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CORPORATE TRAINING

INTRODUCTION:

Corporate training is a means and method of providing learners with the knowledge and skills they need to perform their jobs at a high level. This is typically the responsibility of Learning and Development / Talent teams in larger companies and the Human Resources department in smaller organizations. They're responsible for identifying training needs and requirements, developing training programs, and making it available for employees.

Corporate training has rapidly advanced in recent years to move beyond training just new salespersons, hires and leaders. Development and learning of professionals and corporate trainers are seen as strategic partners who are critical to the success factor of their business. Organizations today are suffering from a skills gap. Many companies say that it takes around three to five years to take a seasoned professional and make them productive. This means that companies have to train, retrain, and jointly educate employees and managers to grow and develop continuously. As millennials are taking on more responsibilities, companies will need to build leadership and communication skillset at all levels and in all locations around the world.

Figure 1

How can corporate training help an organization compete?

Formal classroom training is just one technique to meet the skills gap. With the tremendous growth in technology tools to train people and resources today, the best corporate training programs provide multiple ways people could consume training, both formal and informal. Collaborative and competitive platforms, self-authored video platforms, mobile, MOOCs, and blended learning options are all becoming accepted and familiarized corporate training tools. While the skillset gap continues to challenge companies, an amplified investment in-company training programs is good for everyone like employees, businesses and new hires.

Organizations want workforces who are engaged with their mission, values and vision and who have the skills needed to improve performance. Updating employees' expertise and preparing them for career advancement not only provides a better trained and more productive workforce. It also generates higher employee satisfaction and retention and increased morale.

Along with varied coursework, many corporate training programs and functions are using certifications additionally to their corporate training programs to drive performance improvement and standards in everyday workplace situations. In-house certifications require both completed coursework and a thorough demonstration of competency that is measured against pre-determined metrics. Corporate training certifications allow employees to achieve a certain level of recognition for validated proficiency and expertise in achieving business results. A certification distinguishes an employee from their colleagues and peers which can be woven into career development paths, promotions, or assignments on special high profile projects.

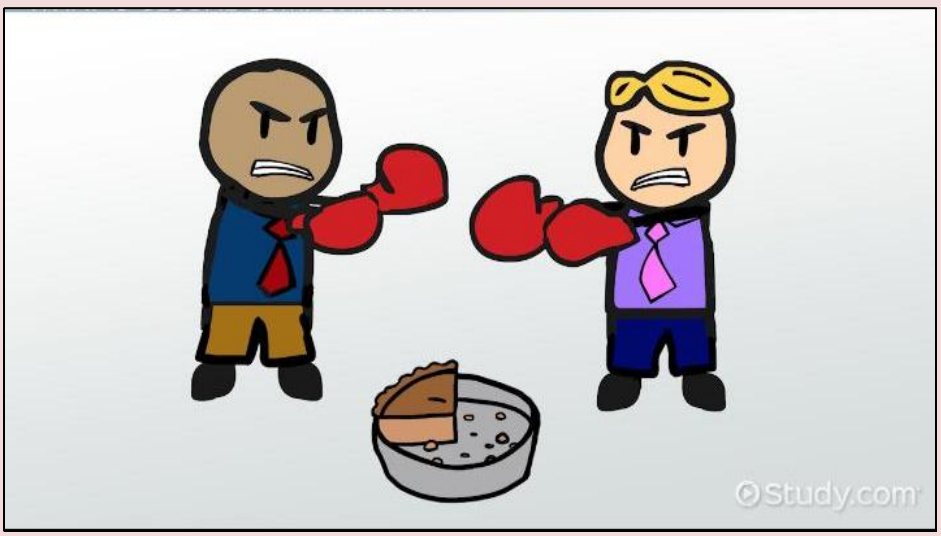

Figure 2

Advantages of Corporate Training

Corporate training is a critical factor in the success of any business. Your employees are the powerhouse of your workplace i.e, behind what you do, so helping them increase their knowledge and improve their professional skills will only boost and increase your business. Here are reasons why you should care about corporate training.Increased efficiency-Well-designed training which meets employees' needs and wants makes your workforce more productive and efficient. After a while, these improvements will make your company more profitable.

- **Reduced turnover**-Surveys and Assessments have shown that young professionals want more than just a paycheck today. Millennials (22-37 years old) particularly value employers that offer professional development opportunities, flexibility, and a sense of purpose. They are likely to switch and change jobs if they are unhappy with their current position. The tendency to job hop and continuously switch can be expensive for employers. A recent Gallup study brought light to these facts that the cost of replacing workers is at least one-half of an employee's annual salary. Turnover is always preventable, so corporations have a financial incentive and motivation to keep workers engaged and productive.

- **Building corporate culture**- High-quality training programs align corporate values and strategy. Going above and beyond the basics shows that an organization is willing to invest in its staff over a long time period. For employees, robust learning attitude sends the message that *"You matter to us."*

- **Cost-saving-** There are many innovative and developing technologies in the market that can help to give your firm a competitive edge and a superior advantage over your contemporaries. They have three options to embrace the latest technologies. Firstly, to employ an outside agency facility that specializes in that specific technology and use their services with the agency on the board as the third party working in tandem with your specialised team. Secondly, employ a new team of employees and use it since it is well versed with the latest technology that is ruling the market. And thirdly, provide extensive training and latest development to your existing employees which are talented and expert enough to grasp and understand the latest edge of the technology. The first and second criteria will work out to be quite expensive as the company will have to spend a considerable amount of money to employ the new staff or agency. The agency facility will still work as a third party and there will always be a chance of leaking confidential private data. The third option is the most viable and used one as you will have to spend just your efforts, time, and resources on the extensive training and development of your existing team which has been with your company throughout your success journey.

Figure 3

- **Attracts good and talented workforce-** If you still want to employ the employees that are loyal, talented and good at their work to make your firm climb the ladder of success in no time, you will have to realize and follow and monitor the Importance of Training and Development. The main aim behind the same is that job aspirants always look out for the firm that spends its efforts and resources on the training and development of its workforce.

- **Increases Motivation-** In continuance of the above-mentioned point, your existing team will feel enormously valued and driven with your efforts on their training and development. Being your first and foremost best brand ambassadors, they will share and spread the positive word of mouth within their family, friends, and social circle. Plus being inspired enough, they will put additional efforts into completing their roles and duties assigned in the highly effective method. Employees who are aware of how their job role supports the complete mission and goals of their company can draw a line between *"my work"* and "my company's success."

Figure 4

<u>Types of Corporate Training Programs</u>

Various firms and companies may have numerous different training programs and packages, dependent on their diversity, size, and the specifics of their business. Here's a list of corporate training programs:

1. Onboarding and orientation

This type of training is hosted right after a newly appointed employee comes to the workplace and continues till they can work independently. Its main aim is to streamline the new employee and workforce adaptation process – to help them feel comfortable and accustomed to the environment and become productive faster.
The onboarding training program is quite widespread and flexible but is usually broken down into two main aspects:

- **Training for all new hires.** It offers the general info about the company, its history, vision, mission and values, as well as corporate regulations and policies.
- **Specific training for a particular role.** This is fixated on developing basic informative and knowledgeable skills that are necessary for a new employee to acquire for a certain post.

Figure 5

2. Compliance Training

Compliance training is frequently a part of new hire onboarding and has a compulsory nature. It is typically a formal prescribed program that is focused on company policies or rules that enable employees and employers to avert both faults in the workplace and violations of the law.

These procedures and policies are usually job or industry-specific. Location can also influence what the workforce should be compliant in and what kind of specific training is required. For example, compliance training can include diversity training programs, business ethics, anti-harassment, workplace safety, and protection of data and privacy training.

Figure 6

3. Hard Skills Training

No matter how specialised your employee members are, there's always scope for improvement. Hard skills are a core of employee growth and development because this kind of mentoring and training helps employees to improve the skills they need in their role to become even improved professionals. For example, a graphic designer who has pioneered and mastered Photoshop can go to next step by learning how to work in other design and development applications, or a software or hardware programmer who is great at coding in JavaScript and CSS can undergo specialised training to learn to program in Python. Employees are needed to train regularly to stay updated with the latest developments.

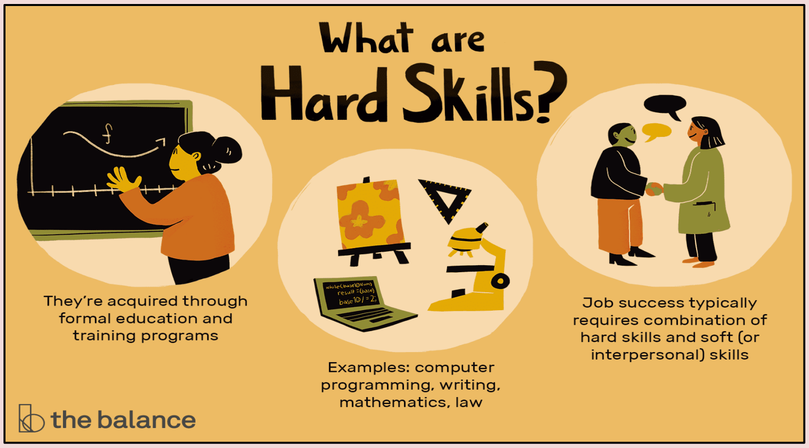

Figure 7

4. Soft skills training

How your employees and individuals behave is equally important to what they are aware of – that's why soft skill training should not be overlooked and forgotten. Studies have shown that by learning and mastering soft skills, employees could positively affect and promote the company's success and increase its ROI.

Soft skills are related to interpersonal relationships and comprise of things like problem-solving, communication, and decision-making. They help employees and individuals to interact harmoniously and effectively with their colleagues and customers. They are important for bringing in new clients, building a solid team and improving customer service.

Figure 8

How to Organize Corporate Training

So, how can one employer produce a high-quality learning program that works for all employees and individuals? The best and most effective corporate training meets the learner at their point of need. Corporate learning should be as such which is available on-demand, can be accessed easily and be delivered in a variety of ways.

Here are four types of corporate training one can use in one's company. Let's look at how they differ and what advantages and drawbacks they have.

1. Instructor-led classroom training

Traditional classroom or tutorial room-based training is the very definition of "old school" learning which is not going away any time soon. A 2018 survey undertaken by Training magazine reported that 32% of organizations use this for almost one-third of their overall training.

Pros	Cons
Familiar to all participants	Higher cost-per-learner than other methods
Easy to customize	Quality can vary depending on instructor
Relatively easy to deliver	Requires dedicated space and instructors
Supports a variety of assessment types	No standardized learning experience
Easy to create and maintain	A restricted number of learners per session

Figure 9

2. Virtual instructor-led classroom training (VILT)

VILT puts a 21st-century twist on traditional and old school learning by moving the classroom online. VILT software specifically allows instructors to deliver lectures, conduct break-out sessions, lead discussions, show videos, and observe learner performance. Virtual sessions can be accessed for review at a later date after being recorded.

Pros	Cons
Eliminates the need for classroom space	Users may feel disengaged
Makes learning accessible to participants regardless of location	Requires a dependable high-speed internet connection
Builds on familiar learning experience	Requires experience with technology
Can be recorded for future review	Higher up-front costs to create
Supports a variety of activity types	Tech glitches can kick out learners
Less costly over time	Instructors may need upskilling

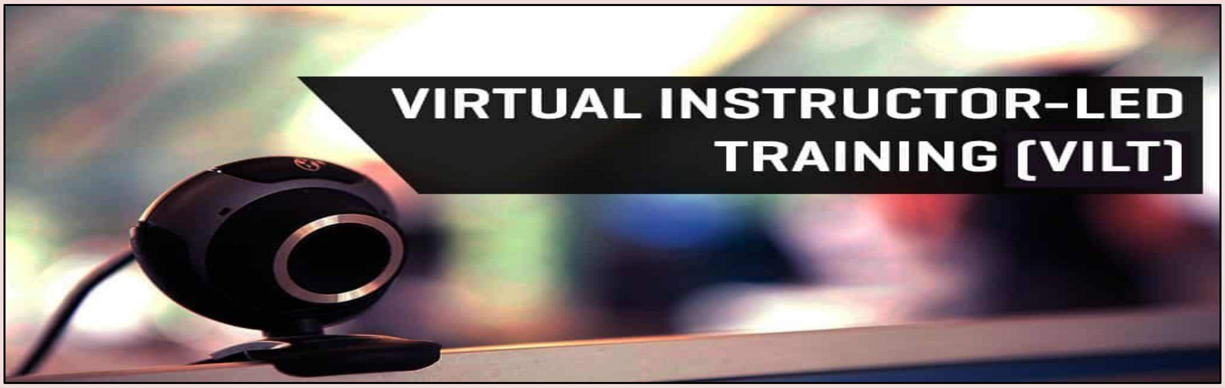

Figure 10

3. Online learning

Figure 11

Online learning has developed into the “new norm” for corporate training. Between 2002-2018, corporate use of online and digital learning grew by 900%. The term “online learning” could include a varied number of learning products, including microlearning modules, games, eLearning, assessments, learning activities, discussion boards, videos, Supporting materials, such as learning documents, job aids which can be saved in a .pdf format to create innovative content that is both digital and accessible to avid learners.

Pros	Cons
• Globally scalable and accessible • Accommodates unlimited learners • Standardizes a common learning experience for all participants • Meet learners at point of need • Preferred learning method by many younger professionals	• May take longer to develop than ILT • Bandwidth can affect access to content • May require ID to upskill the technology and content development process • Lack of face-to-face interactions • May intimidate learners who are not technologically adept

Figure 12

4. Blended learning

A blended learning approach focuses on pooling classroom-based training and online learning into one curriculum. Bringing these two methodologies together one can create a learning experience which will capture the best of each method.

Pros	Cons
• Globally scalable and accessible • Increased accessibility to learning • Greater opportunities for learner collaboration and connection • Flexibility for participants to complete assignments • Can increase engagement and interest for many learners	• Requires a solid technology infrastructure • Instructors and IDs may need upskilling • May challenge learners who are not technologically inclined • Less motivated learners may struggle to complete work without instructor support

<u>The future of Corporate Training</u>

By 2025, millennials will comprise more than 75% of the workforce. This is a digital era audience which has only ever known a world with technology in it - they want the ease of innovation, use, flexibility and creativity. It will be more important than ever to aim and focus on training programs that would be a reflection of all these characteristics.

There is a strong step towards flexibility in the workplace, not only in the structure of job assignments but also in terms of location. The employees are getting more voiced in their demand for continual training of fundamental skills sets that would be transportable across departments and industries. There will be an added requirement of ‘21st-century’ skill sets and social-emotional learning element with the next-gen employees and workforce because these are people that have grown in the modern digital age and interaction from a social perspective is nuanced to a virtual atmosphere. Researchers have witnessed that these people haven’t acquired these skills.

Figure 13

CONCLUSION

Today more than ever, organizations need a highly effective and high-functioning corporate training group to help them close the ever-broadening skills gap which threatens their ability to compete. Development and training of employees are one of the most crucial facets of corporate firms. The management of the firms needs to realize the Importance of Corporate Training as they are required to understand that employees don't need to possess all the proficiency and skillset that are required to accomplish their job duties and responsibilities.

And to retain loyal and expert employees, the firm has to take efforts by spending money, time, and resources on their development and training. It will help to sharpen and better their skills and expertise that are required by the company to attain a certain set of objectives and goals.

All the above discussion makes it reasonably clear and evident that you have to follow and understand the Importance of Development and training to achieve your short term and long term objectives. With its ever-growing importance and wakefulness in the world of corporate and business, there are quite many specific agencies and training institutes that focus on offering the best and finest of training and development programs. Hence, all firms need to embrace the Significance of Training.

Figure 14

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TRIPLE BOTTOM LINE

Background

While "Tripling of Bottom Line" would sound almost similar to "Tripling the Bottom Line", the context of each phrase would set the whole difference between "Tripling of Bottom line" as wished by the corporates against "Tripling the Bottom Line" meant by John Elkington in 1994. After being in existence for about 27 years now, "Triple Bottom Line" is finally being appreciated by the management, consulting, investing, and business world. To end the controversy initiated earlier, "Tripling of Bottom Line" for corporates would mean growing or multiplying their "Bottom Line", which in common business parlance refers to "*Net Income for a period"*. While what John meant when he coined the term "Triple Bottom Line ('TBL')" was developed to transform the focus of current financial accounting into a more comprehensive approach in measuring impact and success. John in his article for Harvard Business Review mentioned *"The triple bottom line wasn't designed to be just an accounting tool. It was supposed to provoke deeper thinking about capitalism and its future."*

What set sail in 1994 was a concept for measuring organizations' ultimate success or health not just by the traditional financial bottom line maximization, but also by its social/ethical and environmental performance. Thus, the TBL framework integrates 3 factors of impact by a corporate in social, environmental, and financial fields, ergo triple bottom lines for performance reporting and evaluation.

The Three "P" of TBL

Over the years, the term TBL has been fragmented into "3 Ps" **The People, Planet,** and **Profits**. Analysing the elements of TBL further we would note that:

People – The Social Equity Bottom Line

Relates to just, fair, and beneficial impact that businesses have on employees as well as the communities by the operations and practices. While the objective is to benefit both these elements of social equity, by ensuring sharing of financial growth with all social stakeholders, assuring safeguards against unethical practices, and giving back to society by strengthening local communities through livelihood generation, easing access to basic health, education and shelters. In other words, it measures how socially responsible an organization has been throughout its operations.

Planet – The Environment Bottom Line

This bottom line is concerned with sustainable environmental practices. Since the Industrial revolution businesses have been the greatest contributors to environmental deterioration and damages to the natural ecological balance, they are also responsible for making good the loss. The use of environmentally friendly materials, checking the energy consumption, and streamlining industrial efficiency are leading us in the right direction. Further, the organization reduces its ecological footprint by proactive waste management by treating the manufacturing waste before disposing of safely and legally. It encourages practices for environmental accounting by assessing the environmental impact and cost of its products and services objectively and transparently.

Profits and Prosperity

This element of the TBL refers to the traditional Profit bottom line, which measures the economic value generated by the organization against the capital invested. In a capitalist economy, a organizations' success most heavily depends on such financial performance and thus all the strategic planning initiatives and key business decisions are generally carefully designed to maximize profits. While very traditionally the understanding of the profit bottom line would end with measuring financial performance, the scope of the profit bottom line has been widened in the current world. Purpose-driven leaders are discovering sustainable initiatives so that they have the power to effect positive change in the world without hampering financial performance.

It would be interesting to note that the TBL links business sustainability with sustainable development as contained in the Brundtland Report. During 2005, the "World Summit on Social Development" - Economic Development, Social Development, and Environmental Protection were identified as three priority issues for world sustainable development.

Thus, as TBL reporting is a form for consolidating the analysis of the financial and non-financial performance of the organizations, it can be considered as a parallel to sustainability reporting, ESG reporting, and corporate social responsibility (CSR) reporting, or form part of an integrated reporting.

The Global Outlook

Per a study by Carrots and Stick back in 2016 revealed that there are around 400 sustainability reporting instruments in 64 countries, 65% of which are mandatory. While these figures are a great growth compared to 180 instruments in 44 countries identified in a 2013 report, the percentage of mandatory instruments declined compared to 72% as of 2013.

Drilling down to the details of the Study, it could be noted that mandatory sustainability reporting has been mostly applied only to state-owned companies, large corporations or, listed companies, targeting only a few aspects of sustainability.

France in 2001 to encourage sustainable behaviour by firms, become the first country to mandate "triple bottom line" reporting for firms. Then in the UKs, quoted companies were mandated to provide a report disclosing annual greenhouse gas emissions, diversity, and human rights under the Companies Act 2006 (Strategic and Director's Report) Regulations 2013. A similar mandate was brought into by the EC Directive on Disclosure of Non-Financial and Diversity Information (2013) which covered companies to disclose material environmental, social, and employee-related matters, such as anti-bribery, corruption, and human rights performance. According to the Regulation issued by the US Securities and Exchange Commission, all listed companies should disclose their environmental compliance expenses. Another sustainability reporting instrument, New York Stock Exchange, mandates the listed companies to adopt and disclose a code of business conduct and ethics.

The Indian Frame

Triple Bottom line vs Corporate Social Responsibility (CSR)

The TBL has gained its attention in Indian Legislation through the CSR regulations under the Indian Companies Act, 2013. While the TBL reporting and CSR reporting have their own differences, but CSR efforts also end up help a firm attain the objectives of the TBL reporting of profit, people, and planet. The CSR provisions of the Act (Section 135) are applicable to firms which have had a net profit of INR 5 crore and more or net worth of INR 500 crore and more or a turnover of INR 1000 crore and more during the immediately preceding financial year. Such firms must spend a minimum of 2% of the average net profit made during the three immediately preceding financial years.

Further, to maintain complete transparency and to ensure the core intent of the law is served, the CSR related provisions compromises the following:

Constitution of CSR Committee with responsibility for formulating and recommend the CSR policy of the Corporates.

Responsibility on Board to ensure CSR activities are carried out appropriately.

Mandatory reporting on CSR activities of the Company by the Board in its report.

Stringent penalties which we extend to INR 1 crore and for every officer upto INR 2 lakhs

Incidentally, a report 'India's CSR Reporting Survey 2019', released by KPMG, showed that only 12% of companies in India have gone ahead and aligned their CSR activities to 'Global Goals for Good – SDGs' and One in every three companies has already aligned their annual disclosures on CSR to SDGs. Per the reports, 76% of companies have spent 2% or more during 2019, which is a striking 100% increase over the last five years.

EBI's Business Responsibility and Sustainability Report ("BRSR")

Recently in May 2021 SEBI had issued a Circular about BRSR by listed entities. BRSR would be notably different from the existing Business Responsibility Report("BRR") and a significant step towards bringing sustainability reporting at par with financial reporting. A few of the key disclosures sought in the BRSR are highlighted below:

An overview of the entity's material ESG risks and opportunities, approach to mitigate or adapt to the risks along with financial implications.

Sustainability-related goals & targets and performance against the same.

Environment-related disclosures covering aspects such as resource usage (energy and water), air pollutant emissions, green-house emissions, transitioning to the circular economy, waste generated and waste management practices, bio-diversity, etc.

Social-related disclosures covering the workforce, value chain, communities, and consumers.

The BRSR would apply to the top 1000 listed entities (by market capitalization) the BRSR reporting shall be voluntary for FY 2021-22 and mandatory from FY 2022-23.

The BRR/BRSR reporting containing ESG (Environment, Social, and Governance) disclosures were first introduced for listed entities in 2012. As ESG investing becomes more mainstream, disclosure requirements need to keep pace with this change and the BRSR is a significant step towards this direction.

Thus, the CSR and BRSR reporting framework adheres to the principles of the TBL reporting to a certain extent, bringing CSR and BRSR reporting in parallel to the TBL reporting

Bugging and Debugging the 27-year-old concept of TBL

While the TBL desires to be a beacon into the Sustainability reporting world, one might need to encounter various challenges while applying the TBL Framework:

No measurable base for the TBL - The difficulty of measuring the social and environmental bottom lines has been a hurdle in the applicability of the framework. Profitability is inherently quantitative, but what constitutes social and environmental responsibility, however, is subjective.

Inherent priority of the Profit element - It can be difficult to switch gears between priorities that are seemingly antithetical, such as maximizing financial returns while also doing the greatest good for society. Some companies struggle to balance deploying money and other resources, among all three bottom lines without favoring one at the expense of another.

The exclusion of the major corporate sector – As most of the mandatory reporting instruments target only large or listed companies. Such little attention from governments and regulators to the practice of ESG reporting among other corporate sectors might be one of the factors contributing to its scarcity.

The lack of industry-specific sustainability standards - To make the available voluntary reporting standards mandatory, they should be perfectly adaptable in any given organization. Creating such standards across all industries is impossible and industry-specific standards are not yet well-developed or widely adopted.

The lack of consensus – The constant ongoing debate on whether sustainability reporting should be mandatory or voluntary. The most popular counter arguments are that voluntary reporting is market-driven and gives a competitive advantage to the reporting companies. Mandatory ESG reporting, on the contrary, limits sustainability efforts to the wish to comply, equals all companies, and puts undue pressure on those companies that have only started their sustainability journey.

While the above bugs in the TBL framework exist, the TBL reporting over the years has been further developed, into the following:

Integrated Bottom Line – While the TBL inspires companies to take into consideration people, profit and planet simultaneously, Integrated Bottom Line (IBL) takes the concept a step further and encourages companies to integrate their financial, economic and social performance reporting into one integrated balance sheet.

Quadruple Bottom Line - The TBL has also been extended to encompass four pillars, known as the quadruple bottom line (QBL). The fourth pillar denotes a future-oriented approach (future generations, intergenerational equity, etc.)

Conclusion

While the TBL is yet to achieve its optimum purpose, this rapidly changing financial and socio-economic environment requires us to re-think the Triple Bottom Line model. John Elkington, the concept builder himself mentions *"But 25 years later, this radical goal has been largely forgotten, and "triple bottom line" thinking has been reduced to a mere accounting tool, a way of balancing tradeoffs instead of actually doing things differently. Today, we continue to outstrip our planetary boundaries with no sign of slowing down. To truly shift the needle, however, we need a new wave of TBL innovation and deployment, offering a management concept of "recall." Because when it comes to sustainability, the time has come to either step up, or to get out of the way"* in his Harvard Business Review article.

Thus, there is no end to the process of improving the measuring and reporting standards until the ultimate goal of "Sustainable Development" is achieved.