

The Future of Corporate Academies

Capability Training

Becomes a Business Priority



OCTOBER 2022

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Section 1

Executive Summary

Learning leaders are confronting a world upended by relentless disruption, from rapidly changing technologies and new ways of working to an economy still impacted by the pandemic.

The learning function has undergone a radical transformation in response to the evolving landscape of economic life. They've retooled what is taught, where learning happens, the core audience of learning, and how learning outcomes are measured and reported.

Introduction to the Transformation of Learning Research

To explore this new wave of learning, Executive Networks and NovoEd surveyed **515 learning leaders in the US, Canada, UK, Spain, and Italy in organizations with 1,000+ employees.**



THE STUDY

515 Learning Leaders

1000
or more employees



While leadership development and core skills training tend to be delivered via formal organizational mechanisms, domains like critical skills training and mentoring/coaching are more likely to be delivered via informal learning.

Our inquiries revealed a variety of priorities emerging as learning leaders grapple with how to reshape learning to fit today's new realities.

Evolving Corporate Priorities Driving the Conversation

The last several years saw a coalescence of a variety of challenges to business continuity:

Generation Z entering the workforce, rising retirement, accelerating digital transformation, transitions to hybrid and remote operating models, The Great Resignation, and social movements that challenged how institutions transmit knowledge and distribute power.

Many organizations are turning to corporate academies as a strategy to address these issues holistically.

These corporate academies are created to ensure that employees learn and master the skills required for the organization to meet its most vital and strategic business needs.

At the same time, learning leaders are embracing the new normal of hybrid work environments. Originally viewed as a temporary solution to pandemic-forced remote work, this arrangement has become a permanent part of the landscape and the preferred option for many knowledge workers, with clear implications for talent acquisition, retention, and learning and development.

Overwhelmingly our research finds learning and career development needs to transform to accommodate distributed organizations.



As a result of workforce learning taking center stage in attracting and retaining talent and driving competitive advantage, business leaders outside of the human resources function are becoming more involved in learning and development. **Our research shows that learning is a top agenda item for CEOs.**

5 Key Insights

Our research focused on how learning leaders are working to ensure their transformation of the learning function aligns with the most critical business needs facing their organizations.

Quantitative and qualitative data shows a broad set of priorities around corporate learning functions' changing scope and goals. The most immediate priorities include expanding the audience for learning and development to include customers and other key stakeholders and focusing on designing learning specifically for hybrid and remote environments.

1

Expanding the scope of investment in corporate learning beyond leadership development to focus on skills needed for rapidly changing business priorities

2

Extending the learning audience beyond full-time employees to include customers and key stakeholders, such as community members and consumers, as well as digital automation workers (bots)

3

Designing learning to happen where work gets done by ensuring a seamless system for hybrid and remote environments

4

Examining the potential demise of brick-and-mortar training and creating new ways to design and deliver learning and development

5

Communicating the business impact of investing in learning with the creation of a learning annual report, similar to a traditional corporate annual report

Section 2

5 Key Findings:

Corporate Learning Rapidly Evolving

Corporate learning is being transformed to meet new business realities. The five critical areas of change are explored in this section.

Expanding the scope of investment in corporate learning beyond leadership development to focus on skills needed for rapidly changing business priorities

What is a Corporate Academy?

A **corporate academy is a place**, either in-person or virtual, where employees go to advance job-related competencies related to their organization's competitive advantage or unique aspects of their operating model. These competencies can include technical, functional, and business skills.

What is a Corporate University

A **corporate university is an approach** to organizing a learning and development function within a company around providing educational services to internal clients. Corporate universities offer employees structured, formal learning experiences on topics ranging from leadership to core skills training.

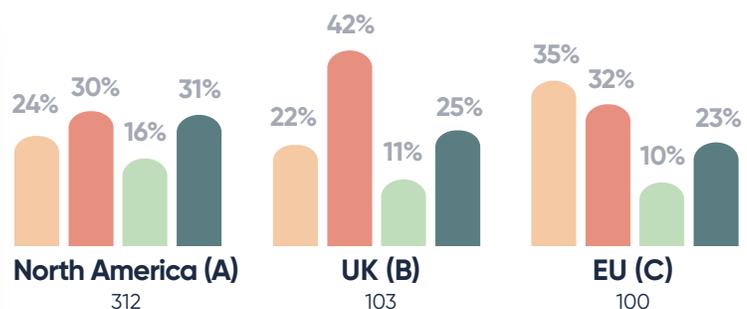
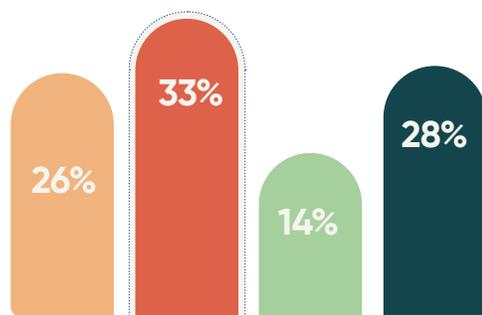
FIGURE 1

Corporate academies have now become the learning engine to align training with the strategic skills needs of the business. This is specifically the case for organizations in the UK, Canada, and the US.

Does your organization currently utilize a corporate university or corporate academy model for L&D?

- Yes, we have a corporate university
- Yes, we have a corporate academy
- Yes, we have both a corporate university and corporate academy
- No/not sure

Total - 515 (A, B, C)



More companies have a corporate academy (33%) than a corporate university (26%).

The growth of corporate academies indicates that companies are viewing and approaching learning and development as a part of their commercial model and growth strategy.

There are several noteworthy examples of corporate academies being launched to build new digital skills.

Coca-Cola recently launched the **Coca-Cola Digital and Data Academy Essentials** to upskill managers and front-line team leaders across its business operations. Global building materials company CEMEX created CEMEX University and launched 8 academies focused on knowledge domains ranging from health & safety to leadership and sales enablement. Visa University, which was launched nearly 15 years ago, developed an externally facing arm offering a Visa certification and badging program via digital, in-person, and virtual training for Visa clients/ customers and partners, in addition to its full-time employees.

The people-first digital transformation

McKinsey Global Institute estimates **one in every 16 workers will need to transition to new roles by 2030**—a 25 percent increase compared with pre-pandemic predictions—and these roles are going to require fundamentally different domains of hard and soft skills when compared to the work those workers are doing today.

Business leaders' involvement in corporate L&D is likely to increase

FIGURE

2

- Strongly Disagree or Disagree
- Neutral
- Agree
- Strongly Agree

To what extent do you agree with the following statement: "Business leaders will become more involved in corporate Learning & Development over the next 3 years?"

4% 15% 55% 27%

Total Learning Leaders - 515 (North America, UK, EU)



82%

Business leaders are becoming increasingly involved in the vision and strategy of corporate learning. As a result, learning functions are beginning to borrow tactics from other organizational functions, such as ROI analysis, data-driven analysis, and omnichannel communications planning.

As the requirement for learning leaders to think and act like business leaders increases, there's more interest in creating learning annual reports communicating the impact of a company's investment in learning to internal stakeholders and executives in charge of complex change management processes.

We are also seeing Chief Learning Officers who come into the function from business units and domains of expertise outside of learning and human resources. At GE, for example, the Vice President of Learning and Culture is also the Chief Marketing Officer of the company.

of learning leaders agree or strongly agree that business leaders will become more involved in corporate L&D in the next three years.

We can see a future where, as the learning function expands to customers and other key stakeholders, it either reports to the marketing function or, as at GE, is fully integrated as a part of that department.

Companies are moving toward embracing corporate academies, **but should they take a centralized or decentralized approach to the learning function?**

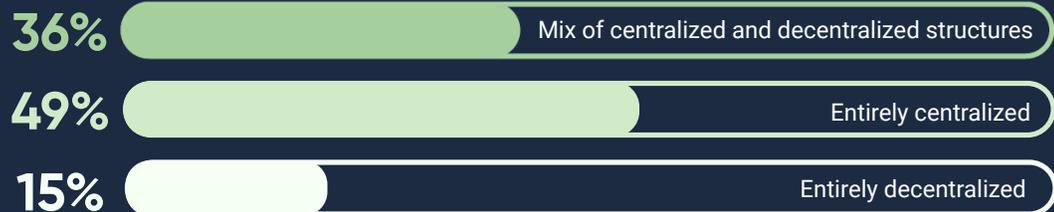
36% of learning leaders saying their systems are a mix of centralized and decentralized structures, 49% entirely centralized, and 15% entirely decentralized. Shadow learning teams embedded in business units are accelerating the trend toward decentralization, but there are still many learning organizations where everyone reports to a specific executive.

Our research shows that centralized training is most likely to be focused on leadership development and core skills, while decentralized training tends to target in-demand skills, such as how to use specific software. In our study, 56% of learning leaders reported that critical skills training was decentralized and 55% said that mentoring/coaching was decentralized.



In this research, a centralized model is defined as learning decision-making being conducted by a single senior leader or leadership team.

A decentralized model is defined as decision-making power being distributed across multiple individuals or teams.



No matter what the structure, the bigger issue for learning leaders is determining the skills needed to develop their function in the future. Learning leaders should consider that the essential skills prioritized by business leaders today will not top the list a few years from now.

● Most important to develop today ● Most important to develop by 2025

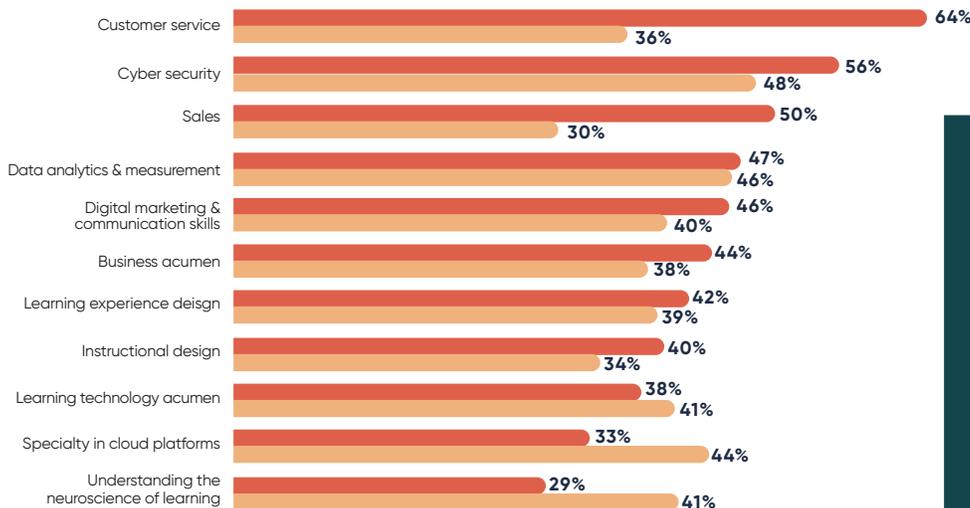


FIGURE 3

The most important functional areas within learning to develop today and in 2025

While most say that customer service is the most important area to address today (64%), **cyber security (48%), data analytics & measurement (46%), and a specialty in cloud platforms (44%)** are reported to be the most important to develop by 2025.



Technology will increasingly permeate and transform entire functions and sub-functions as well as domains of knowledge.

Extending the learning audience beyond full-time employees to include customers & key stakeholders, such as community members and consumers, as well as developing digital automation workers (bots)

While the current emphasis of L&D offerings is on full- and part-time employees, **learning leaders expect to expand their focus.**



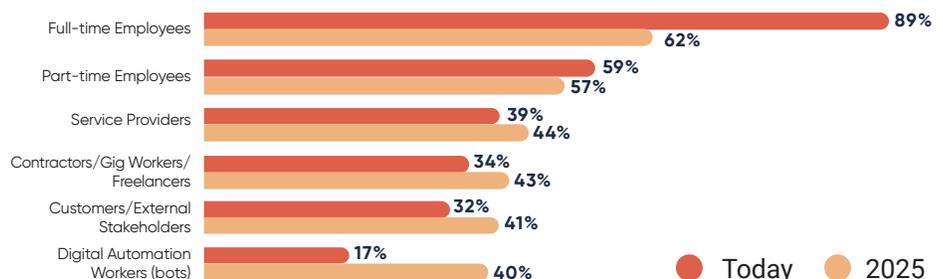
Figure 4 shows how the audience for learning and development is expanding well beyond the traditional audience of the full-time employee.

Learning leaders expect to target service providers, customers, contractors, and digital automation workers (bots) by 2025. Digital automation workers are software robots, or AI-powered assistants, that automate repetitive tasks or processes in support of a human workforce. While there are various kinds of digital automation workers, learning organizations will focus on developing bots to train different audiences internal and external to their businesses. Chatbots are increasingly being used for customer service, order tracking, recruiting, and learning reinforcement, and all of these applications contain learning elements that impact the bot's inherent utility. In these cases, training is focused on evaluating and improving the learning experience created by the bot.

FIGURE 4

Over the next three years, learning opportunities won't just target full-timers

Target audience for organizations' L&D offerings **Today vs. Expected in 2025**



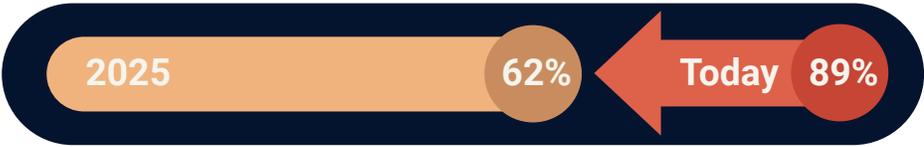
Customers and external stakeholders will increase as an audience for training, rising from 32% to 41% by 2025.



Visa University is one example of how the audience has expanded well beyond full-time employees to include a robust certification program for customers, offering internal and external digital badges in areas such as fraud, dispute resolution, and cyber security.

Our research demonstrates that regular employees are likely to become a smaller portion of an organization’s learning and development services as learning leaders step up their outreach to other individuals. Full-time employees are forecast to decrease from 89% of the audience for training today, to 62% in 2025.

27% Decrease



As companies are increasingly providing wellness services to employees and their families, learning leaders are extending training to workers’ dependents, too.

36% of learning leaders offer learning opportunities beyond internal employees, for example, external stakeholders, customers, and employee dependents.

All of this reflects the increasingly permeable boundaries of the firm itself. As explored in the forthcoming ebook “The Great Disconnect” from NovoEd: “Job functions and skills agglomerate or ‘cluster’ differently than they did just five years ago... consider trends like fractional employees, job-sharing, platform-mediated work and the gig economy, all of which mean work is no longer constrained to full-time arrangements in a strictly office setting.”



report that their corporate learning opportunities are open to their community and employees’ families as part of their CSR agenda.

SPOTLIGHT Waste Management



In May of 2022, Waste Management announced what it described as a first-of-its-kind free educational program for its nearly **36,000 full-time U.S. employees, with plans to offer 170 educational options to family members later this year.**



INSIGHT 3

Designing learning to happen where work gets done by ensuring a seamless system for hybrid and remote environments



58%

of knowledge workers

are in hybrid working environments this year, which is an increase from 46% in May of 2021.

The growth in remote/hybrid work is leading to remote/hybrid learning.

The percentage of knowledge workers in hybrid working environments keeps on rising, from 46% in May 2021 to 58% this year, according to a study of more than 10,000 knowledge workers surveyed by Future Forum. Understanding that learning environments need to mirror the way employees are working, more learning leaders plan to reshape their programs to the new reality of hybrid and remote environments.

Learning leaders are using various methods to transition learning to modalities designed especially for hybrid workers. These include events that encompass both in-person and virtual attendees, including mobile as a mode of delivery and increasing investment into blended learning experiences— synthesizing synchronous online, asynchronous online, and instructor-led classes into cohesive experiences.

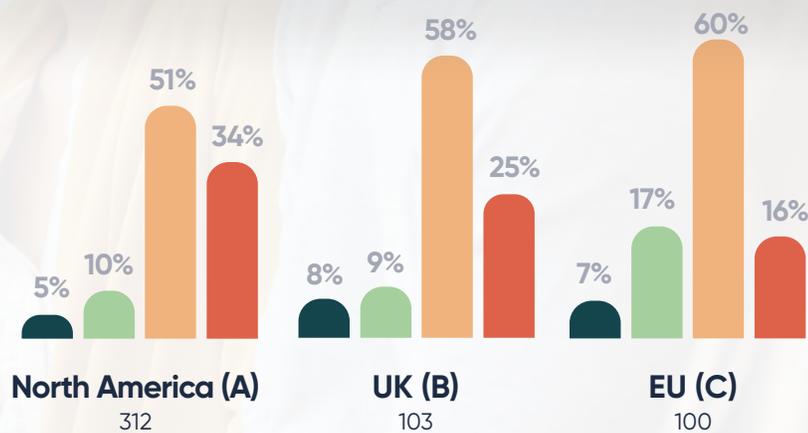
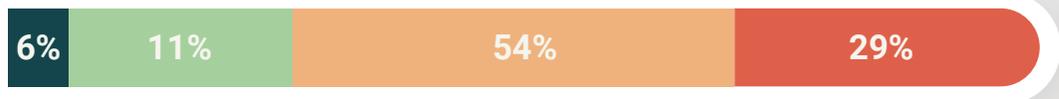
Hybrid work means hybrid learning.

FIGURE 5

"The growth of hybrid/remote learning will force companies to rethink and redesign their corporate learning offerings."

● Strongly Disagree or Disagree ● Neutral ● Agree ● Strongly Agree

Total - 515 (A, B, C)



83% of learning leaders believe the growth of hybrid working will force companies to rethink and redesign corporate learning so it is designed to be hybrid and remote, mirroring how employees work and how work happens.

As a result, the role of the Learning Experience Designer will become more important as additional creativity and resources will be needed to develop compelling learning experiences for all segments of work: in person, remote, and hybrid.

Organizations will also need to revamp learning practices, metrics, and administrative support to increase the delivery of hybrid and remote learning to employees.

Examining the potential demise of brick-and-mortar training and creating new ways to design and deliver learning & development

PREDICTION

Learning leaders, as well as business leaders, predict that in-person training will increasingly become a thing of the past.

The expectation that online and hybrid learning would be a temporary fix during the pandemic has changed; it's become the permanent way leaders and employees want to learn.

why

Over the past 2+ years, as most corporate training transitioned to being delivered online, many organizations increased their investment in and dedication to providing high-quality digital learning experiences.

This change in focus accelerated innovation and opened new avenues for how learning can be delivered and experienced.

One of the outcomes of this transition was increasing the availability of next-generation learning technology and learning creation tools that can be used to drive increased business impact and learning effectiveness. Social and collaborative learning platforms, in particular, have seen widespread adoption because they enable real-time interaction between cohorts of learners and between learners, experts, and mentors.

Learning and business leaders agree that the dominance of hybrid learning is likely to lead to one inevitable result: **the demise of brick-and-mortar training (Figure 6).**

● Strongly Disagree ● Disagree ● Neutral ● Agree ● Strongly Agree

Total Learning Leaders - 515 (North America, UK, EU)



A majority of leaders in all regions predict an end to in-person L&D

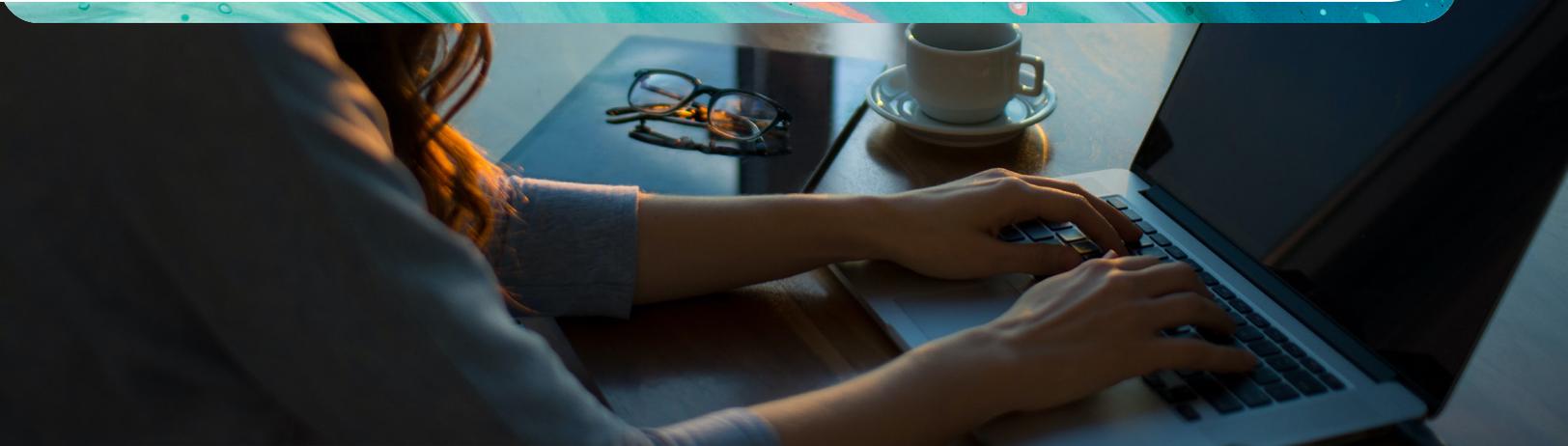
FIGURE 6

Agree or Disagree:

"The growth of hybrid/remote learning is projected to lead to the **demise of brick & mortar corporate learning.**"

59% of learning leaders believe hybrid learning will lead to the demise of brick-and-mortar training.

Business leaders are validating that hybrid learning is an effective substitution for instructor-led, in-person training. In response to this feedback from business units outside of human resources, most learning leaders predict that remote learning will replace the need for in-person learning.



More company heads than business leaders foresee an end to in-person learning.

CEOs, owners, and founders (75%) are more likely to agree that hybrid/remote learning is leading to the demise of brick-and-mortar corporate learning than directors (56%) and managers (56%).

Learning leaders adopting more cutting-edge approaches are particularly inclined to predict an end to in-person learning.

Those who utilize corporate universities or corporate academies (64%) are more likely to say that hybrid/remote learning is leading to the demise of brick-and-mortar corporate learning vs. those who don't leverage a corporate university or academy (47%).



Communicating the business impact of investing in learning with the creation of a learning annual report, similar to a traditional corporate annual report

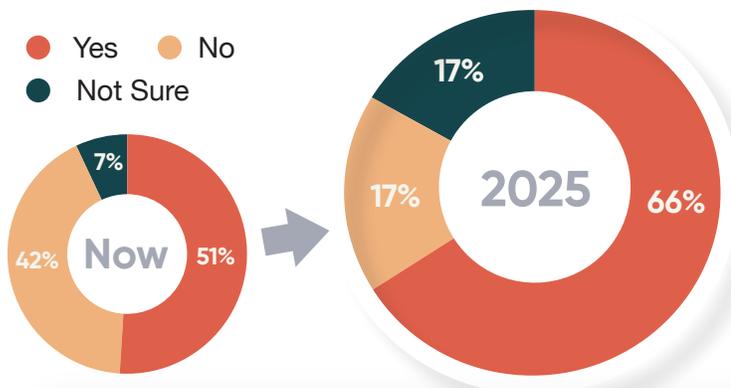
An increasing number of learning leaders plan to document the value of their learning efforts in a learning annual report.



FIGURE 7

Learning annual reports are on **an upswing**.

“Does your organization **currently** publish an annual report sharing success metrics of its corporate learning function?”
vs. “Do you envision they will **by 2025**?”



Half (51%) of learning leaders say that their organization currently publishes a learning annual report sharing success metrics. Two-thirds say they will publish one by 2025.

As learning and development becomes increasingly essential to business success and as more business leaders view the investment in learning as a business priority, learning leaders are preparing performance dashboards similar to those developed by business leaders.

These learning annual reports include dashboards that report not only completion rates, but also ROI metrics aligned with business priorities that can be tracked over time. For example, companies with corporate academies designed to upskill frontline team members and managers in digital literacy and data analysis might profile the results of these efforts in the learning annual report. (Figure 7).



What are the primary metrics of success?

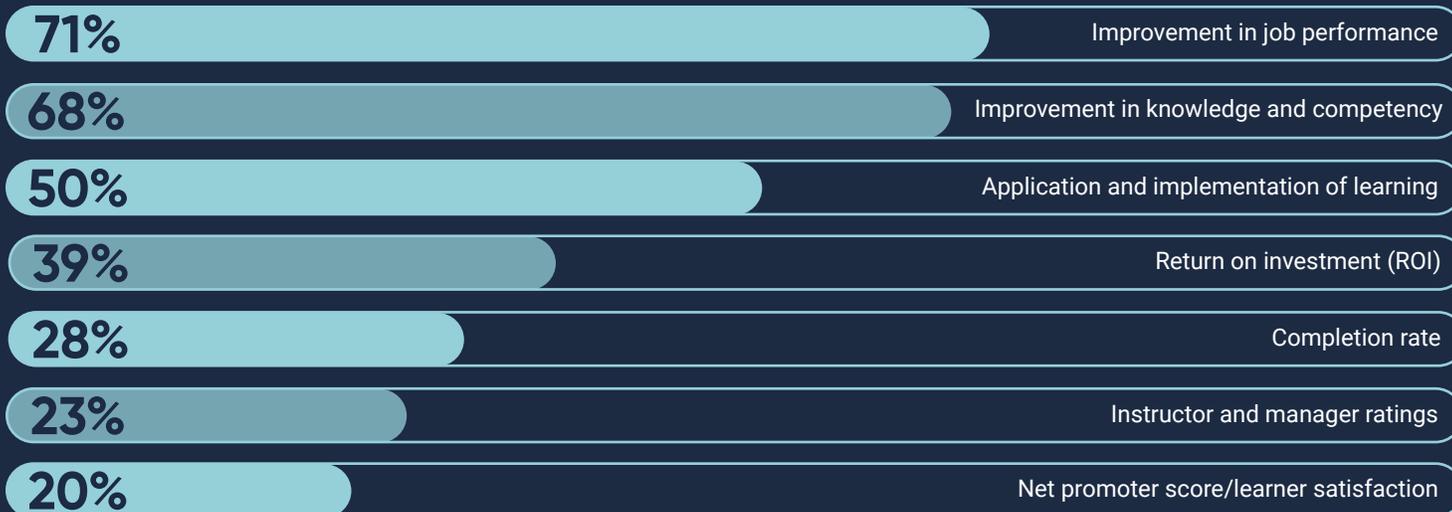
While business leaders are increasingly invested in their learning and development activities, certain metrics are likely to receive the most attention.

2/3

More than two-thirds of learning leaders say that improvement in job performance and in knowledge and competency are the most important learning success metrics (Figure 8).

FIGURE 8

Learning leaders point to key success metrics.



Learning platforms will increasingly generate reporting similar to solutions that measure productivity and efficiency to enable learning annual reports. These platforms will also increasingly focus on capturing raw data that can enable predictive analytics. Marketing and operations functions, which have long addressed the issue of integrating their data with information from the business, can serve as helpful resources for learning leaders developing these systems.

Interoperability will be key.

Section 3

Case Study

NetApp

An examination of one successful deployment of a corporate academy as a response to the Covid-19 pandemic and flexible workforce model through partnership with the NovoEd learning platform.

Case Study

NetApp

Cloud data services and data management company **NetApp** understands that strong onboarding attracts people to an organization because they feel supported and set up for success from day one.

NetApp transformed its Fast Track onboarding experience to a six-week blended learning journey utilizing the **NovoEd** social and collaborative learning platform. Facilitators, program coordinators, and subject matter experts involved in the onboarding efforts are able to build out their content in one consolidated and convenient place, from pre-work assignments through session recordings. Sales managers are also able to oversee their new employees' performance directly in the platform, which offers a central hub for tracking learners, posting content, and managing resources.

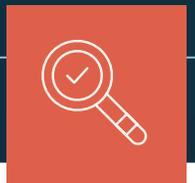
Learners harness functionalities such as in-platform video (starting with a 1-minute introduction video to get to know their peers and develop an immediate sense of belonging), direct messaging with their instructors and mentors, and a points-based rewards system that leverages gamification for learning for this competitive sector of the organization.

Since its implementation in 2020, NetApp's revitalized sales onboarding program has encompassed 12 Fast Track cohorts, 2 Fast Track cohorts for technical sales reps, and 728 learners.



The initiatives are delivering positive results for the organization with **key outcomes including**

For more than a decade, NetApp hosted **Fast Track**, its in-person, cohort-based onboarding program. This popular program—like so many learning and development opportunities—was upended by the pandemic.



PROGRAM AT A GLANCE

- **Direct Messaging with Instructors/Mentors**
- **In-Platform Video**
- **Gamification**
(using a point-based system)
- **Cohort Model**

NEW PROGRAM RESULTS

new hire performance goals met within six months and a greater sense of belonging among new employees.

Section 4

Recommended Actions

Solutions for each
of the **5 Key Insights**

We've identified steps that organizations can take to act on our findings and form a transformational learning and development learning function.

Summary Matrix

Key Finding

Action

1

Expanding the scope of investment in corporate learning beyond leadership development to focus on skills needed for rapidly changing business priorities

Address the expanded scope of learning & development.

2

Extending the learning audience beyond full-time employees to include customers and key stakeholders, such as community members and consumers, as well as digital automation workers (bots)

Re-imagine learning for new stakeholders.

3

Designing learning to happen where work gets done by ensuring a seamless system for hybrid and remote environments

Ramp up hybrid learning.

4

Examining the potential demise of brick-and-mortar training and creating new ways to design and deliver learning and development

Prepare appropriately for a world beyond brick-and-mortar learning.

5

Communicating the business impact of investing in learning with the creation of a learning annual report, similar to a traditional corporate annual report

Build a capability for creating learning annual reports.

Action Steps for Leaders

ACTION 1

Address the expanded scope of learning & development.

The corporate learning function is undergoing a radical transformation that learning leaders must embrace. Doing so requires an assessment of the corporate academy model and whether it fits their organization. In addition, it means making room for substantially greater involvement from business leaders.



SPECIFIC ACTIONS

- **Involve top leadership.** Corporate academies are organized by strategic need, which can only be established by senior executives.
- **Establish specialized certificate programs** for new skills.
- **Determine which critical skills should be taught** by centralized or decentralized elements of the learning organization.



ACTION 2

Re-imagine learning for new stakeholders.

Offering learning opportunities that extend beyond internal employees will likely involve new considerations. Creating successful experiences will require taking a broader look at the needs and interests of everyone from full-time and part-time employees to service providers, contractors, and digital automation workers (bots).

- **Seek feedback** from members of the expanded learning audience about their needs and how those intersect with business needs.
- **Conduct research** to understand the range of new stakeholders who will be included in the audience for training.
- **Understand how the learning experience needs to be re-designed** for each audience segment.

SPECIFIC ACTIONS



ACTION 3

Ramp up hybrid learning.

As hybrid and remote work becomes the norm, leaders need to redesign their corporate learning systems, making sure that learning reflects current work environments.



SPECIFIC ACTIONS

- **Analyze what type of learning and development activities** can be delivered outside of the classroom, either through fully remote instruction or hybrid learning that blends in-person and digital experiences.
- **Work with your instructional designers** and learning experience designers to craft an optimal learning experience for each setting: in person, remote, and hybrid.
- **Be cognizant of how to re-imagine the learning experience** and identify a new set of resources that vary according to where learning happens.



ACTION 4

Prepare appropriately for a world beyond brick-and-mortar learning.

With in-person corporate learning likely to greatly decline, leaders must get ready for that new reality.

- **Evaluate how best to repurpose facilities** once used for in-person L&D.
- **Assess changes that need to be made** for creating engaging learning experiences for all segments of workers.
- **Invest in new technologies and online solution platforms** that make learning equitable for all workers, regardless of where they are located.

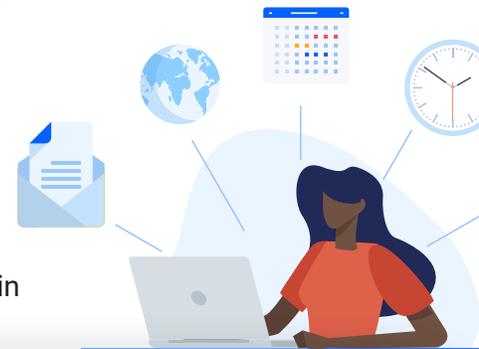
SPECIFIC ACTIONS



ACTION 5

Build a capability for creating learning annual reports.

As business leaders increase their ownership of learning and development and learning annual reports become more common, leaders will need to put in place the systems and personnel needed to produce such documents.



SPECIFIC ACTIONS

- **Determine key success metrics.**
- **Create systems for tracking those metrics.**
- **Design a communications strategy** for sharing the value of learning to your organization.

Section 5

Conclusion

Final thoughts synthesizing the research and proposed solutions explored, followed by an introduction to the organizations behind the research: *NovoEd and Executive Networks*.

Research Synthesis

As learning leaders reshape the learning function to address today's business needs, they're focusing on several profound changes, from the growing involvement of business leaders in learning and development activities to a dramatic expansion of the audience for learning and development, and finally, to the growing importance of hybrid learning to mirror our hybrid work models.

This all points to the need for Chief Learning Officers and their teams to take a more intentional approach towards architecting internal offerings that are mapped to commercial goals and strategic objectives as well as ensure processes are in place to communicate the business impact of the investment in corporate learning.

Chief Learning Officers will increasingly follow the lead of Chief Financial Officers in creating dashboards to highlight how a company's investment in corporate learning drives employee performance and is aligned to strategic goals.



Successfully doing all of this is no longer a choice.

It is table stakes.

With effective, strategic learning capabilities aligned to the business needs of the organization, **learning leaders can go a long way toward ensuring their organizations can compete in an unpredictable and fast-changing environment.**

About

NovoEd

Founded at Stanford's Social Algorithms Lab in 2012, NovoEd is a capability-building platform that uses social and collaborative learning to unlock performance readiness at scale.

Through cohort-based experiences, NovoEd taps into collective wisdom, placing each learner at the intersection of perspective, application, and expertise. Large enterprises such as 3M, GE, and Nestlé partner with NovoEd to accelerate their critical initiatives, reconnect teams, and achieve rapid alignment through learning that is deeply felt and experienced and swiftly transformed into impact.

>>> Visit www.novoed.com to learn more.

Executive Networks

Global 1000 Human Resources Leaders trust Executive Networks to facilitate safe, meaningful, and innovative peer conversations that deliver accelerated, relevant insights and solutions. Heads of Human Resources and their teams will find networks that apply directly to their role and support their company's strategy and growth plans. Leaders who are looking for authentic peer connections and the assurance of confidentiality while adding value for their organization through sharing industry-agnostic insights appreciate the support and research Executive Networks can provide.

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