

RESEARCH ARTICLE

Fostering a Learning Culture: Why It Matters Now

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Overview

Leaders and workers alike recognize the benefit of a workplace in which they are able to naturally learn and grow, and therefore adapt to change. In turn, adaptability sets the stage for developing an organization that can continuously learn and renew itself. In the new world of work, the ability to get ahead of disruption and meet the demands of breakneck change requires both individuals and the *entire* organization to prioritize a strong learning culture. But the gap between what is valued and what is actually practiced has widened—to the detriment of business outcomes.

Established approaches to learning and development are rapidly becoming irrelevant as organizations move toward greater levels of agility. Being agile is at the heart of the of the digital transformation that many organizations seek to cultivate. It requires experimentation, continuous learning, and innovation at the individual *and* organizational level. In this article, we highlight insights from our High-Impact Learning Culture and Learning Organization research, which leaders can leverage to begin this urgent conversation.

In This Article

- ✓ Why a learning culture is a business imperative
- ✓ Why organizational alignment is crucial to promoting a true learning culture
- ✓ The impact organizations and individuals can have in shaping a learning culture
- ✓ Three key practice categories that drive a strong learning culture





Learning Cultures Create Better Business Results

Change is hard. Cliché? Yes. Apropos to learning and development? Absolutely. For more than 15 years, we have been publishing research that repeatedly demonstrates that a learning culture is a predictor of impact for anything that the L&D function does and the investments and support that the organization make in the development of its people.

Our multiple High-Impact Learning studies reveal that high-performing organizations value, embrace, and cultivate conditions that allow for individual and collective organizational growth through the work itself. In other words, organizations with strong norms related to knowledge-sharing, reflection, and good risk-taking—to name a few—realized better business outcomes (see Figure 1).

Figure 1: Financial Outcome Metrics for Low- and High-Performing Organizations

Financial Performance Indicator	Mean for Low-Performing Organizations	Mean for High-Performing Organizations	Difference in Performance, High- versus Low-Performing Organizations
Three-Year Average Earnings Per Share	\$2.02	\$4.19	+107%
Three-Year Average Share Price	\$45.50	\$72.73	+59%

Source: Bersin, Deloitte Consulting LLP, 2017.

Organizations and Individuals Shape Learning Cultures

In 2017, we described a learning organization as an adaptable organism that adjusts and evolves to the pace of change and of business.¹ Becoming a mature learning organization is predicated on developing a strong learning culture. Just 6 percent of surveyed organizations had achieved a high level of learning organization maturity as of 2017.² Consequently, most organizations don't know what a learning organization—and a learning culture—looks or feels like. A strong learning culture can only be built and sustained when both the organization and the workforce take ownership.

If we consider the upcoming waves of disruption—in markets, in customer needs, in workforce trends—the implications for unprepared organizations are extraordinary. It is therefore critical for leaders, both within learning and development (L&D) and across organizations, to begin seriously discussing building a culture of learning.

Aligning Values, Processes, and Practices Is Key

Learning leaders cannot create a learning culture via the learning function's work. What leaders in the broader organization say and do, what the organization celebrates, and how the organization gets things done send implicit and explicit messages to employees about learning, agility, adaptability, and empowerment of people in the organization. In complex organizations with multiple business units and subcultures, conflicting understandings of values and processes inhibit the development of a learning culture.

For example, if an organization values innovation, and if that value is clearly communicated and business processes incorporate opportunities to innovate, employees will be encouraged to produce innovative products, ideas, and solutions. But if the organization says it values innovation but it rewards and promotes practices that only reduce risk and errors, workers are likely to focus on risk mitigation.

Mature organizations don't just communicate their values. They also design processes and practices that align to those values consistently throughout the organization. Leaders must understand the connection between language, communication, behavior, rituals, and processes in communicating culture, then dedicate effort to bringing that communication into strategic alignment across the organization. Organizations should walk the walk, and managers and leaders are the primary movers of an organization's culture—they must demonstrate and activate the organization's values in the daily work.

Three Practice Categories Drive Strong Learning Culture

Our High-Impact Learning Culture³ study identified more than 40 practices that define how organizations can develop a learning culture. According

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to our research, these can be grouped into three specific practice categories that drive positive business results (see Figure 2) across studies, which we will explain in greater depth:

- Empowering employees
- Encouraging reflection
- Demonstrating the value of learning

Figure 2: Findings from Bersin’s High-Impact Learning Organization and Learning Culture Research

High-Impact Learning Organization Study		High-Impact Learning Culture Study	
Organizational Practice	Likelihood to Have Strong Business Outcomes	Organizational Practice Category	Relative Impact on Business Outcomes
• Employs Stretch Assignments	2x	Empowering Employees	Very High
• Defines Decision-Making at All Levels			Very High
• Allows Employees Influence over Tasks			
• Encourages and Rewards Risk-Taking	2x	Encouraging Reflection	High
• Uses Mistakes as Learning Opportunities			
• Focuses on Employee Development in Current Role	5x	Demonstrating Learning's Value	High
• Focuses on Long-Term Career Development			
• Offers High-Value Development Opportunities			
• Rewards Development			

Source: Bersin, Deloitte Consulting LLP, 2017.

Our study on the High-Impact Learning Organization⁴ also identified several actions organizations can take to enable a learning organization. As indicated in Figure 2, these actions directly relate to the practices identified in our High-Impact Learning Culture study.

The takeaway from both studies? While the traditional practices of L&D—creating content, pushing content, blended learning, and more—do not impact business outcomes, the ingredients of a learning culture consistently predict meaningful business results.

Let's now look at the three practice categories organizations can adopt to strengthen learning culture.

1. Empower Employees

Freedom to discover and engage in learning opportunities is a fundamental requirement for learning. Organizations that allow for individual initiative and appropriate risk-taking in the work itself can make enormous strides in building a strong learning culture because the learning begins to happen organically. Employees want to innovate and stretch their capabilities—organizations offering these opportunities intrinsically understand that an engaged workforce will lead to better business outcomes.

To that point, mature learning organizations:

- Have leaders who are open to bad news
- Encourage the workforce and leadership to ask questions
- Have clearly defined decision-making processes
- Permit employees to have influence over which job tasks are assigned to them
- Reward appropriate risk-taking
- Reward individuals who initiate projects or solutions by themselves, without extensive signoff or group support

2. Encourage Reflection

Learning is a process. Quite often, employees are unaware of what or how they have learned. High-performing learning organizations recognize the importance of reflection and understand that mindful analysis (i.e., asking “how” and “why”) is a critical learning skill for all employees to develop. Reflection has a positive effect on motivation and individuals' ability to learn. Organizationally, reflection offers increased opportunities to attain new knowledge and the freedom to leverage it.

Strong learning cultures ensure that:

- Reflection is a structured activity
- Time to analyze assumptions behind thoughts and conclusions is valued
- Mistakes and failures are valued as learning opportunities

Post-project reviews are a good example of a structured group reflection activity. While the specific agendas and rituals vary, the general purpose of these reviews is to consider what went well and what could be improved. Tone matters: Employees and managers should avoid pouring salt on wounds, assigning blame, or focusing on the negative consequences of mistakes. Asking explicitly what individuals and teams felt went well, what was learned, and what to do differently next time encourages healthy analysis and collaborative problem-solving. Understanding how an initiative failed may lead to success in future initiatives and helps build institutional knowledge. The most mature learning organizations encourage constructive reflections to strengthen performance insights for individuals and the organization as a whole.

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3. Demonstrate the Value of Learning

When the whole organization values learning as useful and important, the effect is widespread. Employees are motivated to learn and feel free to engage in learning opportunities. Focusing on employee development in their current role and long-term career growth and offering valuable development opportunities signals an organization's commitment to learning. The L&D team can be advocates for this approach, and should take every touchpoint with employees, managers, or executives as an opportunity to reinforce and demonstrate the value of learning.

All of these stakeholders must own a strong learning culture. Deeply embedded values foster greater success and widespread adoption of desired learning practices.

High-performing learning organizations share a number of characteristics:

- A belief in rewarding employees who learn new skills and knowledge—whether with financial incentives, growth opportunities, or nonmonetary employee recognition programs
- The view that learning new knowledge and skills is a valuable use of time—leaders can demonstrate this to workers by promoting and participating in training events
- Employees who highly value the learning and / or developmental opportunities offered by the organization—this is indicated by feedback provided in engagement surveys and voluntary participation in what is offered
- Employees who take active responsibility for their own personal development

KEY POINT: A strong learning culture must be owned by employees, managers, and leaders. Deeply embedded values foster greater success and widespread adoption of desired learning practices.

Leaders in a Strong Learning Culture Do Things Differently

Implementing these three practices require behavioral, process-based, and decision-making changes that are not easy. Leaders need to embrace shared authority to empower employees. To the same point, leaders must prioritize time to think over urgent, not necessarily important tasks, and to value activity that may not translate into immediate, measurable outcomes. Leaders in organizations with strong learning cultures consistently teach and attend training to demonstrate the value of learning—walking the walk, as it were.

Creating workplaces in which leaders demonstrate these behaviors has been a stated goal of mature organizations for decades, but the dearth of organizations actually doing it speaks to the challenge of execution.⁵ For leaders at a highly mature learning organization, this is less of a challenge and more of a reward for their time in employing these kinds of practices.

Instructure Inc. is an example of one company that has aligned its values, processes, and practices across the organization to ensure a strong learning culture.

Case in Point: Instructure Inc. Empowers Employees to Learn through the Work

Instructure Inc. creates employee development software for educational institutions and corporations. Publicly traded since 2015, the 10-year-old company is growing fast and employs more than 1,200 people who are deeply committed to educational issues and ideas. “We hire people who are passionate about learning,” says Instructure’s senior vice president of people and places.

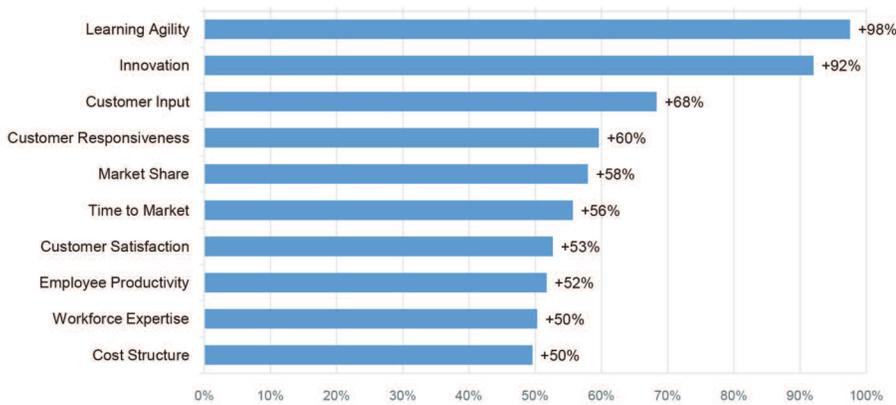
It follows that Instructure wants a learning environment for its own workplace that is tailored to its employees’ desire to grow and develop. To keep its employees engaged, the company needs a learning culture in which knowledge and skills are shared broadly across functions, and ideas and initiatives generate from many different roles. The company has responded with a number of initiatives to foster learning that’s integrated with the work its employees do every day. One of these initiatives is the “Bet Committee.” Employees at all levels who see an opportunity for a new product or enhancement—a business bet that would require investment—can propose it to the committee, which includes the CEO, executive product heads, and representatives of engineering, finance, and sales. The Bet Committee meets monthly and functions like an internal incubator. Those who propose a bet create a business plan; if the proposal moves forward, they meet with customers to collect more feedback. This becomes a stretch assignment for the employee with the idea. The Bet Committee reflects a culture that encourages initiative, risk-taking, and knowledge acquisition beyond the immediate needs of one’s existing role.

This initiative recognizes the convergence of work and learning. The Bet Committee has helped the organization to launch new products and features and increase customer satisfaction. This, along with other initiatives, creates a learning culture that has helped keep the workforce satisfied, which is vitally important for a young, fast-growing company in a competitive technology niche. Instructure’s employee attrition is below industry averages, and the company has been recognized by *Entrepreneur* magazine in their “Top Company Cultures” list for 2018.

Conclusion

As we have seen throughout this article and a number of studies, strong learning cultures consistently generate better business results. The impact of a learning culture is dramatic, as illustrated in Figure 3.

Figure 3: Improved Outcomes for Strong Learning Cultures



* Organizations with strong learning cultures (HILC mean = 5) will be x% better at each business outcome than those with weak culture practices (HILC mean = 1). This data has been revalidated by Bersin's High-Impact Learning Organization research.

Source: Bersin & Associates, 2010.

As the pace of change accelerates and technological disrupters upend the world of work, organizations with strong learning cultures will be positioned to meet these challenges in whatever form they take.

Key Takeaways

- Learning culture has always been—and continues to be—a business imperative, but not an easy one to strategize or execute.
- Many organizations are stuck in traditional approaches to learning even as they recognize the value continuous development generates.
- A strong learning culture is owned by both organization and employee; learning is no longer the responsibility of L&D alone and is essential to the success of organizations as a whole.
- Strong learning cultures empower employees, encourage reflections, and demonstrate the value of learning.
- Strong learning cultures have aligned values, processes, and practices that create the conditions for individuals and organizations to naturally learn, grow, and evolve.

Endnotes

1. *High-Impact Learning Organization: Move Beyond L&D*, Bersin, Deloitte Consulting LLP / Dani Johnson, 2017.
2. *High-Impact Learning Organization: Maturity Model and Top Findings*, Bersin, Deloitte Consulting LLP / Dani Johnson, 2017.
3. *High-Impact Learning Culture: The 40 Best Practices for Creating an Empowered Enterprise*, David Mallon, Bersin / Deloitte Consulting LLP, 2010.
4. *High-Impact Learning Organization: Move Beyond L&D*, Bersin, Deloitte Consulting LLP / Dani Johnson, 2017.
5. *High-Impact Learning Organization: Maturity Model and Top Findings*, Bersin, Deloitte Consulting LLP / Dani Johnson, 2017.

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