

# Continuous Learning and Workforce Engagement

Steve Arneson

At the start of each season, legendary professional golfer Jack Nicklaus would seek out the man who had been his coach and mentor since his early teens, and he would relearn the sport, from the very beginning. Contrast this with the vast multitude of weekend duffers, most of whom will never break 100, yet pride themselves on having never taken a lesson. Or consider an NFL team, which spends all week practicing and watching film to prepare for a three-hour game on Sunday. World-class athletes in every sport receive a career full of continuous coaching and training. In fact, the irony of comparing sports to business is that athletes spend most of their time training, and comparatively little time working, whereas in the business world, we spend almost all of our time working and very little time training.

The sports-business analogy is a common one because in both, success at the highest levels requires developing and maintaining a competitive edge. Forward-thinking companies, whose names regularly populate the Fortune lists year after year, realize that promoting, facilitating and encouraging continuous learning reaps tangible benefits for the company. These are the companies that not only attract and develop the best talent, but also consistently outperform their competitors.

## Walk the Walk

Unfortunately, most companies readily talk the talk when it comes to encouraging employee learning and development, but few know how to convert these concepts into reality.

How do you know if your organization is one that can walk the walk when it comes to practicing continuous learning? In his book "Learning In Action," David A. Garvin outlines a set of criteria that can be used as a litmus test:

■ **Does the organization have a defined learning agenda?** Learning organizations have a clear picture of

their future knowledge requirements. They know what they need to know, whether the subject is customers, competitors, markets, technologies or production processes, and are actively pursuing the desired information. Even in industries that are changing as rapidly as telecommunications, computers and financial services, broad areas of needed learning can usually be mapped with some precision. Once they have been identified, these topics are pursued through multiple approaches, including experiments, simulations, research studies, post-audits and benchmarking visits, rather than education and training alone.

■ **Is the organization open to discordant information?** If an organization regularly shoots the messenger who brings forward unexpected or bad news, the environment is clearly hostile to learning. Behavior change is extremely difficult in such settings, for there are few challenges to the status quo. Sensitive topics—dissension in the ranks, unhappy customers, preemptive moves by competitors, problems with new technologies—are considered to be off limits, and messages are



filtered, massaged and watered down as they make their way up the chain of command.

- **Does the organization avoid repeated mistakes?** Learning organizations reflect on past experience, distill it into useful lessons, share the knowledge internally and ensure that errors are not repeated elsewhere. Databases, intranets, training sessions and workshops can all be used for this purpose. Even more critical, however, is a mindset that enables companies to recognize the value of productive failure as contrasted with unproductive success. A productive failure leads to insights and understanding, and thus an addition to commonly held wisdom of the organization. Unproductive success occurs when something goes well but nobody knows how or why. There is a peculiar logic at work here: To avoid repeating mistakes, managers must learn to accept them the first time around.
- **Does the organization lose critical knowledge when key people leave?** The story is all too common: A talented employee leaves the company, and critical skills

disappear as well. Why? Because crucial knowledge was tacit, unarticulated and unshared—locked in the head of a single person. Learning organizations avoid this problem by institutionalizing essential knowledge. Whenever possible, they codify it in policies or procedures, retain it in reports or memos, disperse it to large groups of people and build it into the company's values, norms and operating practices. Knowledge becomes common property, rather than the province of individuals or small groups.

- **Does the organization act on what it knows?** Learning organizations are not simply repositories of knowledge. They take advantage of their new learning and adapt their behavior accordingly. Information is to be used. If it languishes or is ignored, its impact is certain to be minimal. By this test, an organization that discovers an unmet market need but fails to fill it does not qualify as a learning organization, nor does a company that identifies its own best practices but is unable to transfer them across departments or divisions.

## in practice:

## Medica: Talent and Learning Management to Support Growth

Medica, a nonprofit and independent provider of health plans in Minnesota and a growing number of adjoining counties in the upper Midwest, continues to be one of the United States' fastest-growing health plans. In 2004, Medica's membership grew 12 percent to more than 1.2 million, and revenue increased to \$2.1 billion from \$1.9 billion in 2003. However, with this substantial business growth, Medica realized that internal challenges were likely to occur.

"We are in a growth period and it is very exciting, but with that excitement challenges arose," said Dawn Baker, director of training and development at Medica. "We know that we have to get increasingly sophisticated leadership, and in order to do that, the first step is to assess where we need talent in terms of skills, abilities and knowledge."

Medica is implementing its first comprehensive talent management program for the organization's directors and officers, as well as a new learning management system. According to Baker, the goal is to directly tie these two programs together. "With this new application, employees will be able to actually identify areas on their performance reviews where they maybe had a couple of competencies that were rated lower than the rest, and they will in turn be able to target those areas through learning," Baker said. "Employees will actually develop an individual learning plan in that application so they can go ahead and set up goals, register for classes and participate in other learning opportunities as well."

During the beginning of the talent management implementation, Medica's leaders assembled to assess their direct reports to identify high-potential employees and place them into a Nine Box Placement, which systematically helps identify an individual's potential, dedication, strengths and weaknesses. Once the leaders identified talent pools, Medica performed in-depth gap analyses to identify what skills, abilities and knowledge were absent from the different business sectors. Baker said this is a critical step because the purpose of a talent management program is not only to fulfill the current requirements, but also to meet the future requirements.

"The gap analyses are helping us design and develop what we need to do in terms of programs and initiatives," Baker said. "We are planning out what we need to do in order to accomplish a very ambitious and aggressive approach for the next couple of years, which could look like mentoring, job rotational assignments, seminars and other kinds of strategies to get our talent to the next level."

The Medica Learning Center already offers a leadership development program called Talent Builder, a nine-class series on core supervisory skills called Managing for Excellence, soft skills development classes and a four- to five-week technical training curricula to acquaint new and current employees with up-to-date industry-specific health plan information and computer software knowledge. Although almost all learning and development at Medica is delivered via instructor-led sessions, the learning center also offers an e-learning self-study program, which will align with the organization's LMS and talent management program.

According to Baker, the new unified processes are important because change management is a consistent challenge for Medica's workforce. "On the horizon for us is that we are shifting our big legacy software platform, the entire claims management, eligibility—everything that employees need to be able to view, look up, and perform research and data crunching from," she said. "This is going to be huge for our employees. Everybody is going to have to learn a new system, and we are probably looking at doubling up and offering training on both systems during the transition."

Technical training is a very important part of Medica's learning curriculum because its health insurance products and customers' needs are continually expanding and evolving. "We really need to help employees with the learning and stress that accompanies rapid change. We have launched probably 10 new health insurance products in the last three or four years, and it has not been easy getting people knowledgeable so that they can sell them and also service them," she said. "We are already struggling with that, and the products are just getting more complicated."

Nevertheless, because employee development is valued and leadership has been the foundation of Medica's success, employee satisfaction and retention have been continuously high. "We have gotten excellent ratings from employee exit interviews, and people really felt that our learning and development opportunities were really a benefit for them and a resource," Baker said. "We feel that anecdotally people tend to stay with Medica because those types of benefits are offered and available."

—Cari McLean, carim@clomedia.com

Companies with a positive response are the ones that embrace continuous learning as a vital organizational philosophy. This mindset needs to be set by the CEO, supported by senior leaders and carried out by every manager in the company. However, while a top-level commitment to continuous learning is easily claimed, it is much harder to deliver on. Like most things in business, the proof is in the execution.

### How, Not If

Obviously, staying current (or ahead) of the latest innovations and trends in business is a good idea for any company. It just makes sense: The more a company learns, the better it will be at establishing trends, reacting to the market, outsmarting its competition and creating new business opportunities. In this sense, continuous learning is the catalyst for improved performance, growth and innovation. But companies don't inherently learn on their own. They are dependent on the people who make up the organization. Some companies understand this need better than others and have strategy or research groups that are designed to keep the company ahead of the curve. However, it stands to reason that there is an advantage to fostering an environment where every employee is encouraged to keep his or her skills up to date, to think about the customer and the competition, and to create new ideas from possibility thinking.

Long ago, some companies discovered that if they aren't continuously learning, they're not standing still, they are moving backward. This isn't a new concept, and the multi-billion dollar training and development industry is proof that most companies get it. Almost all companies provide some form of training for their employees, mostly aimed at teaching them a new skill or updating current capabilities. But how many companies actually teach their employees how to learn? How many encourage (and reward) their employees for continuous learning? How many place a cultural emphasis on keeping current and sharing the learning across the organization?

### Performance Management

Perhaps the quickest way to instill an overall mindset of continuous learning is to draw attention to it in the performance management cycle. A common element found in successful learning organizations is a strong connection between learning and rewarded performance. Some type of review procedure must be in place that periodically monitors learning and development, offers guidance and marries progress to incentives. At Capital One, for example, associates meet with managers to create a Development Action Plan (DAP), where the question "What do I need to improve?" leads to a formal plan to develop skills and review progress in areas such as: living the values, teamwork, communications, development, integrated thinking, results-focused problem-solving and job-specific skills.

These and other competencies are reviewed to determine how well associates are progressing and staying on top of their game. Incentives such as merit increases, bonuses, additional job responsibilities, movement, advancement, etc., serve as an accelerant, both to the development of the individual and of the company as a whole.

Companies that are prominent in the "new economy" such as Dell, Microsoft and Cisco naturally embrace learning and development as part of their culture. But many companies with much longer histories are setting the pace as well. One example is General Electric, where former CEO Jack Welch created an innovative experiment in experiential learning called the Change Acceleration Process (CAP). Growing out of the conviction that the only thing certain in the future is uncertainty and the need to manage continuous learning more efficiently, this process draws together participants in small teams and presents them with a real problem to solve. Current CEO Jeff Immelt is steering even more aggressively into uncharted waters, where learning and the ability to develop new ideas are necessary and well supported. GE is tying executives' compensation and bonuses to their ability to innovate and come up with new ideas, rather than simply achieving bottom-line results.

### Branding and Marketing Learning

Learning programs make no impact if people are unaware or unwilling to participate. While it may be possible to mandate enrollment, it is much more valuable and effective to encourage an inherent desire for learning and the importance of being plugged in to new ideas and information from the world at large. This involves instilling these values in the corporate culture and actively marketing and rewarding the concept of continuous learning.

Creativity and innovation are not fed by complacency. Sometimes a company can use the direct approach, encouraging outside-the-box thinking. Perhaps the most famous example can be found at 3M, where engineers and development scientists are encouraged to devote a percentage of their time to independent research and the pursuit of innovation. In this environment, countless product ideas like the Post-It are born and find traction.

A culture of learning can thrive in a variety of surprisingly diverse organizations. In his book, Garvin cites exam-

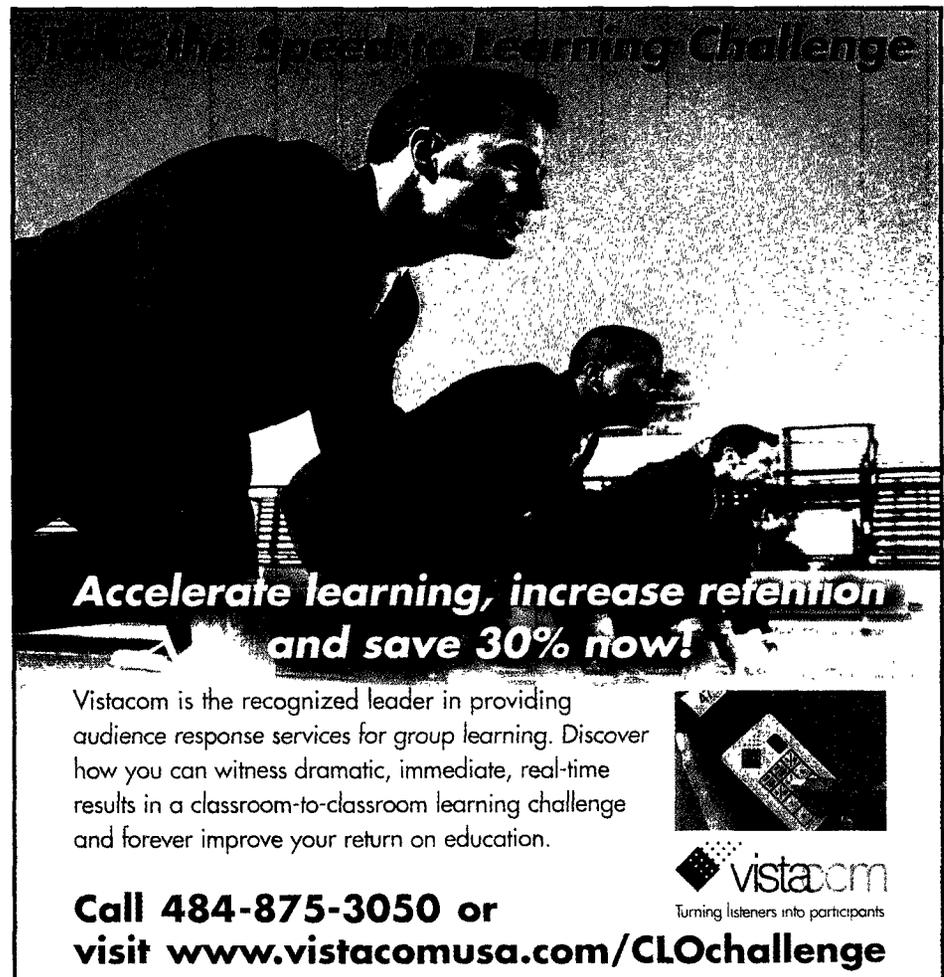
ples that range from Bell Laboratories and L.L. Bean to the U.S. military. The Center for Army Lessons Learned (CALL) based in Fort Leavenworth, Kan., represents the cutting edge in learning from participant observation. CALL observation teams are among the first troops on the ground in any Army operation, which not only includes combat, but also "operations other than war," such as flood control and disaster relief. They collect on-the-spot information about new practices and techniques, identify trouble spots, evaluate approaches and share their findings throughout—making the Army a world-class learning organization.

A continuous learning organization creates useful ideas from a wide variety of sources. Furthermore, it considers everything to be a learning experience—even (and especially) failures. At Capital One this proactive approach to learning is embodied by CEO Rich Fairbank, who fosters an environment open to synthesis and innovation. When he founded Capital One, Fairbank created the practice of "test and learn," which not only describes the business model of marketing and analysis, but also the learning philosophy of the company. An example of how continuous learning has paid dividends involves Capital One's adoption of the iPod as a learning device. A year ago, Matt Schuyler, executive vice president of human resources, read an article about Duke University supplying its freshman class with iPods, to be pre-loaded with orientation and course materials. He saw a similar opportunity for Capital One University—offering iPods that are pre-loaded with course materials so that associates can hit the ground running when starting class. The resulting audio learning initiative proved to be a huge success for the company. By keeping his eye on the world at large and by connecting a wildly popular portable music player to learning, Schuyler was able to create a competitive advantage for the company.

### Just Do It

This directive from Nike—a company that has made sports analogies part of its core culture—can apply to any company, large or small, that wishes to rise to the top and become a market leader. A top-level commitment to learning must be established, and the organization must have the processes and tools in place to make it a reality. Instilling the values of continuous learning and growth in the individual allows the company and everyone in it to literally stay at the top of their game. ■

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