

# Learning Quarterly

Third Quarter 2018

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Gartner®

# Learning Quarterly

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# How Connector Managers Coach to Drive Performance

Feature Article

## Picture the average manager at your organization — let's call her Kate.

Every day, Kate arrives in the office, turns on her computer, scans her first few unread emails and rushes into her first of many meetings. By lunchtime, her head is spinning from budget conversations and strategy-setting sessions. She opens her calendar to see that she has a coaching conversation with her new direct report, Mathias, in an hour. How does she prepare? What kind of coaching does this employee need? How can she make sure she provides the high-quality coaching she wants to give and L&D expects?

Kate's story is all too common in organizations today. Employees need coaching and L&D relies on managers to provide it, but managers are overwhelmed and lack the guidance they need to coach effectively.

This article will explore what is difficult about coaching, how the Connector Manager approach enables managers to be great coaches and how some L&D functions have begun building Connector Manager coaches.

### What's Hard About Coaching?

Kate knows it's her responsibility as a manager to coach and develop her direct reports. She's also seen uncontested data showing coaching is important to employees' performance and career growth. Employees who report to good coaches are 37% more satisfied with their jobs and organizations, 29% more committed to the organization and 40% more likely to stay at the organization than those who report to

ineffective coaches. Ultimately, managers who are effective coaches are good for employees and organizations.

In pursuit of these excellent results, many L&D functions ask managers to provide continuous coaching. Continuous coaches aim to give their employees an ongoing stream of informal feedback and guidance. Kate, for example, always looks for the opportunity, during a project or after a key meeting, to provide in-the-moment feedback.

Coaching is a one-on-one interaction in which one individual enables another to develop skills, attitudes or behaviors to help them maximize their performance in their current role or future career.

L&D teams spent 11% more of their budgets on developing their managers last year, yet investing in developing managers as coaches doesn't pay off.<sup>1</sup> Only 55% of managers are confident in their ability to coach and develop employees. On the other side of the coin, 65% of employees report their managers are ineffective at coaching (see Figure 1).

Considering L&D's extensive investment in coaching, why are so many managers still ineffective coaches? There are a few key reasons:

- Employees spend most of their time working alongside their peers — not their managers — leading to fewer and fewer managerial interactions.

## Figure 1: Maximum Impact on Employee Performance by Manager Type

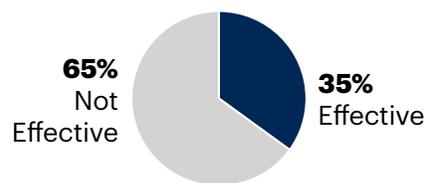
Managers' Confidence in Their Ability to Coach and Develop Employees



Number of respondents = 7,309 employees

Source: Gartner 2017 Manager Effectiveness Survey

Employees' Perception of Their Managers' Coaching Effectiveness



Number of respondents = 7,309 employees

Source: Gartner 2017 Manager Effectiveness Survey

- Work structures have become more complex, requiring managers to collaborate and influence throughout their organizations. This leaves them with less time to develop their employees.
- As individuals, managers don't and can't possess all the skills and expertise required to provide support to direct reports.

Luckily, our research reveals a better approach. Rather than asking managers to coach continuously, the best L&D functions develop Connector Managers, who help their employees navigate through their development and growth. Such managers provide guidance on how to develop and who can help them. They identify opportunities to provide feedback on key development areas and are interested in creating an overall positive learning environment for the entire team. Using this approach, Connector Managers can improve employee performance by up to 26% (see Figure 2).

### Who Are Connector Managers?

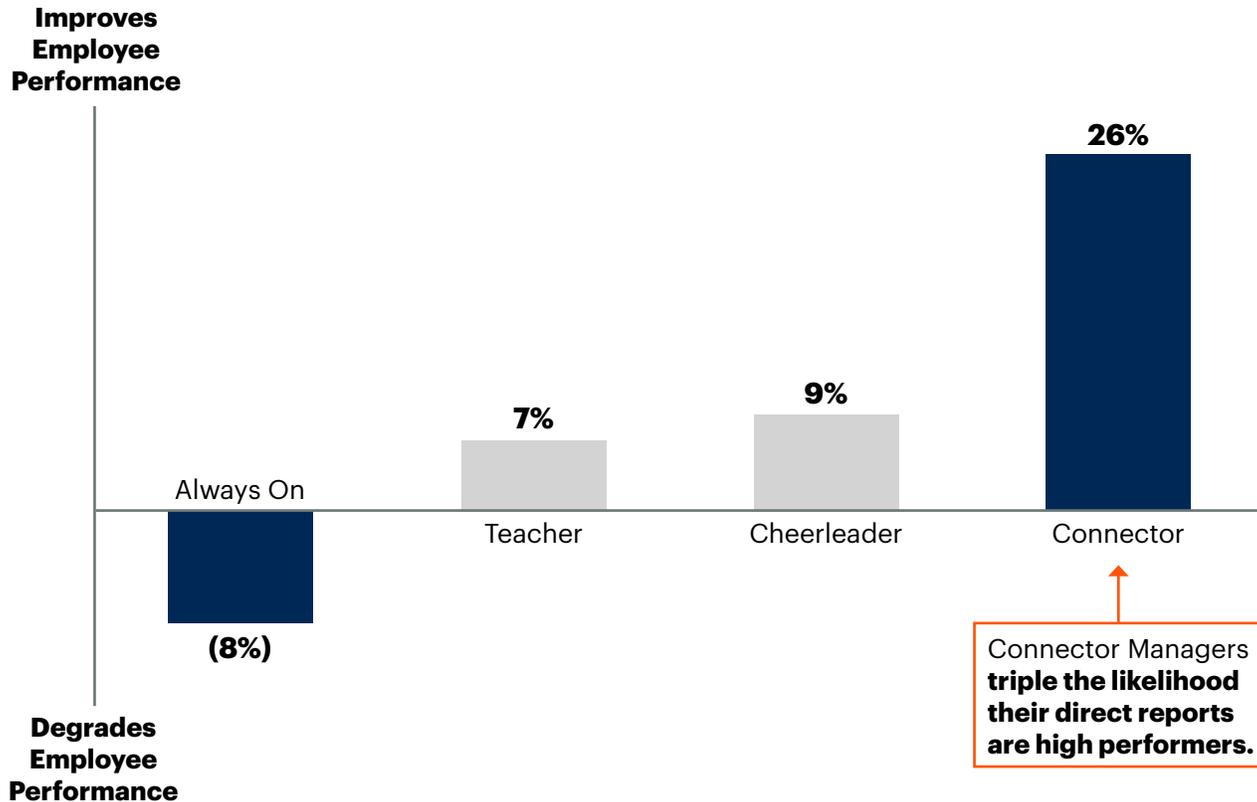
Three key Connector Manager components maximize the benefits of the approach (see Figure 3):

- 1. Personalize for Employee Resonance** — They personalize development moments with direct reports to ensure individual coaching and development is relevant.
- 2. Power the Team for Peer Development** — They create a team environment that unlocks the power of peer-to-peer learning.
- 3. Partner for Best-Fit Connections** — They support employees in extracting maximum learning from connections throughout the enterprise.

The Connector Manager's biggest asset is that — even when they can't provide development or coaching themselves — they always enable employees to access the coaching and development they actually need. This enables Connector Managers to improve their coaching efforts' results without spending additional time; compared to other managers, they just spent their time more wisely (see Figure 4).

### Figure 2: What Connector Managers Do

Maximum Impact on Employee Performance by Manager Type

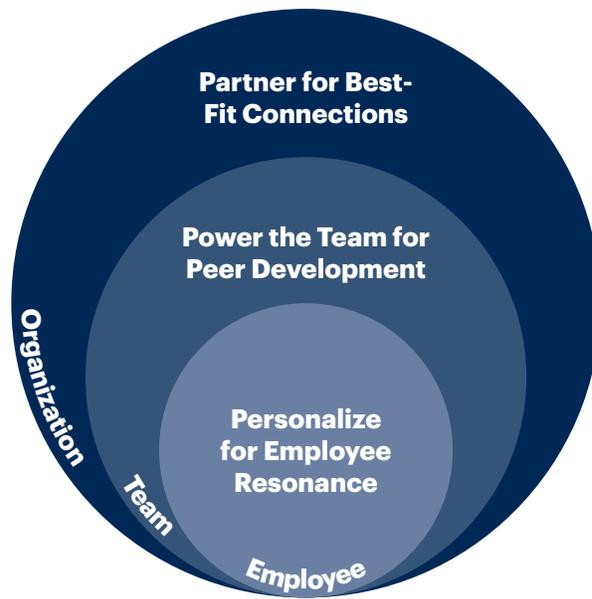


Number of respondents = 7,309 employees

Source: Gartner 2017 Manager Effectiveness Survey

### Figure 3: What Connector Managers Do

What a "Connector" Does



#### Core Manager Activities

- Onboard new employees.
- Provide feedback.
- Communicate performance standards.
- Identify employee skill gaps.
- Promote on-the-job development.
- Have career conversations.

Source: Gartner (August 2018)

### Figure 4: Employee Performance Versus Hours of Manager Coaching



Number of respondents = 7,309 employees

Source: Gartner 2017 Manager Effectiveness Survey

## How Does a Connector Manager Coach Differently?

When coaching, Connector Managers do two key things that have an outsize impact on their results (see Figure 5)

1. They take an employee-centric approach, assessing what type of direction and support their employees need in a given situation. This means their coaching is personalized to the individual's needs and preferences.
2. They use a broader coaching network. They recognize that while they don't always have all the skills and expertise their direct reports may need, they can connect their direct report to the necessary support elsewhere in the organization.

It's easy to see how such an approach could help Kate, our overworked manager. It enables her to be a good coach, even amid her busy schedule.

### Employee-Centric Coaching

To take an employee-centric approach to coaching and development, Connector Managers have to understand the true coaching needs and preferences of their employees. An employee's coaching needs may not always

be obvious. Where many managers go wrong is failing to dig deeper to understand the true, underlying cause of an employee's behavior.

As a Connector Manager, for example, Kate might take five minutes to think about the kind of coaching Mathias might currently need from her. If she thinks Mathias, as a new hire, would be excited to demonstrate his skill set by diving straight into a project, her coaching could help him apply his existing skills in his new role. However, because she will still want to hear Mathias articulate his interests and coaching needs, she'll likely kick off the conversation by talking about his skills and projects. She'll only mention the organization's and business's needs, to provide context for his project assignments, toward the end of the conversation.

As organizations begin to recognize diagnosing employees' coaching needs is difficult for managers, some have found effective solutions to this problem. eBay, for example, created a simple, easy-to-understand framework for what coaching conversations managers should have, when they should have them and why. At eBay, managers' role is to drive performance success (Figure 6). To support this, the company's L&D team specifies four types of coaching

**Figure 5: What Connector Managers Do Differently**



Source: Gartner (August 2018)

**Figure 6: How eBay Fosters Leaders' Coaching Ability**



Source: Adapted from eBay

conversations, mapping each to when they should occur based on employee indicators (see Table 1). While the best managers may do this instinctively, eBay scales that capability throughout its manager population, effectively building more Connector Managers.

### Facilitating Best-Fit Connections

When Connector Managers are not the right people to provide coaching on a particular topic or skill, they immediately connect their employees with others for best-fit development. A best-fit connection is between two employees who are professionally and personally compatible and can exchange advice, information and knowledge to enable skill development. Best-fit connections have a clear development or skill-building purpose, which Connector Managers help their employees identify to make the most of the coaching opportunity.

Connector Managers also recognize the power of their teams for coaching and development — an easily accessible source many managers underuse. By considering the

team as a development source, managers can save a great deal of their limited time. They can upskill multiple employees at once or direct an employee to a teammate for guidance. To leverage the whole team effectively for coaching and development, though, managers need to ensure transparency of individual strengths, skill sets and development goals.

For example, as Kate finishes her conversation with Mathias she may decide he needs more support in developing the writing skills he is using in his project. Though a passable writer, Kate knows a teammate, Ren, is far better. After the coaching conversation with Mathias, Kate immediately sends an email to Ren, asking if she’s willing to meet with Mathias and coach him through the writing portion of his project. In their next check-in, she and Mathias discuss how he might make the most of this development conversation and plan another follow-up after his meeting with Ren.

Accenture helps its managers make these quality coaching connections. The company realized its teams had untapped development potential.

**Table 1: eBay Coaching Conversations**  
Illustrative

	Employee Indicator	What
<b>Planning Success</b>	When employees are starting new projects or assignments and at the beginning of the year	Coaching that establishes clear outcomes, resource needs, implementation ideas and measures
<b>Executing Success</b>	When employees are in the middle of implementing their assignments	Coaching that keeps execution on track, brainstorms problem solutions and works with key stakeholders
<b>Evaluating Success</b>	When employees have completed projects or assignments, or at the annual performance evaluation cycle	Coaching that drives intentional learning and recognizes contributions and impact with commensurate rewards
<b>Developing Career Success</b>	When employees would benefit from real-time development and are ready to focus on longer-term career interests	Coaching that identifies real-time development needs and addresses interests and actions for career development

Source: Adapted from eBay

It therefore created the “team experience,” centered on transparency and team-driven ownership, and powered by managers. At Accenture, individuals assess their capabilities and leverage collective team strengths to maximize performance impact. Managers (or “team leads”), have ongoing conversations with their direct reports about embracing and applying their strengths and talents to achieve their personal goals and help their teammates improve on development areas (see Figure 7).

**Conclusion**

Kate can become a successful Connector Manager by making just a few adjustments to her coaching approach. From keeping the conversation employee-centric to leveraging skills on her team and across the organization,

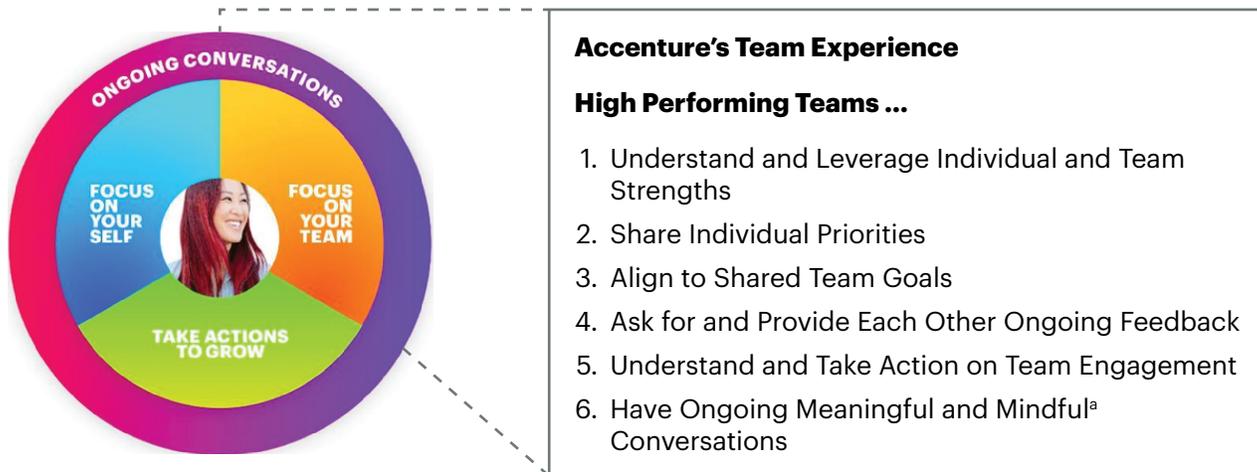
Kate can simply and effectively provide the excellent coaching she wants to and that her direct report needs.

While improving managers’ coaching ability may seem like a daunting task, the Connector Manager approach provides a great model for success. By prioritizing employee centricity and facilitating best-fit connections, Connector Managers can have an outsize impact on their direct reports’ and teams’ performance. L&D teams should consider how the examples from eBay and Accenture could be applied in their organizational context to enable managers to coach like Connector Managers.

To find out more about building Connector Managers search our website for: A New Manager Mandate

<sup>1</sup> Gartner 2017 Learning and Development Agenda Poll; Gartner 2017 Head of L&D Manager Effectiveness Survey

**Figure 7: Accenture’s New Performance Achievement Experience**



Source: Accenture

<sup>a</sup> Meaningful and mindful conversations address the whole person — both their personal and professional needs — to help an individual thrive and flourish at Accenture.

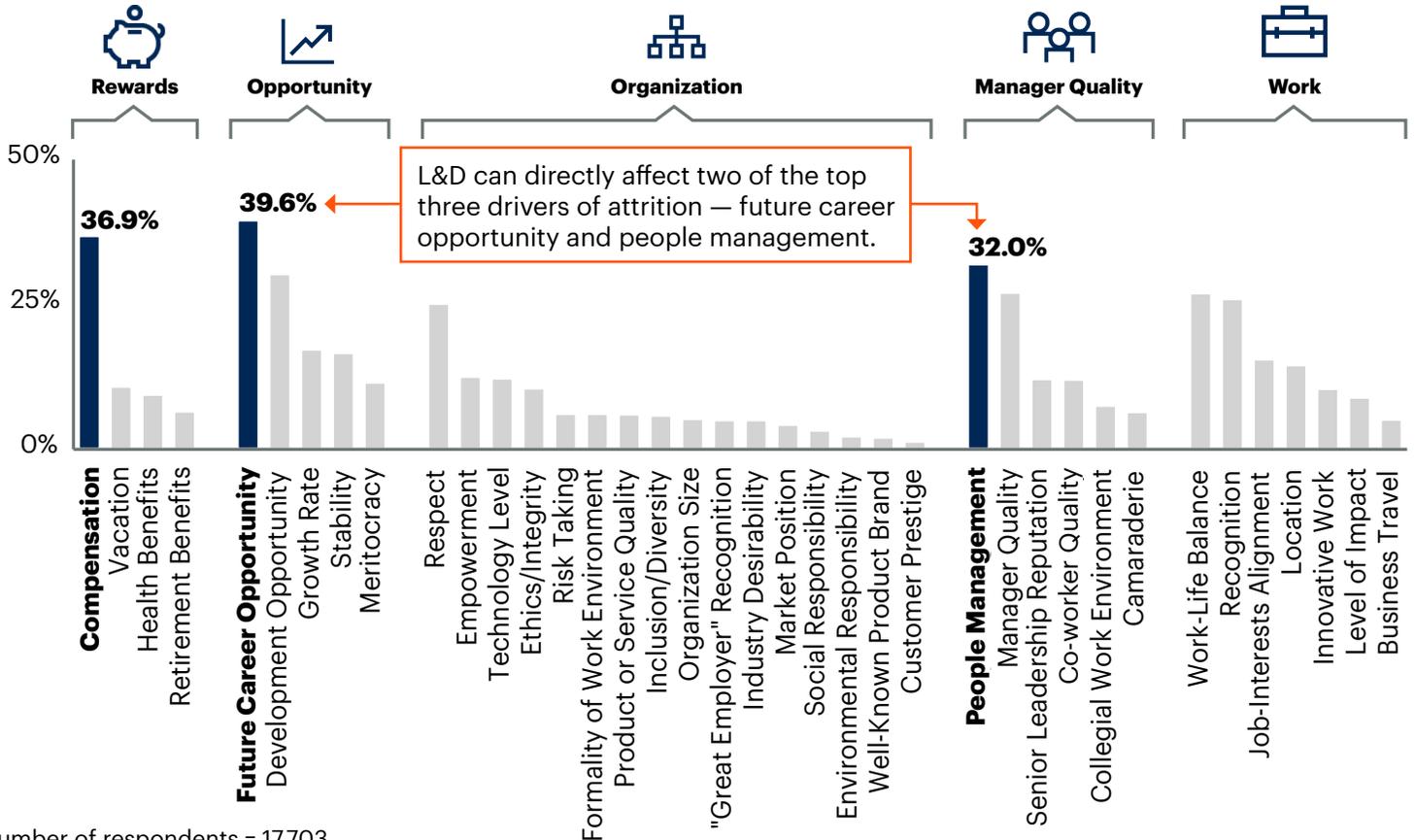
# Insights From the Global Talent Monitor

Each quarter, we collect data from more than 20,000 employees in over 40 countries to determine what attracts, engages and retains talent over time. Keep track of the latest on employee sentiments in these quarterly highlights.

## Ranking of Attributes That Influence Employee Attrition

Global Employed Labor Force, 2Q18

■ 3 Most Common Attrition Drivers Cited by Employees Globally

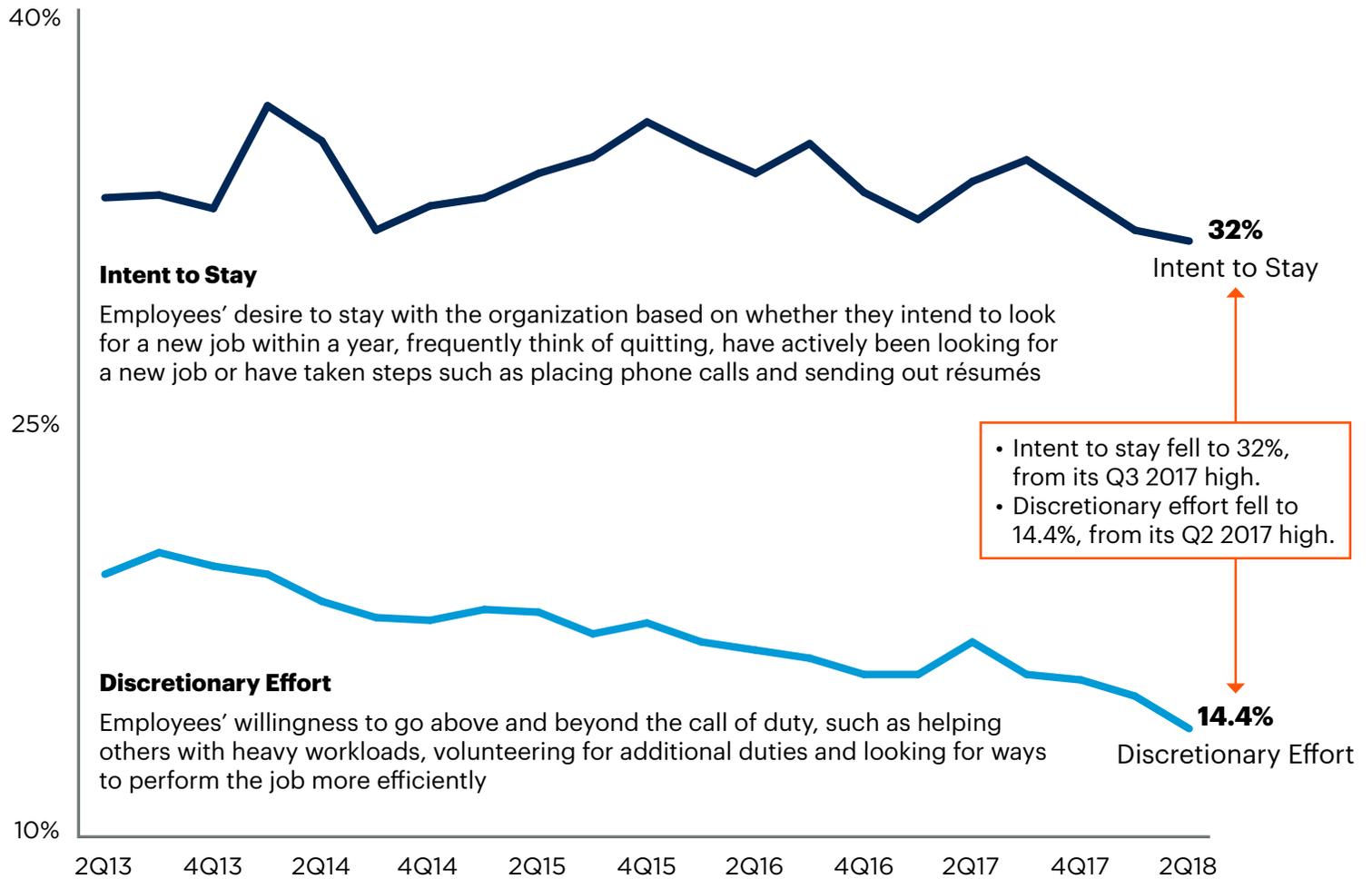


Number of respondents = 17,703

Source: Gartner 2018 Global Labor Market Survey

# Percentage of Employees Reporting High Levels of Intent to Stay and Discretionary Effort

Global Employed Labor Force



• Intent to stay fell to 32%, from its Q3 2017 high.  
• Discretionary effort fell to 14.4%, from its Q2 2017 high.

# Learning Technology Spotlight

## Predictive Learning Analytics as an LMS Feature

**Learning technology should speed up processes, uncover new information and enhance the employee learning experience.**

Our Learning Technology Spotlight focuses on one trending learning technology per quarter — and how L&D functions today can take advantage of it.

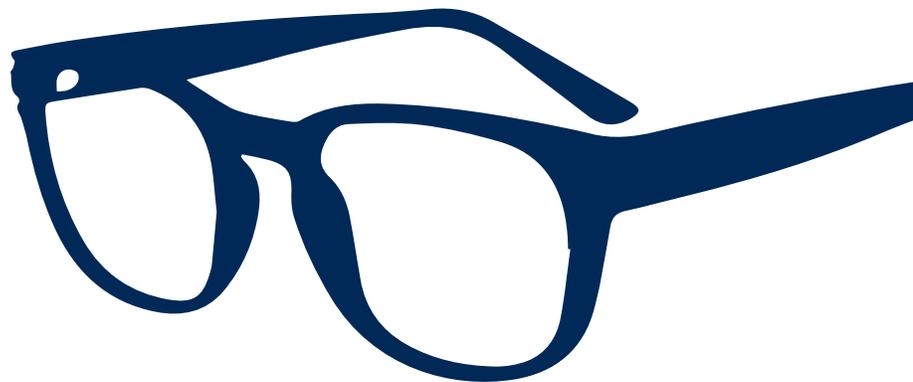
### What Is Predictive Learning Analytics?

Predictive learning analytics is used in learning management systems (LMS) to predict learning outcomes using data-based insights. Driven by the pressure of HR digital transformation, L&D teams are using predictive learning analytics to find proactive solutions to anticipated business and talent challenges. When predictive learning analytics are embedded in LMSs, they can help organizations predict learning outcomes and better meet learners' needs. While the HR function uses predictive learning analytics in a variety of forms, such as self-service tools, vendor-offered plug-ins, software as a service (SaaS) and cloud-based services, our 2019 learning innovations survey reveals most L&D

Predictive learning analytics is used in learning management systems (LMS) to predict learning outcomes using data-based insights.

teams embed predictive learning analytics directly into their LMS.

Today's LMS is no longer just a content library; it has become increasingly personalized based on learners' and L&D's needs. Vendors use predictive learning analytics to power state-of-the-art LMS capabilities designed to administer, manage, predict and report on employees' learning experiences. Our survey shows 94%



of L&D professionals and leaders expect to either maintain or increase investment in predictive analytics as an LMS feature over the next two years (see Figure 1). Predictive analytics also ranks at the top of the list of anticipated future investments in learning technologies.

Investing in predictive learning analytics features for the LMS can help L&D teams with:

- **Data management and integration** — The LMS gathers L&D data throughout an employee’s tenure and often integrates employee data from other HR systems (such as applicant data, employee demographics and performance data) to improve data management.
- **Data analysis** — The LMS applies machine learning algorithms to the collected learning

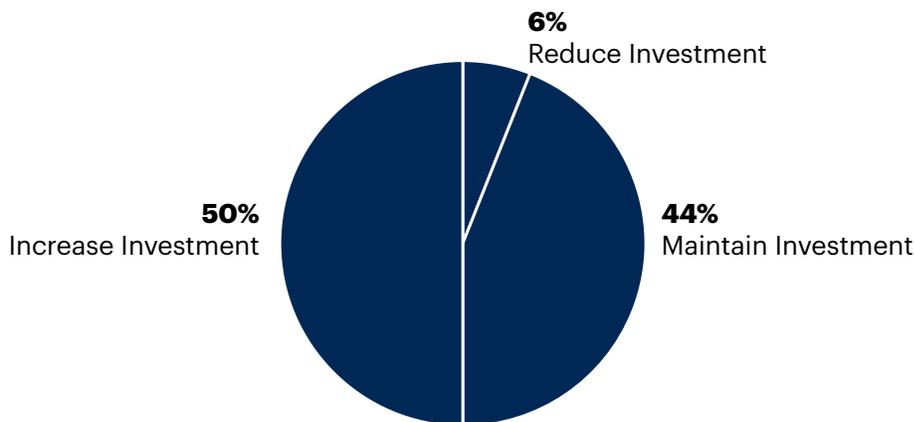
data to reveal insights that help L&D better understand employee learning needs, provide adaptive learning solutions and create learner-centric learning experiences.

- **Strategy setting** — The LMS uses predictive learning analytics to provide forward-looking insights into learning technology investment decisions based on employee learning preferences.

Predictive learning analytics can be useful for measuring learning consumption, ensuring learning application and creating an effective learning strategy. Our learning innovations survey shows 49% of L&D professionals rate this LMS feature as highly impactful for employee learning outcomes (see Figure 2).

### Figure 1: Future Investment in Predictive Learning Analytics

Anticipated Future Investment in Predictive Learning Analytics as an LMS Feature

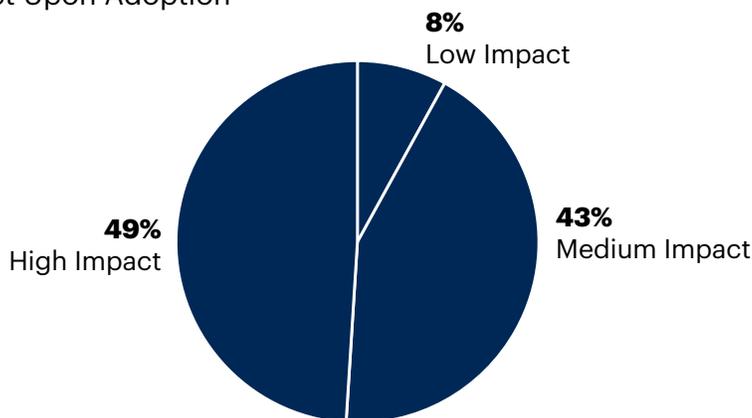


Number of respondents = 303

Source: Gartner (September 2018)

### Figure 2: Impact of Predictive Learning Analytics on Learning Outcomes

Anticipated Impact Upon Adoption



Number of respondents = 303

Source: Gartner (September 2018)

Note: Percentages may not add up to 100% because of rounding.

## How Should I Use Predictive Learning Analytics in My LMS?

L&D functions can use predictive learning analytics to achieve better learning outcomes for employees:

- **Ensure learner-centric needs analysis** — Applying predictive learning analytics can help L&D conduct better needs analysis. By using historical data captured in the LMS and even data gathered externally, L&D teams can create a complete picture of an employee's learning journey so far as well as the skills they will need for the future.

One organization that has begun to use predictive learning analytics to identify emerging skill needs is DXC.<sup>1</sup> By using a combination of data scraped from external job boards, L&D expertise and data analysis, DXC's L&D team can identify skills employees will soon need and preemptively reach out to the business with solutions. Based on DXC's use of predictive learning analytics, organizations can identify the right sources of data for themselves, whether that means external data or information captured in their LMS.

- **Personalize learner experiences** — Predictive learning analytics can help provide a highly personalized and engaging experience for learners. LMSs are already gathering data on how employees interact with different kinds of learning content. Using this data, an LMS with predictive learning analytics features could provide recommended learning content personalized to each employee. By combining the content form, topic areas, access moments and more, predictive learning analytics can create a Netflix-like experience on an LMS.

Target, for example, used search data from its LMS to better curate the content on its learning platforms.<sup>2</sup> The company tracked not only what learners consumed, but also what was missing from the experience — for example, key words employees searched for that came up empty. By combining this data with qualitative feedback, the L&D team at Target identified and filled content gaps to improve their learners' experience.

- **Improve learning measurement** — Using predictive learning analytics allows L&D teams to move from mere descriptive metrics to measuring outcomes that help answer questions relevant to the future. For example, L&D teams can predict future performance or engagement levels by tracking the relationship

between hours of learning consumed and performance data.

A client we spoke to in the manufacturing industry tracked specific learning patterns to identify signs of employee dissatisfaction and poor performance. The L&D team applied predictive analytics techniques to LMS data to follow employees' learning content usage patterns. The team looked for instances of lower completion rates and searches for terms related to "transitions" and "career paths". If a learner demonstrated these behaviors, managers were encouraged to intervene.

- **Create dynamic data visualizations and reports** — Most modern LMSs that offer predictive analytics as a feature also offer better data visualization and reporting. They typically feature simple dashboards that allow users to drag and drop from a multitude of metrics and data points to visualize interesting data relationships. For large organizations, it becomes easy to quickly navigate through huge volumes of data across teams, business units or geographies to understand their current state of learning. Better reporting and visualization also allow L&D teams to have more meaningful discussions with the business on key learning outcomes.

Some organizations even use easy-to-understand data visualization to make predictive learning analytics available directly to employees. BP uses analytics in a mobile app to help its managers check the pulse of employee engagement and development needs on their teams.<sup>3</sup> First, managers send out a regular eight-question survey to their teams. The app then displays the results in a clear and dynamic way, enabling managers to make team-based development decisions based on the trends in the data. For organizations with predictive learning analytics capabilities embedded in their LMS, data tracked in the LMS could also serve as inputs to these data visualizations.

## How Can I Get Started?

- **Partner with your LMS vendor** — Talk to your LMS provider about including offerings related to predictive learning analytics as a part of your LMS. Most vendors provide various options to conveniently integrate predictive learning analytics in LMSs and offer basic analytics training to L&D teams at different analytics maturity levels. Once you've implemented your predictive learning analytics solution,

you'll need a way to create actionable recommendations designed to improve outcomes for learners.

- **Start small and simple** — Look for the simplest way to test the waters using predictive learning analytics. Your first foray into predictive learning analytics doesn't have to result in an algorithm that perfectly forecasts your organization's future learning needs or turns your LMS into the Netflix of learning. Instead, start by taking stock of your employees' engagement with learning content on your LMS, evaluating how you might represent the data you already have in a visually intuitive way or considering the types of data you'll need to collect if you want to measure the future ROI of learning programs.

- **Leverage existing analytics capabilities** —

Look across your organization for existing analytics expertise, and use collaborative knowledge sharing to build your function's analytics capability. Your marketing, procurement and technology teams likely already use data to build a picture of what customers will want in the future.

- **Align analytics investments with business priorities** —

Be sure to align your analytics efforts with learner and business priorities. Even the most sophisticated learning analytics will only be of real value if they help solve the organization's business challenges.

<sup>1</sup> Agile Skill Development (DXC Technology)

<sup>2</sup> "Target's Learner-Centric Platform Design"

<sup>3</sup> "BP's Leadership App"

# Taking a Note From Finance

## Problem-Focused Analysis Wins

### In today's data-driven age, learning analytics is at a turning point.

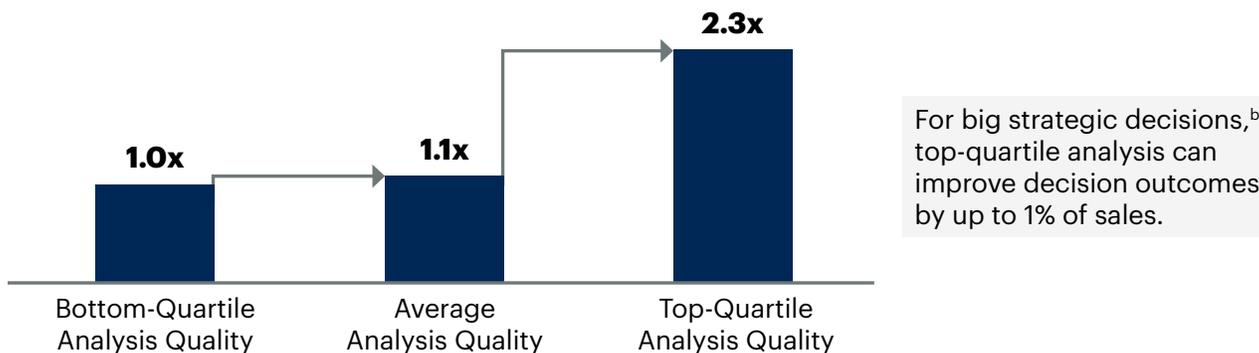
This has led some L&D functions to begin considering how to move from analyzing data for benchmarking or descriptive insights to performing more predictive statistical analysis (that is, forecasting and scenario simulations). However, many L&D functions do not feel they are effective at even tracking data, much less using learning analytics to its full potential.

Thankfully, there are lessons to be learned from other functions — such as finance, IT and marketing, which often have a few more years

of analytics experience. These teams are an invaluable resource for learning analytics teams just starting out. They can offer advice on best practices, share lessons learned and perhaps even help in resourcing.

To help L&D leaders think through their approach to producing high-quality analysis, we looked at our research on how financial analysis can drive better decision making. This research uncovers three ways decision makers (such as finance business partners, financial planners and analysis leaders) commonly misuse financial data and explains how to mitigate misuse by using problem-focused analysis. Top-quality analysis can significantly improve decision outcomes (see Figure 1).

**Figure 1: Indexed Value of Decisions by Quality of Analysis<sup>a</sup>**



Number of respondents = 2,305 senior decision makers

Source: Gartner 2015 Financial Analysis Impact Assessment

<sup>a</sup> Differences between bottom and average versus top-quartile values is statistically significant at the 95% level of significance.

<sup>b</sup> Strategic decisions refer to decisions such as major acquisitions, new market entry and capital allocations.

## Where Financial Analysis Goes Wrong

Decision makers typically struggle with financial data in three main ways:

- They **don't use** financial analysis in decisions.
- They **misinterpret** financial analysis.
- They **selectively use** financial analysis.

Most financial planning and analysis teams attribute this misuse to organizational characteristics (that is, the type of decision or who has the decision rights) or to the decision maker's traits — whether the person is financially savvy, experienced or sufficiently risk tolerant. However, our research shows **quality of analysis is the biggest driver** of the misuse of financial information in decision making.

Most analysis focuses on the answer — prioritizing technical rigor, data precision and definitive recommendations. This approach steers decision makers' misuse of analysis in three main ways:

- Increasing the technical rigor of analysis often leads to confusion regarding decisions' actual consequences.
- Improving data precision (that is, the granularity of data) to make the results more detailed overwhelms leaders with information abundance.

- Prescribing a definitive recommendation for how to use the results erodes leaders' sense of ownership over the decision, leading to them failing to apply business judgment or consider the implications of their choices.

## Reverse the Trend With Problem-Focused Analysis

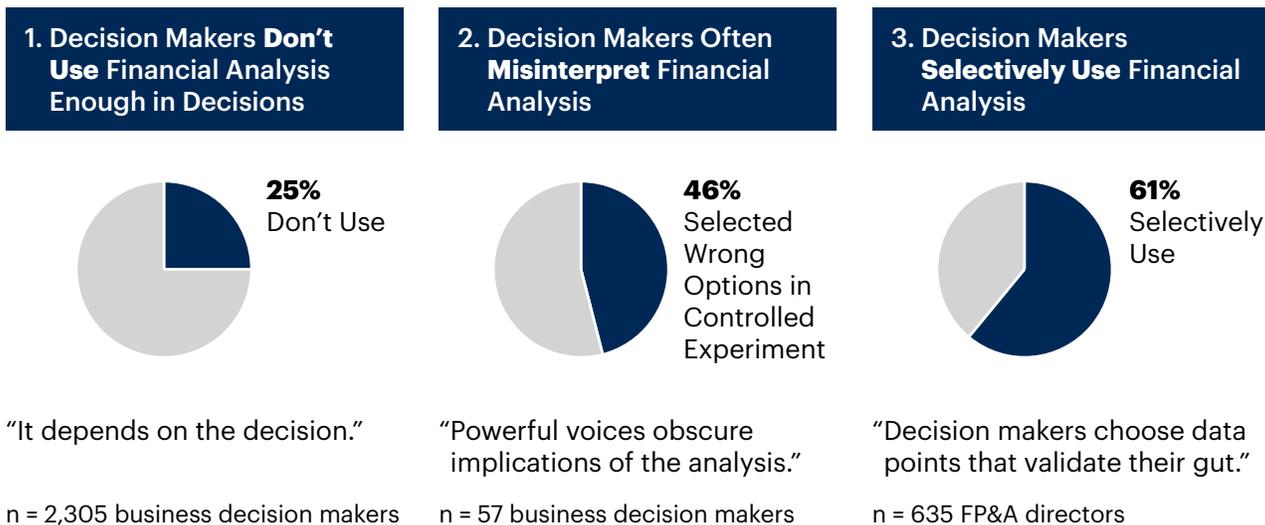
Top-quality analysis, on the other hand, focuses on the problem, not the solution. Problem-focused analysis prioritizes anticipating impending decisions, illustrating trade-offs and disrupting conventional wisdom.

This approach helps overcome decision makers' patterns of data misuse:

- By anticipating impending decisions, analytics teams create relevant, business-aligned analysis that decreases decision makers' likelihood to ignore data.
- By illustrating trade-offs, analytics teams help decision makers understand the analysis holistically, decreasing the likelihood they misinterpret the data.
- By disrupting conventional wisdom, analytics teams help decision makers work through critical uncertainties, decreasing the likelihood they selectively use data.

A problem-focused approach offers **2.3 times more value to senior decision makers** than an answer-focused approach (see Figure 2).

**Figure 2: Types of Misuse and Perceived Reasons**



Source: Gartner 2015 Financial Analysis Impact Assessment; Gartner 2012 Decision-Maker Information Consumption Survey

## Putting Problem-Focused Analysis Into Practice in L&D

- **Anticipate Decisions:** Consider what kinds of future decisions business leaders will need to make by doing an analysis of current or routine decisions. When it comes to the L&D terrain, consider when it might be time to assess the effectiveness of your learning technologies or preempt changes in skill needs across talent segments. When providing analysis, draw attention to the assumptions that underpin current decisions and any relevant scenarios that might change the nature of the decision.
- **Illustrate Trade-Offs:** Engage decision makers in the course of analysis, prototyping different models with the business's input. Be sure to get stakeholders involved early, and don't shy away from presenting them with an imperfect product — as long as you set expectations ahead of time. Try including them

in the preliminary analysis of an employee engagement initiative or in a conversation on a new program's early results. Starting to collaborate early will help provide decision makers with a holistic understanding of the alternatives and uncertainties in the decision to be made.

- **Disrupt Thinking:** Upset conventional thinking by helping decision makers understand unforeseen trade-offs and resolve critical uncertainties quickly. Focus on the learning need you are trying to understand or solve and consider how to best do so using data.

Ultimately, the problem-focused approach to analytics is just one lesson L&D leaders can learn from their peers. As L&D functions continue to develop analytics capabilities and internal stakeholders rely more on data to make decisions on the future of learning, using this internal expertise will prove invaluable.

# From Talent Daily

## Tech Companies Need More Than Just Tech Talent

**Talent Daily is our blog, updated multiple times daily, featuring news and commentary for executives who care about talent. Coverage includes learning and development, diversity and inclusion, recruiting, rewards, management and technology. To help you keep up with the latest in talent news, each Learning Quarterly will adapt one recent article from Talent Daily.**

New research from Glassdoor examines the job openings at major employers in the U.S. tech sector to find out what roles these companies hire for.<sup>1</sup> While technology companies have demonstrated an insatiable demand for digital-specific talent such as software engineers, data scientists and experts in AI and machine learning, they also require the same diverse set of skills and functions as other large, complex

organizations. Accordingly, Glassdoor finds 43% of open positions at tech companies are nontech roles, accounting for almost 53,000 jobs.

### **Who Are the Biggest Tech and Nontech Hirers?**

The ratio of tech to nontech hiring varies widely from one company to another: Overall, Intel, Microsoft and Walmart eCommerce were hiring



the highest proportion (78% of open positions) of tech compared to nontech roles. Another tech company hiring predominantly tech workers was Amazon, with 72% of its roles on Glassdoor categorized as tech roles. Despite its large network of warehouse and logistics operations, Amazon is still mostly a tech employer.

At the opposite end of the spectrum, only 28% of Workday's open roles were tech-related, with 72% for more traditional nontech jobs. Most job postings at IBM, Salesforce and Verizon were also for nontech roles. Among Salesforce's open roles, 41% were tech roles and 59% nontech. Similarly, Verizon had about 45% and IBM 46% percent tech roles open out of their total openings.

### **Which Nontech Jobs Are in Demand?**

The most common nontech jobs advertised at these companies are account executives and project managers, along with various sales, marketing and management positions, but the tech sector is also hiring for a wide variety of other roles. Glassdoor found most salaries for nontech jobs range from \$50,000 to \$90,000 per year, compared to \$80,000 to \$120,000 for most tech roles.

The demand for managerial talent in the tech sector is illustrated by the increasing popularity of tech companies as destinations for business school graduates. In recent years, newly minted MBAs have flocked to major tech companies and startups in greater numbers instead of taking the traditional path into finance or consulting.

Earlier this month, Bloomberg highlighted a new study finding that the love affair between MBAs and tech companies is only deepening.<sup>2</sup> The Graduate Management Admission Council's 2018 Corporate Recruiters Survey Report found 89% of tech companies expect to hire MBA graduates this year, compared to just 76% of finance and accounting firms.<sup>3</sup> Large proportions of healthcare and energy companies are also hiring MBAs. Overall, the Corporate Recruiters Survey Report shows 81% of employers plan to add MBAs to their ranks this year, a notable increase from 70% last year. The greatest increase is taking place among startups, where 55% said they were hiring MBAs in 2017 and 77% said so this year.

<sup>1</sup>"Landing a Non-Tech Job in Tech: Who's Hiring Today?," Glassdoor.

<sup>2</sup>"MBA Students Seek 'Sexy' Tech Jobs, and Silicon Valley Is Hiring," Bloomberg.

<sup>3</sup>"2018 Corporate Recruiters Survey Report," Graduate Management Admission Council.

# Innovators

## Interview with Jon Kaplan

### Vice President of Training and Development, Discover Financial Services

#### Jon Kaplan discusses the success of Discover's new tuition-free bachelor's degree program.

##### What was the main goal in creating The Discover College Commitment program?

We had the opportunity about three years ago to reevaluate Discover's tuition reimbursement program. We were really excited about enhancing this program because it provides so much opportunity to Discover employees. I started my career in public education, so I've always had an interest in using education to advance opportunity, especially for disadvantaged groups.

I got passionate about this project in particular because I believe our society needs to change the conversation around college affordability. If organizations want to ensure they have a competitive workforce with 21st century skills, they're going to have to invest in their employees through job readiness training as well as formal academic and university programs. As tuition costs rise, more and more Americans are being priced out of the market for a college education.



##### Jon Kaplan

*Vice President of Training and Development, Discover Financial Services*

Jon Kaplan has enterprise-wide responsibility for leadership of executive and professional development, compliance training, industry learning and functional training. He is also responsible for Discover's diversity and inclusion programs. He has more than 25 years of experience in the education industry, having led learning and development for organizations in the public sector, the private sector and in unique private-public partnerships in low-income communities. Jon Kaplan is a published author, having written articles on subjects as wide-ranging as organizational change management within public schools to corporate pricing strategies for training services.

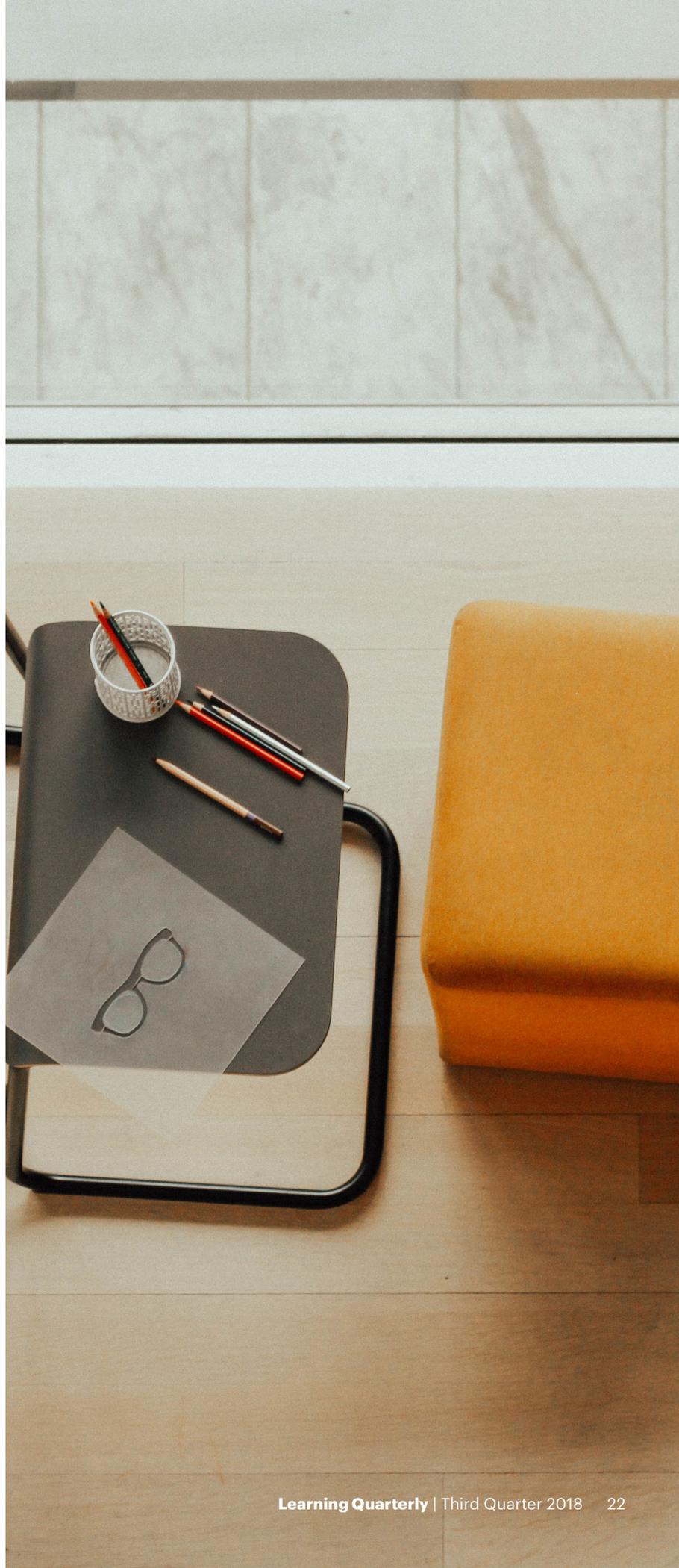
Meanwhile, companies need employees with better critical thinking, problem solving and analytical reasoning skills that are often gained in a college environment. There's a win-win here that is great for companies and employees.

### **How is The Discover College Commitment different from other tuition reimbursement programs?**

Most tuition assistance programs require employees to pay tuition and fees upfront directly to the university. Once employees complete the term and receive their grades, they apply to their companies for reimbursement. As tuition costs continued to rise, we heard more and more employees say they simply couldn't tie up so much of their earnings as they waited to be reimbursed. This was a significant barrier to participating in our tuition assistance program.

We also saw that many of our employees were choosing to get degrees from universities that, while fully accredited, had below-average student outcomes. We felt that if we chose university partnerships and degrees based on the highest student outcomes possible and offered a prepaid tuition program for these degrees with better terms than our tuition reimbursement program, we could incentivize employees to participate in programs that truly prepared them for the future.

This is the basic design of The Discover College Commitment. We have partnered with the Denver-based Guild Education that specializes in helping companies build university partnerships. Through Guild, we established a relationship with three universities – University of Florida, Wilmington University and Brandman University – each of which offers high-impact online degree programs suitable for working adults. Discover pays all tuition, required fees, books and supplies. We even offer a "tax gross-up" to cover any potential tax obligation for imputed income. Perhaps what most differentiates Discover is that all of these benefits are offered on the first day of employment, with no tenure requirement for participation.



### **What kinds of skills is Discover targeting with this program?**

In the past, the only guidance or requirement for our tuition reimbursement program was that the degree had to be business- or job -related. That's obviously very broad and not strategically focused on the skills and capabilities that we believe are critical to Discover's future. While we still offer a tuition reimbursement option, The Discover College Commitment program offers bachelor's degrees in business; organizational management; software design and development; and computer and network security. We believe these programs will help our employees not only develop a set of transferable skills and abilities but also develop a set of critical capabilities in several areas we think are necessary for Discover to succeed in the rapidly changing financial services industry.

### **How did your team make the business case to get signoff on this program?**

Executives at Discover really want to invest in employees and they are passionate about linking development to business goals. A top-to-bottom data analysis of our tuition reimbursement program several years ago by the Lumina foundation quantified, a 144 percent return on investment from our tuition reimbursement program. Some of the key findings showed that offering this program reduced talent management costs due to higher rates of promotion, lateral transfers and retention, as well as lower rates of absenteeism.

The completion of this study was a significant milestone in the evolution of our future program because it allowed us to make the case internally for investing in education assistance programs.

### **How did the company communicate to employees why this program was really different and special?**

We first sent a heads-up email to our directors and officers that we would be announcing a significant expansion of our tuition assistance program at an upcoming companywide town hall, which is webcast throughout all company locations. While on stage, our chief human resources officer and the head of operations for all call centers co-announced the program. We subsequently sent a companywide email with a link to more detailed information on our corporate intranet, where we included a video and FAQ document with relevant details.

The response was overwhelming. Since our launch, almost 10 percent of the company has reached out to schedule academic counseling sessions. More than 400 college applications have been submitted, and we have almost 200 employees enrolled in school – all within about 10 weeks of the program announcement.

### **What kind of resources were you able to leverage internally or on your team?**

There was initially no dedicated headcount for this program. About six months before launch, we added one program manager who has provided logistical support and project management for the initiative. The L&D team has great directors and a large staff, all of whom were enthusiastically willing to step up and help out. We've also relied on other employees at Discover who were passionate about development and happy to lend their time. They were all dedicated to using education to expand opportunity and were happy to see this program succeed.

# Quick Wins

## Creating Connections for Development

**Although most organizations are investing to improve employees' opportunities to connect for development, only 32% of employees rate these development connections as high-quality.**

The best managers help employees connect to colleagues throughout the organization for development and ensure those connections are productive. Follow the quick wins below to help your managers identify, prepare for and sustain high-quality development connections for their employees.

### **1. Educate managers on the benefits of helping employees use connections for development.**

- Ensure managers understand the value of helping their employees develop through meaningful connections and how to recognize a quality connection.
- Give managers our “Guide to Creating Quality Development Connections” to gain their buy-in for facilitating quality development connections.

### **2. Help managers connect team members based on their strengths.**

- Encourage managers to facilitate development interactions between employees that are based on complementary strengths and development areas.
- Advise managers to use our “Guide to Identifying Quality Development Connections for Employees” to help them leverage their network when identifying quality development opportunities.

### **3. Encourage managers to consult with employees before they meet with development connections.**

- Guide managers to take a proactive approach to prepare employees for meaningful development interactions.
- Help managers prepare employees for their first development connection experience by giving them our “Guide for Preparing Employees to Connect.”

### **4. Enable managers to support employee reflection following development connection engagements.**

- Help managers facilitate debrief conversations with their employees to follow up on connection experiences.
- Ask managers to help their employees reflect on key connection takeaways by giving them our “Guide to Reflecting on the Development Connection Experience.”

### **5. Encourage managers to help their employees regularly assess the value of their current development connections to inform future ones.**

- Ensure managers help their employees evaluate the value of development connections to decide how often they should occur for maximum value.
- Encourage managers to equip their employees with our “Guide to Assessing Employee Development Connection Quality” to help them determine the value of their development connections.

## SUGGESTED READING

# In Case You Missed It

To find these and other publications for L&D professionals, search our website or contact your account manager.



### What's New?

- Harvard Business Review: Managers Can't Be Great Coaches All by Themselves
- Webinar Replay: A New Manager Mandate
- Case Study: Accenture Team Experience
- Webinar Replay: Strategic Insights for Business Leaders From L&D Evaluations



### Talent Daily: Our Latest Blog Posts

- STEM Talent May Have a Bright Future in Sales
- Labor Department Announces \$100M in Grants to Reskill Displaced Workers
- Scramble for Nontraditional Cybersecurity Talent Shows How Employers Are Rethinking Job Requirements
- Canadian Cities Among North America's Hottest Tech Talent Markets
- Don't "Find Your Passion," Make It Yourself!

### Creating a Leadership Development Strategy

Have you been thinking about your leadership development strategy lately? We thought so. L&D executives tell us leadership development is their top priority this year. Our new Ignition Guide to Creating a Leadership Development Strategy will help you create a leadership development strategy aligned with your organization's business strategy and leadership development needs.

Use our guide if you struggle to identify the leadership competencies your organization needs, uncover competency gaps in your current talent pool or create a strategy for providing relevant development opportunities.