingly difficult to motivate managers to learn about evaluation processes, for example, even though this activity is rarely done well despite its importance to the assessment of individual performance. This helps to explain the growth in 'blended learning' solutions, resulting in learning being retained for up to three to four months, instead of just a few days.

In 2004-2005, AXA undertook an ambitious learning course for all its managers. Designed together with CrossKnowledge, this course lasted eight months and alternated self-learning phases with one-day workshops. Moreover, this course incorporated numerous innovations:

One part of the course was individualised to correspond to each participant's needs: a preliminary self-evaluation enabled entry level grading and recommendations for personalised self-learning components, added to a core curriculum. The educational effectiveness of the course was assessed by a final self evaluation, involving knowledge but also an evaluation of managerial practices that were covered by the programme. On average, an increase of more than 46% in skills between the beginning and end of the course with several hundred specific improvement plans defined and launched during the course.

At the heart of the EADS group, 3,000 employees have been identified as MVPs (Most Valuable People). As such, they have access to the entire catalogue of CrossKnowledge e-learning modules. Two months before attending learning programmes, these managers are invited by the training staff to participate in selected modules in order to check that they have the necessary prerequisite experience. Both during and after classroom sessions, the training staffs invite the participants to further their understanding and knowledge by going on-line. This introduction to distance learning allows a reduction of 30% in the number of days of contact classroom learning. The facilitators were quick to notice an improvement in the quality of their interactions.

Innovative Practice No.2: supported learning in the workplace

The closer that learning gets to professional practice, the more efficient it is and the more it fits to the expectations of the different stakeholders. The manager is the most legitimate person to support a colleague's development in the workplace.

Jacques Horowitz, one of the world's specialists in service quality, sees the manager/trainer as one of the keys to successful companies. *"In successful companies, teams don't spend their time learning management theories but in applying them in a concrete mode. (Quoting a service company): 60% of the monthly meetings organised by managers are dedicated to team learning."*

The companies that have understood this problem use distance learning as an ally to achieve the transformation of the manager into coach or trainer. The innovative practices which make up the most important part of workplace learning rely on: Self-learning being available at all times and adapted in a tailored way to the participant's real needs thanks to well-designed modular resources and Managerial support.

In these systems:

- Managers take charge of their staff's improvement in skills
- Managers are directly involved in their learning
- The learning feeds and maintains the dialogue between managers and staff, whereas before managers were a little lost when asked to play the teaching role, they now find support in distance learning which frees them from educational challenges while at the same time increases the standing of their role as coaches.
- Managers do not rely exclusively on HR and programmes to improve the skills of their staff. They are asked to invest time and energy actively in the improvement of their employees' capabilities. Their annual appraisal may take this issue into account.

At Sanofi-Aventis, managers located in more than 20 European countries attend a mid-year competencies improvement interview, which enables them to recommend personalised distance learning courses to their staff. Course allocation is automated thanks to a very close coupling between the different distance learning sessions available and Sanofi-Aventis' skills repository. In order for the manager to generate a staff member's personalised programme, it is just a question of determining that person's competence level in relation to the major points of the matrix. The system helped management to discover the Group's new skills reference in just few months, which was one of the programme's strategic objectives. "Just-in-time" learning in the workplace meets adults' educational needs. According to Malcolm Knowles (1998): *'Adults would rather control what they learn and how they learn it rely on their experience for guidance learn what they consider urgent or relevant for their activity learn in*

the context of situations under their control, so that they can understand better, or of situations which require a different way of behaving’.

Innovative Practice No.3: learning and development, new HR services for work colleagues

As we have seen, skills development policies must take into account both the individual's needs and the interests of the company. When this is done, employees will see new HR services being offered to them: evaluation of skills and potential, self-learning portals, coaching, help with professional project definition, and so forth. These services will be built into the offer that the company must make in order to attract quality profiles and gain their loyalty. For a company, this can present quite a challenge.

- It must show applicants that it is truly concerned about the development of their individual skills and vocational focus and that these concerns are an integral component of the “Company Brand”.
- It must find an economical and credible solution to the individual right to learning as granted by new laws.
- It can expect questions on certification, verification of staff capabilities, and anything that concerns people's employability on the jobs market.
- It must have flexible and individualised approaches covering the spectrum of employee's needs (mobility, re-qualification after finishing a career, return to work after maternity/paternity leave, etc.)

Distance learning is being used increasingly to help respond to these challenges. Even if it's obvious that it cannot cover everything, distance learning has become necessary in the new context due to its affordable price and, in particular, its ability to be customised. Backed up by distance learning, learning policy becomes a way of supporting the trend towards professional mobility.

Innovative Practice No.4: concentrating on a strategic skill

Distance learning can help company strategy implementation by concentrating on the development of the skills that are necessary for it. The challenges are twofold:

- To improve staff capabilities effectively where the company has most use for them
- To be able to do it quickly and worldwide.

Even where training remains classroom-oriented, most strategic alignment programmes use distance learning components more and more frequently, either to transfer essential course material or to enable the implementation of a transverse project via collaborative platforms.

On the eve of floating the company's shares and after becoming a limited company, EDF wished to improve the financial education of its 1,500 directors, three quarters of whom are engineers. As distance learning has the shortest cycle time, and is the least expensive, it rapidly presented itself as the most relevant solution. It took less than two years for the whole group to acquire this knowledge of finance. This solution had the added advantage of being able to reach a very dispersed target group (40% abroad), not only due to the internet but also because the course was available in English as well as in French. Despite the optional and voluntary nature of the programme, more than three quarters of the trainees participated, with an average follow-up rate of 70%. Between the two self-assessments, the participants noted a 40% progression in their financial skills.

Innovative Practice No.5: systematising learning distribution in all its forms

With changing strategic contexts, the needs of business units that are constantly requiring greater responsiveness, and individuals' demand that their own skills development be taken into account, the need to industrialise and systematise learning is becoming obvious.

Blended learning courses, self-learning with managerial or tutorial support, open-access portals and similar systems offer the heads of training and development new ways of responding to an exploding demand, to diverse needs, and to changing contexts.

In order to implement such different and numerous programmes or systems, the heads of HR/Learning are going to have to start thinking in an increasingly industrial way:

- By pre-equipping themselves with technologies and self-learning content so they can implement distance learning strategies when they need to.
- By creating “building blocks” which can be combined in infinite ways in the context of different systems. These “blocks” are the elementary educational objects. Online courses and self-assessments come easily to mind but we can also imagine “blocks” of in-class training (workshops), “blocks” of distance activities, virtual classes, etc.
- By training educational engineers and tutors internally to combine these “blocks” and thus create systems rapidly and industrially that are flexible and adapted to the internal clients’ needs.

“In the “Handbook of Corporate University Development”, Peter Bentley recalls how he went about creating the Shell Open University and the main principles at work in its creation. *“In 2002, more than 100 million dollars were invested in training. Nevertheless, there was a growing divide between the entities’ needs and the available skills. The training methods had to be revisited in a structural way. All the more so, considering that a second phenomenon had to be taken into consideration. In the petroleum industry, 50% of teams will retire between now and 2010. Recruitment alone will not be enough to fulfil the needs. What we need therefore is a ‘learning strategy’ capable of bridging the divide between the needs and the skills currently available, while at the same time building a learning culture where learning becomes a daily reflex.”*

Each approach is sustained in the following way:

‘Learn for today’

- Coaching in skills or behavioural techniques by pairs, by one’s manager, by internal or external trainers
- Learning in the workplace via collaborative learning, based on tasks to be accomplished
- Short workshops/ learning programmes
- Experience sharing and capitalisation.

‘Learn for tomorrow’

- Tutorial system by an experienced individual capable of helping steer the employee’s career
- Collaborative learning programmes.

Towards new roles

The new challenges in skills development, the evolution in regulations and the innovative practices that we have described in this white paper profoundly modify the roles of the different actors in the company. Managers will take on a growing role in supporting the improvement of their staff’s skills. As we have seen, the growing importance of skills development forces corporations to decentralise learning activities in the workplace. New methods like distance learning make this revolution in training possible. Skills development will thus merge more and more with daily activities and it will become increasingly difficult for managers to ‘externalise’ their teams’ skills improvement to training departments. Skills development must systematically become part of the operational objectives assigned to managers. In short: “Managers recruit, develop, and supervise their colleagues while HR gets in only when necessary.”

The regulatory framework encourages this change. Previously, general management asked the training directors to focus learning activities on the strategic skills needed by the company. Now, the decision-making power in terms of learning rests with the manager and

the employee. These two categories of player are invited to negotiate, and where appropriate, to request advice from the training departments so as to fix their definitive choice.

As learning can no longer be reduced to one single method (in-class, CD-ROM, etc.) the challenge for trainers and facilitators is to find the correct combination of the new and old learning methods. It should be thought of as a pedagogical process lasting several months during which learners feed their experiences with theoretical knowledge and vice-versa. This flexible design changes numerous reference points for educational teams.

The distance learning factor will facilitate work groups and learning communities beyond frontiers, geographical boundaries and cultures. Strategic changes will be able to be supported in a faster and more wide-scale fashion and learning and development will herald a new culture, thus contributing to increased maturity and leadership.

A full copy of this report is available on request from [CrossKnowledge](#).

www.crossknowledge.com

CrossKnowledge, 18 Hanover Square, London W1S 1HX - England

Tel: +44 (0) 203 008 7970 - Fax: +44 (0) 203 008 8601

This document is an extract from a publication of the CrossKnowledge company, used with permission.

All brand and logos, registered or otherwise, are the property of their respective holders. This is a non-contractual document.

CrossKnowledge would like to thank the following companies for sharing their experiences: AXA, EDF, L'OREAL, RENAULT, SHELL and SANOFI-AVENTIS.