

Competitive advantage with a human dimension: From lifelong learning to lifelong employability

As AI-enabled automation advances, organizations should embrace “lifelong employability,” which stretches traditional notions of learning and development and can inspire workers to adapt, more routinely, to the evolving economy.

by Beth Davies, Connor Diemand-Yauman, and Nick van Dam

As robots and algorithms continue to become more central to the workplace, workers and employers face the enormous task of figuring out how to cope. No longer is automation a thing of the future: the McKinsey Global Institute (MGI) estimates that half of today’s work activities coordinated by humans could be automated with present-day technology.

If recent experience is any indicator, few organizations or individuals are prepared for such a transition. Already, there’s a significant gap, brought on by digitization and advanced data analytics, between the skills people have and the skills companies need. And existing skill mismatches are nowhere near as significant as the ones automation and artificial intelligence will bring. Demographic changes will also contribute to the challenge. Life expectancy

is rising in many countries, along with the retirement age. According to one estimate, half the people born after 1997 in developed countries could live to 100, meaning they will likely spend many more years working—and learning new skills.

The formal learning that companies now offer is unlikely to be enough to prepare people for this dynamic and confusing future. Instead, people and companies need to embrace a new imperative. It's not enough to think or talk about "retraining" and "reskilling." These terms sound episodic, as if they're something that happens after a layoff or when a process or piece of equipment is installed. "Lifelong learning," too, is problematic. While it is certainly a beneficial mind-set,¹ it tends to appeal primarily to the highly educated and is likely to be much less exciting for those who didn't like school in the first place.

Instead, employers, employees, educational institutions, and public-sector leaders need to start talking about "lifelong employability": helping people continually and successfully adapt as the economy evolves. Rather than focusing on retraining and reskilling as ends to themselves, we must reframe these topics as a means to the specific end of remaining employable for as long as one desires to be a part of the workforce. Mid-career assistance, in particular, is a major focal point of such a system, and this is an area, MGI pointed out, of particular weakness.² Embracing the idea of lifelong employability will help workers remain relevant and ensure that employers have the flow of skilled workers they need and could even improve retention by exciting employees about their career prospects and potential.

In this article, we offer CEOs and senior executives a set of principles and practices that we hope will spur the management conversations and hands-on oversight necessary to make lifelong employability a workplace reality. Given the potential for stronger learning and development to enhance organizational effectiveness, these practices should benefit both workers and their companies.

Learn about learning

Many companies approach learning and development (L&D) much as they did 30 years ago. That is, they rely on classrooms for training and take a one-size-fits-all approach. It shouldn't be this way. Organizations should take advantage of the solid research, grounded in neuroscience, psychology, sociology, and

¹ For an anonymous and confidential online assessment of your lifelong-learning mind-set, see "Reaching your full potential by embracing lifelong learning mindsets with authentic confidence," reachingyourpotential.org.

² See "Jobs lost, jobs gained: What the future of work will mean for jobs, skills, and wages," McKinsey Global Institute, November 2017, McKinsey.com.

pedagogy, about what works in learning in general and adult learning in particular. For example:

- Studies show that relationships help learning by stimulating the parasympathetic nervous system. Study groups can therefore help people process new ideas and learn more than when they work alone.
- Training courses are most effective when they are tailored for specific roles and at identifiable career inflection points, as opposed to being offered episodically, according to the calendar, or when HR secures resources for new learning initiatives.
- Microlearning—presenting information in short, 15- to 30-minute bursts—is more effective than longer sessions. Companies can experiment with digital technologies such as virtual or augmented reality to take advantage of this. They can also explore other digital options, such as self-directed online learning and artificial intelligence, to make the provision of training more flexible.
- Big data can help customize and measure learning experiences. Few L&D departments have invested in data analytics the way other departments have. Marketers, for example, know what time of day people open their messages most frequently, how long they engage, and what methods capture them most. L&D courses and programs should be no different.

What doesn't work? Avoid terms such as “remedial,” which imply the learner is broken in some way. Research indicates that fear or risk of failure can shut down neural pathways crucial to learning. Similarly, organizations should be thoughtful about the use of assessments: tests can be stressful and may contribute to people dropping out. The best learning environments support employees—and don't stress them out.

Finally, senior executives will play a major role in a company's attitude toward learning. They can start making the case for lifelong employability by sharing what they know about the changing work and economic landscape. A first principle of learning is that people learn what they want to learn. Leaders, therefore, need to communicate the imperative to inspire employees toward a mind-set of continuous skill improvement. As is so often the case, inspiration starts at the top: leaders need to be role models and show that they value learning themselves.

Think competence, not college

A four-year degree is not necessary for all professional jobs, nor is it a sure indicator of ability or mastery of a body of knowledge. Therefore, it's worthwhile to consider and recognize alternative credentials in recruiting, retention, and job placement.

There has been some movement in this direction, in relation to skills such as software development. Coding boot camps have become an accepted source of talent for some of the world's most prestigious tech companies because after two to four months of intensive work, participants have proved themselves to be job ready. In 2017, 80 percent of coding boot camp graduates found a job that used their skills, with an average salary of \$70,698—well ahead of that of recent US college graduates (\$49,785)—and there are similar efforts in Europe and Asia. At present, individuals typically pay for their own boot camps, but the model is successful enough that there could be room for public-private partnerships or for companies to adapt the concept to their own needs.

Nonprofit organizations also play a role. Skillful, for example, an initiative of the Markle Foundation, has convened 20 US states, as well as tech companies, educators, and foundations, to share best practices in skill development.

Invest in frontline and entry-level workers

There are costs to constant turnover, and employees who grow with a company can provide valuable long-term leadership due to their understanding of that company's product, culture, customers, and institutional knowledge. We can see this philosophy in action in Walmart's recent expansion of tuition assistance for all workers pursuing degrees in either business or supply-chain management at specific online schools. The program could both widen the talent pipeline and help the retail giant increase retention of frontline workers. Starbucks has done something similar, although with fewer restrictions on courses of study. For such programs to be effective, companies should promote them to their employees (an area where many fall short), evaluate progress, and reward or at least recognize those who finish.

It's crucial to observe and analyze the results of efforts such as these. One company that did just that, Cigna, found that its tuition-assistance program more than paid for itself—\$1.29 in benefits for every dollar in expenditures, primarily through improved retention and promotion rates. The bottom line: executives should see tuition programs not just as a perk (or a PR ploy) but as a strategic investment that needs to be evaluated and fine-tuned as information comes in and conditions change.

Work with the public sector

Though this might seem like an obvious idea, surprisingly few companies take advantage of the many government programs available. In the United States, for instance, there are many government programs related to employing veterans, and a substantial tax write-off per employee for credential-based development. Still, utilization rates are low. When policy makers offer, it's critical for business leaders to take advantage and act.

When governments and businesses get partnerships right, the results are powerful. Germany, for instance, has already transformed its federal unemployment agency into a resourceful, job-matching entity. And Singapore, through its SkillsFuture initiative, has gone all-in on lifelong learning (although here again there are concerns that employers have been slow to react).

Companies can also learn from local government initiatives and public-private partnerships. One such effort is the National Coalition of Certification Centers, in which US educators and businesses work together to develop industry-specific programs and standards. It started with one company and one community college in 2007 and is now working with dozens of organizations in fields as diverse as renewable energy, horticulture, construction trades, and torque technology. Students get a certificate to prove their competence and can stack their credentials as their expertise deepens.

Lifelong employability offers a way to meet the challenges of an evolving workforce and the rise of automation with a sense of aspiration and hope, rather than fatalism and patchwork solutions. It's also crucial for long-term corporate survival and for national competitiveness. By changing how they think about L&D, senior executives can get ahead of the challenge and start making a better workplace for everyone.

Beth Davies is the founder and principal consultant of HR Reimagined. **Connor Diemand-Yauman** is the cofounder and CEO of Philanthropy University. **Nick van Dam** is an alumnus of McKinsey's Amsterdam office and a senior adviser to the firm; a professor at IE University and at the University of Pennsylvania; and the editor of *Elevating Learning & Development: Insights and Practical Guidance from the Field* (McKinsey & Company, 2018). The authors are members of the Consortium for Advancing Adult Learning & Development (CAALD), a group of learning authorities, convened by McKinsey & Company, whose members include researchers, corporate and nonprofit leaders, and McKinsey experts.

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