

BUILDING A CULTURE OF LEARNING

The Foundation of a Successful Organization

WHITEPAPER

31%

of Organizations Have a Culture of Learning

TOP PERFORMERS ARE:

5x more likely to have a learning culture.

3x more likely to use the learning culture in recruiting.

3x more likely to hold leaders accountable for demonstrating learning's importance.

832 PARTICIPANTS
talent development professionals

HOW TO BUILD A CULTURE OF LEARNING

- Make time for learning
- Personalize development plans
- Create accountability
- Use culture to attract new talent

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A NOTE FROM OUR SPONSOR



A Note From Paradigm Learning

For the past 20 years, we have seen two basic approaches to learning in organizations:

- ▶ the necessary compliance and mandatory learning in place
- ▶ a desire to improve performance, engagement, and morale; attract, develop, and retain talent; create a learning culture; and drive innovation.

It is when an organization has the second approach that success happens. A true learning culture provides an active process to learning. It develops morale and motivation. It aids in the retention of talent. It fosters the understanding and appreciation for other perspectives. At Paradigm Learning we are involved in creating the learning solutions that power an innovative, rich learning culture within organizations. We believe in it and we've seen the results firsthand.

About Paradigm Learning

Paradigm Learning empowers organizational leaders to develop business-savvy and aligned employees, leaders, and sales professional with innovative, fun, and creative learning experiences. For more than 20 years it has built, designed, and deployed gamified custom learning for organizations around the globe.

EXECUTIVE SUMMARY

A workplace in which learning is a valued way of life, knowledge is readily shared, and performance steadily improves—at both the individual and organizational levels—is the vision that drives companies to establish and expand cultures of learning. Organizations are more competitive, agile, and engaged when knowledge is constantly and freely shared.

However, despite the obvious benefits, only 31 percent of organizations have well-developed learning cultures.

New research from the Association for Talent Development (ATD) and the Institute for Corporate Productivity (i4cp) reveals that robust cultures of learning are distinct hallmarks of organizations that consistently produce the best business results—companies that lead the world’s markets in revenue growth, profitability, market share, and customer satisfaction.

Through the lens of high performance, ATD and i4cp explore the practices talent development leaders are applying to drive vibrant learning cultures at Marriott International, SAP, Merck, and other successful organizations. The research identifies actions business leaders in top companies take to support those cultures, looks at the roles played by employees, and the constructive contributions to be gained from effective talent management processes.

Robust cultures of learning are distinct hallmarks of organizations that consistently produce the best business results.

Characteristics that define learning cultures can vary, but talent development leaders described such essential traits as closely aligned business and learning strategies, organizational values that affirm learning’s importance, and an atmosphere in which learning is so ingrained that it simply becomes “a way of life.” In such organizations, agility is more evident and change is not only embraced but exploited, while employees develop growth mindsets and seek out new opportunities to learn and to share knowledge with their colleagues.

Organizational leaders play critical roles in cultures of learning, acting as learning catalysts, motivating employees, and sharing their knowledge and expertise through leaders-as-teachers programs. Some leaders serve on governance or advisory boards, providing guidance to learning and development (L&D) functions and helping shape learning approaches that directly affect the bottom line.

Talent development includes building the knowledge, skills, and abilities of others and helping them develop and achieve their potential so that the organizations they work for can succeed and grow (Bingham 2014). A key path to achieving this is through the employee L&D function.

As companies worldwide work to attract, engage, and retain the top talent needed to drive successful strategy execution, learning cultures become increasingly important tools that are capable of exerting positive effects on the people programs that underlie competitive capabilities.

Research by i4cp into shifting patterns in work and workforces underscores the fact that a competitive edge for talent can be a game changer for companies (i4cp 2015). This is especially true for such at-risk industries as hospitality, which reportedly experiences the highest incidence (29 percent) of disengaged employees (Modern Survey 2015).

As a talent leader whose company has successfully overcome that engagement challenge, Adam Malamut, global talent officer for hotel firm Marriott International, confirms the difference a culture of learning can make and speaks to the importance of cultivating one. “The more of a learning culture you have—and Marriott’s is deep and rich—the more adaptable and innovative your company will become,” he says. “In turn, you’ll be more of a magnet for top talent because people, particularly Millennials, want to grow fast, contribute, and see they’re adding value sooner in the career process. Our learning culture is our greatest competitive advantage.”

WHITEPAPER

Performance—from the individual contributor to the organizational level—is strengthened through learning. Driving better outcomes and stronger business results are objectives underlying talent development efforts in organizations worldwide, but especially in companies that distinguish themselves as consistent high performers in national and global markets.

When ATD and i4cp collaborated to explore the state of learning cultures in today's organizations, it quickly became apparent that building cultures of learning was a trait of high performers.

For *Building a Culture of Learning: The Foundation of a Successful Organization* (hereafter, the Study), ATD and i4cp used this definition:

A culture of learning, or learning culture, is one in which employees continuously seek, share, and apply new knowledge and skills to improve individual and organizational performance. The importance of the pursuit and application of learning is expressed in organizational values and permeates all aspects of organizational life.

The Study began with a survey fielded in late 2015 that garnered responses from 832 talent development leaders. Participants were about evenly split between national and multinational or global organizations; nearly two-thirds represented enterprises with workforces of more than 1,000 employees.

Survey findings were augmented by in-depth interviews with talent development leaders from a variety of organizations that are recognized for both market performance and excellence in learning and talent development. Members of i4cp's Chief Learning and Talent Officer Board, a professional working group of leaders from top companies, also contributed insights to the Study.

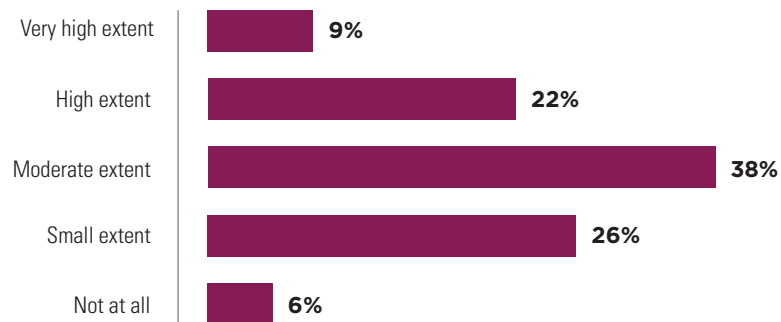
Key Findings

- ▶ **Having a culture of learning is a hallmark of high-performance organizations.** Top companies are almost five times more likely than lower performers to have extensive learning cultures. Further, high performers are nearly two times more apt to say their learning functions help meet organizational business goals.

- ▶ **In high-performance organizations, employees share knowledge with their colleagues at a rate four times greater than that of workers in lower-performing firms.** That communication is supported by rewarding workers for learning, providing tools and resources for creating and sharing learning content, and making knowledge sharing a performance expectation at all organizational levels.
- ▶ **Learning cultures are rooted in the hiring process.** Discussing an employer’s commitments to ongoing talent development during prehire interviews is a distinguishing trait of high-performance organizations. Just 22 percent of all respondents have similar conversations with candidates. However, those prehire commitments reflected the strongest correlation to market performance, and top companies apply the strategy at six times the rate of lower performers.
- ▶ **Three learning-culture-supportive practices related to employees are performance standouts:**
 - » regularly updated personalized development plans for every employee
 - » worker accountability for the learning specified in those plans
 - » nonfinancial rewards and recognition for employee learning.

FIGURE 3: FEWER THAN A THIRD OF ORGANIZATIONS HAVE EXTENSIVE LEARNING CULTURES

To what extent would you describe your organization’s culture as a culture of learning?



While survey responses made it clear that full-fledged learning cultures are not firmly entrenched in the majority of enterprises, they also suggest that most organizations have at least some of the elements of a learning culture in place. Overall, only 6 percent of participants described their firms as having no learning culture at all. Figure 4 splits the responses in Figure 3 by higher and lower performers. .

RECOMMENDATIONS

While most organizations don't have robust cultures of learning in place at present, the Study found that many have instituted elements that contribute to the learning-centric environments they envision. Organizations that perform strongly in the marketplace proved to be well ahead of their lower-performing counterparts in almost every aspect of establishing and growing cultures of learning.

Final Words of Advice on Learning Cultures

"As a whole, many people don't understand the value of L&D. You can mandate training, but really it's all about mindset. If you are in training because you have been mandated to do it, you won't approach that learning with an open mind. Once you explain how training is going to benefit them, employees see that the organization is investing in their growth. L&D functions should focus more on mindsets and changing how people think about learning."

—**Marryam Chaudhry, Prince William County Service Authority**

"We owe it to employees and to the business to raise L&D standards to make sure that anytime anybody is learning something it's impactful and it's measured."—**Manette Chadwick, SAP**

"By their very nature, organizations that have a learning culture are on a continuous-improvement path. Developing people is simply how they operate. It's ingrained and integrated in daily processes. It's how you do things as a firm, as an organization. It's how you think. And that drives the type of impact you see—you have better market share, increased retention, and employees who want to be there. You have a better opportunity to impact the market and the issues that are top of mind for your clients because you're focused on bringing the best of the organization to those clients. Leveraging the full power of the organization comes about through optimizing a culture of learning and development."

—**Renee Romulus, Booz Allen Hamilton**

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- ▶ **Renee Romulus**, CLO and Vice President of Learning and Development, Booz Allen Hamilton
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ABOUT THE AUTHOR AND CONTRIBUTORS



Association for
Talent Development

The Association for Talent Development (ATD) is the world's largest professional membership organization supporting those who develop the knowledge and skills of employees, improve performance, and achieve results for the organizations they serve. Originally established in 1943, the association was previously known as the American Society for Training & Development (ASTD).

ATD's members come from more than 120 countries and work in public and private organizations in every industry sector. ATD supports talent development professionals who gather locally in volunteer-led U.S. chapters and international member networks, and with international strategic partners. For more information, visit www.td.org.

ATD's researchers track trends, inform decisions, and connect research to practice and performance. By providing comprehensive data and insightful analyses, ATD's research products, which include research reports, briefs, infographics, and webcasts, help business leaders and talent development professionals understand and more effectively respond to today's fast-paced industry.



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Carol Morrison is a senior research analyst with i4cp and served as the author for this report. For more than a decade, she has researched human capital and business performance topics ranging from learning and development and talent management to effective leadership, strategic workforce planning, and more. Carol authors reports, whitepapers, and articles detailing the best and next practices leaders can leverage to build high-performance organizations. She has written more than a dozen research studies for ATD, and contributed extensively to projects published by the American Management Association and HR People & Strategy. Feature articles by Carol can be found in *Talent Management*, *Chief Learning Officer*, *HR Executive*, and other leading print and online media. Contact Carol at carol.morrison@i4cp.com.



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APPENDIX: SURVEY OVERVIEWS

Target Survey Populations

The target survey population of the *Building a Culture of Learning: The Foundation of a Successful Organization* study were industry professionals from organizations of various sizes and industries. Participants represented organizations worldwide; nearly two-thirds had workforces of 1,000 or more. Overall, 882 people responded to the survey.

Survey Instruments

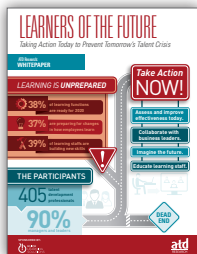
In this survey, multiple questions used the customary 1–5 Likert-type scale, with a 1 rating generally indicating a “not at all” response and a 5 rating indicating a response of “to a very high extent.” The survey was composed of a total of 14 questions, including those geared toward the demographics of respondents.

Procedure

Research took a blended approach, combining survey results with subsequent interviews of learning leaders in organizations with a culture of learning. A link to an online survey was emailed to the target population in October 2015. Telephone interviews were also conducted in November and December.

MORE FROM ATD RESEARCH

Learners of the Future: Taking Action Today to Prevent Tomorrow's Talent Crisis



In a mere five years, learning will look dramatically different from what it looks like today, and organizational learning and development functions aren't prepared to meet the needs of tomorrow's learners. To find out what actions learning functions can take now, ATD and i4cp interviewed several leaders of learning functions that are actively imagining and preparing for the future. *Learners of the Future: Taking Action Today to Prevent Tomorrow's Talent Crisis* presents the findings. For more information, visit www.td.org/LOTF.

What Does Talent Development Pay?: ATD's 2015 Compensation and Benefits Report



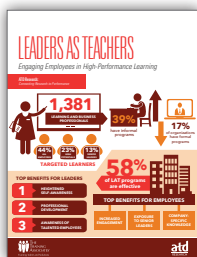
The median annual salary in talent development is between \$70,000 and \$79,999, a number that has remained flat since ATD last measured the industry pulse in 2011. But which factors command higher salaries? How prevalent is incentive pay? And what about paid benefits such as time off and medical coverage? In the new research report, *What Does Talent Development Pay?*, ATD Research surveyed 2,050 talent development professionals at all corporate levels to uncover the data. For more information, visit www.td.org/SalaryReport.

Global Trends in Talent Development



The Association for Talent Development has completed its first truly global assessment of talent development outlooks, resources, and practices. The findings from this research are presented in *Global Trends in Talent Development*. By looking at key metrics (including learning hours, budgets, and delivery methods) and top trends and challenges for talent development by global regions, this research will aid talent development professionals in benchmarking their practices against those of their peers in their own region. For more information, visit www.td.org/GlobalTrends.

Leaders as Teachers: Engaging Employees in High-Performance Learning



Many organizations leverage their leaders as teachers. Unfortunately, most of those companies struggle to gain traction and truly profit from the time and effort leaders invest in teaching. In *Leaders as Teachers: Engaging Employees in High-Performance Learning*, the Association for Talent Development (ATD) and the Institute for Corporate Productivity (i4cp) partnered to identify and explore what high-performance organizations are doing to derive the greatest benefits from leaders-as-teachers programs. For more information, visit www.td.org/LAT.

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