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**Lifelong Learning and
the New World of Work**

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As a new millennium opens, some of the major issues facing American business leaders also are among the least discussed: What will work look like in the future? What approaches and policies will best help companies and employees adapt to work in the new economy?

The neglect of these questions is understandable. The economic expansion—the longest period of peacetime growth on record—is providing more high-paying jobs than ever before.

Business competition for employees has never been greater. Family income levels are at all-time highs. Unemployment is at near-record lows. Labor force participation is at a 30-year peak. Living standards for most Americans have never been better. In light of these statistics, what's the problem?

The issue, put simply, is this: The realities of work are changing and will continue to change at breakneck speed—faster, in fact, than many people can adapt. A glance at the business news tells the story. Increasingly the news truly is *new*, involving companies and jobs that didn't exist six months ago, much less 10 or 20 years in the past.

This makes for exciting business times, but also raises sweeping workforce management issues, which circle around one central fact. The definition of a "job" developed in the industrial age is fading rapidly. Most people still think of jobs as positions providing clear-cut responsibilities, rewarded by fixed formulas, involving straightforward reporting structures, and offering step-by-step paths to promotion. But the new economy demands something different: organizations without boundaries, positions without borders, and people with continuously expanding abilities and skills.

The implications of the growing disconnect between how businesses and their employees view work are enormous, but one stands out: the impact on workforce development. Traditional compensation-driven approaches, typically centered on tactical, job-related training, just don't address the broader issue. And that

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means that businesses need to rethink their approaches to workforce development, finding new approaches that go beyond traditional concepts and incorporate the principles of continuous, lifelong learning.

This doesn't mean merely coming up with a series of soft-hearted self-help courses, or even expanding training in areas such as leadership, diversity, and technology-based tools. Instead, it means developing strategic, disciplined, and systematic programs that help employees understand what the new economy holds in store, give them the knowledge they need to deal with change, and guide their development so they can take their skills and abilities confidently to the next level, no matter how the business world changes.

Developing and implementing these programs will be a complex, difficult, and potentially costly undertaking. According to the Business Roundtable, a coalition of executives from large companies, best practices in workforce training and development currently include investing at least 3 percent to 4 percent of payroll *directly* on education, and delivering at least 25 percent of education through interactive, technology-based approaches. Those are tough standards for big businesses to meet, and even tougher norms for the mid-size and small businesses that employ 85 percent of the nation's workers.

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But it's essential to get started. In recent discussions, officials from one advanced nation estimated that more than 40 percent of the country's population would need retraining over the next 10 years to meet the demands of the new economy. The U.S. economy is much larger than that nation's, and the challenge will be even greater. The choice is clear. Either we can begin rethinking our workforce development approaches today, or we can spend enormous amounts of time, energy, and money in helping people change jobs and careers down the road.

Lifelong Learning and the New Realities of Work

Basing workforce-development programs on continuous learning may sound like a radical suggestion for reasons that go far beyond cost. For companies of all sizes, it means becoming involved in areas that traditionally have been viewed as the respon-

sibility of “someone else”—schools, the government, or employees themselves. It means investing money in areas where it hasn’t historically been spent. It may even mean preparing employees to go to work for another company. When learning is truly lifelong, people learn a lot of things, including how many opportunities the workplace holds. The tendency to resist making meaningful employee development a top priority is natural. But four factors make it essential.

The first involves the forces at work in today’s employment marketplace. No company, large or small, can insulate its workforce from today’s job opportunities or shut off the pull of the marketplace—a pull that is getting stronger every day. Since the economic expansion began in 1991, the U.S. economy has created about 19 million new jobs. The labor force, however, has only expanded by about 16 million people. The gap between job creation and the rate of workforce growth is already large, and it is growing. The consensus among economists is that between now and 2010 another 20 million jobs will be created, while the workforce will grow by only 17 million people. The battle for talent and the measures companies are willing to take to attract employees are sure to intensify.

In this environment, lifelong learning can provide an important competitive advantage in attracting and retaining talented people.

Here’s how. In the battle for talent, companies typically work hardest to attract “the best and brightest”—precisely the people it will be most difficult to retain over time, regardless of how much they are paid. By making continuous learning and development a priority, companies can disengage from this “battle for the best” and focus their recruiting efforts on people who don’t have perfect credentials, but who do have the skills to perform in one assignment and the willingness to take on new ones.

Some companies are experimenting with this approach today. Many large companies, for example, are expanding their college recruiting efforts. They are looking beyond the handful of top schools on which they have traditionally concentrated, including a much wider mix of “second-tier” institutions and simultaneously expanding their workforce-development programs. The result: They are attracting qualified people at lower costs, achieving better retention rates, and winning greater workforce loyalty. More than purely financial rewards, these companies are offering employees a path to the future that previous approaches would have blocked.

Many mid-size companies are following suit. They are, for example, providing whole or partial tuition reimbursement for courses taken at local universities and community colleges.

When workforce interest is high enough, courses may even be offered on-site. This gives employees the scheduling flexibility they need and underlines the company's interest in their growth and development.

A second factor in favor of lifelong learning is globalization of business. We live in an integrated world economy. Companies have unprecedented flexibility to move operations to obtain maximum competitive advantage, whether that means relocating to another country, outsourcing non-core functions to another enterprise, or using independent contractors instead of in-house staff to handle short-range projects.

This isn't exactly news. The quest for competitive advantage has been going on at large companies for some time. But we are reaching an inflection point. Today, mid-size and smaller companies as well as the *Fortune* 500 must cope with global competition and the technology-driven commoditization of virtually every product and service. Firms that thought they had distinctive, differentiated products or a geographic advantage are finding that they are just part of the pack. Companies that thought they were adding value are finding that their markets view them as another cost to be reduced or a "middleman" to be eliminated. Today, the drive for competitive advantage touches every company and every employee.

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The difference from past patterns is huge. This shift means that many traditional jobs are less secure—and not just for production or craft employees. Professional employees and senior managers also are at risk. By building continuous learning into their HR strategies, companies can help ensure that the people affected by the quest for competitive advantage have the skills and education they need to adapt to the new world of work. For large companies, this clearly broadens the internal pool of candidates available to fill the jobs that the new economy requires. But, just as important, it takes much of the fear about the future that employees at all companies would otherwise feel out of the employment equation.

When employees "resist" training and education, as many companies report they do, the reason usually isn't because they're closed-minded or averse to development. It's because they're concerned about the personal expense and time that advancing their

skills would require. Relatively few employees have the resources needed to retrain themselves independently, and it's unfair for employers to expect them to do so. Continuous learning can bridge that gap, resulting in higher productivity and more competitive, committed employees.

A third, related factor arguing for lifelong learning involves the revolution in information and communications driven by the Internet. In the past, information had great value, simply because conveying it was a costly and complex undertaking. In the new economy, information has been freed from expensive ways of delivering it, from printing presses and trucking fleets to networks of mainframe computers. Communication via the Internet is cheap and powerful. It allows businesses to collapse traditional supply, production, distribution, and sales channels and to eliminate processes that don't add value. Technology, in short, is driving all enterprises to rethink their business models and recalculate the value of everything they do.

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What businesses are finding comes as no surprise. In the new economy, some operations simply aren't valuable as currently constituted. The result of this discovery isn't surprising, either. Companies are reorganizing, restructuring, and re-integrating their operations in ways that bring new competitive power—and frequently require new skills to run them. How do we find people with the skills we need and help the people who may be displaced move on to new positions? Again, continuous learning holds part of the answer.

The fourth factor involves businesses' need for operating flexibility. In some ways, this is again a familiar story. Massive, integrated steel mills were long ago displaced by flexible mini-mills. Warehouses have been displaced by just-in-time distribution centers. In-house insurance and brokerage firm staffs are being displaced by on-line operations. What is *not* familiar is what the future is likely to hold in store.

High-tech businesses provide the model. Not long ago, "cannibalizing" product lines was unheard of. Companies would do everything in their power to preserve existing business lines and revenues as they moved into new product or service arenas. Not anymore. The new model requires moving aggressively into "what's next," even if it means leaving the business of the past

in the dust.

But what's next for the people affected? Lifelong learning can help ensure that employees have futures.

Putting Lifelong Learning into Action

Given all these forces, lifelong learning certainly seems like a solid concept. The question is how to put it into practice. There is no silver bullet or off-the-shelf strategy that applies to every employer, but there are several approaches companies should consider.

The first step involves job design. Most large companies and many mid-size and small companies already tailor jobs to broad categories of workers to drive satisfaction and growth opportunities. The next step is to expand on these initiatives and tailor jobs to individuals. Some companies are experimenting with programs to assess individual skills, interests, and motivations and are encouraging managers to fit assignments whenever possible to personal desires and requirements.

Taking these steps is never easy. To some employees, job tailoring will inevitably smack of selectivity and preferential treatment. But the fact that an action may raise tough questions doesn't mean it shouldn't be explored.

Businesses must set aside notions of work and human resources management developed in the Industrial Age and find approaches that treat the workforce not as a cost to be controlled but as a scarce, critical resource.

A second step involves reassessing performance-management strategies. Today it's not enough for businesses simply to send their employees through routine, job-specific training programs. Instead, it's important to help people stay at the top of their fields, regardless of changes in technologies, processes, or best practices.

Technology offers new options for business to enhance the delivery of training at low cost, helping individuals make the most of their potential while guiding them through the training and job experiences they need to advance. Many companies will resist this approach on a cost basis, I know. But the payback—in retaining employees over time and attracting the talented people companies need to succeed—will more than repay the investment.

A third step involves implementing career-management programs to help individuals make the most of their career potential while being guided through the training and job experiences they need to advance. As larger companies have found, these programs can help

retain quality employees over many years as they advance their careers through various assignments. While the task will be tougher at mid-size and small companies, which by definition have fewer positions and advancement opportunities, these firms need to start thinking along the same lines, demonstrating to employees that the jobs for which they were hired are not dead ends.

Finally, businesses must be alert to the changing values of each generation and adjust compensation packages to ensure that they are attractive to employees and serve as strong retention tools. Again, this means trying to personalize compensation packages to the extent possible, which is never an easy task. But it is an approach worth exploring. Compensation practices need to change if companies are to attract and retain the best talent available.

The issues I have discussed here are vast. There are no simple solutions. One point is clear, however. Businesses must set aside notions of work and human resources management developed in the Industrial Age and find approaches that treat the workforce not as a cost to be controlled but as a scarce, critical resource. This means placing an ever-increasing emphasis on career management—ensuring that people have the skills, training, and development opportunities they need not simply to do a job, but to advance in their fields and change fields if necessary.

These suggestions depart from the traditional paradigms through which we think about work. But changing these paradigms is vitally important to both employers and employees across the nation. The outlines of the new world of work are emerging, and while plenty of uncertainties and shadows remain, one choice is clear. We can defend the “job” paradigm and incur huge and continuing economic and social costs, or we can accept the new realities of work and drive together toward a concept in which lifelong learning, combined with career management, helps work become more self-determined and people become more fully empowered. 

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