Making sense of the VUCA environment is important. L&D needs to be aware of the forces that are driving the new organisational needs to which it must respond. To help with this, here are five key drivers in the global environment that are impacting learning professionals in organisations today.

**ONE: GLOBAL SKILLS SHORTAGES**
The war for talent is not ending any time soon. Skill shortages are widespread across the global economy. The first world has an ageing population, and thus a shrinking labour pool. At the same time, jobs are changing; more graduate jobs are needed; and more technical skills.

Firms that can’t easily hire the talent they need are forced to either grow it from within, recruit from related sectors or prospect for talent in the new, fast-growing talent pools in the developing world (Towers Watson). All of these routes put pressure on L&D.

If the education system in the first world is failing to provide needed skills, then firms that can’t source their labour abroad, or via offshore operations to follow the talent, have to pick up the slack. L&D has to develop existing employees and new hires.

The increasingly mobile, increasingly diverse worldwide labour force presents further challenges for L&D in on-boarding and compliance. Common technical and HSE standards may have to be assured; and on the softer side, brand and company culture have to remain cohesive.

**TWO: CHALLENGING PRODUCTIVITY TARGETS**
Corporate are trying to grow their way out of recession at a time when headcounts are
capped or reducing. Research from CEB (Corporate Leadership Council) suggests that breakthrough performance is needed by organisations aiming to meet business goals in the period ahead. This is happening at time when traditional means of training are reaching the limits of improvability.

Classroom training has improved in effectiveness over recent years – through introducing technology into the classroom, improving materials and facilitator skills, and enhancing facilities. However, this improvement curve is flattening. Research shows that investing in further improvements will yield limited gains. Innovation in learning is therefore key to meeting the steep business targets for productivity.

THREE: INCREASED REGULATION

The general trend with regulation is for there to be more of it, but the picture is complicated by the contradictory force of deregulation. While politicians promise liberalisation and ‘bonfires of red tape’, high-profile scandals and disasters inevitably result in fresh regulatory initiatives.

So while, in general, financial regulation ratcheted down from the 1980s onwards, there was at the same time increased regulation to cover money laundering, corruption, securities and accounting standards as fresh scandals hit the headlines.

There is a trend towards more global regulation of standards and training. Harmonising regulation across different territories and jurisdictions prevents expensive duplication of effort for multinational companies. On the macro scale, harmonisation can have virtuous economic effects – and in the case of HSE regulation, especially in safety-critical sectors like oil and gas, it can save lives.

The increasing transparency and visibility of corporate operations in all parts of the globe due to the spread of electronic and, latterly, social media tends to accentuate this trend. Big companies are more easily held to account by any member of the public with a smartphone to hand. Consistent standards of operation now more than ever need to be maintained right across an organisation. All of this generates new compliance training needs for L&D.

FOUR: GEN Y, GEN U AND THE RISE OF EMPLOYEE ENTITLEMENT

A militaristic model of training forged in the furnace of two world wars is clearly no longer fit for purpose in the VUCA world. Yet, despite recognition that adults learn very differently from children (and observations showing workplace learning to be heavily experiential), corporate training is still dominated by classroom-style learning delivered away from the workplace, by outdated instructional models, and without effective assessment.

Meanwhile, the ‘command and control’ culture has all but disappeared in many organisations. Structures are flatter: work is organised around cross-disciplinary teams. Employees might be less siloed within their own disciplines, and work under a system of matrix management. However, the real challenge for L&D lies not just in updating its instructional models to reflect this changed picture – it’s tougher than that.

Change is not consistent or even. Certain countries and sectors cling to a more directive model still, often for good reason. Defence and the safety-critical industries are necessarily more directive in style. Cultures such those of China and Japan have a greater level of deference towards managers that is not going to disappear overnight.

Global organisations can span many different countries, each with its own distinctive cultural norms – and include workers from many different skill areas (e.g. accountants, web developers, chemists, marketers), each having their own distinctive cultures. L&D perhaps needs to take a cue from ‘situational leadership’:

adjusting the style and the architecture of learning to suit the particular situation.

The workforce is also increasingly age-diverse. Much has been made of Gen Y’s emergence, but at the other end of the age spectrum, Boomers are delaying retirement and becoming Gen U – ‘The Unretired’. As skill shortages bite deeper, employers will increasingly need to maximise this and other sources of previously untapped talent, including women. L&D will find itself having to meet a far wider diversity of needs.

FIVE: TECH GETS FASTER, MORE PERVASIVE, MORE PERSONAL

Information and communications technologies are those with the biggest impact on L&D, since they consistently offer opportunities for learning that L&D is challenged to realise. Nowadays this pressure comes both downwards from the C-suite and upwards from frontline staff and managers.

Such has been the case with mobile. In just a few years mobile hardware has eclipsed desktop in sales terms and is changing patterns of working as it continues to develop. This exponential growth – faster in the case of tablets than with smartphones – has created widespread expectations that the tools will be used for learning.

And the tools increasingly belong to employees rather than to organisations. The
BYOD phenomenon came out of left field for many – but is just another example of employees beginning to expect greater control over the way they work, as the nature of employment changes.

As the next wave comes on stream in the shape of wearable (Google Glass), driveable, scannable and flyable technologies, computing will become yet more personal and yet more pervasive.

Of course, not all technologies gain easy user acceptance. Will Google Glass headsets, even when designed by Ray-Ban, be too geeky for employees’ taste? Predicting what will fly and what will fail is difficult. L&D will have to continue riding the waves.

More personal technology generates more user data. The new socially connected user is beginning to register this fact: privacy scares are rife. Of course, not all technologies gain easy user acceptance. Will Google Glass headsets, even when designed by Ray-Ban, be too geeky for employees’ taste? Predicting what will fly and what will fail is difficult. L&D will have to continue riding the waves.

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KEY FOCUS AREAS

So if these are the important external drivers for L&D, where are they driving us? We can see three key focus areas for L&D arising out of the pressure on today’s large organisations as a result of the drivers outlined.

Performance – how can we help employees to do the job better tomorrow than they do it today?

Development – how do we induct and support employees in their careers, maximise potential, identify the stars of tomorrow...and as they progress towards the top of the organisation, make sure they pass on what they’ve learned?

Compliance – how do we ensure consistent and appropriate standards and behaviours right across the organisation and beyond, reaching out even to our supply chain and industry sector?

Additional sources: Ernst & Young, Bloomberg, The Economist

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