

CGS 2016 ENTERPRISE LEARNING ANNUAL REPORT



CORPORATE LEARNING PREDICTIONS, TRENDS & OBSERVATIONS

40+ insights from business leaders who make corporate learning work.





Technology, competition, global economic and social change and industry diversification all have an impact on what corporate learning looks like today and what it will look like in the future.

Based on our survey of nearly 200 departmental business leaders and learning and development professionals tasked with driving learning initiatives for their companies, we can reveal:

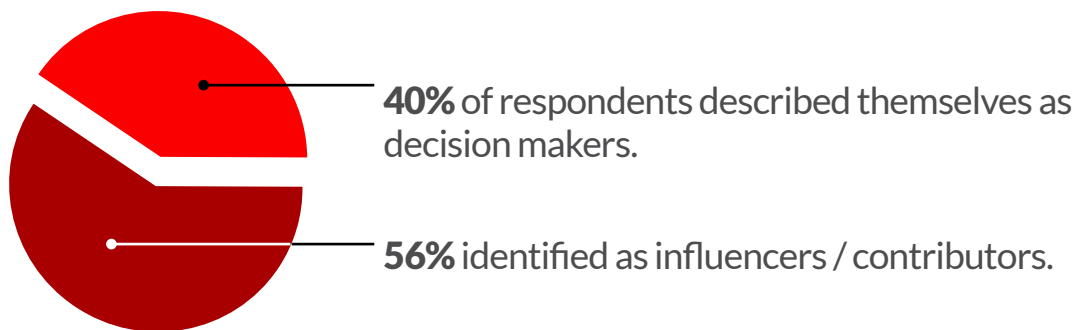
- Where businesses are **spending** their resources in 2016
- How that spend aligns with their **business goals**
- What **challenges** are keeping them up at night
- Which learning **channels** will actually be used to achieve their organizational performance goals
- How all of these elements will be affected by the **undercurrent of uncertainty** that's continuing to cast a shadow over large segments of today's economy

Now that we've set expectations for what this learning trends report will cover, let's take a look at the how the survey was set up in terms of the participants and the companies they represent.

Read on...

SURVEY LOGISTICS

196 responses from senior professionals responsible for implementing and/or contributing to corporate learning initiatives, including Learning and Development, HR, Organizational Effectiveness, Operations, IT, Global Communications, Sales and more.



The organizations involved were well-distributed, representing an almost equal split between mid-market companies with at least 2,500 employees and those with 10,000 to 80,000+ employees.

Participants' L&D programs are both in-house and outsourced, **illustrating the diverse set of corporate needs, expectations and cultures** at work when it comes to allocating L&D resources.

Despite the differences among survey participants, the top three responses to the query: "Please rank the areas that you anticipate committing the most resources to in 2016 based on business priorities" were all related to **maintaining, bolstering or transforming the business culture**.



“Culture touches and influences every function in an organization, from research and development to manufacturing to sales.

Get it RIGHT, and culture can transform your company’s performance and help sustain success for years to come.

Get it WRONG, and you’ll pay dearly for it...for years to come.”

———— Ian Read, CEO of Pfizer ————



“Culture eats strategy
for breakfast.”

Peter Drucker, Formative architect of
modern business and management

CGS’s annual survey finds that company culture is one of the top three areas worth committing the most resources to in 2016.

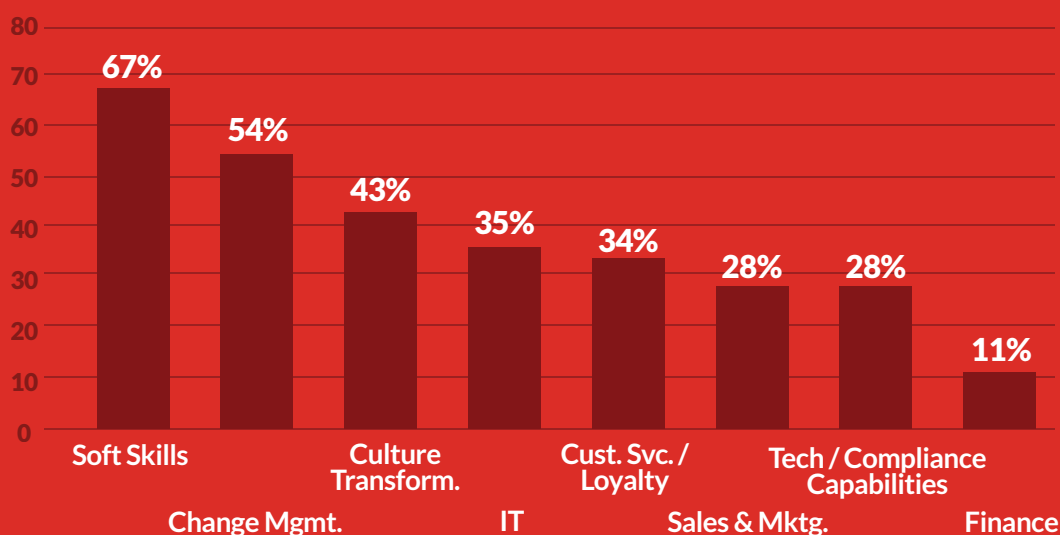
Cultural transformation efforts are driven by soft skills development (for leadership, coaching and onboarding) and change management. Learning and Development (L&D) decision makers and influencers also indicated that their organizations would seek to put metrics in place to measure the impact of their development programs.

This understanding of the value of continuous development is why so many forward-looking businesses invest in learning programs. A learning culture positions a business for success; several studies have indicated that **getting culture right can lead to 4x revenue growth¹, and that employees with developed skills are 58% more likely to meet future demands.²**

SOFT SKILLS MATTER

When we asked participants to rank the areas that they anticipate committing the most resources to in 2016, based on business priorities, 67% of respondents ranked “instilling soft skills—through coaching and leadership training” as the highest.

Based on your business priorities, rank areas where you intend to commit the most resources to in 2016



One way that companies are achieving higher level skills development is through re-imagined onboarding and coaching programs that leverage technology and subject matter experts. From videos to chat rooms, finding the right approach to help employees learn more effectively and bridge skills gaps can deliver HUGE results for businesses.

Unfortunately, many organizations are still failing to implement strong and consistent programs that tap into the existing pool of expert resources and knowledge.

Providing value during the onboarding process can dramatically affect employee commitment, contribution and retention, and ultimately drive the successful transfer of proficiency back into the company’s knowledge pool.

SPENDING TRENDS

Q: How will your investments change in 2016?



INCREASE SPENDING

- Leadership and coaching **+47%**
- Rolling out new technologies **+43%**
- Analytics/Measure business impact **+33%**



MAINTAIN SPENDING

- Transforming culture
- Ensuring new processes and products are adopted



DECREASE SPENDING

- Building Internal Communities **down by 12%**

THE IMPORTANCE OF ONBOARDING

According to Aberdeen Group,

90% of employees

decide whether to stay at a company

within the first six months

of employment and as much as

20% of employee turnover

happens within the first 45 days

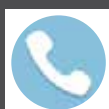
of employment.



PLANNING FOR CHANGE

Our survey shows that when company leadership puts the focus on change management or cultural transformation (the number two and three responses to the question: **‘Based on your business priorities, please rank areas where you intend to commit the most resources to in 2016?’**), learning and development teams can provide essential leadership in establishing the processes that will drive these changes into the business culture. Below are examples of how this works in practice:

REAL-LIFE EXAMPLES



Large telecomm transforms onboarding process for call center employees to a fully digital, self-paced virtual learning experience with personal coaches.

Beyond simply reducing onboarding costs, **building digital metrics and analytics** from the start provided essential insight for adapting the learning experience and, more valuably, identified high-performance characteristics to look for in future job candidates.



Fortune 500 company hosts global virtual sales conference to help its sales force and partners learn how to sell technologies from several new acquisitions.

Incorporating a leading-edge learning solution, complete with virtual pedestals, downloadable content, virtual labs configured with “real world” software scenarios, webinars, eLearning and coaching were improved learning outcomes and social networking among participants. **By leveraging rich media videos, messaging and an outreach campaign**, the client reached its goals of building global awareness and increasing sales.

WHAT GETS MEASURED GETS DONE

To confirm that learning programs are actually adding value, 91% of survey participants indicated that they will either increase or continue the same level of investment in tracking and measuring business impact using analytics as part of their 2016 spend.

Why? Respondents feel that analytics systems and processes will:

- **Measure** how well specific learning programs are being implemented
- **Identify** how effective L&D departments are at changing behaviors
- **Evaluate** how well learning programs enhance company performance
- **Test** the viability of specific goals

The survey results emphasize that culture is becoming a lens through which many business leaders look at their learning programs. To further the process, executives should be included in discussions around how they can become involved to further help their teams.

91% of survey participants said they will either increase or continue the same level of investment in tracking & measuring business impact using analytics as part of their 2016 spend.

NOT ALL FINDINGS ARE SO ENCOURAGING

There are still major challenges. We analyzed the open-ended responses in the survey to more accurately assess the biggest challenges learning professionals face within their companies. The top four challenges in 2016 are:

1. Obtaining the necessary resources in terms of budget, time and people (**mentioned in 77%** of open-ended responses)
2. Establishing training best practices (**mentioned in 56%** of open-ended responses)
3. Balancing differing business needs (**mentioned in 33%** of open-ended responses)
4. Securing buy-in from employees, managers and executive leadership (**mentioned in 33%** of open-ended responses)

Typical responses included: “Getting people to attend due to workload,” “Capacity of staff,” “Funds to support the development of needed programs,” “Ensuring executive support for these programs,” “Conflicting priorities,” “Employees’ commitment to the program,” and “Buy-in from key stakeholders.”

A quote from one respondent sums up the ideal state:

“We all have time for what’s important to us, so it’s about making what you’re providing important to your associates, to your leaders. And to prove the importance of L&D programs, we all need to put greater focus on outcomes. If you have good outcomes, you show that the knowledge employees are gaining by being in your programs are changing their behaviors and increasing their value to the company. Then you’ll continue to get investments and break down barriers to education and learning.”

–L&D Director, Major Insurance Company

BEST PRACTICES

Being that 56% of those responding are experiencing major challenges in establishing best practice for achieving a specific learning goal, we thought it was worth digging into this issue a little deeper.

There's plenty of advice out there, yet verbatim responses show that companies have very real struggles with:

“How to deploy training on a global scale”

“Finding the best times in the calendar year to implement training”

“Applying training to different categories of employee, e.g., associates, management, etc.”

“Balancing in-person training with virtual to meet needs and budgets”

“How to integrate training with ongoing business processes”

“Ensure learning and development meets the complex changing business environment.”

Since each corporate situation is different, in many cases the best practice for an individual company may vary. There are, however, best practices that can be applied across a broad spectrum of corporate operations.

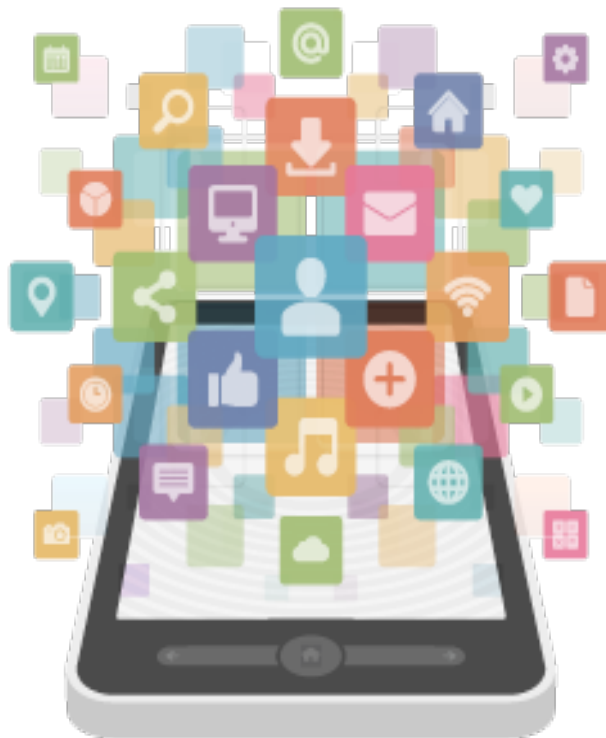
For instance, the universal accessibility of web resources makes implementing global training simpler, more consistent and replicable. The resources are always available, so putting the practices into operation becomes a scheduling challenge rather than a question of expertise.

ALIGNING WITH ALL AREAS OF THE BUSINESS

It's always beneficial to align training materials with what's going on in the business, whether the focus is on customers, innovation, goal-setting or coaching.

To help employees resolve these common issues, some L&D departments dedicate short videos, articles, interactive presentations, or even a series of emails with tips and tricks to address each one. These resources are accessible to employees 24/7 and they're sharable, meaning effective solutions in one department can be leveraged in another department.

Of course, if your business isn't sure what the best practice for your learning goal is, getting an objective second opinion from an outside expert may be valuable. **61% of respondents already have or are actively seeking help from outside learning partners.**



SILENT SILOS

We dedicated one-third of the survey to better understanding how L&D departments go about collaborating and communicating with other areas of the business. Revisiting the four major challenges stated above, they all seem like they could benefit from brainstorm sessions with business stakeholders. We were surprised to find that our respondents are not so sociable.

Q: “Which stakeholder roles are actively involved in the discussions and decision processes around learning programs.”

Regardless of the size of the organization, there were similarities:

LARGE ORGANIZATIONS:
5 Key Business Stakeholders
excluding Learning, HR:

SMALL ORGANIZATIONS:
5 Key Business Stakeholders
Excluding Learning, HR:

41%	.....CEO	38%
35%	.....IT Leadership	27%
35%	..... Innovation/Strategy	23%
32%	.....Product	13%
41%	.....Customer Experience	16%

But also a few surprises....

The Customer Experience Lead
is involved in
41% of large organization's
learning decisions,
but only **16%** of programs
in smaller organizations.

Less than 18% of Sales and
technical business leaders*
are involved in the surveyed
audience's learning programs.

*Engineering, technology

EXPAND YOUR INFLUENCE

Alignment with the business is one of the most talked about goals in the L&D community.

But **only 40% of survey respondents meet with business leads more often than 4 times per year** to collaborate across departments.



EXECUTION: DOWN TO THE NITTY GRITTY

So far the survey readout has provided insight around trends, issues and challenges, but it hasn't addressed how your peers plan to roll up their sleeves and get things done.

Here are the Top 4 reported strategies and tactics that will be used to drive results in 2016:

88%
eLearning

TIP: Did you know that 42% of companies can now attribute online learning to an increase in revenue 3?

88%
Instructor-led Training

TIP: In a recent two-year study of 1,700 companies, Bloomberg found a clear connection between live, in-person, instructor-led training and the most successful sales organizations, with similar results found in other studies across customer service, compliance and more technical subject areas.

73%
Video

TIP: Did you know that Gartner, Inc. projects that by the end of 2016, large companies will stream more than 16 hours of video per worker, per month (which is up from 10.8 hours in 2012 and 7.2 hours in 2010). That works out to 45 minutes every day for each employee.

64%
Mobile Learning

TIP: Survey participants also communicated that use of mobile is growing - a statistic supported by Gartner. Already 10% of business video viewership takes place on mobile devices—and that figure is expected to rise to 25% or more in the near future.

This wide array of training methods represents an evolving, more-inclusive approach to learning, one that can help pave the way for future growth.

FAST. ENGAGING. SOCIAL

As survey respondents look forward, they are ensuring that format meets function. Workplace Learning that is both timely and easily digestible is increasingly important.

A recent Bersin by Deloitte study indicated that today's workers can devote only 1% of their workweek to professional development and learning. Assuming a 40-hour work week, that leaves just 4.8 minutes a day to focus on Learning.

To address the time crunches, sharing knowledge and skills digitally is a transformative trend that businesses will want to capitalize on.



While consumption is on the rise, viewers are unlikely to spend a lot of time watching video. Research suggests that short videos are the most effective; somewhere in the 45 second to 120 second range.⁶



Learning will be more social than ever as employees share what they know with their networks and expect to be able to seek out knowledge from the company ecosystem.



Mobile is not new, but the trend continues to grow. Today, 90% of American adults own a cell phone.⁷ And, according to Google, most people check their phones around 150 times a day and spend 177 minutes on their phone per day.⁸ This has changed employees' expectations for information availability.



Micro-Learning is becoming more and more attractive because it aligns with modern decreases in attention span and the increasing tendency to multi-task. Focusing on one single Learning objective with shorter bite-sized videos, games, podcasts, micro-courses or posts can deliver information anytime, anywhere.

AN EYE TOWARD THE FUTURE----- PREPAREDNESS

Q: Do you have a proactive plan in place for handling a major event that could affect your employees or internal knowledge set in 2016?”

(acquisitions, mergers, tech changes, market shifts)

A: 60% of respondents appear to have **NO solid plan in place** to handle business shifts that affect employees.

ALIGNMENT WITH BUSINESS GOALS



“CLOs get in trouble when they work in a vacuum and only focus on training....

if you know what’s going on in the rest of the business, you can come up with the solutions to help it succeed.”⁴

———— Holbrook Hankinson, CLO, Delta Global Services, ————
a subsidiary of Delta Air Lines Inc.

This quote sums up survey participants’ strategy for 2016. Although respondents are uncertain about how to address the needs of their companies in a changing economy, it’s clear they are developing real, tangible strategies for success by seeking measurable results, working on getting the ear of company leadership, prioritizing resources, and keeping the focus of learning where it belongs.

When L&D aligns their strategies with the business’s strategy, executives and senior leadership see the direct connection between learning and the business’s goals. In fact, new studies show that in organizations where L&D aligns their KPIs with senior management, they are **13x more likely** to report increased revenue.³

In order to get there, successful learning departments need to become less reactive to requests for training and more proactive about where training and cultural development is needed most. **CGS hopes that our annual report helps to serve as a guide in addressing these issues.**

CGS ENTERPRISE LEARNING

CGS Enterprise Learning supports over 900,000 learners globally; retains 95% of our customers; and has been awarded a top spot on Training Industry's Watch List for our unique approach to IT, custom development and leadership development solutions for 8 consecutive years.



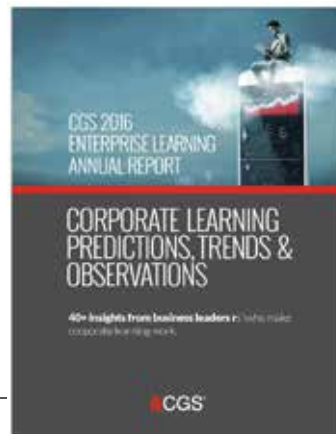
CGS Enterprise Learning works with the world's most admired companies to build and scale powerful workforces.



As the learning provider of choice for many of the world's most admired companies, we know that there's not a one-size-fits-all approach to crafting a successful learning and development strategy.

CGS offers programs that are robust, agile, multi-touch, multi-approach and integrated across platforms, technologies and learning styles so that your employees get the most out of your performance initiatives. CGS leverages over 30 years of experience to guide you through the process of driving change initiatives, business strategies and employee engagement to achieve specific outcomes.

SOURCES



- 1 11-year Research Study by John Kotter and James Heskett comparing the performance of 12 companies that had an adaptive culture with 20 companies that did not.
- 2 Bersin and Associates, 2010 Study of high-impact learning cultures
- 3 The 2012-2017 Worldwide Mobile Learning Market, Ambient Insight
- 4 Speak Your CEO's Language, Sarah Fister Gale, January 27, 2016
- 5 The top learning trends for 2016 and beyond, Kathryn Moody, October 29, 2015.
- 6 "The optimal length for video marketing content? As short as possible," The Next Web, [Online]. Available: <http://thenextweb.com/socialmedia/2014/05/02/optimal-length-video-marketing-content-short-possible/>
- 7 "Mobile Technology Fact Sheet," PewResearch Center, [Online]. Available: <http://www.pewinternet.org/fact-sheets/mobile-technology-fact-sheet/>.
- 8 M. Lawson, "Win Every Micro-Moment with a Better Mobile Strategy," Google, [Online]. Available: <https://www.thinkwithgoogle.com/articles/win-every-micromoment-with-better-mobile-strategy.html>.