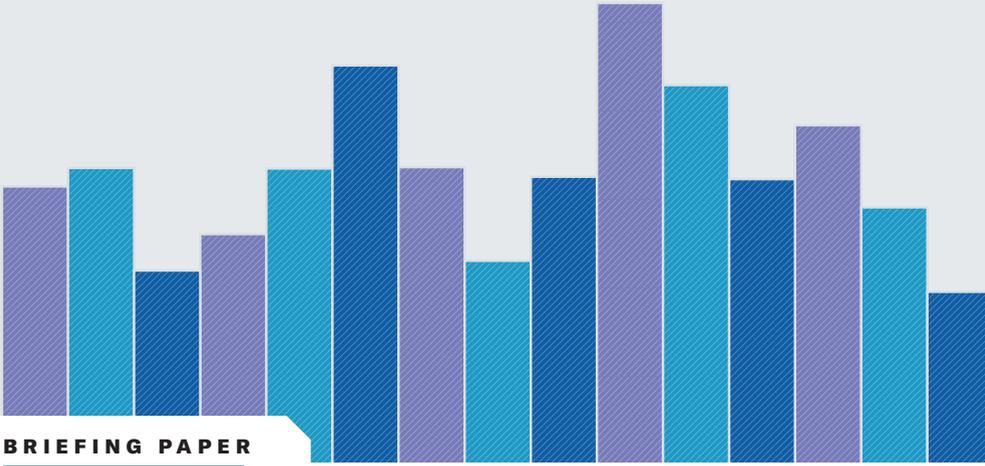




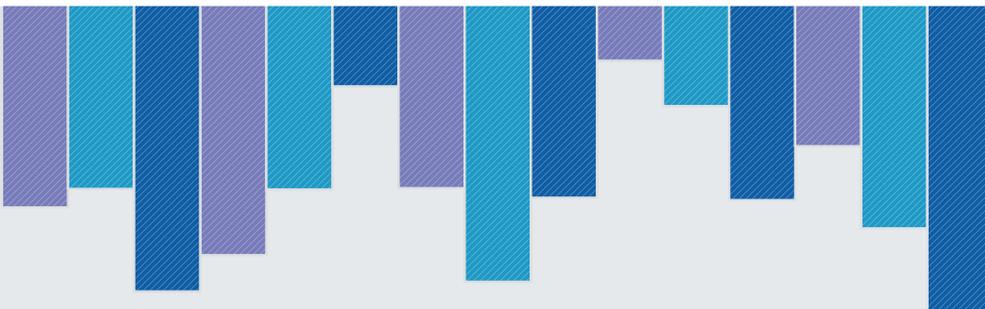
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BRIEFING PAPER

The Future of Work Is Immersive



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The Future of Work Is Immersive

The world of work is changing fast, bringing new challenges and unprecedented demands. Automation, digital transformation, the global pandemic, the gig economy, and changes in demographics, employees' expectations, and corporate mandates are just a few of the seismic shifts affecting what companies do and how they do it. To meet these challenges and stay competitive, organizations need to ensure they can respond in an agile way to whatever the future throws at them. Companies that do will be well positioned to thrive; those that don't will struggle to keep up. Strategically, there is now an imperative to invest in the future of work. The goal of properly training and equipping your workforce is nothing less than an existential one, especially as employee expectations rise and customer experience provides competitive advantage.

Yet for all the investments companies make in training people—U.S. firms spent \$83 billion on it in 2019, around \$1,300 per participant¹—there continues to be a gap between the skills people have and the skills they need. The financial effects can be enormous. In manufacturing, for example, the skills gap may leave as many as 2.4 million jobs unfilled between 2018 and 2028, with an economic impact of up to \$2.5 trillion.²

The skills gap isn't likely to shrink in the future, either, as employees across industries are required to take on new kinds of jobs or tasks. "Our research shows that 85% of employees believe that they need new skills to be effective at work," says Raffaella Camera, global head of innovation and market strategy for Accenture XR. "And 50% of business leaders identify skills shortages as a key workforce challenge."

HIGHLIGHTS

As the future of work continually changes, the **tools you use for preparing your workforce** can become your competitive advantage.

Immersive learning provides a way to **train workers faster, more engagingly, and more effectively** than traditional methods do.

The data and insights that immersive learning provides enable human resources leaders to **become stronger business partners** with their organizations.



Over 20 years of research has found that VR is great for building muscle memory, including for the business-essential tasks in frontline workers' jobs.

Whether it's hiring workers or upskilling them, forward-looking leaders can't delay investing in their workforces in new ways—ones that have proven to make an impact on employees' skill sets and performance. As HR executives meet the challenge of skills gaps and more strategically prepare for how work will change in the future, immersive learning is providing a faster, more engaging, and more effective method to train workers at scale.

Josh Bersin, a global industry analyst and dean of the Josh Bersin Academy, says many executives may not realize how advanced immersive learning has become and that it's ready for prime time. "A lot of people are very risk-averse in the way they do HR," he explains. "They won't see the ROI of immersive learning until somebody else does it, at which point they have likely fallen behind."

The Strategic Value of Real-world Simulation

Immersive learning, which is founded in virtual reality (VR), has benefited from hardware improvements, cloud-based content delivery, data science, and spatial design. It has become the "killer app" of VR, and many Fortune 500 companies now view it as a key part of their training programs. "Making sure we stay on top of the latest developments in training technologies is essential to our people-service-profit philosophy," says Jeff Welch, managing director of FedEx Ground University.

VR simulates real-world situations, and the science behind it shows exactly why it's so effective. Over 20 years of research has found that the technology is great for building muscle memory, including for the business-essential tasks in frontline workers' jobs. When someone performs an action in VR, it activates the same parts of their brain as does performing the action in the real world.

Immersive learning re-creates in VR the day-to-day challenges workers encounter on the job, letting them practice what to do and say in a safe, realistic simulation. Where traditional methods might have had workers talk about a complicated scenario in a classroom or even role-play it with one another, VR trainings help them build their skills while seeing, hearing, and feeling exactly what they would in the moment. "Training frontline employees in a virtual environment enables us to simulate day-to-day workplace challenges more efficiently," says Welch.

The hands-on training leads to faster, deeper learning, so employees spend less time away from the floor and get to serving customers sooner. "The challenge is, how do we provide skills to our associates so they're ready to go and do their jobs as quickly as possible?" says Heather Durtschi, senior director of learning content design and development at Walmart.

Workers also feel prepared and confident, which makes them more likely to stay in their roles, cutting down on costly attrition. In fact, increased customer satisfaction, stronger employee engagement, and safer workplaces all are proven results of such training.

A Source of Competitive Advantage

As executives prepare for the future of work, and especially as the pandemic has forced them to revisit key aspects of their business, they are already rethinking the traditional methods of learning. These passive methods—from seminars to videos, from role-playing to all-day group training sessions—tend to be slow, don't scale well, pull workers away from their jobs for hours or days, don't always have a clear ROI or metrics for success, and often require travel.

Passive training methods also don't always lead to knowledge retention, which means their effectiveness is limited. "You really never learn anything until you do it," says Bersin. "You can go to a class, you can take a test, but as soon as you walk out of the classroom, you lose about three-quarters of the information in the next few hours."

But the problem here goes far beyond knowledge retention. What should make executives especially nervous is the bigger-picture issue: They can pour their budgets into certain training methods, but until employees hit the floor, it won't be clear whether those methods worked. In other words, it won't be clear whether the training investment paid off.

Immersive learning addresses this problem with the data that the experience generates. The VR platform can track where employees look, what they notice (or don't), and what they spend too much (or too little) time on. When training for soft skills, the data can include metrics such as verbal analytics about what learners said and how it affected the scenario's outcome. Walmart, for example, compares "what they knew prior and post-training," says the company's Durtschi. "What did it look like as far as their listening skills? What did they observe when they went through the module?"

How did they react when it comes to decision making or problem solving?” With this data, trainings can provide actionable insights for planning and adapting workforce skills to meet business needs.



Immersive Training at Scale

Companies in a variety of industries—from retail to shipping and beyond—are using immersive learning to create more-effective training experiences for their employees.

Walmart initially added immersive learning to its 200 academies, which train associates in customer service skills. During the pilot, associates who used VR training reported 30% higher satisfaction, scored higher on tests 70% of the time, and had 10% to 15% higher knowledge retention. Walmart has since rolled out more than 17,000 VR headsets to all of its stores across the U.S., so more than one million associates can learn job-essential skills right where they are. “Immersive learning is what’s going to help provide those necessary skills to individuals unlike any other type of learning, and do it quickly, engagingly, and in a way that they will remember,” says Durtschi.

The company has also created a VR experience to show workers how to set up its stores’ pickup towers—essentially, vending machines for customers to retrieve their online orders. The setup is a relatively complicated process that must be done a certain way. Previously, the training had been conducted by a human coach, who had to travel from store to store, and consisted of an all-day session. With the VR experience, travel is not required and the training time has been cut to just 15 minutes—a 96% reduction.

Notably, Walmart has found that immersive learning trains associates just as well as a coach would. When reviewing the work of employees who used the VR experience, “the e-commerce coach said they clearly were knowledgeable in everything the coach would have taught them, and retained it,” says Durtschi. “So then you start thinking about the savings ... and when new associates come into this position, it’s now a training that we can provide on an ongoing basis.”

For Verizon, immersive learning is offering a way to re-create interactions with tier-one business customers, which can be hard to do with traditional learning methods. The company created a VR experience, for example, to help call center employees build de-escalation and empathy skills, with the goal of transforming the customer experience during sensitive, business-critical conversations. “You can’t replicate empathy in a way that would be effective [in a classroom],” says Lou Tedrick, vice president of global learning and development at Verizon. While workers might know how to react when they leave role-play trainings, she adds, they don’t have the practice needed to turn the knowledge into instinct.

Immersive learning, with its learn-by-doing methodology, helps employees build those instincts. The VR experience

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helps call center employees understand a customer’s point of view by virtually putting them on the other end of the phone. The experience “humanizes interactions and allows us to understand the customer exactly in the circumstances they are in,” says Tedrick.

When piloting the experience, Verizon compared the results of employees who were trained with VR and those who weren’t, looking at key performance indicators, including net promoter score, customer satisfaction rates, and call resolution. “Overall,” says Tedrick, “the folks who were trained using the VR experience ... outperformed their counterparts.” Following the success of the VR pilot, Verizon decided to roll out the training to all of its call centers. “We’re modifying the scenarios to the times and the situations that employees deal with, but we’re using it with every call center organization,” says Tedrick.

FedEx Ground, meanwhile, has chosen to meet the skills gap head-on, given the rising demand for frontline employees as the consumer economy more fully embraces e-commerce, which uses far more small-package transportation than ever before. Training employees efficiently and effectively is paramount, as is giving new hires a sense of what the job entails. The company uses VR to teach package handlers to safely load a truck with the maximum number of packages, an essential task that’s difficult to simulate in a classroom.

Crucially, workers can go through the experience as many times as needed. “If we have a trainee who isn’t successful in the first run-through, he or she can go back and repeat the training experience. In more recent training, we have also built in coaching inside the experiences themselves to help out in the moment,” says FedEx Ground’s Welch. And because the platform lets employees go through the same experiences no matter their location, the training experience is standardized at scale—without the need for a human



Situations that are “rare, impossible [to train for otherwise], dangerous, or expensive” benefit most from an immersive learning approach, says Lou Tedrick, vice president of global learning and development at Verizon.

instructor. Welch says FedEx Ground so far has initially seen “improvements in safety, performance, and retention of our frontline employees” when using immersive learning. “With the adaptability of the virtual environment, a company could simulate changing scenarios,” he adds, “with the aim of enabling talent development to shift and change to meet competitive demands in the workplace.”

From Innovation to Proven Process

Immersive learning is a strategic tool for the organization, so executives must carefully consider the specific business objectives they want to achieve with it. “This is a fundamental change in learning,” says AccentureXR’s Camera, “so don’t do it just for the sake of doing it. Understand clearly, what is the need? What are you trying to train for? And how can you think about building it to scale?” Answering these kinds of questions will enable thoughtful and targeted investment, as well as more detail about expected ROI.

To create internal alignment, Welch recommends doing plenty of legwork early on. “Prepare your business plan,” he advises, “and that business plan should include a change management plan, a communications plan, and a deployment plan.” Emphasize the ROI of immersive learning, and connect it to the business objectives you’ve identified. “Communicating the performance benefits while you’re in those early phases is really critical,” Welch adds.

When considering which jobs or tasks immersive learning should be applied to, adopters point to a few obvious candidates. Tedrick says situations that are “rare, impossible [to train for otherwise], dangerous, or expensive” benefit most from an immersive learning approach.

Durtschi agrees: “The more complex, ambiguous, or stressful the role, the more impact immersive learning can have.” Camera adds that VR is useful for “complex processes that have multiple steps, especially if those steps require referring back to manuals.”

Companies may also want to consider drawing on an outside firm’s expertise, Camera says. “When you create these type of experiences, particularly if it’s the first time that

your organization has done them, get a really good partner to work with you,” she notes. “Because if it’s not right the first time, you turn people off really quickly.”

Next, evaluate how immersive learning can integrate with your existing training infrastructure. For the best results, combine VR experiences with other types of learning experiences, getting the best of both worlds. VR isn’t “the end-all, be-all solution for training,” Durtschi says. The optimal method “really is a blended approach with all different types of modalities.”

Indeed, at Verizon, “we always couple our VR use with some other form of instruction, versus just being stand-alone,” Tedrick says. “That’s worked for us because it helps us contextualize the knowledge and skills that you are applying to situations.”

And while immersive learning, like any platform, requires initial investment—buying the headsets, developing the content—Bersin says the costs will be comparable to those of traditional instructor-led training yet will yield far greater results. He suggests that organizations make a plan and dive in. “Companies that haven’t experimented with it should take it seriously, do a pilot, find a high-return program, and allocate some capital,” he adds.

Just as important, Welch says, is for the organization to commit to seeing the VR initiative through. “You have to be in it for the marathon,” he asserts. “We’re not here for the sprint.”

Conclusion

Immersive learning has become invaluable for businesses that are thinking strategically about the future of work. What began as a more efficient, memorable, and engaging training method has now become a transformative, scalable business platform. Immersive learning is not only improving the employee experience but also generating insights and business value at scale. As companies deploy this proven method, they are investing long term in their people, amplifying the impact of their current training efforts—and doing both as crises accelerate the need for new skills in the workforce.

Endnotes

- 1 *Training* magazine, “2019 Training Industry Report,” November/December 2019, https://trainingmag.com/sites/default/files/2019_industry_report.pdf.
- 2 Deloitte, “2018 skills gap in manufacturing study,” 2018, <https://www2.deloitte.com/us/en/pages/manufacturing/articles/future-of-manufacturing-skills-gap-study.html>.



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