LEARNING FROM DISRUPTION: L&D IN 2020
LEARNING FROM DISRUPTION
L&D IN 2020

In 2015, we released a report titled How to Thrive in the Face of Disruption: Why High Performing Companies Use Learning and Development as a Driver of Change. The report highlighted ways in which successful companies navigate the rough seas of disruption, and proposed a set of best practices that all companies should follow in order to avoid falling victim.

Since 2015, a lot has changed – and a lot hasn’t. The three themes above are even more important today than they were five years ago. But new issues have emerged more recently and assess what these rapid changes mean for companies and Learning & Development teams.

OUR 2015 REPORT CONTAINED THREE KEY THEMES:

1. INTERNAL DISRUPTION
Disruption isn’t always about competition – It often comes from within. The average length of time workers remain at a given job continues to shrink, especially among Millennials. To be successful, companies must both adapt to a rapidly churning workforce and find ways to reduce costly worker turnover.

2. L&D AS STRATEGY
In the face of disruption, L&D must be treated as a strategic function. Without a strong capacity to convert one set of capabilities and expertise into another, a company will become stuck in its old way of working – a recipe for failure in the face of rapidly evolving competitive challenges.

3. DIGITAL EVERYTHING
Digital training, learning, and meaningful interaction are key means to success in this new economy. As our world becomes an increasingly digital one, Learning & Development teams must attempt to meet workers where they are: on the internet and on workers’ digital devices.
Before we dive into newly emerging themes on the disruption front, let’s take a moment to check in on the highlights from our 2015 report.

We’ll begin with the trend of decreasing average tenure at a given job, especially among Millennials. According to data from the Bureau of Labor Statistics, workers’ median tenure at their job has been roughly stable since the early 2000’s. However, among younger workers (age 25 to 34), tenure fell even further from 2014 to 2018. This confirma that Millennials are spending less and less time at their jobs, and that trend has accelerated since 2015. The only time young workers have had as short an average job tenure as they currently do was at the peak of the dot-com boom, in 2000.
Our second argument in 2015 was that L&D must be treated as a strategic function in order for a company to thrive. Unsurprisingly, this is still very much the case.

As Deloitte noted in their 2019 survey on Global Human Capital Trends: “84 percent of respondents told us they need to rethink their workforce experience to improve productivity. And in the face of new pressures to move faster and adapt to a far more diverse workforce, 80 percent believe they need to develop leaders differently.”

The report also notes that the primary reason employees switch jobs today is that they perceive an “inability to learn and grow” at their current job. Given the high cost of employee churn, companies who do not create ample opportunities for their employees to grow will find themselves at an ever greater disadvantage in the marketplace for talent. The importance of making L&D a core strategic function within companies of all sizes has, if anything, become greater since 2015.

Finally, we argued in 2015 that digital tools and methods would be increasingly central in upskilling, training, and other forms of learning and development. Has that trend lost any of its momentum?

Not even close. If anything, recent trends have further enhanced the primary role that digital technologies play in learning and development. This is especially true in the current moment, when COVID-19 has forced nearly all employees to work from home – a topic which we’ll explore next.

The primary reason employees switch jobs today is that they perceive an “inability to learn and grow” at their current job. …Companies who do not create ample opportunities for their employees to grow within their existing roles will find themselves at an ever greater disadvantage in the marketplace for talent.
While the key themes of 2015 remain vitally important today, the world has changed in remarkable ways over the past five years – and even more so over the past five months. Two new trends have emerged that have substantial import when considering how L&D teams and businesses more broadly should think about and respond to disruption. We explore these two new themes below.

**Novel Theme #1: COVID-19**

The early months of 2020 have been exceptional, to say the least. The stock market came crashing down from its longest bull run in history and has since whip-sawed back and forth with volatile brutality. Supply chains have been dramatically disrupted as an increasing share of the global workforce has been forced to remain homebound and millions of businesses, factories, stores, and other locations of business have been temporarily shuttered. Some companies – including some very large global enterprises, such as the airlines and major retailers – have seen their entire business grind to a screeching halt.

While the precise nature of the near-term future is a mystery, certain aspects are clear. As of the date of writing, more than 10 million Americans have newly filed for unemployment over a two-week period. The global economy is doubtlessly in recession; what remains to be seen is whether this recession will be sharp and brief, followed by a rapid recovery, or whether the downturn will be deep and sustained – on par with or even worse than the Great Depression of the 1930s.

What does this massive increase in unemployment mean for L&D? Very likely, it will mean a massive increase in demand for L&D teams’ services within their organizations. Workers are rapidly shifting from areas where demand has suddenly plummeted – food service, front line retail, etc. – to areas where demand is suddenly spiking: delivery, cleaning services, online retail, and others. Once the pandemic passes, this trend will (at least in part) reverse itself. In both directions, there will be a substantial need for L&D to bring new workers up to speed rapidly and diversify the skills of existing employees.

COVID-19 has also dramatically accelerated the trend toward digitization that we identified in 2015. Remote meetings have suddenly become a business standard, and this shift is unlikely to completely reverse itself even when the world is once again free from social distancing. The importance of digital communication and other technologies in all areas of business, especially once as fundamentally centered on communication as L&D, has received a sudden boost.
When we talk about disruption, the mental image that usually comes to mind is one of a stodgy, old-fashioned company that starts small and quickly gets big by eating the old competitor’s lunch. But this assumption is increasingly off-base and has become much more so over the past five years. Disruption doesn’t always mean small companies eating the lunch of their large competitors – in fact, it increasingly means exactly the opposite.

A major trend (which has been going on for decades, but which has become much more dramatically apparent in recent years) is the increasingly consolidated nature of business across the board. In every industry – from high tech to low tech, multi-national to highly localized – we have seen a dramatic consolidation of revenue, profitability, and market power in the hands of a relatively small number of firms.

The media industry encapsulates this trend. According to Capital Group, in 2011, the top 5 media firms’ global market share was just above 40%. By 2015, that had risen to 50%; by 2018, it was north of 60%. That means that nearly 20% of all global media activity was captured by just five firms over the span of just seven years. The semiconductor industry offers an even more striking example. In 2002, 25 semiconductor firms were capable of manufacturing the smallest (and thus highest tech and best) chips available on the market at that time. By 2017, that number had fallen to just 3 firms. Nearly 90% of global competitors fell out of the race during a 15-year period. That is truly breathtaking.
No one knows exactly what the world will look like once we emerge from disruption as large as a global pandemic and global business environment will be fraught with uncertainty. Throughout the recovery period following this global order to meet the disruptive challenges thrown up by the market without hiring large numbers of new personnel.

teams will be the agents of that internal disruption.

teams within them.
WHY CGS?

CUSTOM CORPORATE LEARNING SOLUTIONS

The CGS Enterprise Learning division designs highly effective custom eLearning content, tech-forward engagement programs that include AR, VR and gamifications, globally delivered instructor-led training, blended learning courses and learning staff augmentation solutions. We craft innovative solutions that are essential to scaling your people, processes and performance.

Our expert team is comprised of award-winning designers, authored program managers and forward-looking corporate learning strategists. Together, we’ve developed over 3,500 custom learning courses on topics ranging from corporate compliance training and employee onboarding to leadership development.

It’s this level of expert knowledge, a practical on-the-job approach and creative vision, along with a relentless “Can-Do” attitude, that instills confidence in our clients. Whatever the learning need may be, CGS designs a solution that engages learners and delivers results.

95% 
95% of customers turn to CGS for additional learning solutions

1,000,000
Supported 1m+ learners in 2019 alone

9+ YEARS
Customer partnerships in excess of 9 years

Instilling Fundamental Knowledge