

February 2018

Zachary Chertok

Research Analyst, Human Capital Management

Goals for learning and development (L&D) in 2017 were focused on compiling employee data to understand employee interests for the promotion of content and programs. In 2018, L&D is focused more at how content and programs are consumed and engaged while shifting the user experience (UX) to be more of a social reflex.

## The Next Great L&D Roadblock

In 2017, Best-in-Class companies were 8% more likely than All Others (76% vs. 70%) to use learning content analytics to read more into how content and programs were being consumed and engaged. Initially, this effort was designed to track the performance of L&D initiatives, but towards the middle of the year, Aberdeen found that Best-in-Class companies recognized strategic value in understanding the use case of employee programs, as they sought use-case metrics for other solutions. In *Building an Ecosystem for Performance: Integrating Learning* (August 2017), Aberdeen laid the building blocks for what would later be defined as the *performance lifecycle*.

Simply put, Aberdeen found that Best-in-Class companies were beginning to process consumption and participation metrics for wellness, well-being, and rewards management to build a central employee motivator profile. They are using the profile to understand what drives performance improvements in the context of a host of different employer-designed deliverables, scenarios, and campaigns. Going into 2018, 32% of companies plan to expand spend on data integrations across these HCM solution spaces, while 64% plan to recommit their existing spend on this effort.

While cross-referencing use-case data from across these solutions is a Best-in-Class practice, employers still face declining engagement with their L&D ecosystems. Furthermore, declining engagement limits the upside potential of use-case metrics driving more prosperous content and programs. In fact, Aberdeen has found that more than 80% of learning management systems (LMS) remain fully automated. Full automation inhibits social engagement and feedback, detracting from two-way communications which Aberdeen has found are fundamental to what employees seek in a good workplace.

As they face disengagement, Aberdeen has found that Best-in-Class companies are 2.2 times more likely than All Others (24% vs. 11%) to have resorted to incentives to draw employees into participating in L&D. Still, in

Best-in-Class companies are 8% more likely than All Others to be using learning content analytics to read more into how content and programs were being consumed and engaged.

spite of positive reinforcement, participation rates in L&D initiatives continue to stagnate or decline.

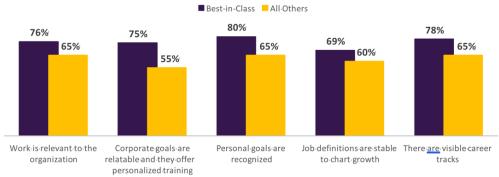
As Aberdeen found in *Holistic HCM in 2017: Getting the Formula Right on Adaptive Learning* (August 2017), Best-in-Class companies solved the first major roadblock in L&D: Optimizing content and program production to align the goals of the workforce and the goals of the employer. In fact, in 2017, Best-in-Class companies were 92% more likely than All Others (25% vs. 13%) to find that employee performance improvements lined up with a higher rate of achievement of management goals and objectives — and those figures aligned with those from the end of 2016.

If Best-in-Class companies are aligning content with successful performance enhancement drives, then why is employee L&D engagement still dropping? In this instance, companies are facing the next great roadblock in their L&D strategy: The UX.

## Facing the UX Challenge, Strategically

Best-in-Class companies are coming around to understand that their L&D UX is stodgy, homogeneous, bulky, intrusive, and disinteresting. Best-in-Class companies are now just 8% more likely than All Others (80% vs. 74%) to be unable to develop internal talent to fill emerging skills gaps. As L&D participation drops, Aberdeen has found that Best-in-Class companies, while at the early stages of cognition, are 71% more likely than All Others (12% vs. 7%) to realize that the existing LMS is too recognizable as a prerequisite for employee advancement.

Figure 1: Top Reasons Employees Stay at the Company



Source: Aberdeen (July 2017) n = 273

Figure 1 shows the top reasons employees stay with their employers. Figure 1 is more of an interwoven series of reasons as opposed to a list of individual ones. In that sense, the top reasons form a bigger picture of matching employee interests to the organization's goals in a way that allows the employer to promote strong role definitions, so employees can understand the

Best-in-Class companies are now just 8% more likely than All Others to be unable to develop their internal talent to fill emerging skills gaps.

different levels of employment as they pursue the development of their career. While training and development fits into the grand scheme of employee growth and development, the reality is that in its most popular format (80% fully automated and 86% as a content repository), L&D constitutes just another work responsibility on top of the growing list of tasks.

Promoting employee development takes more than just getting the content alignment right. Employees at Best-in-Class companies are 17% more likely than those at All Other companies (67% vs. 57%) to join and stay with the organization because they have good relationships with their managers, complete with two-way communications strategies. A core problem with the modern LMS strategy is that it relies on management-level reflexive learning content development that is still pushed out to employees for at-will consumption. Under this paradigm, employees are faced with a one-way flow of content and program communications that are non-responsive to their unstructured feedback. Furthermore, the current delivery method for said content and programs is persistently disruptive to the general workforce, as it adds another requirement for large-scale content consumption and program completion.

Towards the middle of 2017, Best-in-Class companies began surveying how best to communicate with employees. By the end of the year, these companies had already begun to change their communications methods for how they actively promote L&D initiatives.

Table 1: Communications Means Used to Promote L&D

	Best-in-Class	All Others
Communicated recommendations	80%	<b>72</b> %
Social media interface	58%	<b>52</b> %
Mobile access	40%	39%
Social recognition/feedback	30%	23%
Mobile promotions/notifications	<b>17%</b>	<b>12%</b>

Source: Aberdeen (October 2017) n = 150 Aberdeen (July 2017) n = 273

Table 1 shows the top methods that Best-in-Class and All Other companies are using to communicate and promote L&D content and program participation. Direct-communications pushes for content recommendations still top the chart, and, considering that most companies are still just getting around to focusing on using data to drive stronger L&D recommendations,

Employees at Best-in-Class companies are 17% more likely than those at All Other companies to join and stay with the organization because they have good relationships with their managers complete with two-way communications strategies.

this should come as no surprise. Still, building a social media interface ranks right behind using a direct communications push methodology.

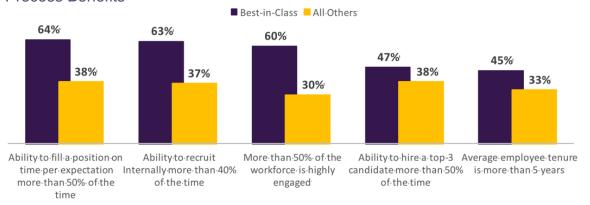
The social media interface is reflexive of atomizing L&D and making it more readily accessible in short, medium, or long bursts of consumption. Best-in-Class companies are 23% more likely than All Others (32% vs. 26%) to recognize that low or declining employee engagement is diminishing the relevance of their L&D strategies. Building the L&D UX to be more like social media is an emerging approach to make it less disruptive.

The social media UX is geared at making content and programs more consumable by focusing on the individual skills that comprise each learning initiative. While the skills recommendations still come from management's study of employee participation and resource consumption data, the goal is to build smaller learning modules that can be consumed individually or assembled into larger courses for the traditional learner. The final step is to then make the content and courses accessible wherever and whenever an employee has idle time and might otherwise skim headlines or check social media newsfeeds.

Facing the UX Challenge – Strategically

Atomizing and socializing L&D is helping to improve the consumption rate of L&D content to the point that Best-in-Class companies are realizing strategic value-adds from within the existing workforce.

Figure 2: Contribution of Reflex-Based L&D to Best-in-Class Talent Process Benefits



Source: Aberdeen (July 2017) n = 273

Figure 2 shows the contribution of reflex-based, socialized L&D to the Best-in-Class talent process. As Aberdeen noted in *Recruitment Marketing Trends: Getting to the Inbound Candidate* (December 2017), Aberdeen found that even the Best-in-Class struggle to draw in top talent and compete as

Best-in-Class companies are 23% more likely than All Others to recognize that low or declining employee engagement is diminishing the relevance of their L&D strategy.

specialization contributes to smaller and smaller talent pools for each role. What this means is that as companies increase efforts to compete externally, they are in critical need of turning inward to discover the skills potential of their existing workforce — especially, as noted earlier, if they want existing employees to stay with the organization.

As Figure 2 shows, reflex-based, atomized learning is contributing to a higher likelihood of developing aggregate skills within the organization, leading to a higher chance of retaining employees. It is also helping to build up the existing workforce to fill known skills gaps leading to the potential to fill whole job vacancies through promotions and reassignments. In this way, Best-in-Class companies are not only hiring one of the top 3 candidates identified for a given role, but they are retaining those top identified skill sets for the longer term, increasing the likelihood that the employee will deliver positive value beyond the initial investment made to bring them onboard.

## **About Aberdeen Group**

Since 1988, Aberdeen Group has published research that helps businesses worldwide to improve their performance. Our analysts derive fact-based, vendor-neutral insights from a proprietary analytical framework, which identifies Best-in-Class organizations from primary research conducted with industry practitioners. The resulting research content is used by hundreds of thousands of business professionals to drive smarter decision-making and improve business strategies. Aberdeen Group is headquartered in Waltham, Massachusetts, USA.

This document is the result of primary research performed by Aberdeen Group and represents the best analysis available at the time of publication. Unless otherwise noted, the entire contents of this publication are copyrighted by Aberdeen Group and may not be reproduced, distributed, archived, or transmitted in any form or by any means without prior written consent by Aberdeen Group.

17271