

INTRODUCTION

In an era of fiscal restraint, the outlook for all forms of public sector spending, including internal agency spending on learning and development (L&D) is challenging. The L&D budget is often an early target when agency budgets contract. As Australian public service interview participants explained to us, L&D is, at times, viewed as a “swing variable” and used to plug other budget gaps in the organization.

The tendency to view L&D as a cost centre to be minimised, rather than an investment to be managed is underpinned by a number of pressures:

- Insufficient L&D planning aligned with agencies’ strategies
- A focus on what is being spent on training rather than the relevance and effectiveness of training being undertaken—that is, a focus on inputs rather than outcomes
- Insufficient data on the return on investment (ROI) of L&D accruing to either organisations or individuals and the value of L&D more broadly

The pressure to reduce investment in L&D comes at a time when the operating environment—characterised by rapid change, heightened community expectations and intractable policy problems¹—demands that employees update and develop their skills and capabilities. At the same time, a reduction in the public service’s engagement of external consultants and contractors,² means there is an increased reliance on the skills, capabilities and adaptability of public service staff. In this environment, concerted induction, on-the-job learning and tailored skills and development activities are required in order to sustain performance and productivity.

What can be done in the face of heavily constrained budgets to think differently about this issue—to ensure that people have the skills, knowledge and judgement required to constructively work through some of the major public policy issues before us?

The Australian Institute of Management (AIM) has developed this discussion paper to:

- identify the benefits of investing in L&D and the risks of a failure to adequately invest
- identify the barriers to sustaining investment in L&D in the public sector environment
- identify the elements that enhance the return on investment

This paper focuses on the Australian Public Service, however we believe that many of the key issues discussed hold relevance for a broader public sector audience and, indeed, for community and private sector organisations.

¹ For discussion on the contemporary challenges facing governments and public services in Australia and globally see for example: APSC Management Advisory Committee, 2010: 11-15 and Benington and Hartley, 2009.

² Reducing the public service’s use of external contractors and consultants was one of the efficiency measures introduced in the 2012-2013 year.

BACKGROUND TO L&D

L&D: contemporary approaches

Over the past 20 years there has been a growing shift in emphasis and terminology from ‘training’ to ‘learning and development’ (Sloman, 2007). In response to increasingly complex and competitive work environments, the acquisition of sophisticated skills and knowledge to support the ongoing performance of people and organisations has demanded an equally more sophisticated approach to learning and development. Fifty years ago, training was focused largely on skills and specialist knowledge acquisition. People tended to stay in the one organisation for much longer periods of time, so that the ‘art’ of how to apply this knowledge and skill was generally learned through extensive on the job coaching and learning. With the workplace characterised by long careers in the one organisation, people also knew their network of contacts, (who in turn tended to stay in place for longer periods), forming strong working relationships.

Over time, the workforce has become more mobile, less hierarchical and increasingly technologically advanced. To meet this changed environment there has been a shift in focus from just purely technical skills and knowledge to include non-traditional components. Capabilities in areas such as emotional intelligence, communication and leadership have emerged as essential skills in the workplace.

At the same time, there have been advances in our understanding of how adults are best able to learn. As a result, the emphasis on training has swung from one which is ‘trainer-centric’ to an approach which is much more ‘learner-centric’. That is, “training is the input, while learning is the outcome” (Baker & McKenzie et al, 2011: 467). Learning and development (L&D) includes formal training, but also explores other avenues for learning such as on-the-job training, network building and stretch assignments³ to enhance performance.

Sloman characterises this distinction between training and L&D as follows:

“Training: An instructor-led, content-based intervention, leading to desired changes in behaviour” vs “Learning: A self-directed, work-based process, leading to increased adaptive capacity”. (Sloman, 2007)

L&D encompasses:

- *technical* skills and knowledge;
- *relationship* skills and knowledge (for example, network of contacts, knowing the field of players); and
- *Situational judgment* – how skills and knowledge are applied in context.

How do people learn and develop?

Learning requires motivation on the part of the learner as well as an environment that challenges and supports the learner, through coaching and stretch work assignments. It also requires an environment conducive to learning; that is, a culture which values learning and development and ensures its managers are well equipped to coach and assist their staff to apply their learning. In environments where learning opportunities are

³ A stretch assignment is a task or project that challenges a person’s current skills and capabilities with a view to that person acquiring new skills/capabilities and further realizing their potential.

commonly described as a 'day off', people tend to view learning as optional rather than a critical enabler of organisational performance.

Much of the current thinking around learning and development in the work place is based on extensive research findings which indicate that our learning comes (unsurprisingly), from a combination of formal and informal sources—that is, through formal training programs, as well as on the job learning from colleagues and peers, trial and error in our work and through having a manager who provides coaching and feedback. This concept underpins the widely used '70:20:10' model of learning and development (Lombardo & Eichinger, 1996). This model observes that, in general, people learn through a combination of on-the-job learning (70 percent), relationship based learning or learning from others (20 percent) and through formal, structured learning (10 percent).

A useful example of the 70:20:10 model in practice is learning to drive. Experienced drivers generally have good practical skills of interpreting traffic and road conditions, navigating and so on. However, they may still have some 'less than perfect' technical driving habits that have crept in over time.

Against this backdrop, a learner driver, solely taught by a parent, may learn some of the bad habits of their parent, which can impact their driving technique (with attendant risks to themselves and other road users), irrespective of the amount of time that the parent spends teaching the learner driver. It makes sense to invest in training learner drivers professionally (10%), with the parent's role being one of spending time in the car with the learner driver supporting and encouraging (20%) and ensuring that they experience a range of road and weather conditions (70%).

The 70:20:10 model is an *observation* of how people learn. What it tells us is that for a formal training intervention to result in good learning outcomes it must be supported by opportunities to apply or incorporate the new skills/knowledge *in situ* with appropriate support and coaching from others. The three dimensions of learning work together in roughly the ascribed ratio, noting that the ratio may change slightly depending on the work context.

The 70:20:10 model should, therefore, be an "*influence* on strategy rather than a fixed strategy in itself."⁴ As noted by L&D practitioners, there is a risk that the model will be used as a rationale for cutting the formal training budget rather than as a guide for supporting formal training interventions with experiential learning opportunities.⁵

The 70:20:10 model of learning is, of course, part of the core philosophy guiding the Australian Public Service Commission's (APSC) Strategic Centre for Leadership, Learning and Development. The Strategic Centre was established in July 2010 in response to recommendations in the APS reform paper, *Ahead of the Game: Blueprint for the Reform of Australian Government Administration* (Advisory Group on Reform of Australian Government Administration, 2010), which identified a requirement to improve talent management, and "strengthen learning and development to ensure a sustainable APS". The Centre aims to enhance L&D practice in the APS, including by seeking to 'balance on-the-job and experiential learning with classroom-based learning (APSC, 2011: 2).

⁴ LINE Communications, London Conference of L&D Practitioners, Dec 2010. The media release noted that: "*Heads of Learning & Development at global organisations have expressed concern about how the 70/20/10 model – which has been highly influential in spreading awareness of the importance of informal learning – may be interpreted and used within some organisations.*"

⁵ LINE Communications, London Conference of L&D Practitioners, Dec 2010.

Timing is important too

As well as designing L&D interventions around the principles of *how* people best learn, it is also important to ensure interventions are based on *when* people learn most effectively (Collins: 2001: 1). In part, this means ensuring that the timing of interventions matches the needs of the learner and the organisation. Technical skills are often required at the point of entry to an organisation forming a critical component of a new employee's induction. As management expert Dr Roger Collins observes, there are also other critical times or “transitional career points” at which L&D interventions work particularly well—points at which the learner is more receptive to learning:

Research clearly indicates that learning and development can be accelerated at career transitions: from specialist to generalist, from operational to strategic, from HR generalist to line manager, from line manager to HR leader. Such transitions can create receptiveness and pliability as people are more aware that career changes demand higher level or qualitatively different skills and contributions.
(Collins: 2011: 1)

This observation resonates with the concept of the “leadership pipeline” developed by Charan, Drotter and Noel. The pipeline entails a series of ‘turns’ or key transition points at which development is required in order for an individual to step up to the next level. The transition points may vary depending on the size and type of organisation. One clear example, which is relevant in most workplace contexts, is the transition from self-managing to managing a team (Charan et al., 2001).

Importantly, Collins recognises that “transitional career points” within an organisation may not only exist for promotional opportunities (vertical transitions) but also horizontal transitions—for example, moving from one function in an organisation to another or expanding a role to incorporate new functions.

More and more, organisations must be ready to redeploy their ‘human capital’ across business/program areas to respond to changing market and community needs. The public sector is not immune to this. As one of our roundtable participants (a senior public servant) observed,

Increasingly, policy people are being given operational roles but they are not trained to do this; there is a skills gap.

This may mean being one step ahead. That is, developing employees in readiness to take on new roles and responsibilities as the situation arises.