

A Look at the Industry in 2010

BY CUSHING ANDERSON

According to survey data, chief learning officers display guarded optimism for 2010.

Every other month, IDC surveys *Chief Learning Officer* magazine's Business Intelligence Board (BIB) on a variety of topics to gauge the issues, opportunities and attitudes that are important to senior training executives. This month we look at the CLO outlook toward the coming year.

Training executives are increasingly optimistic about the outlook for employee development in 2010, with 60 percent of companies feeling more optimistic about 2010 compared with 2009. Last year at this time, companies were experiencing a significant financial meltdown and the U.S. Congress was considering implementing a series of stimulus plans. Companies and their training executives seem to have passed through the difficult period and are more optimistic. For example, only about 11 percent of training executives are less optimistic about next year, compared with 25 percent who were less optimistic last year.

BELTS STILL TIGHT

Fewer than 35 percent of training executives expect budget increases in 2010.

The reasons for optimism are not surprising. CLOs report feeling that the economy may have turned a corner but that business conditions will never be the same even if the economy picks up. Nevertheless, training organizations and the wider enterprise report having a better understanding of what training topics have an impact on the bottom line and sharpen their focus. They also report they have learned less fat equals greater added value for the learning function, positioning training organizations to increase their relevance to organizational success. And, consistently, training organizations found themselves in a better position because their learning and development departments are now more aligned to their companies' overall direction and they now have targeted goals directly related to and in support of busi-

ness strategy.

Companies continue to believe the economic crisis will impact the availability of capital for training investments and that cuts to budget and time to attend training will cause many to have to do more with less. Regardless of signs that the economy is recovering, many believe that training and development tends to lag behind the economic growth curve. But even those learning leaders who were less optimistic had something positive to say, reporting that while the amount of training done is likely to be less, they anticipate being more creative and learner-centric.

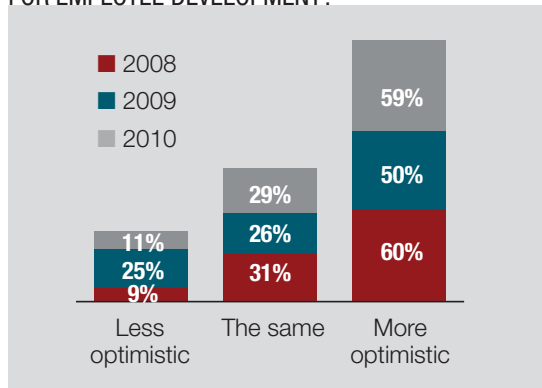
Nevertheless, companies are expecting positive developments in the role the training function plays within their companies. Ninety percent of companies expect that training will be more aligned with company business objectives in 2010, and 75 percent believe that the perception of training within their company will be higher. Finally, 74 percent report that the quality of their training offerings will improve in the next year. All reasons to be optimistic about 2010.

Increased Training Impact Expected

CLOs' ranking of activities' impact in 2010 shows movement and shifts in rankings, though leadership training and competencies remain among the top. Instructor-led training — including both classroom and virtual classroom instruction — has moved up and is the most impactful training activity. Informal learning remains near the top, and self-paced e-learning has moved up. Three items new to the top 10 are mentoring, live e-learning and performance dashboards.

When asked what they consider the most important activity their organizations tackle, CLOs listed leadership training; informal learning; self-paced e-learning; live e-learning; and instructor-led training. CLOs also continue

FIGURE 1: WHAT IS YOUR OUTLOOK FOR EMPLOYEE DEVELOPMENT?



to value learning management systems (LMSs).

Key activities of significant impact continue to be:

- Leadership training.** Leadership training continues to be a hot-button issue as companies work to support corporate succession initiatives. CLOs report that effective behaviors for strategy and execution at the top will drive the evolution of high-performance culture down and throughout the organization. Upgrading key leaders in an organization has become more important in light of talent shortages and an aging workforce. Companies need a pool of employees from which to select leaders, and leadership training is also one way to retain valuable employees. CLOs feel leadership training has significant impact for the preparation of the next generation of leaders. Many companies report that this is a new initiative: If they don't have a formal strategy today, they're likely launching a leadership development university, building an assistant manager program or launching an initiative on leadership with all managers.
- Informal learning.** Informal learning has also become a key activity, and not only because of foreseeable economic hardships and formal training budget cuts. Many companies see informal training as the model to aspire to as training becomes integrated into everyday interactions and work culture. Companies see that most learning occurs outside of formal settings and that action learning and collaboration are vital areas of a learning organization. And even though cost-cutting measures have restricted other types of training, observing and active listening make it possible to learn more practical information. This often leads to more self-directed learning with road maps to completion and individuals taking responsibility for their own learning. Ulti-

FIGURE 2: TRAINING IMPROVEMENTS IN 2010



mately, CLOs report, it imparts more growth and makes learning more sustainable.

- Self-paced e-learning.** Even though self-paced, asynchronous e-learning has been available for many years, it has not been widely leveraged for non-technology topics. But with recent staffing shortages and travel restrictions, CLOs report self-paced e-learning is gaining acceptance. New programs are leveraging self-paced e-learning extensively. In some cases, this is the first time self-paced e-learning makes up at least half of the organization's total training package. And as organizations adopt flexible work rules and work-from-home programs, this type of training allows those who work from home the ability to have access to these valuable learning opportunities.
- Live e-learning.** As with self-paced e-learning, economic conditions are causing CLOs to consider alternative delivery methods that retain the essential characteristics of more traditional learning experiences, but at the same time reduce the need for travel or increase the availability of classes to non-local learners. They're finding live online instructor-led training, which combines the benefits of the Web with the interactivity of the classroom, a great substitute. CLOs also see additional benefits where learning can be recorded, stored and utilized in addition to live learning.
- Instructor-led training.** Instructor-led training is still valued for high interaction and early validation of learning transfer, capabilities and plans to apply knowledge. Some CLOs even believe it's the only training that has any impact at all, and therefore organizations do not want to change the way training has been delivered in the past. Instructor-led training also has unique value in that that it supports building relationships that are an inherent part of workplace culture.

- **LMSs.** LMSs and knowledge management continue to remain important to CLOs, with LMSs leading the way as potentially the single most important learning technology investment for companies. They are seen by CLOs as the infrastructure that drives learning, making training administration more efficient and reaching more people through e-learning and reusable, standard content. Companies also seem satisfied with their current LMS; less than a quarter reported plans to change their LMS in 2010.

Experiential Learning Requires More Attention

CLOs think informal learning deserves more attention in 2010, as they did in 2009. Simulations and mentoring were also issues that deserve increased attention by the learning industry. Informal and mentoring-based instruction and simulations are all highly experiential — relying on real or simulated work situations to be the catalyst for valuable learning experiences. Some of this is based on the business climate.

Either way, organizations have continued interest in evidence and proof that what they are doing is working, and this implies an increased focus on measurement. CLOs feel training has to directly contribute to mission accomplishment or the company's bottom line in order to demonstrate their worth.

At the same time, the learning industry, magazines, analysts and conferences must take a step back relating to some issues. Many CLOs believe podcasting is oversold because few people are auditory learners and it's no different than cassettes or CDs from the past 15 years. At the same time, CLOs feel that wikis and blogs, for instance, may have less value than attributed in the press because the answers and information they contain are usually not precise enough for people to garner the exact answer to their problem.

Learning groups are seeking ways to become more relevant to their constituents, and they see corporate universities, for instance, as part of an archaic model that drives inefficiency, primarily because corporate universities are too linear and formal learning-focused, CLOs report. For learning groups, they say, the emphasis needs to be on providing organizational learning in a variety of venues customized to the nature of the organization and its employees. However, CLOs feel that if corporate universities could be reconfigured in a virtual state, there might be more interest there.

Predictions for 2010: Back to the Basics

Much about this upcoming year is uncertain, and many CLOs see 2010 as another challenging year. Challenges from hiring to retirements and job changers will increase the importance of the training function. But less than 35 percent expect budget increases, and more than two-thirds of CLOs expect their organizations to do more training.

Overall, companies believe the outlook for the learning function is similar to that of industries overall — it will be difficult, but there will be positive developments in the way organizations leverage and align learning, use tools and refocus on providing value to the organization. **CLO**

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Scene 2: RESTORE

RESTORE (Rebuilding Satyam Together with Renewed Energy) focused on rebuilding the morale of teams by giving employees an opportunity to meet in their workgroups to voice their fears and explore new paths together. More than 250 half-day workshops were held virtually and in person around the world. Participants stepped into three roles during the workshops:

1. **Employees:** Participants made their fears known by writing them on sticky notes, virtually or in person. Small teams organized them into themes and reported out to the larger group.
2. **Consultants:** Participants took off their employee hat to don the hat of consultant. We asked them how we should go about rebuilding.
3. **CEO:** Knowing we would soon have a new CEO, we asked participants to identify their top priorities if they were CEO. This advice was consolidated and presented to our new chief executive.

Scene 3: Coachable Moments

"Coaching Conversations" launched as a regular Web television series. Utilizing our base of more than 40 qualified internal coaches, we proactively reached out to leaders, matching coaches to assist them. In collaboration with human resources, we launched an associate coaching and counseling referral services program.

Act Four: What Next?

Scene 1: Sensitive Rightsizing

The brutal reality remained that we had to shed excess head count. By any modest assessment, it was a blood bath. The battle left nearly 10,000 employees without roles. Rather than immediately being laid off, they were placed in a virtual pool. Depending on level, they were provided four to six months with partial pay and benefits. During this time, they did not come to the office, and any openings that came up were filled from the pool first.

Scene 2: Partner in Change

In April 2009, after months of uncertainty, Satyam was purchased by Tech Mahindra, part of the \$7 billion Mahindra Group. Our learning strategy expanded to helping the new owners understand the state of leadership and the value available from learning and development services.

Scene 3: Catalyst for Rebuilding the Brand

In the wake of all this devastation and reconstruction, we received numerous timely global recognitions for our learning programs. This included an award and six citations from ASTD and a ranking in the top 10 in the Training Top 125. The brand plan for showcasing learning as a strategic differentiator for the newly christened Mahindra Satyam was paying dividends even as the stock struggled to reach the \$5 mark. **CLO**

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