Guide to Building Capabilities for the Never Normal

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What's Inside

The Current State of Corporate Learning

The world of corporate learning has exploded. Driven by the pandemic and the transformation of many jobs, companies are investing heavily in reskilling, upskilling, and transformational learning. In times like these, everyone — regardless of role or level — needs help with wellbeing, productivity, leadership, and resilience. New research by DDI shows that 84% of CHROs rate upskilling and reskilling as one of their top three priorities .

As companies rush to fulfill demand for all this learning, there's a tendency to quickly assemble a lot of content primarily focusing on developing basic skills. While this may feel productive, it doesn't always move the needle when it comes to improving organizational and employee performance. In this e-book, we want to explain a different approach — building a capability-centered learning strategy through what we call a capability academy.

62 % of high performing learning organizations have set up capability academies led by business leaders and supported by L&D

Adaptive Learning Organization Research Report

The Need for Capabilities: More Than Skills

Let's start with one important idea: there's a difference between core skills and business capabilities. Every business leader has a sense of the business capabilities that drive success in their organization. These could include designing a solution, problem solving, innovative thinking, or leading a team — all of which are based on a combination of professional and technical expertise, experience, judgment, and communication abilities. While core skills are important components of business capabilities, they alone are not enough.

For instance, a programmer may be an expert in Python, but does she know how to work with business stakeholders, manage a product release, or understand how a system integrates with other systems in the enterprise ecosystem? Such "full stack" capabilities go beyond basic skills and require experience, collaboration, and coaching.

Capabilities are built around combinations of hard and soft skills that are reinforced in multiple ways, tailored specifically for real-world needs. For example, a leadership capability academy might include content about management techniques, project management tools, and coaching principles, but it would supplement this information with relevant case studies and developmental assignments aligned to a company's specific business model and culture. Capability academy participants learn by practice and application as well as by example — through mentorship or instruction by existing company experts.

Building Capabilities in an Online Environment

Today, as large numbers of the workforce continue to work in remote and hybrid environments, learning has become almost entirely digital. How do you teach a manager how to deal with a problem employee, prepare an employee to take on a demanding new role, or onboard a new employee — all in a digital learning learning environment?

80% **of business leaders accelerated their digital expansion plans as they adjusted to staff working remotely and dealing with customers online.**

KPMG Survey

High-fidelity learning, defined as immersive and tailored to real-world situations, is critical to adequately meet today's training needs. When you move people into new roles or create new protocols or procedures at work, you need to give them real-world examples, let them practice together in safe settings, and teach them new ways of thinking — in addition to teaching them "what to do." Creating a collaborative environment, essential to delivering high-fidelity learning, becomes even more challenging in a virtual setting.

"Today people need more contact, not more content."

L'Oréal executive
L'Oréal launched new learning initiatives that foster collaboration and community connections

Experiential Learning Helps Companies Thrive in Change

Business transformation is not a given, even as transformation happens all around us. Our research showed that companies have had a range of responses to the events of 2020. We defined four stages of response, ranging from the implementation of purely tactical responses to those that lay the foundation for business transformation. Those responses that incorporated experiential learning were among those that had highest business impact and laid the groundwork for business resilience.

21 % **of companies that have adaptively transformed their workforces have worker-driven, experiential learning built into their cultures, and they also likely embrace failure as a learning opportunity.**

Business Resilience: The Global COVID-19 Pandemic Response Study

Capability academies are business-driven, collaborative learning environments that facilitate learning retention. They are a strong choice for companies that want to evolve employee skillsets as the nature of work evolves. Going beyond rote lessons, capability academies help companies prepare for transformation by helping employees develop complex skills and providing guidance on how to apply them in the context of the business.

Why you Need a Capability Academy

A capability academy that leverages collaborative learning prepares the company for the future, benefits the business, and helps employees learn more effectively. Here's how.

Benefits for the business

Business needs are evolving at light speed.
What worked at your company a year ago may be outdated today. Building capabilities in a flexible collaborative learning framework that draws upon the experience of internal experts and mentors ensures the delivery of relevant content and assignments that reflect dynamic business needs.

Real-world assignments strengthen the business.
Off-the-shelf learning can't compete with capability building that's aligned with how things work at your company, not in theory. When people can accomplish work while learning, they get the immediate satisfaction of meaningful results, creating a virtuous loop of helping the business while helping themselves.

Effective learning helps retain employees.
It almost always costs more to buy skills than build them. And institutional knowledge — products, relationships, culture — takes years to replace. Culture Amp data shows that 54% of immediate retention is associated with the employee's belief that their company contributes to their development. When you invest in employees, they'll invest more time with you.

Benefits for the future

Capabilities build a resilient culture.

Black swan events are predicted to become more frequent. Organizations need to ensure that employees can work together and adapt to address unforeseen changes as they arise, not after the fact. A capability academy, with its strategic orientation and business-led priorities, can be a bridge to greater cross-functional collaboration. Relationships formed through collaborative learning experiences help build resilience and foster an adaptive — rather than reactive — culture.

Keep up with continually evolving skillsets.

An effective talent strategy keeps employees engaged and learning throughout their careers while simultaneously growing the business. In today's pace of change, upskilling and reskilling are must-haves, not nice-to-haves.

Benefits for employees

Connect with the way people learn best.

People don't change behaviors from watching a video. They grow their capabilities through practice and application. This requires spaced interactions, repetition, positive feedback, and practice so that new neural pathways are formed. Such an approach creates new behaviors and supports new ways of working.

Collaboration builds culture.

Productive relationships are at the center of a healthy culture. When employees come together to learn, they grow in ways they couldn't otherwise. A capability academy's learning framework gives employees the space to make mistakes — and celebrate success — in a safe environment with the encouragement of their peers. Those who learn together, grow together.

Leverage the knowledge of subject-matter experts.

Rather than delivering learning solely created by L&D, capability academies leverage the expertise of internal subject-matter experts. Because they understand the challenges of those that they interact with and mentor, SMEs can bring valuable institutional knowledge and perspective they've gained from their own work. At the same time, they grow their visibility within the organization and expand their opportunities for career growth.

62%
of high-performing organizations have a learning business partner responsible for content ownership in each business function.

Adaptive Learning Organization Research Report

The Capability Academy Defined

There are many established ways of delivering learning and connecting employees to relevant learning content. But a capability academy is a different approach, one that can exist alongside other learning options.

Most importantly, a capability academy is a place people go to advance their job-related capabilities. A place to learn. A place to share. A place for experts to contribute. And a place to advance the state of knowledge.

In this place — ideally a digital learning platform optimized for many forms of collaboration — people discuss topics, receive feedback, collaborate with peers, and complete assignments, often under the supervision of a mentor, coach, or facilitator.

Learning in this experiential way ensures that that employees actually get to build capabilities through practicing what they learn and applying it to real-world business problems.

Capability Academy Examples

Comcast's Academy of Customer Service teaches service staff the myriad of service technologies, practices, and behaviors important to the company.

CEMEX has a Supply Chain Academy and a Safety Academy. These groups teach employees from many internal organizations what they need to know about the company's unique solutions for supply chain and safety management.

Capital One has a Cloud, Digital, and Cybersecurity Academy which brings people together to create skills, expertise, and new ideas in digital application development.

Kraft Heinz Ownerversity is organized into academies which include functional specialties such as sales, marketing, R&D, and operations as well as general areas like leadership and methodology.

Key Characteristics of a Capability Academy

As most people know, it takes time to become an expert at anything. The capability academy approach is designed to accelerate this learning journey. Because it is built around experiential learning, it differs in significant ways from other learning approaches.

What a Capability Academy Is

Developed in conjunction with the business
Related to a specific business function or company protocols in a given domain
Collaborative and community-based in a time-based cohort group
Projects and assignments tailored to how the business already operates
Allows learners to make mistakes and get substantive feedback to improve
Content updated and modified as business evolves, capturing learner feedback
Developed in conjunction with the business

What a Capability Academy Is Not

Off-the-shelf learning
A course library, a center of excellence, a corporate university covering every facet of the business*
Solo learning at will
Courseware, examples, and assignments developed by vendors
Success based solely on completions and test/quiz results
Static content
Off-the-shelf learning

[*] While a capability academy can be one part of a corporate university, it is not the entire university; nor do all university courses need to use the capability framework. A capability academy is different from a center of excellence because it is focused on learning.

How Capability-Building Differs from Traditional eLearning

	Typical eLearning Approach	Capability Academy Approach
Goal	Deliver many courses to let employees develop their skills. Courses and learning paths designed around technical or professional skills.	Develop business capabilities at scale to ensure that employees can perform, innovate, and grow in the business areas important to the company.
Sponsorship	Sponsored by HR or L&D.	Sponsored by line-of-business leaders and the CEO in conjunction with L&D. Aligned and prioritized for topics the company agrees are strategic, proprietary, and high value.
Programs	Typically outsourced, contracted, or developed in-house; usually designed to be completed in short periods of time next to existing work requirements.	L&D co-designs with internal and external experts to determine goals, success metrics, and instructional content and assignments.
Instructors	Off-the-shelf courses or trainers with a broad-based understanding of relevant skill sets, but not necessarily internal company experts.	Internal subject matter experts paired with instructional designers. Business leaders involved directly.
Learning Experience	Video, courseware, examples and case studies generated by content vendors, as well as customized projects based on understood company needs or priorities.	Programs, projects, and assignments. Often programs take months to complete and are tailored to the company's processes, tools, and tech stack in real-time. Taught by internal experts, not instructors.
Credentials	A completion certificate in an LMS, possibly shared internally.	A validated credential that has value for promotion and salary increase.
Assignments	Exercises may be included in the courses.	Developmental assignments and real work projects are incorporated.
Investment	$1,200 to $1,400 per year per employee.	From $2,000 to $15,000 per employee. Investments made with the knowledge that these capabilities are strategic to operations, innovation, customer service, and growth.
Expected Learning Outcomes	Employees receive broadly relevant information.	Employees receive proprietary information and feedback, build relationships with peers and mentors, and complete assignments specifically related to work at the company.

How to Get Started with a Capability Academy

Key Considerations

The pace of change today makes the old way of developing a comprehensive learning program over many months obsolete. Creating a capability academy can be a shorter, focused effort driven by strategic business needs and done in close conjunction with functional business leaders. Here are eight steps to get started.

1. **Assess business needs against strategic goals.** What issues are most pressing to the company? Which strategic goals can be supported by learning? How can building capabilities support day-to-day business operations? Look objectively at business needs, resources, and your overall talent strategy to identify at least one business-critical area that would benefit from enhanced capabilities development.

2. **Get buy in of senior leaders.** Because capabilities must be business relevant, leaders must be available to support development and implementation. Get a good understanding of their goals to build a successful case for capabilities.

3. **Build business partnerships.** A capability academy team should include business "owners" to oversee content development and support facilitators. Identify those key individuals and ensure that they will be held accountable for assisting with content creation, mentorship, or facilitation, depending on their role.

4. **Identify barriers.** Barriers to successful implementation can be cultural or technological. Is your company ready to start working collaboratively? Does it have the right technology—and do learners have the right technology—that will make successful capability building possible? Determine your approach based on anticipated barriers so that you can set reasonable goals.

5. **Map out a plan.** Your plan should include every step of what's needed to complete your first capability academy. It should include an assessment of existing resources, required resources, individual roles and responsibilities, and financial investments.

6. **Invest in technology.** Many traditional learning delivery technologies are not built for collaboration. Look for solutions that deliver a learning experience that focuses on practice, application, collaboration, discussion, and easy content creation.

7. **Identify metrics to measure success.** What learning outcomes matter most to your company? Consider engagement metrics, completion rates, business-related goals, and surveys. Work with your technology partner to identify actionable metrics.

8. **Focus on continuous improvement.** A key characteristic of a capability academy is that it evolves as the business evolves. Identify how you will capture new content, incorporate feedback, learning from metrics, and assign responsibilities for updating.

Conclusion

The pace of change over the next few years is likely to continue. Capabilities prepare your employees to adapt and innovate in a collaborative way while meeting—and anticipating— customer needs. A capability academy is one component of learning and development that helps employees learn and practice the skills, attitudes, and behaviors that will lead your company into the future. Armed with the right tools and technology, a capability academy can harness proven and engaging learning techniques and help your company tap into employees' desire to learn, grow, and reinvent.

High-performing organizations are **5.5 times more likely** to experiment and learn quickly.

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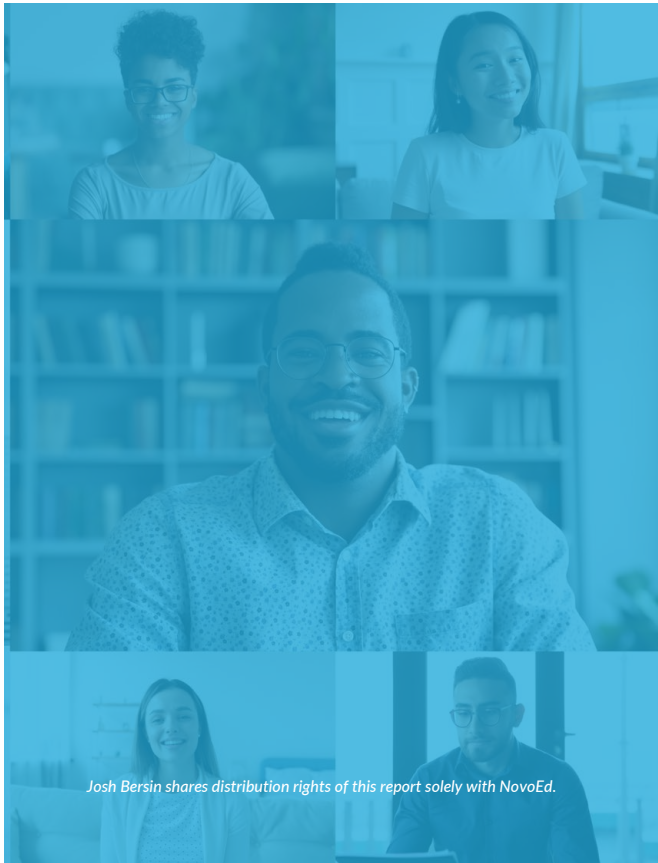
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Josh Bersin is an internationally recognized analyst, educator, and thought leader focusing on the global talent market and the challenges impacting business workforces around the world. He studies the world of work, HR and leadership practices, and the broad talent technology market.

He founded Bersin & Associates in 2001 to provide research and advisory services focused on corporate learning. Over the next ten years, he expanded the company's coverage to encompass HR, talent management, talent acquisition, and leadership. He sold the company to Deloitte in 2012, when it became known as Bersin™ by Deloitte. Bersin left Deloitte in June 2018.

In 2019, Bersin founded the Josh Bersin Academy, the world's first global development academy for HR and talent professionals and a transformation agent for HR organizations. The Academy offers content-rich online programs, a carefully curated library of tools and resources, and a global community that helps HR and talent professionals stay current on the trends and practices needed to drive organizational success in the modern world of work.

Bersin is frequently featured in talent and business publications such as Forbes, Harvard Business Review, HR Executive, FastCompany, The Wall Street Journal, and CLO Magazine. He is a regular keynote speaker at industry events around the world and a popular blogger with more than 800,000 followers on LinkedIn.

His education includes a BS in engineering from Cornell University, an MS in engineering from Stanford University, and an MBA from the Haas School of Business at the University of California, Berkeley.