Advancing A Culture Of Education At IBM

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Some companies *say* that they are a learning organization, but <u>IBM</u> actually *is* one. The numbers alone prove it. IBMers consume an average 60 hours of professional education a year, with some employees taking multiples of that. And the company spends a half a billion dollars in employee education every year. I had the opportunity to talk with <u>Carrie Alteiri</u>, IBM's VP, Communications - People & Culture about how the venerable technology company fosters a thriving culture of education.
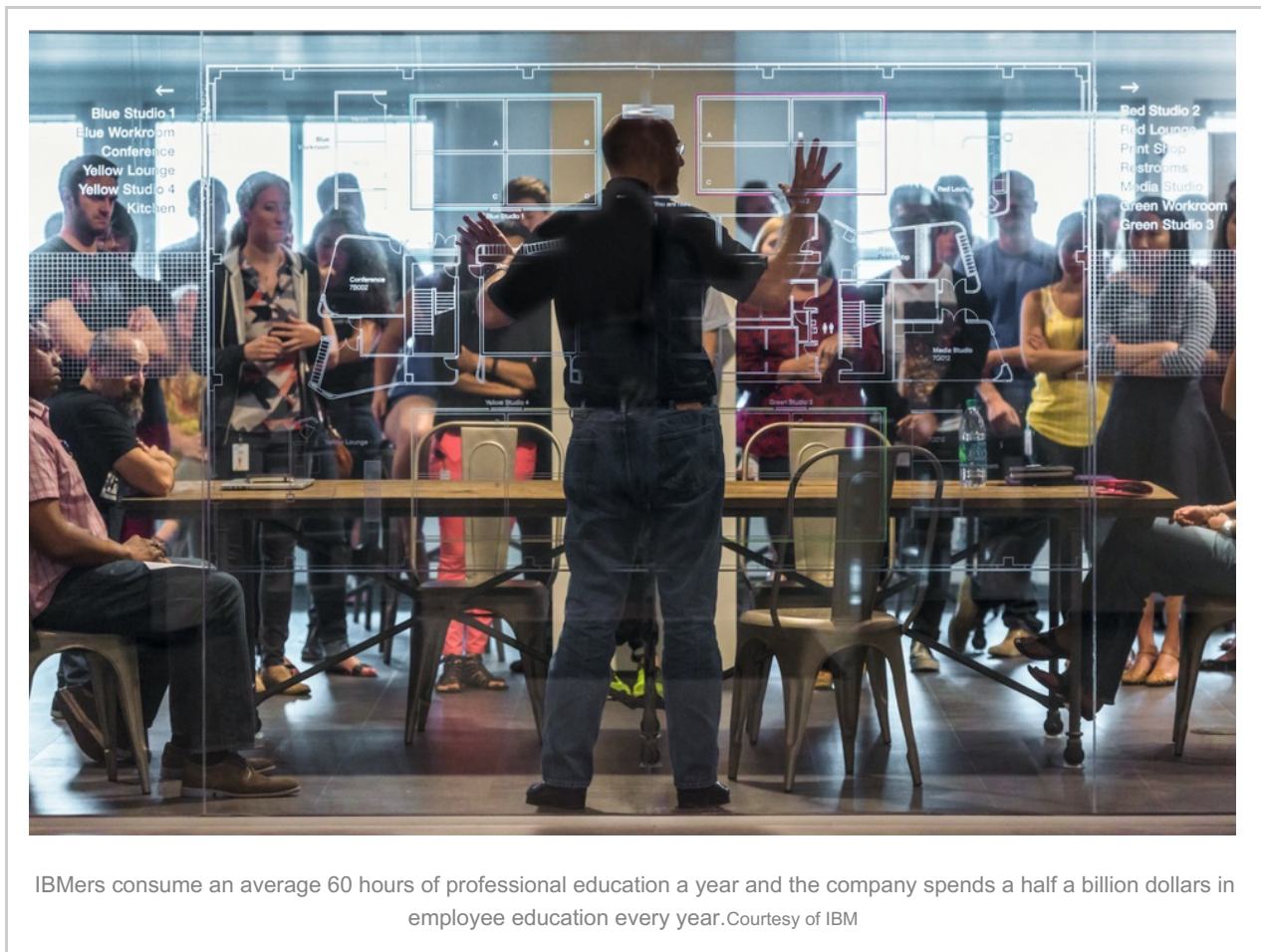
IBMers consume an average 60 hours of professional education a year and the company spends a half a billion dollars in employee education every year. Courtesy of IBM

The Case for Education

Altieri told me, "We're certainly believers of the education philosophy here." To explain why, she first pointed to IBM's long-standing core values, one of which is "dedication to every client's success." She explained that this core value shows up in three specific practices: We put the client first. We listen for need and envision the future. We share our expertise. She said these practices imply, "We're going to be expected to do some teaching which means we better have that expertise." Altieri added, "Often times, clients will come to us and say, 'Help

me envision something different here,' because maybe they can't do that with their staff because they don't have the people [who can]." So IBM sees employee education as a means for living out one of its core values and implementing the practices associated with its values.

Education is also critical at IBM because of the transformation its industry is undergoing. "Every business is transforming for the digital era," Altieri explained. "Half of our portfolio -- some $40 billion -- is from businesses that we didn't participate at all in five or six years ago." When IBM audited its employee skills five years ago, only three to four out of 10 employees had the skills needed for the company to support its clients' future. IBM realized it needed to "skill up" if it hoped to continue to compete. The company clearly has done so, with the number being eight in 10 now, says Altieri.

IBM also recognized that education is a key contributor to employee engagement. In fact, the company has found that employees whose managers go through manager development training report higher engagement. Better trained managers are better equipped to engage employees in meaningful career conversations, for example. The impact of education on engagement not only motivates managers to take courses for their own good, but it also helps them see the value of sending their employees to training. And at IBM employee engagement isn't an end unto itself. It has calculated that two-thirds of its client advocacy score is driven by employee engagement, so Altieri observed, "If you want to drive the client experience ultimately you better get that that employee experience right."

A Priority for Employees and Employers

As much as education is a priority for IBM as an employer, it's also highly valued by its employees. Altieri told me she finds that, "Employees self-select into the culture at IBM. If you come here, you have already been made aware and bought into this idea of a higher purpose. The people that we attract into the company tend to be very curious. They think, 'I am somebody who appreciates a culture of education because I know that I'm going to have to keep skilling myself.'"

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"The future of work is changing," Altieri said. "It's not fair to just kind of leave employees to go off and kind of figure this out for themselves." So the company not only invests in education financially, it also commits the time to it. She observed that sending employees to training involves a cost away from the work day, "an opportunity cost." But IBM makes it a priority because education is part of how, in her words, IBM "recklessly reinvents our company and ourselves."

How to Cultivate a Culture of Education

For companies that want to develop as learning organizations, Altieri gives some advice:

- **Make education interesting and fun.** IBM uses Credly, a digital credentialing platform which recently acquired Pearson's Acclaim badging business, to engage employees with

its educational offerings. Through the program, employees earn digital badges based on their completion of courses and demonstration of acquired skills. To date, more than half the company's 200,000 IBMers have earned 650,000 badges. Not only does the digital badging approach employ gamification principles which encourage continued engagement, but also it involves an element of social currency since employees can post their badges to their LinkedIn profiles. And it also serves clients, Altieri explained, because they can research the people that IBM wants to assign to their engagement.

- **Make education contemporary.** IBM's education system is available through digital devices and incorporates employee reviews, so people get a "Netflix-type experience," Altieri described.   As a result, learning is more desirable and convenient, especially to younger workers.
- **Make education available.** "We offer education to everyone," Altieri told me. "Not just for the person who's new. Not just for the person who's young in career." Mid-career IBMers are expected to – and do -- actively participate as well.
- **Make education count.** IBM pays employees on skills now, in some cases more than on business results, because, Altieri said, "Things are changing so fast and [employees are] going to take their stills and very naturally apply it in how they show up for their client." In fact, IBM has started to publish "hot roles and skills" based on the demand it sees. Altieri called this "putting your money where your mouth."

A Culture That Prizes Education

Altieri summarized IBM's approach, saying, "It's the responsibility of employers to step up and make sure their employees are equipped to deliver ultimately what the market and your clients want. You need the programs; you need to give employees the means, the time, the investment. You need to make it fun and interesting as possible. You need a culture that says I value this and I prize this."