



Making a career through lifelong learning

Businesses today operate in a rapidly changing political, technological and economic environment. Not only globalization and the digital revolution but also changing demographics are creating challenges for companies everywhere: with an aging workforce in the West and a burgeoning new generation bringing to bear its own attitudes and expectations around the world, employee training and development are growing ever more in strategic importance for companies.

When the outside world changes, organizations must change or die." This is the stark warning from Dr. Dave Ulrich, Professor at the Ross School of Business, University of Michigan and a partner at the RBL Group. "When social, political, economic and demographic trends change, so too do the expectations of customers, investors, suppliers and regulators." And so too do the people who work for those businesses. For companies, managing these changes is vital to survival.

In the industrialized West, businesses are having to face up to the challenge of an aging population. Lower birth rates have produced a younger generation that is significantly smaller than its predecessors. Added to this, the legal retirement age in many Western countries is increasing and older people are remaining fitter for longer. The impact on the world of work is clear. In the future there will be a higher proportion of older employees at work. By 2017 around 60% of the workforce will be over the age of 50 and working into your late 60s and 70s will become the norm.

Businesses and individuals alike need to prepare for this change now because technological and other societal changes mean that no job will stay the same for long. Today's 40-year-old has at least 27 years left to the legal retirement age.

Companies have to ensure that the skills of all their employees keep up with these changes.

"As the half life of knowledge gets shorter, individual ability and organization capability have to adapt more quickly," explains Ulrich. "In the past, organizations succeeded by role clarity and predictability. Now, organizations succeed with adaptability and innovation." His recommendation? Employee learning – because learning creates individual ability and organization capability and enables both to adapt to changing conditions.

Lifelong learning

How well can 40, 50 and 60 year olds learn? This has become a focus of much attention in the West. The common perception is that the older we get, the less readily we learn new skills. Yet research shows that this does not have to be the case. People who continue the learning habit throughout their lives remain just as capable of learning in old age as they were when they were younger. It is therefore in everyone's interests to keep learning. The longer we keep learning, the longer we will have the mental agility to learn new skills.

The idea of "lifelong learning", which has been around for decades, is now becoming widely recognized as a commercial necessity for companies managing an aging workforce. The traditional view that training is only for new recruits and young management hopefuls is

disappearing. "Companies are only just starting to understand that it's one thing to retain an employee and it's another thing to develop that person. Not only in the typical vertical way. You also have to develop people along a lateral career path, to find new activities over and over again," says Professor Dr. Ursula Staudinger, an expert on lifespan development and aging, and founding director of a new Aging Center at Columbia University in New York. Training is no longer just about climbing the corporate ladder, it is about ensuring the whole workforce is in shape to master future challenges (see interview on page 39).

An individual approach

But traditional training programs aimed at new recruits simply do not fulfill today's requirements. A different approach is necessary. Training needs to be designed to be of value and relevance to each individual taking into account their particular circumstances. So training has to become more individualized, but it also has to become a shared responsibility. It is no longer good enough to sit back and wait for your superior to send you on a course. We all have to wake up to the need to continue learning and keeping our skills relevant if we do not want to be left by the wayside.

This can have other benefits as well. Look at what happened when Cathay Pacific, Asia's leading airline, changed its approach to >>

Will supply of educated workers meet demand in 2021?

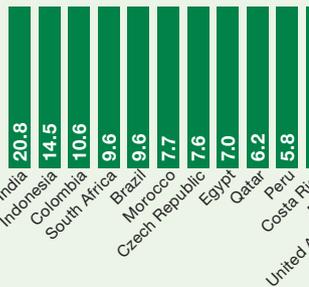
Over the next decade, as access to higher education improves in fast developing economies, the pool of educated people available for work will increase dramatically. In developed economies, by contrast, lower birth rates mean growth will be slower or even grind to a halt. Will there be enough job opportunities for countries with high

growth rates? Which countries will experience shortages and where will supply and demand be in balance?

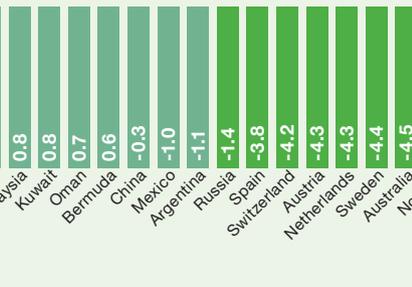
The 'heat map' shows how the gap between supply and demand is expected to evolve in different countries over the next decade. A surplus is shown in dark green, a broad balance in green

and a deficit in light green. The numbers report the average annual percentage change of the deficit or surplus.

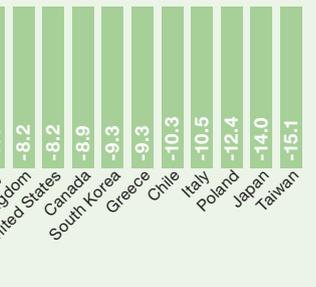
Strongest trend talent surplus



Demand and supply for talent in balance



Strongest trend talent deficit



Source: Oxford Economics: *Global Talent 2021*

training. The airline's business success is based on customer retention and its motto is "Service straight from the heart". But it found that its old approach to training and development was promoting a culture of compliance, rather than one of commitment. It decided to encourage its employees to take responsibility for their own performance and plan their own development. In discussion with their managers, employees began to assess how they were doing, consider what they could do better and set their own goals. Together, they developed their own personal plan for achieving those goals. The company found that when people take responsibility for their own success, they not only get more satisfaction from their work, it also increases their commitment toward their company.

Learning from experience

Of course it is not just age that differentiates people – they have different learning styles and requirements. In order to meet the individual training needs of each employee, we can no longer think of training as just attending seminars. Standardized offerings have to be

supplemented by a whole array of training tools. Companies are providing a wider range of options from job rotation and job shadowing to coaching and e-learning.

Increasingly companies are realizing that development means benefiting from one's own and others' experience and applying the knowledge daily in a practical and profitable manner. HR professionals talk about the 70:20:10 learning formula. This describes the optimal split between different types of learning, whereby 70% of what you learn should be on the job because the learning result is better the closer you are to your place of work, 20% is learnt from those around you, and the final 10% is formal training or education.

At the BASF Leadership Experience Center established this year in Ludwigshafen, Germany, the company has offered managers the opportunity to work together as teams to improve collaboration and develop a common management understanding. An essential aspect is that the team members bring their own questions or challenges with them from their business units. The one-day-workshop is not so much

Training around the world

Cultural and traditional differences mean that approaches to employee training and development differ from country to country.

China

The country's authoritarian and hierarchical tradition meant, in the past, that employee empowerment and participation was not so readily accepted. Employee loyalty was also rather low. But as market reforms and global competition take hold, the need for training has increased. The strong reciprocal culture means that companies that offer training and development receive increased commitment from their employees.

India

India is fast picking up best practices from the foreign companies outsourcing there. Companies now invest substantial time and money to train new recruits. Employees participate in a wide range of education programs, including not only technical training but also soft skills and management skills. Career advancement and salary increases are usually tied to the completion of such training.

Mexico

Increased levels of training are often driven by international investors requiring consistency across their operations. A major focus has been skill development for lower level employees. As young people often lack the resources to fund their own further education and typically start contributing to their family's income relatively early, company training and development is seen as an important stepping stone to a better future.

Germany

Vocational training has long been highly valued by employers and employees alike. Job-specific technical training has a strong tradition in many industries in Germany, with trainees following a dual system of formal and on-the-job training. Although further training opportunities tended in the past to be restricted to conventional courses for potential managers, this attitude is now changing.

about knowledge transfer as about learning from experience and from others.

Pairing and mentoring schemes are also growing in popularity. Newer employees learn quickly and effectively in this kind of exchange with their colleagues. At Mars, the food company behind global brands such as Mars chocolate bars and Whiskas pet food, employees are offered a range of opportunities for growth and advancement.

"Mentoring is an important part of our culture," explains André Martin, Chief Learning Officer at Mars. As a highly decentralized company, building good relationships is essential. New "associates" receive mentoring as a way of introducing them to the company's special culture. It is also part of the training for high potential associates. Mars puts great emphasis on ensuring that senior leaders who volunteer to be mentors are given the right tools and knowledge to be effective mentors. "Mentoring is not the same as coaching. Mentoring is about sharing stories. It is a relationship fundamentally driven by the mentee," says Martin.

Among the diverse business units at Mars, mentoring is used in different ways. One of the U.S. business units, for example, introduced peer-to-peer mentoring among women, as part of its focus on diversity, to help build networks among like-minded people at a similar place in their careers. "There is no vanity around learning at Mars," says Martin. "It is part of our culture of mutuality." At another U.S. business unit, the management team was mentored by the younger generation and introduced to the use of social media. "It is all part of understanding what the world looks like through the eyes of the next generation so we can begin creating organizations that will be attractive to them," says Martin.

Let's focus now on these younger employees – the people in their

20s and 30s. The generation born between 1981 and 2000, labeled by demographers as "Generation Y", is the first truly digital generation – a generation of young people who have grown up with computers, the internet and social media. They are well educated, tech-savvy, and they know a lot about the world around them. They want a workplace that offers inspiration and responsibility and high on their list of priorities is career development and training. But what is important about this generation is not only the different attitudes and expectations, but also the fact that their numbers vary from country to country.

A generation in demand

In the aging West, they form a smaller generation to their predecessors. In Germany, the problem is very clear: whereas today there are 9.7 million Germans between the age of 20 and 30, by 2030 there will only be 7.5 million. In rapidly developing regions like Asia, the demographic picture is very different and the number of educated young people is growing rapidly. According to Oxford Economics, already over half of the world's college graduates (54%) come from the top emerging markets – China, India, Indonesia, Brazil, Mexico, Russia and Turkey (the "E7"). Over the next decade, this percentage is predicted to rise to 60% – that's around 217 million college graduates, as opposed to 143 million in the developed world. It is, of course, not just the higher birthrates in these countries that are helping them overtake the West; equally essential is the combination of accelerating economic growth and technology-enabled training.

The question is whether the supply of these young, educated people meets demand. The situation is not the same everywhere. In parts of the West, there are fewer of these young people than there are job opportunities. And they know >>

Sources:

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Three questions for Professor Dr. Ursula Staudinger



“Companies that provide continued development for their employees will be the winners in the competition for the best brains.”

Professor Dr. Ursula Staudinger is an academic leader in the field of lifespan development and aging research. This year she joined the Mailman School of Public Health as the founding director of a new Aging Center at Columbia University in New York. Previously she was Vice President of Jacobs University Bremen and Founding Dean of the Jacobs Center on Lifelong Learning.

How does our potential to develop and learn change through our lives?

Professor Dr. Ursula Staudinger:

When we are very little we know nothing and our motivation is 100% to take in everything that is around us. By early adulthood, we have mastered the basic cultural skills that we need to survive – and that influences our motivation. Cognition and learning are based on cognitive resources but they are also carried along by the fuel that comes from motivation. Cognitive resources decline with age but the rate of decline differs tremendously depending on lifestyle and contextual factors. So the older we get the more important it is that we realize why we have to learn. We have to construct society so that people find rewards that make them expend effort on learning across the lifespan.

What can companies do to create a working environment that encourages learning and development of their employees?

Companies need to show new recruits, at all levels of qualification, that there is a long-term career pathway they can take and that training and developing opportunities will be provided along the way. It is pivotal that employees do not work too long in one position. Timely activity changes are the key to maintaining productivity and job

satisfaction. Companies have to invest in developing such varied work biographies together with their employees. But this investment will pay off as, according to the latest UN predictions, the world population will level off by 2050 and thereafter decline. Companies that provide continued development for their employees will be the winners in the competition for the best brains and hands. This is a basic paradigm shift. It's a revolution.

What kind of advantages do you see of mixed teams consisting of people of different experiences, background and ages?

There was a study some years ago in Denmark of a representative sample of companies relating their profit in a given year to the age composition of the employees of that company. What came out was that the most profitable companies were those companies that had as many young, middle and old employees. This tells you something about the advantage of age diversity at a macro level. But diversity is a tricky business – there are no easy answers. At the micro level, we need to look at the task to be managed by a given team, then we can decide whether age diversity will be helpful or not. If speed is an important part of the task, age mix is not a good idea. Whereas, if sustainable creativity is what is required, bringing older and younger engineers together has been demonstrated to be very profitable. On a meso level, companies need to talk about and make visible the strengths of all age groups. At the same time work has to be organized in such a way that the weaknesses of different age groups are compensated. If you want to maintain productivity in an age-heterogeneous body of employees, you have to make sure that every age counts.

they have a competitive advantage. In strong economies, companies wishing to attract them face fierce competition and therefore have no choice but to take seriously their values and attitudes.

The emerging economies, meanwhile, are booming as businesses increasingly choose to base themselves in these countries. Demand for young graduates is therefore also growing. As a result, surveys predict that future demand for young talent is likely to grow fastest in Asia, by more than 20% compared to today. But the rate of growth of demand and supply is not the same everywhere (see graphic on page 38).

In China, increasing numbers of graduates are met by increasing numbers of job opportunities. This young generation is faced with a world of choice unlike anything their predecessors knew. Many businesses are facing the problem of job-hopping, with younger employees simply moving on to a new job as soon as something does not suit them. For a well-educated graduate it is easy to do – the opportunities are there. To stem the problem, companies have to work hard to prove they can offer their young workforce an exciting career path with real learning and development possibilities.

In India, by contrast, although companies are increasingly looking to the subcontinent to set up business there, the fast expanding pool of skilled and educated young people still outweighs the opportunities. As a result, competition among young Indians for prized jobs at multinational

companies is intense. This can lead to problems of its own and highlights the need for a regionalized approach to employee development and learning, as Philipp von Sahr, President of the BMW Group in India found out.

The work-life balance

BMW has around 650 employees across India. When von Sahr first took over at the BMW office in Delhi he was impressed by the level of dedication and stamina shown by his employees. Many of them stayed working in the office late into the night. “With the average age at 30, we have a lot of young managers in the company who are highly motivated and want to excel at their work. They are self driven and put in additional effort and work hours over and above what is expected,” he explains.

But von Sahr came to realize that the long hours were having a detrimental effect on their creativity and decision-making. His ambitious and hard-working staff were putting BMW before everything else – even before their own health. The company therefore introduced a range of initiatives to encourage employees to put their health and families first, followed by BMW, so that they could be fit to meet the daily challenges of a globally competitive business on a sustainable basis. “The leadership team at BMW India places high importance on maintaining a work-life balance. We believe that if employees are healthy, they will perform better – this is true for every organization,” says von Sahr. “We make a

conscious effort that employees can leave work on time and are able to have a life beyond office hours.”

The idea of work-life balance – like the idea of lifelong learning – has been around for many years. What is interesting about this example is that it shows that today’s competitive pressures mean there is no choice but to address this issue and to take it seriously. That’s why BASF is establishing its Center for Work-Life-Management in Ludwigshafen, Germany. The center provides all its employees a range of offerings relating to family and career, sport and health, as well as social and care counseling. It aims to meet employees’ needs in all their different phases of life, allowing them to bring the demands from the private and professional sides of their life into balance.

Staying fit for life

And this makes perfect sense. With older people staying in the workforce longer, staying healthy is good not just for the individual, but also for the company. People who are physically healthy, will be able to continue learning and developing through every stage of life and into ripe old age.

Training is no longer just about skills acquisition for younger employees – it is now a lifelong pursuit that empowers the individual and creates a workforce that, whatever their age, has the agility and creativity to keep the business ahead in today’s highly competitive global economy. The message for all of us around the world in whatever profession is, never stop learning. ■

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Philipp von Sahr,
President of the BMW Group in India

Employee development is key to success

“It is only as we develop others that we permanently succeed.” This was recognized by Harvey Samuel Firestone, who founded the U.S. tire company Firestone in 1900, and is still true today. Demographic change, increasing global competition and technological progress mean that employees and companies have to be forward-looking and adaptable. In order to meet these ongoing challenges, BASF has gradually been introducing a standardized global concept for

employee development over the past two years. The extraordinary thing about this concept is that it includes all 110,000 BASF employees. By 2017, all employees will have agreed on development measures with their supervisors. Employee development is thus a major priority for managers. Supervisors advise and support employees, who evaluate their own skills and interests and actively contribute ideas about their own development. The aim of employee development at BASF is a flexible,

highly qualified and motivated team that will increase the competitiveness of the company in the long term. “Our concept enables us to take an individualized approach to development that considers the various stages of life,” explains Anke Schmidt, head of the project Employee Development BASF Group. “At the same time, our business units in all regions are able to effectively incorporate their demand for specific skills early on.”



Left: Employees of BASF.
Right: Dr. Wolfgang Hapke, President of Human Resources at BASF.



Dr. Wolfgang Hapke has been head of the Human Resources Competence Center of the BASF Group since March 2013 and is responsible for BASF's personnel work worldwide. During his career, he has worked in the United States and Hong Kong, where he was responsible for BASF's division Market and Business Development, Asia Pacific.

“Employees want a complete package”

Dr. Wolfgang Hapke is President of Human Resources at BASF. Here he talks about trends in human resources. His view: Life-long learning makes us – both companies and employees – more successful.

Creating Chemistry: Before becoming Head of Human Resources, you were responsible for BASF's engineering plastics business. Where do you see the biggest challenges in your new position?

Dr. Wolfgang Hapke: For me, it is the responsibility of reconciling the ambitions and expectations of more than 110,000 employees with social influences and the needs of our business units. From my own experience, I know how important it is for human resources and operating divisions to work closely together. I see my task as ensuring that new demands from the operations side of our business are implemented quickly in our personnel activities. This enables us to support our employees in their day-to-day work. And by the same token, we try to recognize human resources trends at an early stage and integrate these in our work. This allows us to offer good service to the business units in the long term. The two most important trends, in my opinion, are employee development and life-long learning.

You have spent several years working in the United States and in Hong Kong. Have you noticed any differences in professional development and learning?

People are different in different regions – and yet they have much in common. The need to constantly

develop and improve our skills is something we all share. However, there are significant differences between us in terms of how we learn, how quickly we learn and what we learn. For example, take a look at Asia's emerging markets: People there have a very strong desire to catch up to the West as quickly as possible, so they are incredibly keen and willing to learn. People in China are mainly interested in the technology of the future. Almost nobody there is familiar with the old-style tube televisions, for example, but they do know all about the latest technologies. In relation to human resources work, this means that we need to find the right way to integrate important global topics and implement them in the environment specific to each culture and country.

Could you give us an example? How does an international company combine regional and global aspects in its personnel strategy?

BASF has a global strategy. Based on this, we have developed our Best Team Strategy. It sets out the most important human resources topics for the coming years: to be excellent in terms of people, the place to work and leaders in order to improve our leadership culture. This is the global framework. There are some topics at BASF where we want a uniform approach across the

group. Leadership, for example, is one of them: In a global competency model, we describe the behaviors that we expect from our employees and managers. For other topics, the local companies can fill in the details of the framework. In other words: We want to provide attractive offerings for our employees worldwide, including compensation, benefits and a working environment that is oriented towards the employees' life-phases and focuses on their personal development. Every company then tailors these offers to the locally given conditions.

Why, in your opinion, does life-long learning play such a key role?

People who continue learning throughout their lives are simply more successful. The same is true for companies. For us, it is important to be prepared for constant change and keep our employees fit. This is why we offer learning opportunities to employees – throughout their entire career. We are also introducing a new global concept for employee development. The key to this concept is that employees and managers share responsibility for the individual development steps and measures. Employees who help shape their own personal development are more motivated and better performers. Our Learning Campus demonstrates how we implement our life-long learning

offerings at BASF. It is a learning platform that combines global opportunities for further training with regional offerings, enabling employees to create their very own personalized learning program. In this way, we support their personal and career development. At the same time, we are doing something beneficial for our business because we have integrated the goals of our corporate strategy into the learning programs. This helps us prepare our employees for the challenges they will face in 10 or 20 years' time.

What does a company have to offer its employees these days?

Money alone is certainly not sufficient. Employees today want a compelling total package: interesting responsibilities, personal development and a work environment that is both flexible and stable. Furthermore, we are finding it is becoming more important to achieve better work-life management. At our largest site in Ludwigshafen, we are currently building a new work-life management center – including a daycare center, social counseling and a fitness studio, all under one roof. But there is more to work-life management as well, for example, flexible working hours and a management culture that allows that. As you can see, life-long learning is also essential in human resources work. ■