Company-led Learning Ecosystems

By
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Companies all around the world are facing a new challenge as the rise of business ecosystems breaks down industry borders and leads to hyper-competition for customers and corporate executives as well as corporate talent. Business leaders have to adjust their strategies and reinvent business models. They have to move more credibly forward in introducing client-centric approaches, data-driven and technology-enhanced processes and flexible organisational structures to respond to uncertainty and traditional markets disruption. Companies aim to lock in customers within their business ecosystem by providing outstanding customer experience and personalised solutions. This illustrates a new type of competition both nationally and in the global arena.

When aiming to succeed in this new environment, employee talent is becoming the new currency that will define company prospects. The shelf-life of skills is getting shorter, with 70% of businesses agreeing that skills are becoming outdated faster than ever before (Vodafone Global Trends Barometer 2019). Employees are supposed to work and perform effectively at higher uncertainty and pace, not just in a "run" mode, but also in the "change" and "disrupt" ones. This calls for new set of hybrid skills, including self-awareness and client-focus, resilience and agility, teamwork and leadership, digital and professional skills. Companies embracing this future should invest more credibly in life-long learning as a continuous means of talent development and then focus on the recruitment of talent that fits this model.

From a broader perspective, the entire educational system does not meet the needs of modern companies. The industrial "assembly line" model for groups of students can't satisfy personal needs for the career development and lifelong learning of a talented employee. Learning is no longer just about content and knowledge. Learning is about experience, reflection and application.

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The emerging business ecosystems blur the borders of companies and lead to cross-industrial business models. For talent management, they mean that learning is no longer limited to internal groups of high-performance employees (HiPo). Modern organisations have to pay more attention to teaching talents outside their organisation, providing new experience, knowledge and skills to partners, suppliers and even customers. It leads to cross-functional projects and solutions which allow all parties of the business ecosystem to co-develop and grow. As an example, the Alfa Group has launched "Alfa Battle", a joint recruiting campaign to attract talented digital professionals and IT-specialists to Alfa-Bank, AlfaStrakhovanie and X5 Retail Group. Another example was when International Paper, together with SKOLKOVO Business School and Oregon University, launched an educational program on forestry in 2021, bringing together forestry enterprises, specialised universities and NGOs with a view to distributing international forestry standards and cross-industrial, sustainable development projects.

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Business Schools + Ecosystems = ?

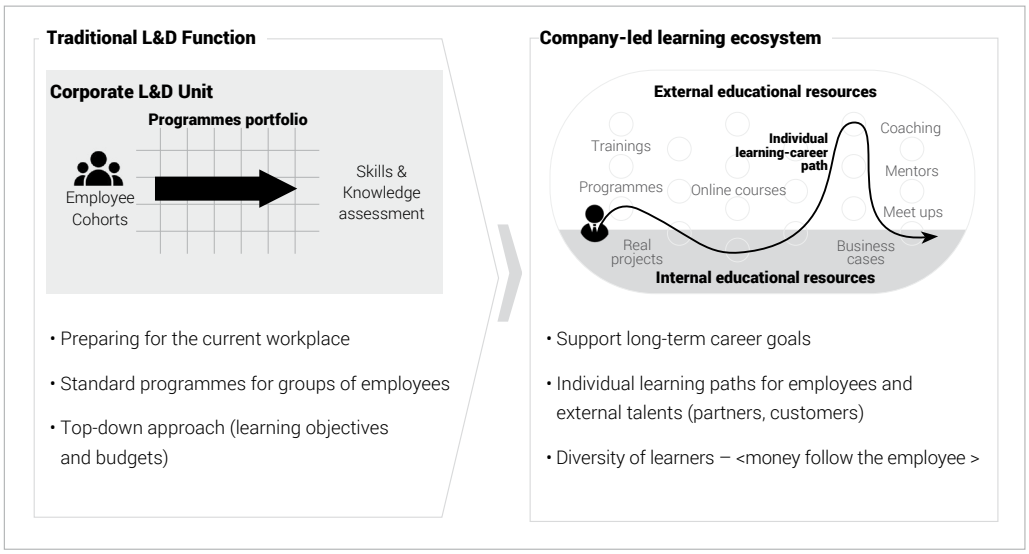

Figure 1

58%

According to LinkedIn ('Workplace Learning Report', LinkedIn, 2018), 58 percent of employees prefer to learn at their own pace

Embracing the business ecosystem concept requires the revision of the learning and development function within a business organisation. The education model should reflect the novel business context and focus on employees' individual learning paths. Corporate education is not just a portfolio of training programs, but a company-led learning ecosystem, which creates space for state-of-the-art educational opportunities within and beyond company boundaries, so that all employees are able to build their individual educational trajectories in pursuit of their individual career goals in the best interests of the company (see figure 1).

This goal is achieved when the learning ecosystem supports the company's strategic priorities:

- Retention and development of employees by synchronising their learning and career paths throughout the entire company and beyond.
- Developing organisational flexibility by instant skills and knowledge upgrade.
- Setting up a comfortable work environment, focused on performance and knowledge exchange across industries, by changing HR-processes with the employees' perspective and needs in mind.

49%

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The company-led learning ecosystem model is based on five key principles:

1. Employee-/learner-centric approach

The employee is put at the forefront, and the company becomes an architect of first-rate solutions for each employee's career-learning journey. According to LinkedIn ('Workplace Learning Report', LinkedIn, 2018), 58 percent of employees prefer to learn at their own pace and 49 percent prefer to learn at the point of need. The HR-team becomes a connector to business functions, ensuring that personal learning paths are synchronised with corporate strategy and with any new capabilities required for an emerging business model. Learning paths provide a smooth journey from novice to mastery in multiple specialisations, so that the employee is no longer stuck in his (her) current job position. This also requires data collection and analysis of the employee's digital footprint related to workplace and learning activities. As an example, in SberBank's learning ecosystem, employees have the opportunity to apply for digital skills courses and on successful completion, they can apply for new digital job positions and change their career track.

2. Diversity and autonomy of participants under the general rules

All participants of the learning ecosystem have a high level of autonomy and responsibility for their personal development. However, they act according to the rules established by the company. Autonomy means that the top-down budgeting approach for corporate education is replaced with the principle that "money follows the employee". The learner can decide what learning path to choose with support of a learning advisor or AI-recommendation system. Employees are therefore learning partners rather than students. Diversity means that the company should think beyond their own organisation in order to provide a wide range of excellent learning formats, including: training developed in-house, online courses, external programmes in partnerships with educational institutions and other companies, field trips and real-life projects, space for reflection, and knowledge-sharing events within professional communities. Assessment becomes crucial as it ensures transferrable certificates and continuity of diverse learning activities.

3. Openness and partnerships: thinking beyond organisation

As business ecosystems emerge, many companies become more open and ought to focus not just on their own employees but also on talents currently residing outside the company. New ideas and innovations come from external start-ups, technological partners, suppliers and customers. A business ecosystem's development requires shared standards, cross-industrial knowledge and practices, and common languages for all the partners. A supportive learning ecosystem can establish an open learning space for employees of different organisations to mutual benefit. It's not just about learning, it's also about common activities, co-creation of new products or services and bringing added value to the customer. Reflecting on this trend, it is possible to observe more educational programmes being delivered in partnership (e.g., as consortium programs, involving more than one company). As an example, SeverGroup together with SKOLKOVO Business School, has launched the "Future CEOs" educational programme which brings together HiPos from different companies of the group, representing healthcare, metal, travel, retail and other industries. Participants of the program learn together to develop core managerial skills and a corresponding mindset, explore new business opportunities and work on cross-industrial business cases.

4. Complexity management

Learning ecosystems come with a high degree of complexity. As it's nearly impossible to predict the future, it is necessary to act in a mode of experiments, "quick wins" and constant improvements, rather than planning for an "ideal learning ecosystem". Learning ecosystems emerge as a co-evolution involving all stakeholders – employees, education providers and partners, top-management and HR-teams. A company-led learning ecosystem is not about command and control, it's about common vision, facilitated experiments with feedback-loop and outcome evaluation that require a new set of KPIs. On the learning activities level, eNPS is the main metric, and this can help to assemble the right mix of learning resources, both interesting and practical for employees. On the learning ecosystem level, tracking retention rates and monthly active users (MAU) help to measure the employees' experience and engagement. On the corporate level, an employee's life-time value (= productivity x time working for the company) becomes the major KPI of talent management, transforming learning activities from expenses to investment mode. Most companies are still to develop and implement the Employee Lifetime Value (eLTV) methodology as part of HR performance-management, as the system has to be able to cope with an enormous diversity of roles and job positions.

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5. Shared leadership and the new role of the HR team

Company-led learning ecosystems operate on the principle of "shared leadership" and "shared power". There is no HR-demiurge making decisions and allocating budgets from the top of the corporate hierarchy to the lower levels. Every employee shares power and responsibility for their own personal and business development. Every participant of the learning ecosystem has the right to teach and propose new initiatives, if they meet the rules of the ecosystem. The role of the HR-team is to support professional communities within the company and enable employees' growth by connecting their learning activities with long-term career paths, managing all participants' sense of purpose and the energy levels. It might also require significant changes in organisational structure and corporate culture of the company. HR and leadership teams play a key role in these processes. In many "digital native" companies (like Google and similar) with their entrepreneurial culture and "the right for employee to make a mistake", the shared leadership model is already in place. It is encouraged with hackathons, employee meetups, product labs, and other activities.

To make the learning ecosystem happen, companies should have certain enablers that set common rules for the ecosystem and ensure the integrity and coherence of the career and educational space within and outside the company, including:

- A single-ID for the employee to sign-on the learning ecosystem space, which also helps to collect data and provides a digital footprint of all the learning and working activities of each employee.
- A wide range of codified educational resources inside and outside the company. The learning ecosystem rules should ensure access to these courses and enable transferrable learning results.
- A unified technology platform for the ecosystem, providing convenient learning spaces (online, face-to-face and blended), career tracking and community management services, as well as personal digital assistants for employees.
- A single support centre for learners (HR-partners, administrators, advisors, mentors).
- A common brand for all activities within the education ecosystem.

Company-led learning ecosystem development is not a revolution. It is an evolution of talent management and learning functions in a company, supporting business ecosystem growth and building on best learning and career development practices within and outside the company. It brings a new logic to a company's development, based on flexibility, personalisation and partnership.

For the business schools, the new learning ecosystem reality requires a rethink of its competitive positioning and strategic ambitions in the broader management education sector. One option is to stay level and evolve into a niche player, providing excellent learning services in a particular specialisation such as management, marketing, digital transformation etc. The other option is to become an active ecosystem player and partner able to facilitate co-creation based on cross-industrial and multi-disciplinary expertise. This will be critical in enabling a company to better support its HR and CEO teams on their own transformational journey and thereby level institutional impact to new heights, in line with Arnoud de Meyer's call (in this volume) for business schools to evolve into "Schools for Business".

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