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Learning innovation in the digital age

As the workplace changes, so must education and training. Exciting experiments are under way—but are they enough?

As technology transforms the workplace, the need for innovation in learning and development is urgent. In a series of recent discussions, members of the Consortium for Advancing Adult Learning & Development (CAALD)—a group of learning authorities whose members include researchers, corporate and nonprofit leaders, and McKinsey experts—recently met in Boston for the second year in a row.

In a series of discussions, CAALD explored what is, and isn't, being done to innovate in these fields. Many CAALD experts were skeptical about the ability of universities to respond rapidly enough. Some also suggested that as the workplace changes, the role of the college degree will shift as well—and that its value could even decline. Fortunately, innovation is taking place both at universities and businesses, including AT&T, edX, Microsoft, and the Massachusetts Institute of Technology (MIT). Participants described the potential of these and other developments. And they agreed that while some companies are ready to explore new ways of developing talent, sorting through the options is complex and time consuming. The rapid growth of the gig economy creates additional challenges—and opportunities—for innovation efforts.

Here we present edited excerpts of these experts' reflections, which build on related CAALD discussions exploring artificial intelligence and the future of work.[1]

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[1] For more, see "Getting ready for the future of work," *McKinsey Quarterly*, September 2017, McKinsey.com.

From gig economy to distributed teams
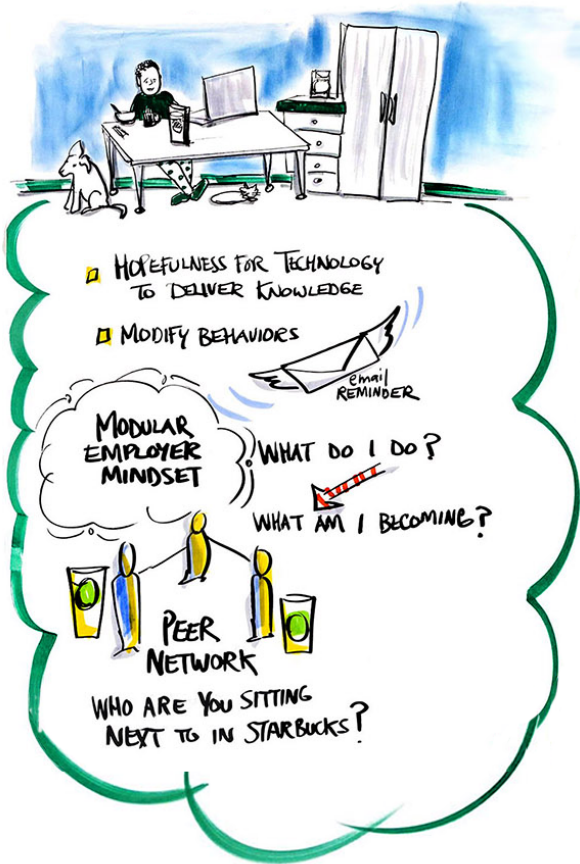
INERTIA IN HIGHER EDUCATION

Jason Palmer, general partner, New Markets Venture Partners: Our higher-education system is 25 years behind the curve. There needs to be a new set of institutions and programs that are jointly owned and managed by corporations or industry.

Betsy Ziegler, chief innovation officer, Kellogg School of Management: One of the flaws of the American higher-education system is that once you cross the graduation stage, we largely sever the relationship with you—with the exception of viewing you as a donor. Your connection and loyalty to the school haven't changed but the relationship with the institution has. At Kellogg, we say, "Congratulations" and give them a discount off executive-education programs and lifelong access to the career-management center. But we do nothing with respect to "how are your skills and capabilities changing over time? And what can we do to help you meet these needs?"

Lynda Gratton, professor of management practice, London Business School: The universities will struggle to adapt to lifetime learning. At London Business School, we launched the masters in management as a one-year program for students at the beginning of their careers. We also have the Sloan program for midcareer people. But lifelong learning is a more complex challenge, and while individual faculty are enthusiastic, from an institutional perspective it's hard to see how this would fit with our current teaching practices or, indeed, how we could create a business model around it.

MISALIGNED INCENTIVES

Beth Davies, former director of learning and development, Tesla: I remember talking to some community colleges that we were working with. I was asking them about creating a certificate program, say, for manufacturing engineers. And they were a bit reticent because their funding is based on completion rate.

Lee Rubenstein, vice president of business development, edX: Think about that—the North Star there isn't the student, it's the funding.

Damian Ewens, project director, Opportunity@Work: I was in a six-month-long conversation with a big community college and one of the coding boot camps, and we were talking about how they might partner to blend the best of the demand-driven-skills training within an academic institution. Six months later, the idea finally got to the computer-science faculty. The chair of the department discussed with the head of the coding boot camp the need to align standards and outcomes.

"What are your outcomes?" the professor asked.

"We have a 90 percent job-placement rate," said the head of the boot camp.

"No. No. What are your outcomes?"

"Everyone gets a job."

"I hear that. I need to know what your outcomes are."

A chorus of faculty began to chime in about learning outcomes, and the boot-camp leader responded, "We design the learning with the companies to make sure people get the skills to get a job. But the ultimate outcome is still the job." The faculty was not convinced: "That's not good enough." Conversation over.

THE MATTER OF DEGREES

Marianne Monte, chief people officer, Shawmut Design and Construction: I run the HR department at a construction company. When I joined, someone said, "Everyone has to have a degree." I said, "Why?" No one had a good answer. They were doing it because all the competitors did. But for the folks who go into the trades, there's no way that's going to happen. Nontraditional learners tend to go into those fields. We want to eliminate the stigma around that.

We also went to the schools that provided degrees around specific topics. What we found was that people who excelled in the organization were not the same people who did really well in terms of getting those degrees or who even had them. Some of our best executives are people who started in carpentry or started in iron-worker roles.

Kris Clerkin, managing partner, Volta Learning Group: A degree is not really a great proxy for meaningful skills. When you look at a transcript, it has a

list of courses, but those don't necessarily show skills or competencies. That said, degrees are a recognized credential; employers use them as a signal. Plus, there's a yearning for them. It's part of the American narrative. For me, it's more like "let's figure out how to do this better, in a way that works for employers and students. Let's not throw out everything that we have, but find more flexible ways of providing recognizable value of competency more quickly, in smaller units that build to degrees."

Katie Coates, senior learning-solutions expert, McKinsey & Company: I do think people want degrees. They want them because there isn't an alternative. And they want them because they want some marker.

IN SEARCH OF ALTERNATIVES

Lee Rubenstein: Leaders need to understand and value the alternative credentials that are available. If I'm an employer, I need to be saying, "Here are the 12 competencies that I need you to get. I don't care where you get them. You don't need to spend $200,000 in four years to go do that. You just need to show us some proof."

The idea that you enter at the bottom and four-plus years later you end at the top and you're done is a fiction. It doesn't mean anything anymore. Learners need to be able to enter at any different point along the way, take what they need, and get going to do whatever it is they wanted to do. We have to try to find a way to help alternative credentials become a currency among learners that is respected and valued by employers.

Lynda Gratton: What we're describing at the moment is an either/or. Either you do a degree or you do other programs. But, actually, people can do both. You simply have to say, "These are the skills that you need."

Beth Davies: When I joined Tesla, in 2011, there were 800 employees. There were over 30,000 when I left. In five years, I think, organizations like Tesla will be saying, "Of course, we hire people with any kind of meaningful credentials, regardless of degrees. It's a done deal." Organizations cannot grow at rates like these and not make this change. You cannot find all of these people by only following traditional means. We'll find the people through nontraditional means. At some point, the nut will get cracked.

To do that, though, the degree-alternatives space needs to solve for recruiters. Recruiters in fast-growing companies are busy. They don't have time to do

the analysis that says, "Let me follow up on the people I hired to figure out which are actually making it in this organization. How are the ones who have a certificate that I took a chance on performing vis-à-vis the ones I thought were a shoo-in because they had a degree?"

In the same way, it will be a struggle to find the time and bandwidth needed to figure out who are all these learning providers. Who are the good ones? Which should we rely on? What does the credential here mean, and how is that different from the credential over there?

INNOVATION AND EXPERIMENTATION

Lee Rubenstein: About a year ago, MIT started a new type of course sequence, on edX online, called a MicroMasters. A MicroMasters is usually a four- to five-course sequence that builds a job-skills competency that is endorsed by a corporation and backed by credit. Students who completed a MicroMasters from MIT and then applied and were accepted to the full master's program at MIT received 50 percent off the cost and time of that MIT master's program—in supply-chain management. And so if a company was looking for somebody with supply-chain experience, and someone came to it with an MIT MicroMasters, why would a company not value it? For the learner, that's about a $1,500 investment, while the conventional master's is $60,000. Think of a large retailer where about 100,000 employees work with the supply chain. How many of them do you think went through a credible university and studied supply-chain management and got anywhere near the equivalent of half of an MIT master's?

Lynda Gratton: Microsoft has badges that show an employee has passed an exam or completed certification for a given skill. You can take your badges with you if you leave, too. If I were a talent-rich company, I would want to do the same.

I think more companies are going to do this kind of "badging," and this will be part of their recruitment and retention process. At the same time this idea of badging spreads, I also think we're going to see more and more configurations where a business has solved part of the puzzle. LinkedIn, say, knows what skills you've got. And Lynda.com, the video-based learning company, has another part. You will see a lot more innovation in this space.

Julia Stiglitz, vice president, Coursera: At AT&T, they have taken all of their job categories, mapped them onto competencies, and aligned them to

learning opportunities. Individuals can go onto a personalized-learning system and see if their jobs are on the decline or on the rise. They can discover jobs that they are interested in, see the associated competencies, and take advantage of learning opportunities that will enable them to make a transition. The transparency of AT&T's system is remarkable and empowering to employees.

In Silicon Valley, at least when people are hiring engineers, companies don't care where they went to school. Facebook is hiring people right out of college if they can code. And we have a 14-year-old intern. All these companies care about is that people can code.

Annie McKee, senior fellow, University of Pennsylvania: Here's a practical suggestion. In recent years, there have been somewhere between 300,000 to 400,000 skilled manufacturing jobs going begging in the US at any given time. Pick a subset of those in a particular region, then figure out a way to teach the skills and do a test project.

LEARNING IN THE GIG ECONOMY

Amy Edmondson, Novartis Professor of Leadership and Management, Harvard Business School: A more diffuse, gig economy will exponentially increase the difficulty of getting people to undertake and complete training. We know it is a huge hurdle under the best of circumstances, and it's even harder when the learning isn't contextualized. Coursework is hard for many people, due to time constraints or a lack of interest in traditional learning, but interacting with people or doing on-the-job tasks that develop and use math or computer skills makes learning more pragmatic and attractive. We need to figure out how to line up some of the factors that drive people toward completion and success, even when they don't work for an organization. A complicating factor is that a lot of gig-economy companies are utterly unmotivated to take on costs that they don't have to, and many individuals don't have the cash.

Tamara Ganc, chief learning officer, Vanguard Group: I wonder if there is a way to intrinsically motivate the gig worker. EBay, for example, has five-star sellers. Maybe there could be some visual way to display the gig worker's level of learning—the way they've kept up on their craft.

Portia Wu, former assistant secretary, Employment and Training Administration, US Department of Labor: Some models do that now, such as home healthcare and food safety. People can say, "I'm food-safety certified" or "I have 500 hours with this special-needs population, and I have done this coursework." That can be seen in a profile, which can help their marketability. You could also have a multiemployer structure where there's a central entity that says, "Here's a curriculum that we've vetted." The individual doesn't have to figure it out.

Claudio Feser, senior partner, McKinsey & Company: Whether it's government or self-organized, there is a need for some form of central management of a curriculum or certification to create opportunities. People can't do it all by themselves. Ⓠ