

UNIVERSITY OF WALES TRINITY SAINT DAVID

MBA MARKETING

HUMAN RESOURCE MANAGEMENT

**LEARNING & DEVELOPMENT
WORKFORCE CAPABILITIES**

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MAY 2023

The global workforce has been constantly evolving over the last decade due to a variety of variables. A more competitive business landscape, greater complexity, and the digital revolution are altering the personnel mix. Meanwhile, continuous unpredictability, a multigenerational workforce, and expertise with a shorter shelf life have put a premium on reskilling and upskilling. Because of the change to a digital, knowledge-driven economy, a thriving workforce is more crucial than ever: research indicates that a sizable portion of market capitalization in public firms is based on intangible assets—skilled workers, great leaders, and knowledge.

All of these developments have increased the value of the learning-and-development (L&D) function. We conducted research in different stages to better understand trends and current goals in L&D. The efforts emphasised how the L&D function is adjusting to meet organisations' changing needs, as well as the increasing levels of investment in professional development.

To maximise the value of training programme and curriculum development investments, L&D executives must embrace a broader position within the organisation and set an ambitious vision for the function. A thorough, coordinated approach that engages the organisation and encourages collaboration is a critical component of this endeavour. The ACADEMIES structure, which comprises of nine L&D dimensions, can help to enhance the function and position it to better serve the organisation.

The strategic importance of L&D

One of L&D's core roles is to manage people development while also supporting other critical business initiatives.

1. Attract and retain talent. Learning has always been focused mainly on increasing production. Learning nowadays also helps with employability. Over the last several decades, employment has evolved from a model in which workers are held only as long as they can offer value to an enterprise to one in which people are retained only as long as they can provide value to an enterprise. Workers are increasingly in responsibility of their own personal and professional growth and development, which is why "opportunities for learning and development" are among the top criteria for joining a company. In contrast, one of the main reasons people leave a company is a lack of L&D.
2. Develop people capabilities. To maintain its worth, human capital necessitates constant investments in learning and development. When information becomes obsolete or lost, which is becoming more common nowadays, the value of human capital declines and must be replenished by new learning and relevant job experiences. Companies who invest in the next generation of leaders get a significant return. According to research, companies in the top quartile of leadership beat other organisations on earnings before interest, taxes, depreciation, and amortisation (EBITDA) by over two times. Furthermore, firms that spend in developing leaders through major transformations are 2.4 times more likely to meet performance goals.
3. Create a values-based culture. As many firms' workforces grow increasingly virtual and globally scattered, L&D can help to foster a values-based culture and a feeling of community. Millennials, in particular, are interested in working for values-based, sustainable businesses that contribute to societal well-being.

4. Build an employer brand. A company's brand is one of its most valuable assets, conveying a lot about the company's market performance, financial strength, industry position, and products and services. Investments in learning and development can strengthen a company's brand and reputation as a "employer of choice." Employers must work harder to compete for a dwindling talent pool as substantial portions of the workforce prepare to retire. To accomplish so, they must expressly articulate their brand strength through an employer value proposition.
5. Motivate and engage employees. The most effective strategy to engage employees is to give them opportunity to learn and develop new skills. According to research, lifelong learning contributes to happiness. Highly engaged individuals are more likely to be energised by new chances at work and content with their present organisation when they are challenged and given the abilities to grow and develop within their chosen career path.

The L&D function in transition

We have established and field-tested nine dimensions that lead to a strong L&D function throughout the years. We merged these components to develop the ACADEMIES framework, which addresses all areas of learning and development functions, from defining goals to monitoring impact. Although many businesses regularly execute on various dimensions of this framework, our recent research discovered that only a few are fully mature in all dimensions.

1. Alignment with business strategy

One of the key responsibilities of an L&D executive is to establish and shape a learning strategy based on the company's business and talent initiatives. The learning strategy aims to enhance professional development and create capacities across the organisation on schedule and within budget. Furthermore, the learning method can improve organisational culture by encouraging employees to live the company's ideals. In many organisations, the L&D department aids in the execution of the company plan. For example, if one of the company initiatives is digital transformation, L&D will focus on developing the people competencies required to make that happen. Every business leader would agree that L&D must be aligned with the overarching priorities of the organisation. Despite this, research has revealed that many L&D functions fall short on this dimension. Only 40% of businesses feel their learning strategy is in line with their company objectives. So, for 60%, learning has no concrete link to the company's strategic objectives. L&D functions may be out of sync with the business due to outmoded methodologies or budgets focused on past year's goals rather than today's imperatives, such as digital transformation.

To be effective, L&D must examine employee competencies and determine which are critical to the execution of the company's business strategy. L&D executives should reassess this alignment on an annual basis to ensure they are developing a people-capability agenda that properly represents business priorities and strategic objectives.

2. Co-ownership of business units and human resources

Companies must become more agile, able to adjust their business procedures and practises as new tools and technology emerge. L&D units must also be able to begin capability-building programmes quickly, for example, if new business demands develop

unexpectedly or employees want instant training on new technologies such as cloud-based collaboration tools. Establishing a governance framework in which leadership from both groups shares responsibility for conceiving, prioritising, developing, and procuring money for capability-building programmes can help L&D units improve their cooperation with business executives. The chief experience officer (CXO), senior executives, and business-unit heads of a company will define the people-capability agenda for segments of the enterprise and ensure that it corresponds with the organisation's overarching strategic goals under this governance model. Top executives will also assist in firmly embedding the learning function and all L&D efforts in the organisational culture. Senior leadership engagement allows for full commitment to the L&D function's long-term vision.

3. Assessment of capability gaps and estimated value

After identifying their business priorities, firms must ensure that their staff can deliver on them—a process that may be more challenging than it appears. Some businesses make no effort to analyse staff capacities, while others do so just to a limited extent. Conversations with L&D, HR, and senior executives indicate that many organisations are inept or indifferent when it comes to analysing skill gaps, particularly for senior leaders and midlevel managers.

The most productive businesses approach capability assessment deliberately and methodically. A thorough competency or capability model based on the organization's strategic direction is at the centre of this procedure. A crucial ability for a subset of an e-commerce company's personnel, for example, could be "deep expertise in big data and predictive analytics."

Companies should examine how people rate in each of these areas after selecting the most important competencies for particular functions or job descriptions. These capability shortages should be addressed by L&D interventions.

4. Design of learning journeys

The majority of corporate learning is offered through a combination of digital and in-person sessions. While our data reveals that immersive L&D experiences in the classroom continue to be extremely valuable, leaders have informed us that they are extremely busy "from eight to late," leaving little time to sit in a classroom. Furthermore, many respondents stated that they prefer to learn and practise new skills and behaviours in a "safe environment," where they are not concerned about public failures that could jeopardise their career prospects.

Traditional L&D programmes consisted of many days of classroom learning with no follow-up sessions, despite the fact that individuals forget what they have learnt if they are not reinforced on a regular basis. As a result, many L&D functions are shifting away from standalone programmes and towards learning journeys, which are long-term learning opportunities that include L&D interventions such as fieldwork, pre- and post-classroom digital learning, social learning, on-the-job coaching and mentoring, and short workshops. The primary goals of a learning journey are to assist people in developing the necessary new competencies in the most effective and efficient manner possible, as well as to facilitate the transfer of learning to the workplace.

5. Execution and scale-up

A well-defined L&D agenda includes a number of strategic activities that support capability development and are connected with business goals, such as assisting leaders in developing high-performing teams or implementing safety training. It is vital to develop and maintain support from corporate leaders by completing L&D initiatives on time and within budget.

L&D functions are frequently overburdened with initiatives and underfunded. To secure the necessary resources and support, L&D leadership must maintain an ongoing discussion with business executives about initiatives and goals.

Many new L&D projects are first aimed at a small group of people. A tiny experiment, such as an online orientation programme for a specific population, can have a larger impact once the programme is expanded out to the entire organisation. As corporations profit from economies of scale, the program's cost per person decreases.

6. Measurement of impact on business performance

The execution and impact of a learning strategy should be monitored using key performance indicators (KPIs). The first indicator considers business excellence: how well all L&D efforts and investments are aligned with business priorities. The second KPI examines learning excellence, specifically if learning interventions affect people's behaviour and performance. Finally, an operational-excellence KPI assesses how well corporate academy investments and resources are utilised.

Accurate assessment is difficult, and many organisations continue to rely on traditional impact measurements like learning-program satisfaction and completion rates. High-performing organisations, on the other hand, prioritise outcomes-based indicators such as influence on individual performance, employee engagement, team effectiveness, and business-process improvement.

7. Integration of L&D interventions into HR processes

Corporate-learning initiatives in L&D must be connected with the business, and they must also be an intrinsic element of the HR agenda. L&D is critical in recruiting, onboarding, performance management, promotion, workforce, and succession planning. According to our findings, many L&D functions have only hazy links to annual performance assessments and lack a disciplined strategy and follow-up to performance-management practises.

L&D leaders must be familiar with important HR management practises and processes and work closely with HR leaders. The most effective L&D departments include consolidated development feedback from performance assessments into their capability-building agenda. A rising number of businesses are replacing annual performance reviews with frequent, real-time feedback. This is another area where the L&D function can assist managers in developing abilities to properly deliver development feedback.

Another case in point is onboarding. Companies that have built high-impact onboarding processes outperform their competitors in terms of employee engagement and happiness, and they lose fewer new hires. The L&D function can play an important role in onboarding by, for example, assisting employees in developing the skills they need to be

successful in their roles, giving new recruits with access to digital-learning technology, and connecting them with other new hires and mentors.

8. Enabling of the 70:20:10 learning framework

Many L&D functions follow a structure known as "70:20:10," in which 70% of learning occurs on the job, 20% through interaction and cooperation, and 10% through formal-learning interventions such as classroom training and digital curriculum. These percentages are only suggestions and will differ depending on the sector and organisation. Traditionally, L&D functions have concentrated on the formal-learning component.

Coaching and mentoring, on-the-job training, apprenticeships, leadership shadowing, action-based learning, on-demand access to digital learning, and lunch-and-learn sessions are all examples of interventions that L&D executives must create and implement to enhance informal learning. Social technologies are increasingly being used to connect professionals and to create and share knowledge.

9. Systems and learning technology applications

Technology platforms and applications are the most important enablers of just-in-time learning. To name a few, there are next-generation learning-management systems, virtual classrooms, mobile-learning apps, embedded performance-support systems, polling software, learning-video platforms, learning-assessment and -measurement platforms, massive open online courses (MOOCs), and small private online courses (SPOCs).

The learning-technology sector has completely shifted to cloud-based platforms, which allow L&D functions to plug and unplug systems and access the most up-to-date capabilities without having to go through lengthy and costly on-premises system installs. L&D leaders must ensure that learning technologies are integrated into a larger system architecture that supports the entire talent cycle, including recruitment, onboarding, performance management, L&D, real-time feedback tools, career management, succession planning, and rewards and recognition.

Leaders in learning and development are becoming more conscious of the problems posed by the fourth industrial revolution (technologies that integrate the physical and digital worlds), but few have undertaken large-scale transformation programmes. Instead, most are gradually modifying their strategy and curricula to meet changing needs. However, with technology moving at such a rapid rate, L&D leaders can no longer afford to wait: human capital is more vital than ever and will be the major determinant in sustaining competitive advantage in the next years.

Leaders of L&D functions must reinvent their approach by developing a learning strategy that matches with business strategy and identifying and enabling the competencies required for success. This strategy will produce robust curricula that make use of every relevant and available learning method and technology. The most effective businesses will invest in creative learning and development programmes, remain flexible and nimble, and develop the human talent required to grasp the digital age.

These improvements involve some risk and possibly some trial and error, but the rewards are enormous.