

# What is CLO LIFT and Why Does It Matter?



First CLO LIFT meeting  
September 2023

## **The Hidden Link Between L&D and Innovation**

In the pursuit of innovation, organizations need to introduce core skills and address their own internal barriers and challenges. Instead, the \$400 billion learning and development industry has a business model that cycles through superficial trends and tools with sub-optimal value.

We are addressing this problem by forming a group of Chief Learning Officers (CLOs) from diverse global companies, along with leading thinkers from the Learning Forum Executive Council Network. In CLO LIFT, this collaborative year-long journey, we delve into the highest-leverage issues:

- **Time to Learn**
- **Surging New Skills**
- **Governance**

Our overarching objective is to illuminate a practical path forward for the broader L&D community. We aim to identify and help resolve fundamental issues that have long confounded learning organizations, ushering in a new era of impact in the world of learning. In a series of papers, exercises, and videos, the CLO LIFT initiative will lay out standard for practitioner-driven thought leadership in the L&D field.

The CLO LIFT initiative also represents a concerted effort by professionals within the learning and development sector to take back the thought leadership agenda within their domain. The L&D industry suffers from fragmentation, extremely low barriers to entry, and pay-to-play schemes that blur the lines between thought leadership and marketing. Unlike established fields such as accounting or engineering, L&D lacks standardized practices and benchmarks to evaluate real effectiveness and tangible impact. There is no common framework for measuring business outcomes. This makes it challenging to demonstrate measurable progress in a universally understood way.

Progress is needed. Several research studies highlight the conspicuous nature of workforce skills gaps. According to Manpower Group, the global talent shortage has already lasted 16 years – a trend corroborated by SHRM's identification of an expanding skills deficit. Korn Ferry estimates that by 2030, this global shortage will rise to 85 million unfilled jobs, roughly equivalent to the total population of Germany. This could result in about \$8.5 trillion in unrealized annual revenues. The World Economic Forum concludes that six in ten (60%) workers will require training before 2027, and only half that number have access to it.

Why do skills gaps persist and worsen? Are employers and L&D organizations failing in their most basic mission – to provide upskilling at scale that is valuable to individual careers, organizational performance, and society? A root cause-based approach is needed to fully understand this problem because the current playbook appears to be failing.

## **Why CLO LIFT?**

According to BCG, although 95% of large companies surveyed agree that corporate learning is crucial to their future, only 15% say they have granted it the high-priority status it deserves. The most effective leaders in corporate education, they say, are those who build distinctive, sustainable digital learning ecosystems. McKinsey & Company and Deloitte reports stress the importance of fundamental reforms in learning infrastructures to enhance workforce capabilities and ensure organizational resilience.

The CLO LIFT initiative is driven by the core belief that addressing substantial challenges unlocks significant value.

A fundamental re-evaluation and embrace of originality is needed to break free from the cycle of repackaging existing ideas and diverting attention from deeply rooted challenges. This involves reconstructing from the ground up and shifting the focus from immediate trends to foundational changes in practices, governance, and long-term value-creating strategies. This allows the learning industry to move beyond repetitive repackaging and make substantial strides toward bridging actual real-life skill divides.

The challenges within the learning and development domain persist due to multifaceted reasons, including the pursuit of novelty, the complete absence of standardized practices, deep industry fragmentation, and the artificial cyclicity of trends. Despite significant financial investment, skill gaps continue to widen, necessitating a paradigm shift. The current state of the skills crisis underscores the urgency for a critical reckoning and evaluation of our methodologies.

The CLO LIFT initiative endeavors to spearhead a holistic transformation, shifting the focus from incremental changes to addressing fundamental issues and catalyzing substantive advancements that transcend the superficial veneer of innovation. The CLO LIFT project's strategic approach involves identifying and prioritizing the most foundational issues in the learning and development landscape, believing that resolving them will yield exponential improvements. The initiative aims to redefine standards and practices, solve underlying, pervasive, unresolved problems, and foster a more robust learning infrastructure that addresses skills gap challenges by integrating empirical evidence and insights from diverse research bodies. By embracing this

departure from the obsession with novelty and standardizing practices, the initiative endeavors to unite learning professionals and business leaders in a collective effort to address skills gaps comprehensively and collaboratively for sustained progress.

### **What are the CLO LIFT problems?**

The CLO LIFT project has identified a set of inherent and underlying issues, hypothesizing that their resolution holds the potential for catalyzing exponential advancements within the Learning and Development field and contributing to the gradual reversal of the growing skills gap. The selection criteria used to identify these problems came from polling a group of respected learning professionals from the Learning Forum CLO Council, based on their real life experiences on the job.

### **Challenge #1: Time to Learn**

Creating value constitutes a significant aspect of consideration for the LIFT community. For as long as the role has existed, Chief Learning Officers have consistently advocated for increased time allocations towards the learning programs they steward, encountering recurring barriers arising from chronic learner busyness, competition for mindshare, and a frequent deficit of organizational commitment.

***It is crucial to note that time represents the most substantial investment made by organizations into the sphere of learning, surpassing all other investments by significant orders of magnitude.*** However, despite these substantial temporal investments, the quantifiable returns derived from such investments remain ambiguous, thereby engendering difficulty in sustaining subsequent appeals for further commitments to learning initiatives. This creates a perpetual loop that becomes difficult to break. It's difficult to quantify the return on time investments. Because it is hard to provide quantifiable data in the language that the business understands, it becomes harder to secure subsequent additional investments. This dilemma was at the very top of the prioritized list, created by the Learning Forum's CLO council members. Most, if not all, of the CLO's in the council had experienced the symptomatic side of this fundamental problem - push back from individuals and organizations into the time requirements for real upskilling to take place.

Like any other finite resource, time bears an inherent opportunity cost; its allocation toward learning programs competes with alternative utilization possibilities. Consequently, Chief Learning Officers advocating for time investments into programmatic learning initiatives should possess a standardized and universally accepted framework for substantiating and articulating their business case. They should be able to clearly articulate the cost of the time they will be consuming and what return the organization should expect on that investment. Absent such a structured approach, each decision concerning time allocation is susceptible to being

treated as an ad-hoc assessment, potentially and very likely encountering resistance within the organizational decision-making hierarchy.

Although there is limited research on the investment value of time in enterprise learning and development, it is crucial to establish a systematic approach to justify time investments. Adopting a strategic business case approach can effectively demonstrate the value and anticipated returns of investing time into learning programs – a belief most CLO's share. Furthermore, empirical data from McKinsey & Company's research on organizational change management reveals that a structured business case significantly enhances the likelihood of successful adoption and acceptance of new initiatives within corporate settings.

This aligns with the notion that formalized business cases not only elucidate the expected benefits and outcomes but also mitigate potential resistance by presenting a compelling upfront rationale for time investments in learning programs. Consequently, the continued absence of a standardized approach may leave CLOs grappling with a never ending cycle of ad-hoc justification, impeding their efforts to garner organizational support for crucial time allocations toward learning initiatives.

It's imperative for CLO organizations to thoroughly analyze the value drivers tied to time invested and to adeptly navigate various variables to realize tangible outcomes aligned with the business strategy. Failure to do so might result in a situation where the investment of time leads to negligible or adverse returns, thus undermining the intended objectives.

## **Challenge #2: Governing learning within an organization**

Throughout the evolution of CLO organizations across generations, the governance of learning has been profoundly affected by pendulum swings, cyclical shifts, and large scale 'transformation' initiatives. These incessant transitions from centralized to decentralized to federated models have ensnared learning organizations in a perpetual state of flux, devoid of definitive guidelines for critical aspects such as decision-making, funding allocation, delineation of roles and responsibilities, execution strategies, and channels for innovation.

***Compounded by the influence of external advisors who capitalize on these frequent shifts, learning organizations find themselves embroiled in continuous deliberations about which model to adopt rather than focusing on optimizing the efficacy of their existing model.*** This recurring cycle not only hinders progress, but also fosters a culture where more time is spent debating structural models rather than fortifying and refining the existing governance frameworks. The incessant pursuit of the 'next best model' not only detracts from efforts to enhance current governance structures but also perpetuates an unintended cycle of perpetual instability within learning organizations.

Consequently, valuable resources that could be dedicated to improving operational efficiency and driving substantive progress become mired in the quagmire of perpetual model evaluation.

Good governance is essential to an impactful learning function within an organization. Good governance is made up of strong strategic alignment, optimization of resources, consistency and predictability, and quality assurance of the learning products that are deployed into the organizational marketplace. When good governance is in place, learning can be scaled, run more efficiently, create a more coherent learner experience, and drive greater impact and better outcomes. According to a report by McKinsey & Company, effective governance ensures that learning and development initiatives are closely aligned with the strategic objectives of the organization. When there is alignment, learning efforts become more purposeful, directly contributing to achieving business goals.

Good governance contributes to scalability and efficiency in learning systems. According to research by the World Bank, well-governed educational systems have structures in place that allow for scalability without compromising quality. Efficient processes, clear guidelines, and streamlined procedures help in scaling learning initiatives effectively. A position paper by Deloitte highlights that good governance positively impacts the learner experience. Clear governance structures provide a more coherent learning journey for individuals within the organization, leading to improved engagement, satisfaction, and, ultimately, better learning outcomes.

In conclusion, empirical evidence underscores the significance of good governance in our learning and development systems within organizations. Good governance not only serves as the foundation for aligning learning initiatives with organizational goals but also plays a pivotal role in optimizing resources and ensuring quality, scalability, and efficiency in the learning processes. Moreover, it acts as a cornerstone in fostering a conducive environment for impactful learning experiences and outcomes.

The establishment of robust governance structures provides a framework for transparency, accountability, and strategic decision-making, which are essential elements in driving the success of learning and development programs. As organizations continue to evolve and adapt to dynamic business landscapes, the implementation of effective governance mechanisms becomes paramount in sustaining a culture of continuous learning and enhancing the overall effectiveness of talent development initiatives.

### **Challenge #3: Surging Skills**

Organizations face a perpetual demand to evolve their workforce's skills due to rapid technological advancements, which are essential for staying competitive. This task

fundamentally falls under the CLO's responsibilities and is the core dimension of their organizational scope. However, these same skills that the CLO needs to steward and drive adhere to strategic timelines aligned with specific business needs. Failure to deliver skills on these crucial schedules often results in the business seeking alternatives elsewhere or developing its own solutions, a scenario observed persistently over time. This contributes to greater levels of fragmentation, as described in the previous governance section, enabling the perpetual cycle of dysfunction to continue.

The global skill challenge is projected to get even worse, necessitating the ability of the learning organization to move even faster and deliver more impact on shorter timelines. ***In essence, the CLO needs to be able to surge a new skills – making a material impact on the skill supply in an organization on a timeline that is equal to or faster than the business timeline driving the need in the first place.***

Surging a skill defined as making a material impact on skill supply on an accelerated timeline, can frequently meet barriers and challenges. Unclear governance models can blur the decision-making system, causing an excess of overhead meetings, consensus building, and approvals before getting into the actual work. Learner busyness and competing priorities can also make it challenging to secure enough time investment to make a material impact quickly.

When a skill gap exists and it is unable to be closed or narrowed on the timeline the business demands, other alternatives will always be pursued. These include talent acquisition (hiring the skill) and/or parallel learning programs or initiatives. Even when the CLO does get the job, antiquated design and needs analysis systems can slow down the production of the upskilling programs. This all contributes to the decline of market share from the CLO and distributing it out to other providers that have a faster solution. To remain relevant and to capitalize on their hard-earned seat at the table, CLOs need to be able to surge upskilling solutions ahead of or in alignment with the speed of the business.

To surge skills, the learning organization needs systems and processes that enable and prioritize speed. Despite the ocean of thought leadership on skills-based organizations, skill taxonomies and ontologies, and skill marketplaces, whether we are getting faster at closing crucial skill gaps is still being determined. It also needs to be clarified whether the CLO is gaining or losing market share in the competition for organizational investment that is going into closing these pervasive skills gaps.

In conclusion, the imperative for CLOs is to address the challenge of speed in upskilling initiatives is a critical mandate. Failure to deliver necessary skills aligned with strategic business timelines often prompts organizations to seek alternative solutions elsewhere, leading to fragmentation and bypassing the CLO's domain. The global skills deficit,

projected to exacerbate further, intensifies the demand for learning organizations to accelerate their impact and deliver on compressed timelines. This necessitates the ability to surge new skills within the organization at a pace equal to or faster than the business demands.

### **The benefits of solving big problems**

In summary, the CLO LIFT initiative aims to instigate a paradigm shift within the learning and development community by urging a reevaluation of the industry's relentless pursuit of novelty, emphasizing the necessity for standardized practices, and advocating for a more foundational approach that transcends the allure of constant cyclical innovation to address the deeper-rooted impediments hindering substantial progress in enhancing learning outcomes and bridging the pervasive skills gap. However, navigating this transformative journey is fraught with systemic barriers that pose significant challenges. As outlined in this prologue, these obstacles encompass the industry's low barrier to entry, the absence of standards and shared frameworks, and the resultant lack of a common language. Furthermore, the landscape is marred by industry fragmentation, perpetuating a cycle of recycled thought leadership, blending genuine insights with marketing material. This amalgamation often prioritizes novelty over impact, hindering genuine progress. Moreover, the frequent turnover of decision-makers and transformation strategies that frequently reset progress further complicate pursuing enduring solutions.

Yet, within these barriers lies the opportunity for change. The CLO LIFT initiative's clarion call for a fundamental reevaluation and systemic overhaul is a rallying point for learning and development professionals to unite, transcend these obstacles, and pave the way for a more cohesive, impactful, and sustainable future. As the learning industry confronts these challenges head-on, each stride toward standardization, shared understanding, and a foundational approach will sow the seeds of transformation, forging a more unified and effective learning ecosystem.

In the ongoing pursuit to conquer the obstacles hindering progress in the L&D profession, a transformation beckons, calling for pivotal actions to reshape the landscape. Returning to the bedrock of first principles becomes imperative, as it lays the groundwork for a reimagined foundation. This transformation demands a unified community effort, transcending the mere sharing of information about future trends, to collectively erect a sustainable structure for the future. Moreover, it's time for practitioners to reclaim the narrative, scrutinizing and discerning genuine thought leadership from marketing jargon masquerading as innovation. Embracing a generational approach offers a compass for navigating the profession's evolution, building upon predecessors' legacy while crafting a legacy for the generations to follow. The call to action resonates in reducing the pendulum swings, ushering in stability



amidst the industry's perpetual flux. Critical to this evolution is establishing robust systems that mitigate the risks associated with constant turnover, fostering continuity and resilience in the face of change.

As the industry charts its course forward, these transformative actions hold the key to sculpting a more stable, collaborative, and enduring landscape for the learning and development profession. Each step toward these goals fosters growth and paves the way for a more cohesive and impactful future for all practitioners and learners alike.

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