DEMYSTIFYING 70:20:10

WHITE PAPER

DeakinPrime—Demystifying 70:20:10 White Paper

Authors: Kelly Kajewski and Valerie Madsen, DeakinPrime

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FOREWORD

This paper began as a conversation between colleagues about various learning and development (L&D) models used in building capabilities in the workplace. After some discussion of the 70:20:10 model it was agreed that we had seen little, if anything, in the literature about where it came from. We agreed that it would be interesting to do some research on the model and identify its origins. This informal conversation set us on a journey that has extended well beyond the original timeframe and the questions we began with.

The aim of this paper is to demystify the 70:20:10 model by addressing the uncertainty of its origin and by providing some practical examples of how it is being used in a range of organisations. It is envisaged that other organisational learning professionals will be interested in exploring the different views collected and presented in this paper including the interpretations, applications, challenges and benefits of using 70:20:10. Through both the learnings gathered from interviews and our own experience with 70:20:10, we provide some recommendations for effective practice and how 70:20:10 can be refined to suit the needs of individual organisations.

THE 70:20:10 PROJECT

It is evident that the 70:20:10 model has gained significant momentum in L&D circles both in Australia and internationally. There is evidence that 70:20:10 is being adopted and implemented across a range of organisations, from small enterprises to multinational corporations. There has been much discussion about 70:20:10 including how it can be applied, interpreted, embedded and even communicated within a business.

We began with a literature review and the identification of recognised thought leaders and organisations using 70:20:10. The next step was to contact organisations using 70:20:10 to see if they were interested in contributing to our research.

This report captures the results of our literature review and the contributions from interviews conducted with 24 organisations in Australia and internationally. We spoke with HR and L&D professionals in these organisations to discuss:

- their understanding of the origins of 70:20:10;
- how it is interpreted and used in their organisations;
- the challenges they faced when using 70:20:10;
- their perceptions of effective practice; and
- the results they saw from using 70:20:10.

A BRIEF HISTORY OF 70:20:10

There appear to be two main schools of thought in relation to the origins of 70:20:10. The first is linked to research findings from the Center for Creative Leadership , and the second to statistics from the US Bureau of Labor Statistics. Our study identified a third suggestion: that it originated with the work of Professor Allen Tough at the University of Ontario.

It is widely suggested that 70:20:10 is based on the work of Morgan McCall, Robert Eichinger and Michael Lombardo while at the Center for Creative Leadership in the 1980s when they suggested leaders develop best through means other than formal training. Since then Eichinger and Lombardo have gone on to suggest that lessons learned by managers roughly divide into 70:20:10, and, in a recent publication McCall (2010) suggests that 70:20:10 originated from data reported in McCall, Lombardo and Morrison in 1988 and Lindsey, Homes and McCall in 1987.

Another often quoted source is the US Bureau of Labor Statistics. Their 1998 report referencing research from 1993 and 1994 is often credited with suggesting that people learn about 70% of their jobs informally.

Informal learning thought leader, Jay Cross (2007), also refers to this research as well as research from the Institute on Learning, the Education Development Centre of Massachusetts and Canada's National Research Network on New Approaches to Lifelong Learning to support his assertation that 80% of learning is informal and 20% formal.

More recently there has been suggestion that 70:20:10 was conceptualised by Professor Allen Tough in his 1968 publication, *Why Adults Learn: A Study of the Major Reasons for Beginning and Continuing a Learning Project*. However, a review of this book suggests that, while he appears to support the principles behind 70:20:10, he did not in fact refer to it. The 70:20:10 related reference is more likely to be from Tough's 1979 publication, *The Adult's Learning Projects*, in which he argued that the majority of adult learning (about 70%) takes place outside institutional frameworks, while 20% is supported by those who are not professional helpers, such as supervisors, colleagues, parents and friends. Professional helpers, such as teachers, trainers and counsellors, account for only 10%.

The literature review also uncovered several practitioner-authored articles related to the 70:20:10 model.

From our review it is clear that there is a lack of empirical data supporting 70:20:10 and, while the above mentioned sources are frequently credited, there is also a lack of certainty about the origin.

Despite the lack of empirical evidence and agreement on its origin, what cannot be denied is that the 70:20:10 model has gained significant momentum, and organisations are increasingly subscribing to the principles that learning takes place through a combination of formal and informal situations and through others.

INTERPRETATIONS OF 70:20:10

WHAT IS THE 70:20:10 MODEL?

There are many interpretations of 70:20:10, and the organisations we interviewed used a variety of labels including *model, principle, ratio, approach, method and rule.* Nomenclature aside, the interpretations in this study largely aligned with the following:

70%—informal, on the job, experience based, stretch projects and practice

20%—coaching, mentoring, developing through others

10%—formal learning interventions and structured courses.

A notable exception is one organisation that uses the 70:20:10 label, though in application it is closer to 40% on the job, 30% coaching and mentoring, and 30% formal training. Another company reported that it has adjusted the breakdown to 50:30:20 to better suit its business needs.

To demonstrate the range of interpretations, the following table is a sample of 70:20:10 interpretations used by some participants in this study.

A not-for-profit organisation 70% of learning is on the job. 20% of learning is coaching and mentoring. 10% of learning is formal courses.	**A multinational company** 70% of learning comes from constant on-the-job encouragement and stimulation such as delegation and job rotation. 20% of learning comes from daily contact with colleagues and management. 10% of learning comes from formal methods such as e-learning, the classroom, external courses.
A distribution organisation 70% of learning is from work experiences such as stretch assignments, projects and overseas exposure. 20% of learning is from others such as mentoring and learning from seniors and peers. 10% of learning is from formal and informal channels.	**An Australian government body** 70% of learning is experiential. 20% of learning is relationship based. 10% of learning is formal.
A large multinational organisation 70% of learning comes from on-the-job training, projects, short term assignments and taskforces. 20% of learning comes from exposure to managers, functional advisors/mentors, coaches, network and online communities. 10% of learning comes from learning curricula, online resources, books and articles, and external resources.	**A professional services firm** 70% of learning is on the job such as stretch, projects, problems solving, client interaction, rotation assignments. 20% of learning is undertaken through others such as social networking, performance conversations, work shadowing, communities of practice and social activities. 10% of learning is formal or prescribed.

An Australian firm	**A telecommunications company**
70% of learning is experience on the job to integrate, practise and master new skills, knowledge or changes in behaviour.	70% of learning happens while doing the actual work.
20% of learning is from exposure to others such as learning through the observation of others (mentors, coaches) and reflection on the impact of this behaviour on one's own practice.	20% of learning happens through self-reflection and self-study such as mentoring and coaching; reference material/reading needs to be available to help people come to insights.
10% of learning is from formal programs designed for the acquisition of knowledge or skills through carefully programmed instruction.	10% of learning is traditional training which has a formal structure and an explicit, expected outcome .
An online development company	**A financial services company**
70% of learning is informal learning.	50% of learning is experiential workplace learning, including self-directed and informal learning.
20% of learning is coaching to support the formal side of learning.	30% of learning is formal learning.
10% of learning is formal instruction learning such as through classroom or virtual training and e-learning.	20% of learning is learning through peers/ management/networks.

USING THE 70:20:10 MODEL

The organisations in this study used a range of methods from informal conversations through to formal procedures to apply and embed the 70:20:10 model. There were also varying levels of alignment with performance and talent management processes, learning and development and business strategy. Support and integration of the 70:20:10 model within the organisations ranged from simply rhetoric to mandating its application.

Basic interventions included one company that encourages 70:20:10 to be used as a guide for development conversations when considering how development can occur on the job. The organisation does not apply 70:20:10 beyond this.

More complex applications include a firm using 70:20:10 as the 'guiding metaphor' for all development activities. This firm provides a practical integration method through its competency model which is presented using 70:20:10. The model links what successful individuals do (behavioural statements) with how they can attain success (informal or formal learning). This organisation suggests that 70:20:10 fits well with the traditional apprentice model of legal training where junior employees learn 'at the feet' of experienced lawyers. The 70% is already understood and well integrated in this environment, where masters share 'war stories' with less-experienced practitioners. An example of this is their rotation model in which graduates rotate through practice groups in their first years on the job, supported by mentoring from senior lawyers and targeted formal programs.

A large international company also provides an example of using 70:20:10 in its graduate training program. The formal component includes completing formal business modules, along with technical programs related to their specific discipline. This is supported by field managers assigned as mentors to assist graduates' ongoing development. A series of job rotations and work projects addresses the on-the-job component and acts as the capstone to draw all the experience and learning together.

One large multinational has used 70:20:10 to create a learning culture by reinforcing that learning can occur every day and not solely at formal training events. This approach has been supported by the HR professionals shifting focus to concentrate on business results and using learning as a means to achieve the required results, rather than the 'old school academic' approach where knowledge and learning were seen as the end result in itself. An example of this is the company's leadership development program in which participants work on real business-impact projects. The program has few measurable learning objectives but is designed to enable participants to experiment with 'theories in practice' through undertaking their everyday work.

A number of organisations have embedded 70:20:10 in their performance development, planning and assessment, and competency evaluation models. One large multinational, for example, uses 70:20:10 to create personal development plans and conduct half-yearly appraisals. For this organisation the 70:20:10 model helps plan performance development targets. By reviewing many possible learning activities, the organisation's 'training mentality' has been challenged and staff awareness that learning can take place outside formal courses has increased.

The L&D department of another large organisation has aligned 70:20:10 with its competency framework and has created an online system whereby employees self-assess against the competencies. Employees are then provided with a report of their competency gaps and a list of suggested activities to address the gaps aligned with 70:20:10.

One small organisation encourages 70:20:10 conversations by including 70:20:10 in performance management software including examples and suggested activities for each component. This aims to encourage conversations and consideration of activities in each of the 70:20:10 components.

Another company uses the 70:20:10 model as part of its training needs analysis process to help determine whether L&D is in fact the most appropriate action. It uses 70:20:10 to engage with line managers so that all agree on the intervention as well as the outcomes and responsibilities, and to link performance goals and organisational strategy.

Finally, one organisation admitted that the 70:20:10 model was espoused but not applied in any activities within its business.

BENEFITS AND CHALLENGES OF 70:20:10

Although the notion of informal learning is not new, most people interviewed agreed that the term 70:20:10 has enabled a greater awareness that significant development also happens outside of a formal learning event. Others mentioned that implementing 70:20:10 has increased staff engagement as they realise that development was happening 'all the time'.

Another benefit identified was the increased involvement of supervisors and managers in the development of their staff. Certainly, it seems that 70:20:10 has provided a common language throughout these organisations.

The challenges related to implementing a 70:20:10 approach to organisational learning were largely focused on gaining buy-in and measuring impact. Several people interviewed stated that facilitating the mind shift that L&D can take place outside the traditional classroom had been challenging. Some organisations advised that they have struggled to help managers understand their role in the development of their people, while more than one organisation experienced resistance from their own HR and L&D teams who found the shift from being solely formal-training focused to be too challenging.

The most common difficulty reported was in measuring the impact of informal learning and the requirement for ROI reporting. Some organisations have attempted this measurement, but it is clear that there is still much to do.

ADVICE FOR EFFECTIVE PRACTICE

The interviews conducted and our own experience of applying a 70:20:10 approach to L&D programs highlight some key considerations for effective practice.

Customise the approach and determine how 70:20:10 will be integrated. The 70:20:10 model is a guide, not a rigid approach. The best fit for each organisation will be determined by considering its objectives, resources and L&D maturity. Establishing the level of 70:20:10 integration into broader business processes will also help determine the best approach to both implementation and ongoing governance.

Integration may range from 70:20:10 being used exclusively in designing L&D activities, to full integration within business activities such as performance management and strategy.

A governance committee including senior leaders from departments other than L&D can champion the use of 70:20:10 and consider how it will be aligned with broader business systems.

And be prepared to revise and review as the model is implemented and used.

Clarify expectations and create shared understanding. To build understanding and commitment it is important to help people make a connection with 70:20:10. Clarify what the model is and how it will be used so everyone across the business understands their opportunities and their responsibilities.

- **Senior leaders**—champion the concept across the business and verify alignment with strategy. Senior leaders may be further encouraged to use a 70:20:10 approach when there is evidence of a strong governance structure in place.

- **Managers and broader employees**—understand what 70:20:10 means for them, how they are expected to engage with it, and the support that is available.

  If managers are to be held accountable for developing their staff, they need to understand what this will mean for them. Managers may also be expected to take a coaching or mentoring role, or identify and participate in on-the-job experiences. The challenge is to help managers see this as part of – not an addition to – their role.

  This may be achieved by educating both managers and their teams about the model through providing support mechanisms such as handouts and coaching, or setting targets such as a date by which managers complete 70:20:10 conversations with their staff.

  For both managers and their teams the intention is to consider the value of informal learning and to recognise that they can be developed in many ways in addition to formal courses.

- **Learning and Development**—provide the supporting mechanisms and encouragement.

  To create shared understanding and support for 70:20:10, L&D practitioners need to help demystify the model. This can include supporting managers to have 70:20:10 conversations with their teams through providing conversation guidelines, worksheets and examples of suggested activities for each of the components.

  Providing examples relevant to the organisation that demonstrate the options available is a useful support to help guide conversations. However, these lists ought to allow flexibility so that creative learning is possible.

  It is important to remember that implementation of the 70:20:10 model may be a fundamental shift in the role of L&D practitioners. As they move from providing predominantly formal training programs some practitioners may require their own support during the transition.

Keep communication simple. Communication to the business about 70:20:10 should be clear, concise and make sense. While educational language may appeal to L&D departments, it risks disengaging stakeholders, so keep language simple, without jargon.

Be prepared for resistance. Some people have a strong desire for traditional approaches to L&D and may be uncomfortable with informal or work-based learning, and some L&D professionals may find that it is outside their own comfort zone. Others may need help to understand and have confidence in the 70:20:10 model, while some may never be prepared to change their approach.

CONTRIBUTORS

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