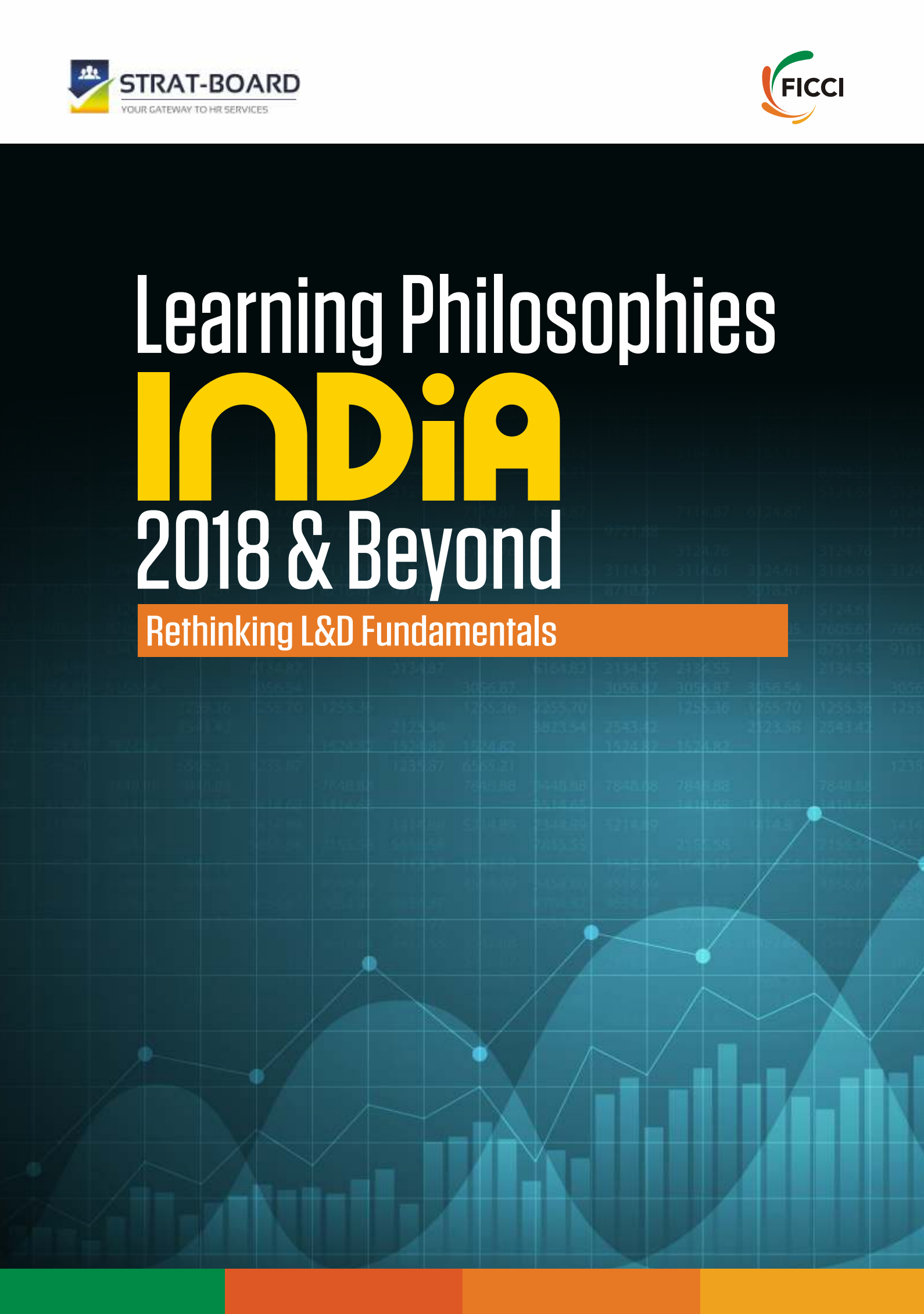
STRAT-BOARD
YOUR GATEWAY TO HR SERVICES

FICCI

Learning Philosophies

INDIA 2018 & Beyond

Rethinking L&D Fundamentals





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EXECUTIVE SUMMARY

Context & Objective

While substantial development has taken place in the world of Learning – catalyzed by the new age workforce, technology and innovation, we still grapple with a few fundamental questions & dilemmas, which often remain unanswered.

FICCI, in collaboration with Strat-Board, presents this incisive Pulse Report on L&D - with a view to bring greater clarity on these dilemmas. The survey aims at bringing together the industry's prevalent viewpoint on various aspects of learning and the current state of practices being followed. It also tries to put together the collective insights from corporates at different stages of their L&D journey.

With this survey, we hope to trigger further dialogues, enabling change at all levels, resulting into long lasting impact for organizations and individuals.

Key Participants: CHROs, CXOs, L&D Professionals & Practitioners and HR Leaders - from diverse industry segments, across small, medium and large enterprises – have shared their insights for this survey. This report compiles their collective experience as well as contextual insights shared by them on specific questions.

Key Findings

As anticipated this Learning Philosophies India, 2018 & Beyond – Rethinking L&D Fundamentals Survey brings forth some very compelling realities for the industry to reckon with. A lot of these fundamental aspects need precedence in dialogue, before the L&D function strides forward on building Organizational capability, while fulfilling career aspirations, driven by innovation & technology.

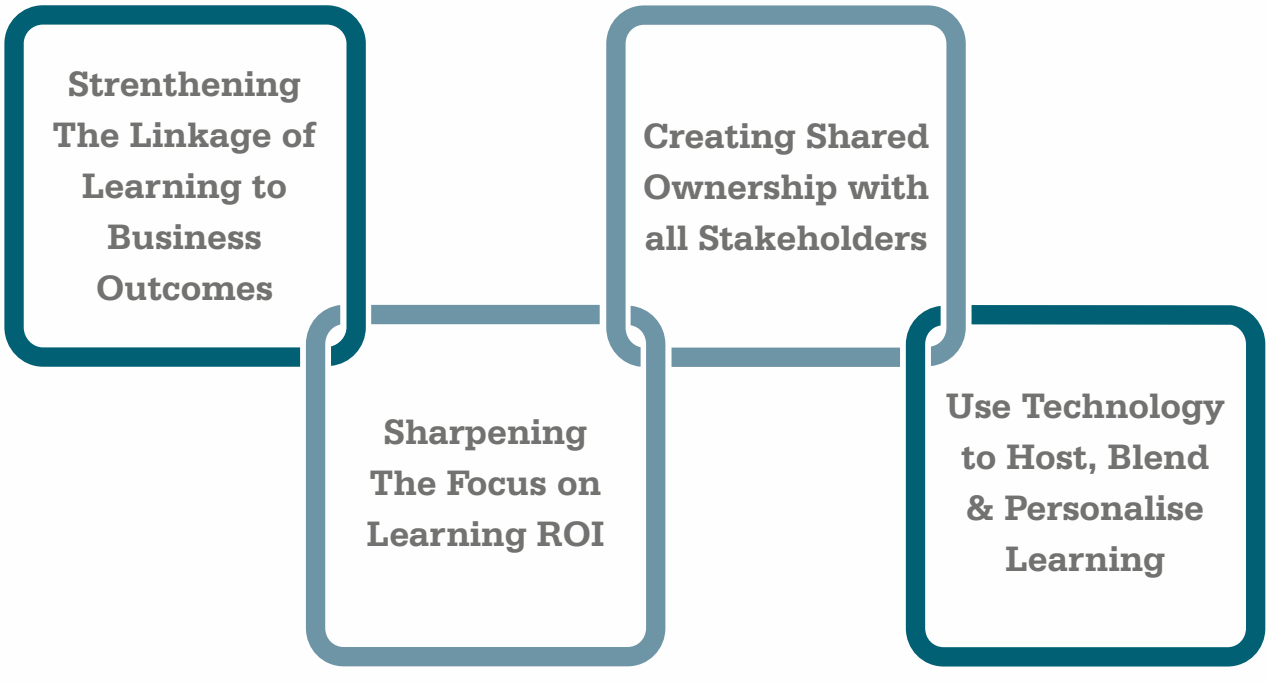
Here are some of the key aspects, the Survey unfolds before us for deliberation and thought:

- **The biggest dilemma organizations need to answer is – where does L&D rightfully belong for them** – Business, HR, a mix of that, or may-be - it's time to run L&D as a stand-alone function. While the majority prefer a Business-HR collaborative structure, there is an undercurrent seeking L&D as a stand-alone function with its growing character and specialization.
- **Personalization of learning seems to be a priority** and the same is to be seen in the choice of learning mediums - on the job, experiential learning, peer to peer, coaching and mentoring take the preference over new age and digital formats. The wave towards consumerization of learning and digital adoption is on its way with Artificial Intelligence/Machine Learning (AL/ML), gamification and more, which is set to turn the tables.
- **While the average structured learning hours have been on the rise** - with over 55% organizations investing in more than 4 days of structured training/employee - there is an emerging and sizeable faction of HR/L&D professionals who say this does not matter as a metric anymore, especially in the new world of asynchronous, anywhere, anytime learning.
- **Internal trainers have a larger share of the pie** in overall training efforts, though the number varies widely amongst industries.
- While other formats of learning are currently larger in quantum – **the share of online learning is at par with other learning formats mostly in larger organizations** and this number is expected to rise further, across the board.

- **The speed of change is hugely impacting learning investments,** with nearly half of them not being able to be utilized over a few years, with reduced shelf life. Greater emphasis therefore must be on learning architecture, which can adapt with changes and can yield greater continuity of impact.
- **Majority of the organizations have started on making learning journeys more self-led, self-paced and highly individualized.** But the path to maturity yet remains a long one, with technology adoption yet taking a formidable amount of time.
- For long, a lack of business understanding remains a concern for HR to be able to **own up the Functional / Technical training agenda** - majority of professionals yet feel the same. On the other hand, there is a sizeable lot of people who believe that business needs to lead the functional / technical mandates with HR facilitating it.
- **Success of learning interventions can be amplified with line manager and learner co-owning the learning agenda** – and this seems the answer to all ROI dilemmas of investments made in learning.
- **For structured learning interventions, organizations tend to use at least three lines of input** from Business, Line, Individuals, Talent and PMS – use of market intelligence is not as popular with only 30% organizations using it.
- **The tech journeys of majority of the organizations are just about starting** – but a good amount of work seems to be happening in on MOOCs / byte-size formats / simulations, etc. – while the AI/ML in learning yet seems a longer term reality.

The Road Ahead

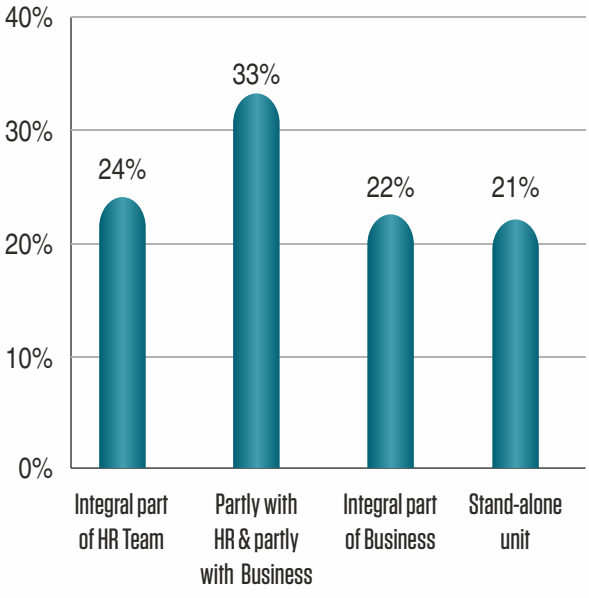
Overall, the following emerge as the top priorities for HR & L&D Leaders for 2018 & beyond…





KEY INSIGHTS

Q1 - Where should learning function be in the organization structure?



One of the most fundamental questions which shakes up the general belief has finally been answered – the house is divided and there is significant change of locus-standi for the Learning function in the days ahead.

Contrary to the popular belief, only one-fourth respondents took the traditional route and look at Learning as being only a part of the HR team. 21% respondents feel that it's time for the L&D function to be a stand-alone unit by itself and there is a sizeable 22% respondents, who are willing for the Business to manage the Learning function.

It is pertinent to note that 75% of the those who suggest a stand-alone learning function are L&D professionals and not generalist HR leaders. Although nearly 65% of those who propose L&D to be with HR function, are generalist HR leaders.

33% respondents yet chose the classical route of collaborated responsibility between Business & HR.

Here are some very interesting view points from HR/L&D Leaders on the above:

> *Learning and career development with HR - Functional and on the job training and development with business.*

> *It should have its own agenda, delivery and impact measurement including budget, operations and RoI quantified. it's high time smallest of business has its CLO.*

> *This would enable the function to be objective and strategic. As part of business or HR, the function tends to operate on largely HR or Business priorities. It can best become a strategic partner for business as an independent function.*

> *The current scenario requires L&D Heads/ CLOs to drive transformational changes by working at a thought leadership level with CEOs; this is best served when CLOs work directly with top leadership & drive accountability.*

> *Over time L&OD has become a specialist function and often HR and Business leaders don't have sufficient understanding to be able to take optimal decision on L&OD matters.*

> *Learning has to be conceptualized by HR in consultation with business and driven by the line function. Execution will be a challenge if business is not involved.*

> *Finally, being a part of HR or Business reduces the functional accountability. It is the HR or Business leaders who end up taking the heat for sub-optimal L&OD outcomes.*

> *HR brings in the connect and compassion required to impact people where business brings in the Business Result impact. Both are equally important.*

HR plays a pivotal role in defining the philosophy of learning & providing the functional expertise required for capability building. However, the ownership of learning sits with the employee and hence the business.

Talent development is the integral responsibility of HR and Biz

It's a good idea to involve business. However, the ownership should not be diluted and should be clearly with HR. Business may not have enough time to focus.

Q2 - Most preferred learning formats:



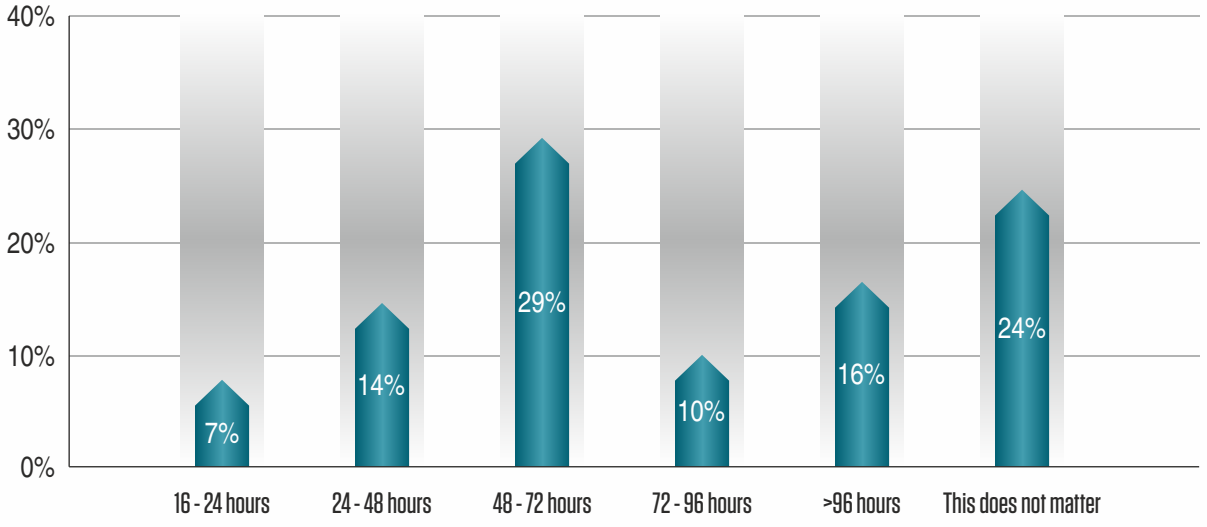
On the Job, Experiential Learning & Coaching & Mentoring take the top three most preferred slots being used by Corporates in the recent times - interestingly the one big common theme in them is a larger human interface vs technology led learning.

What seems to have taken a huge setback is the classical classroom training, with it now being the 7th preferred medium amongst the respondents.

E-Learning, M-Learning, Gaming seem yet to gain popular preference of mediums, while this may change futuristically.

It is interesting to note a high similarity of preferences across the organizations of different size and between Indian organizations and MNCs. However, differences are quite visible across different industry verticals, which highlight that each of these formats have their own relevance in the specific industry context.

Q3- Average structured learning hours per employee per year, considered critical:



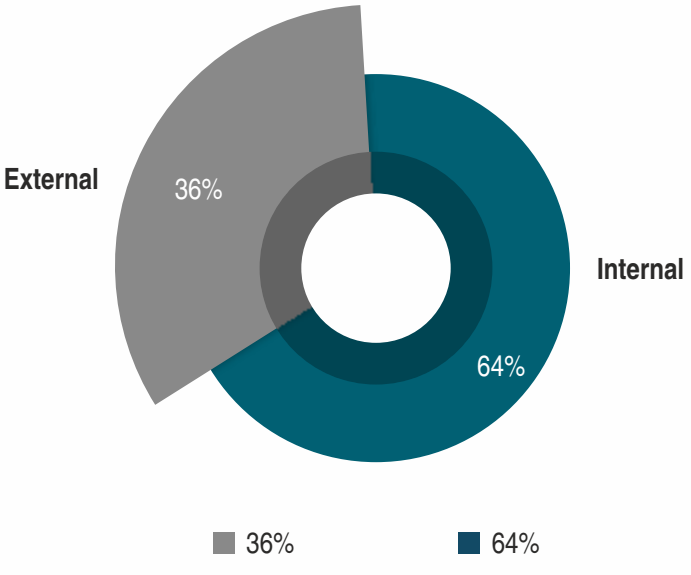
From the early days of attending at least two training programs during the year as a KRA to the current approach of continuous learning opportunities for employees, we gauged the corporate HR mindset on this metric of number of targeted training hours per employees and whether it still holds any relevance.

Almost 40% organizations intend to deliver a structured mandate of six to twelve training days/employee during the year and there are also about one-sixth of organizations, which intend taking it even beyond twelve days.

Interestingly, about a fourth of the organizations believe that the number of training hours do not matter, since continuous learning formats are the way forward.

It is pertinent to note that those doing over ninety-six hours of structured learning and those saying it does not matter are mostly progressively perceived organizations and leaders in their line of business.

Q4 - Proportion of internal and external facilitators generally used for instructor led sessions:

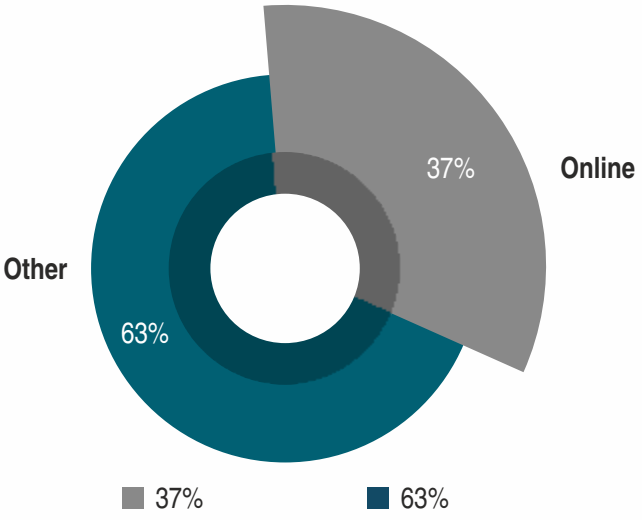


Internal trainers continue to stay as a larger priority of organizations today - almost twice as favored as against external trainers.

Continuing the common belief, small organizations and very large organizations show higher preference for internal facilitators, while mid to large organizations have comparatively higher preference for external facilitators.

This number remains almost similar in Indian as well as MNC set-ups. However, it's worth noting that for Pharma, Health care and Hospitality industries, nearly 90% of instructor led training is run internally. On the other hand, Business Services, IT/ITes, Manufacturing and Infrastructure and Education are below the 60% mark.

Q5 - Out of total learning hours consumed, proportion of online vs other training formats:



Online modes have gained more than a third of the total learning already and we expect this number to increase over the next couple of years.

In large organizations (>10000 employees), the number is already over the 50% mark, while mid-size and small organizations reported about 25% of their overall learning being driven online.

Predictably, while IT / ITES & Telecom industry are utilizing online formats for over half of their learning hours consumed, traditional industries are gradually catching up.

Q6 - Out of learning interventions launched during last few years, percentage of programs still running successfully with demonstrated impact:

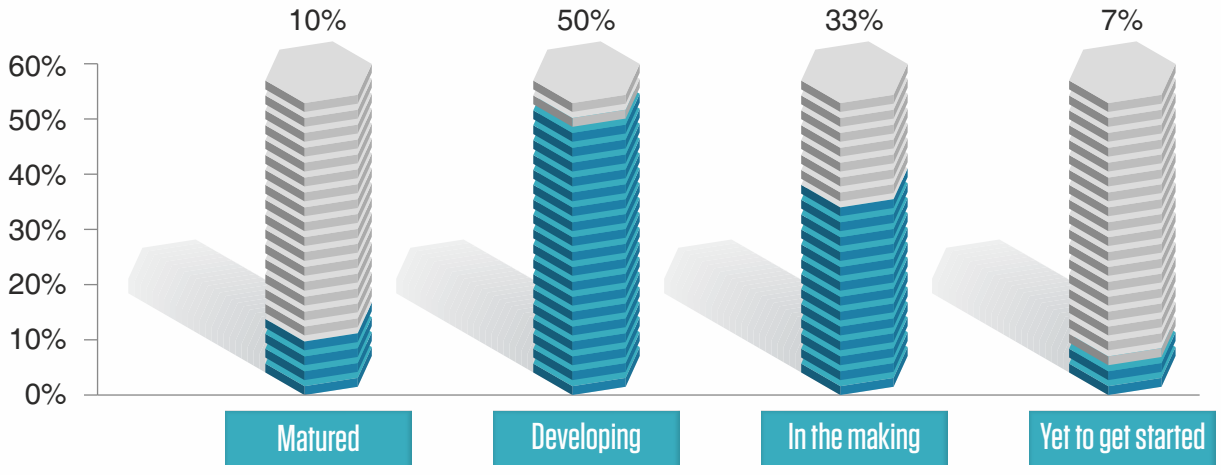


A little more than half of the total learning interventions, launched during the last few years, have retained their relevance and impact and continue to run yet. It also means that nearly half of the effort and resources are being utilized in projects with smaller lifetime value for the organization.

Mid-size organizations have comparatively lower percentage of such interventions and which may reflect that some of these organizations may be experimenting with different formats and programs.

From an industry segmentation point of view, this number remains at a low of 30% for IT/ITeS, and about 43% in Manufacturing & Infrastructure. While respondents from Health & Pharma, Consumer Goods/Durables and Logistics & Supply Chain report over 70% continuity of learning interventions.

Q7 - State of organizations with respect to creating a larger learning menu, serving individual preferences and largely self-led:

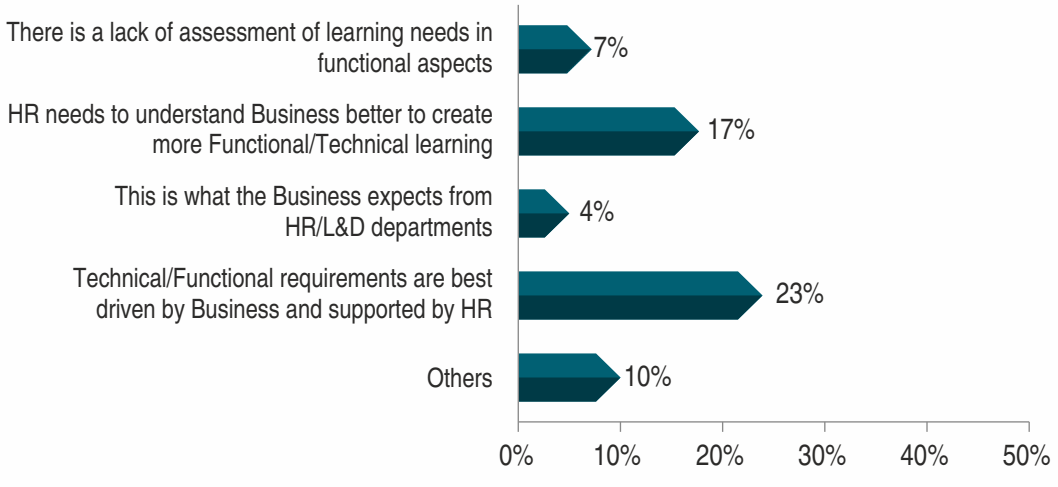


Over 90% organizations have already taken up the path to creating a learner led, menu driven learning architecture, serving individual preferences effectively.

Though, just 10% of the organizations surveyed consider their learning journeys to be matured, 50% of the organizations are already on the journey towards this, while about 33% are planning to make it happen.

Interestingly, the organizations which have achieved maturity on this aspect come from diverse industries as well as represent Indian organizations and MNCs equally. Though, size of organizations do matter here and the space is dominated by very large organizations.

Q8 - Reason for L&D Functions focusing more on Soft Skills Vs Technical/Functional Skills:

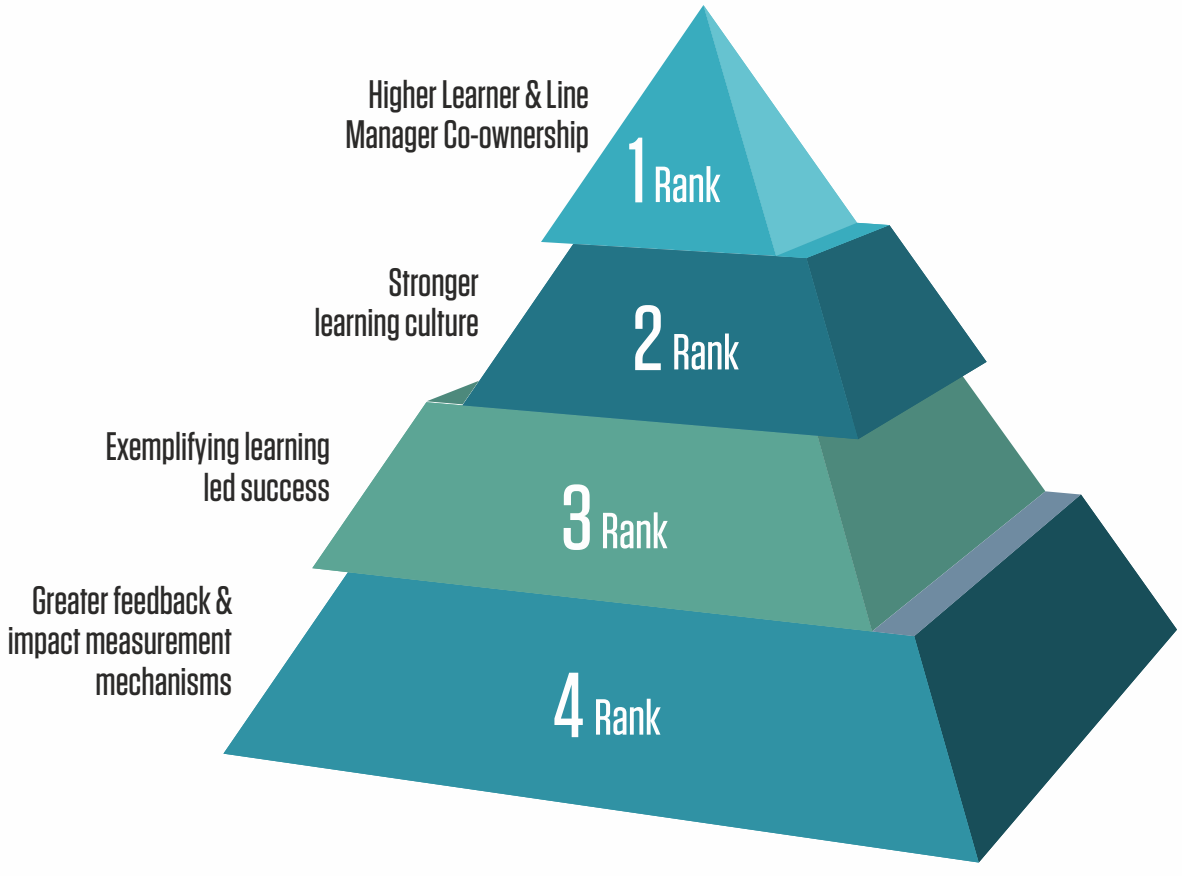


For long, L&D function has been seen being more focused on the softer aspects of Learning needs. In a candid confession, about 40% of the HR/L&D professionals consider need for better business understanding as the foremost reason holding back HR function to own technical capability building in the organization.

What's interesting to note is that 49% of the respondents from Indian Companies consider this as the main reason (24% in case of MNC respondents).

Amongst respondents from MNCs, about 43% of the people agreed that technical learning requirements are best driven by Business with the support of HR.

Q9 - ROI dilemmas on learning investments especially in soft skills - How should HR approach this matter?

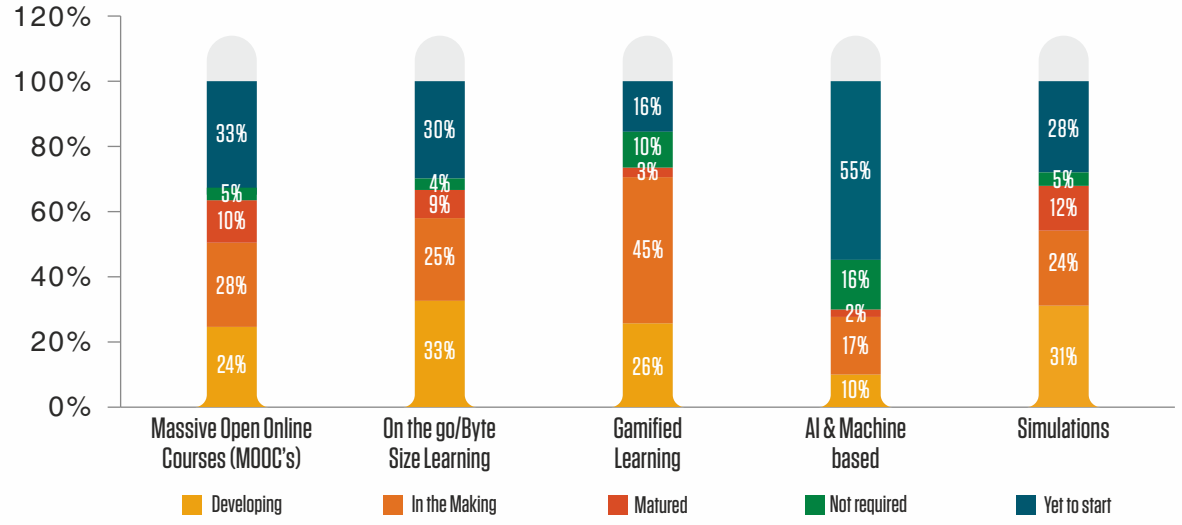


Higher co-ownership of learner and line manager in learning interventions is considered as the most preferred approach to solve ROI dilemmas on learning investments. Deeper participation through different stages in the learning process is being considered to create greater value for the organization in terms of ROI.

It is pertinent to note that the other three approaches fall on a close line of preference, depicting that ROI dilemma on learning is still the most contentious question to answer, with varied points of view.

It is surprising to note feedback and impact analysis as the last choice, which is generally considered as a direct indicator of ROI.

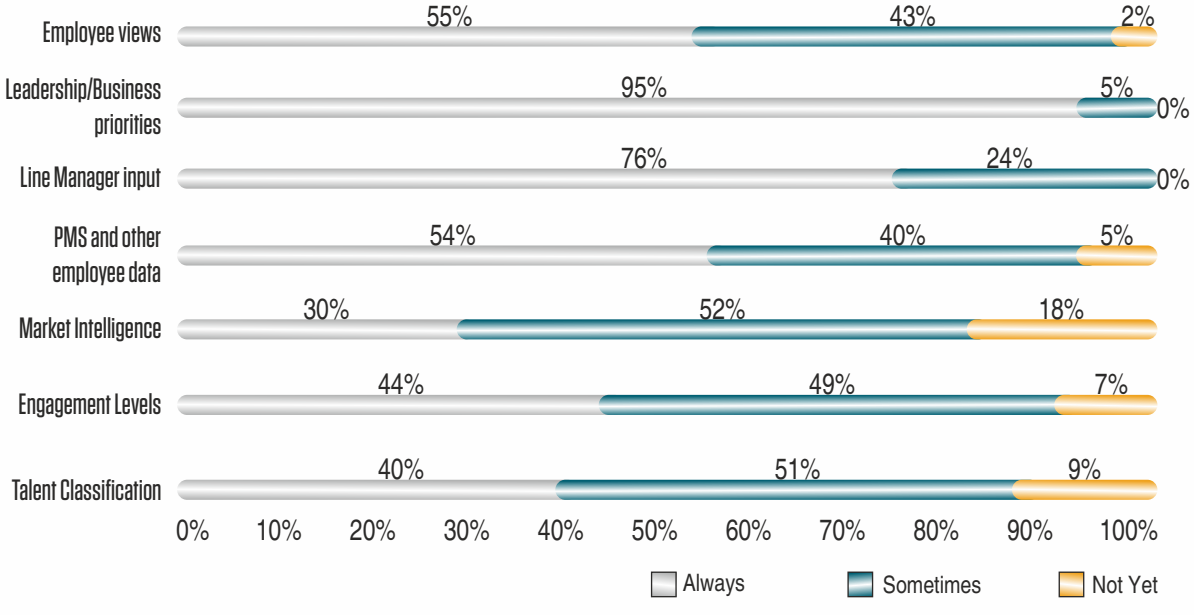
Q10 - State of organizations with respect to the following elements defining the future of learning:



With so much being spoken on the new age aspects of tech led learning, the reality is yet some miles away – a miniscule 2% of respondents mentioning to be matured on AI & ML based learning. In-fact, about 71% respondents are either yet to start thinking about this journey or may even not consider AI/ML as required.

MOOCs, byte-size learning and simulations seem to be maturing, with about 10% respondent corporates. Good news is almost 60% of the respondents are at some stage in their journey of deploying these new age tools towards building an effective blended learning strategy.

Q11 - Structured inputs used while designing annual learning charter:



Leadership and Business Priorities - followed by Line Manager Input, Employee Views and PMS data - comes out as the top-most factor being used by organizations for driving structured learning interventions.

Market intelligence is being sparingly used - overall about 70% of the organizations never or seldom use it in designing their learning charter.

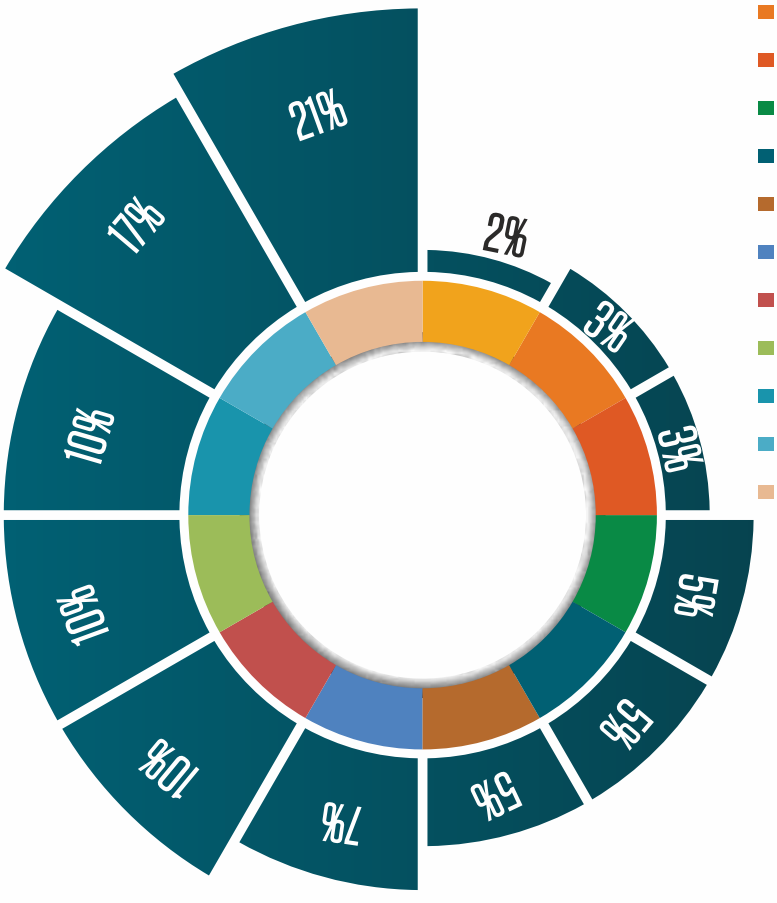
It is heartening to know that 60% of all the respondents always use at least three of the above inputs as a structured process while building their learning charter.

RESPONDENT DEMOGRAPHICS



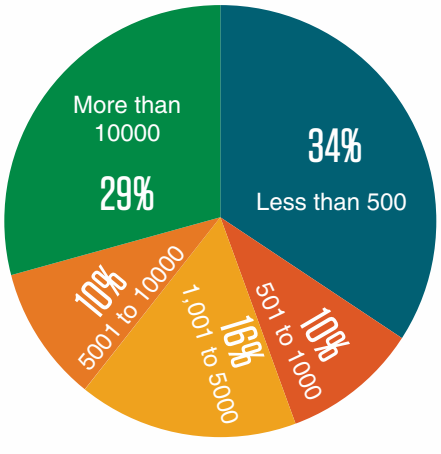
Respondent Demographics

INDUSTRY

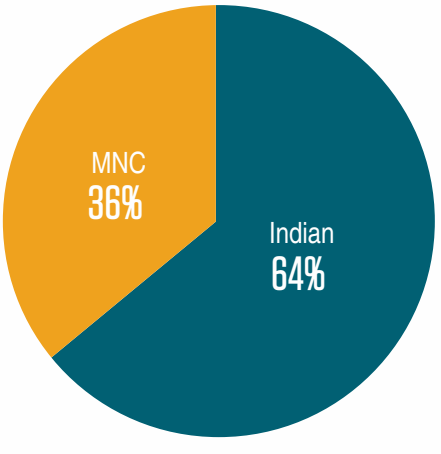


- Logistics/Supply Chain 2%
- Hospitality 3%
- Education 3%
- Healthcare / Pharma 5%
- Automobiles / Transportation 5%
- Oil & Energy 5%
- IT / ITES & Telecom 7%
- Business Services 10%
- Manufactuing & Infrastructure 10%
- Consumer Goods / Durables 10%
- Other 17%
- Banking / Financial Services 21%

WORKFORCE SIZE



INDIAN/ MNC





Authors would like to thank HR community for participating in this survey and sharing their views

Core Team

Authors would like to express Core Team for their continuous support during the tenure of this study.

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ABOUT US

About FICCI

Established in 1927, FICCI is the largest and oldest apex business organization in India. FICCI has contributed to the growth of the industry by encouraging debate, articulating the private sector's views and influencing policy. A non-government, not - for - profit organisation, FICCI is the voice of India's business and industry. From influencing policy to encouraging debate, engaging with policy makers and civil society, FICCI articulates the views and concerns of industry. It serves its members from the Indian private and public corporate sectors and multinational companies, drawing its strength from diverse regional chambers of commerce and industry across states, reaching out to over 2,50,000 companies.

FICCI provides a platform for networking and consensus building within and across sectors and is the first port of call for Indian industry, policy makers and the international business community.

FICCI Quality Forum (FQF), the specialised training and consultancy division of FICCI was set up in 1992 to sharpen the competitive edge of Indian Industry. It provides training, consultancy and research services focused on enhancing quality quotient of client and partner organizations.

About Strat-Board

Strat-Board is the new-age HR Marketplace, enabling discovery and selection of Right Service Partners in 75+ HR service categories. The Platform specialize in Niche, Innovative and High-Stake HR Projects.

Strat-Board is transforming the way, HR Services are explored, selected and availed, in a fast growing and highly fragmented HR market. With over 2,000 Providers enlisted, Strat-Board is trusted by a large cross section of corporates, cutting across locations & industry verticals.

Strat-Board's online platform, coupled with a personalized, consultative framework has earned wide appreciation from the industry leaders.

Further, Strat-Board works closely with FICCI in spreading the HR best practices through trainings and conferences.

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Disclaimer:

This study has been carried out by FICCI in collaboration with Strat-Board Services, as part of L&OD Conference – 2018 (25th May, 2018, New Delhi), by conducting an opinion survey structured for the purpose.

The Report is based on responses received from the L&OD professionals, CHROS, HR leaders, CXOs and L&D Practitioners and may reflect a combination of practices in their respective organizations as well as personal views. The objective is to look at a larger inference from the overall responses and not to study / represent thoughts of any particular respondent / organization.

The explanation provided in the report are given based on the responses and should not be construed as advice or endorsement of any kind from FICCI or Start-Board Services.

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