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Business Strategy and Maximization of Profitability through Organizational Learning: A PLS-SEM Approach

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Abstract.
The business strategy of an organization is reflected during events like acquisitions and mergers which necessitates skills auditing to check the learnability of its human capital in order to determine whether the available manpower can cope up with the new challenges to be brought by the change. The ultimate goal of business strategy is value creation, so it must also evolve such a learning culture in the organization that works towards objectives of profit maximization and long term sustainability. For this purpose, a mere HR strategy of individual training at employee level will not suffice; organizations must unequivocally develop a learning strategy at organizational level that can support a value creation culture leading to profitability. The data was collected through a closed ended questionnaire administered on randomly selected respondents from 5 different organizations and analyzed with SPSS and Smart PLS softwares. The findings of the study revealed that learning at organizational level has gained more strategic importance than the conventional HR strategy of individual learning. In the end, this study recommends that learning must be given more strategic importance and should have a holistic approach encompassing the whole organization and must not be confined to one of the HR practices.
Keywords: business strategy, profitability, HR based training

Introduction

Michael Porter (1996) has defined business strategy as a competitive force that helps an organization to outperform its rivals. A business strategy also helps the organization to create a unique and valuable position for itself and all its stakeholders when it is aligned with learning new ideas, according to Porter. An IBM study (IBM, 2005) has called learning strategy as an investment in the future growth of an organization as it acts as an enabler and energizes the workforce whenever the organization takes a transformation initiative. The IBM study also reveals that learning when aligned with organizational priorities and goals not only refreshes people's skills and knowledge but also helps organizations to gain competitive advantage and earn business success. A learning strategy must therefore be aligned to the larger business strategy in order to ensure organizational profitability. Organizational Learning must not be confined to HR function alone or to deliver the assigned tasks. Organizational Learning means taking initiatives for learning strategic programs and modules like six-sigma or cloud computing which have germinated as double loop learning or an organizational level learning proving a strong benchmark of quality of business strategy in operations and aligned to various functions of an organization, a study of which being the objective of this study.

Kvint (2009) looks at business strategy with a futuristic perspective and opines that business strategy is a method of formulating, and institutionalizing a doctrine to last for a long time; likewise, McKeown (2011) argues that strategy shapes the future of an organization and it is an attempt to achieve that end with whatever means available, and training could be one such means. A business strategy, practically speaking, not only involves setting goals but also helps in designing and planning actions and mobilizing means to execute those actions in the process of achieving those goals. Training acts as one of those means since it helps to increase the knowledge and skills levels of employees and makes it easier to achieve business targets and goals. Additionally, Heller (2008) who considers a company's current or desired core competencies as a major component of business strategy believes that they bring the organization also closer to its stakeholders like customers and suppliers. This contributes largely to build up tangible benefits like product development, sales growth as tangible benefits and employee engagement, motivation and customer satisfaction as intangible ones.

Dani Johnson, Vice President, Learning & Development Research (Johnson, 2015) of Deloitte raises a very important issue related to organizational learning. Learning as a function is in 'crisis mode,' she argues, as it has to struggle with the older versions of learning that still follows the HR practices making it difficult for organizations to derive business value through training. It is therefore necessary to align learning (L&D) cross functionally in the organization in order to equip people with right sets of skills and knowledge. Calling it collective learning, Prahalad and Hamel (2007) insist upon a need to identify core competencies of an organization. Such an act contributes to competitive advantage and assist organizations to coordinate diverse production skills and integrate multiple technologies. This brief research study focuses on all these aspects of organizational learning, its strategic alignment and also its impact on organizational profitability. In order to prove its current significance, this study will also attempt to distinguish it from the conventional HR based learning.

LITERATURE REVIEW

In 2005 IBM organized a survey Global Human Capital Study (GHCS), followed by two other studies on learning and strategy (IBM2005a) and learning governance (IBM2005b) which sought to understand how organizations were monitoring their people's learning and improving their effectiveness at work. These studies surveyed 334 organizations in 38 countries and data was collected through interviews globally including 106 top HR leaders. These studies focused on people strategies, practices and metrics to understand how organizations functioned and met challenges. The research also revealed that organizations aimed at achieving profitability through strategic measures such as customer retention, cost reduction and quality control measures. It also concluded that people were a critical factor to achieving long term profitable growth. Findings also showed that only a few larger companies had their learning strategies aligned with the company's business strategies. The recommendation of these studies also included developing a stronger learning mechanism at the organizational level beyond the efforts made by any HR Department, a factor which the current research has dealt with in the study of the sampled organizations. Other recommendations of these studies included:

- To develop an outcome based perspective on organizational learning and evaluate return on investment (ROI) on regular basis;
- To make investments on learning of talented individuals for leadership development;
- To employ blended learning techniques for better access at all levels of the corporate;
- To break barriers as organizations grow by locating and sharing knowledge and expertise with all stakeholders of the organization; and
- To improve the capability of the HR department to provide knowledge and collaboration support.

There is another study on the banking sector (Rhee and Mehra, 2013) which discussed how to achieve functional alignment in order to enhance business performance. The authors investigated the impact of operational pro-activity on business performance and concluded that there was a necessity of a strategic alignment of operations with the desired business performance. However, such findings were subject to a reality check before operationalizing them in an organizational framework. During the course of this study, such reality checks and triangulations were not carried out in the sampled organizations.

Tata Strategic Management Group (TSMG, 2015) carried out a study recently and found out that companies with strong strategic alignment reported 5 percent more profitability than companies with low strategic alignment. The group in this study visualized attempts being made to align organizational learning to business strategy and correlate it with profitability. According to their reports, one reason for businesses to underperform was the lack of alignment with strategy unless learning was 'modified' according to organization's mission and vision without which it was difficult for the organization to acquire profitability and growth. Wang & Verma (2012) also reported a lack of alignment between training and the business strategy in their analysis of the relationship between high performance work systems (HPWSs) and the business strategy in terms of financial profitability. The results of this study indicated that profitability and business strategy could be positively related only by adopting work life balance programs (WLBPs). But a sort of digression or distraction was felt in the whole process of adopting these programs that negated the alignment of business strategy with HPWS, even though there was a corporate will to implement it. Philips (2012) in another study on food business concluded that the business strategy and profitability were determined by the volume of business acquired and recommended extensive opening of food outlets. During a SWOT analysis of the organization, the author had identified several potential weaknesses and threats like in-house training with no financial returns, very limited and ineffective interaction of employees across brands, inefficient staff in terms of skills and slow and ineffective internal communication within the organization and excessive reliance on recruitment agencies He felt the necessity of being more strategic and recommended the organization to reshape its business by increasing sales, by developing a management culture if it wished to increase profitability and more importantly to come out of the conventional HR learning patterns In less than two years, the study reported that the organization recorded 47 percent increase in sales. This study is a good example to prove the need and significance of a change in the business strategy in order to change financial performance of an organization.

The researcher envisages a strategic fit in most of these studies drawing attention to individual and organizational level attributes of alignment. The concept of a 'strategic fit' refers to the synergy that results from an alignment of training with the business strategy wherein the employees are trained not only with a traditional approach but with certain strategic motives and purposes, thus turning the trained employee as a useful resource with the required capabilities (Burton,2004; Bryan et al, 2001). Grant (2007) expanded the idea of strategic fit and related it to profitability, which is quite apt in the context of the present study. He talked about organizational resources and employee capabilities. According to him, resources were owned by the organizations and mainly dealt with the inputs required for production or rendering services, whereas employee capabilities referred to the accumulation of knowledge and learning gained through training and other methods which the company possessed in its environment. A similar study (Bryan et al, 2001) investigated China's electronics industry and attempted to obtain a strategic fit paradigm from an economy which was in transition.

This study asserted that if an appropriate match between environment and business strategy existed, it could positively affect the business performance. For this match, which the authors later called co-alignment, they set a few pre-requisites pertaining to the organizational environment. This study however failed to measure the strategic fit as the environmental conditions were never found to be conducive to the co-alignment that they were looking for. Scholz (1987), in another study, talked about a corporate culture to resolve issues related to strategic fit. He recommended a sort of dualistic model comprising of corporate strategy and corporate culture as two elements. This was a useful insight for the current research as the selected organizations believed in a similar dualistic model in order to ensure deriving the desired results from the alignment of training with the business strategy.

Zajac, et al (2000) carried out a similar study with a totally different perspective of business strategy by creating a dynamic model. They identified such environmental and organizational conditions that could potentially implicate a change in the strategy of an organization and consequently affect its business performance. While this study suggested a model for strategic change to get the required business financial results, it also talked about a few contingencies to show a few apprehensions about the accomplishment of this model.

Chena & Liangb (2011) examined the concept of alignment of business strategy in relation to knowledge evolution in two different strategies at the organizational level namely -- *knowledge mutation strategy* built upon the internal knowledge resources like knowledge workers and trained and skilled employees; and the *knowledge crossover strategy* based on external resources like online courses, educational websites, distance education programs and consultants. The results of this study showed that the two strategies had a positive impact on different aspects of organizational performance. The study recommended moderating effects of several factors like building a culture of shared learning, learning environment, IT awareness and so forth without which a strategic alignment would not happen. Dehinbo (2012) too found knowledge as a strategic resource for competitive advantage and recommended sound knowledge management initiatives. He showed how knowledge safeguarded the interests of organizations in facing the challenges in today's economy and how to utilize organizational resources effectively towards satisfying the demands of the business strategy.

In addition to many relevant and complete studies, a few literature gaps were also identified. For instance, Forbes magazine published an article (Rizy,Feil, Sniderman and Barlow, 2009) stating that business strategy, if aligned with the operational goals of an organization, would result in organizational profitability but the authors took a very limited view of organizational profitability, looking it only a determinant of a long -term Return on Investment (ROI). There were also concerns noticed that such HR practices like employee recruitment, retention and training were not aligned with the business strategy and even the organizational resources that included the human capital or the work force were not allocated properly (Úbeda García, 2012; Boxall and Purcell, 2008).

With this objective to understand the research gaps more clearly, the focus was shifted to those critical studies that had specifically discussed the issue of business strategy and organizational profitability. A few studies were found that overtly discussed business strategy and organizational profitability but with a very limited scope. Slocum, Lei and Buller (2014),for instance, talked of strategic discipline and resource allocation in organizations. According to authors, cost efficiency and strong product lifecycle drove profitability and allowed the organization to remain in the competitive market. This study too had a very limited scope and measured profitability from short term solutions like transferring resources from one business to another, various returns on equity or on investments and like. Likewise, Karami (2014) also carried out a study on six principal HR practices viz. T&D, performance appraisal, incentives, teamwork, HR planning and employment security in private banks in Iran. The study was based on Porter's principles to measure business strategy and the use of the assessment tools like the balanced scorecard for measuring organizational performance. The findings of this study revealed that the business strategy was closely and positively related to HR practices. This study can only be considered a compound impact of six HR practices and therefore it would be an exaggeration to say that what is true of a synergy shall also be true about individual practice namely Training or HR planning and so on.

These studies hint at constraints that are responsible for the failure to achieve strategic goals by the workforce. Hence an alignment gap too existed due to the differences in priorities given to the strategic and the operational goals in many organizations. However, since this study focused only on the strategic significance of organizational learning and how it could result in maximization of profitability and competitive differentiation, it ignored such short term operational priorities observed in the sampled organizations. But a major concern in this research was that if business strategies or processes were in order and operational priorities were taken care of, an alignment was also assured leading to organizational profitability.

Having discussed various studies on business strategy and its alignment with organizational learning, a few queries were raised during this research and to find answers through questionnaires, Focus Group and In-depth interviews. These questions were mainly related to profit maximization and gaining a competitive advantage through business strategy and its alignment with organizational learning. Here is an excerpt from the in-depth interview questions; however, a few of these questions were also included in the questionnaire that was

sent to the sampled organizations.

i. How can learning be transformed into business results?
ii. How does your organization measure and benchmark learning?
iii. How can you ensure that learning results in strategic business values like profitability?
iv. Does learning in your organization aim at developing such knowledge and skills that are strategically linked with new products and new processes?

DATA COLLECTION AND ANALYSIS

A major data collection was made through online survey method because of its convenience and efficient results in respect to cost and time (Taylor-Powell & Hermann, 2000; Yun & Trumbo, 2000) and a geographically scattered population of study. The unit of analysis for this study was individual. Structural Equation Modelling software (PLS-SEM) was employed to collate the data. A cross –sectional design was opted for the data because of the resource predicament in terms of cost and time horizon. Last, but not the least, there were several studies that had earlier used the research design of this study but matched it with different fields for instance, Ilyas, Hin and Adnan 2016 dealt with profitability in the context of on-the-job training and specialized training; Ilyas, Kadzrina, Adnan (2017) recently studied employee productivity by putting together general training with strategic training; while several other studies (De Klerk, 2013; Shaw et al ,2013; Wang et al, 2014) had earlier already stressed upon such an alignment. In this study, however, attempts have been made to draw linkages between business strategy and organizational profitability through organizational learning.

In such types of research studies, where a model validation is a pre-requisite, particularly when PLS software path models with simulated data are employed, goodness-of-fit (GoF) index may not be suitable for model validation (Henseler & Sarstedt 2013) simply because it cannot separate valid models from the invalid ones (Hair, Ringle, &Sarstedt, 2013). Hence, In view of this foregoing development and to experiment the appropriateness of PLS path modelling in model validation, a two-step process was implemented to evaluate the results obtained from PLS-SEM path for this study. This two-step process employed in this study includes: (a) The assessment of a measurement model, and (b) The assessment of a structural model (Henseler, Ringle & Sarstedt, 2013; Hair et al., 2012; Henseler et al., 2009)**.**

(A) ASSESSMENT OF MEASUREMENT MODEL

According to Hair et al., (2013) and Henseler et al., (2009), an assessment of a measurement model includes determining individual item reliability, internal consistency reliability, convergent validity and discriminant validity.

(i) Individual Item Reliability

Individual item reliability was considered by examining the outer loadings of each construct's measure as suggested by scholars (Hair et al., 2013; Hair et al., 2012). Following the rule of thumb for retaining items with loadings between .40 and above, it was revealed that out of 20 items, 4 items were deleted because they showed loadings which fall below the benchmark of 0.40. Thus, in the entire model, only 16 items were used as they showed loadings between 0.550 and 0.913.(See Figure 1)

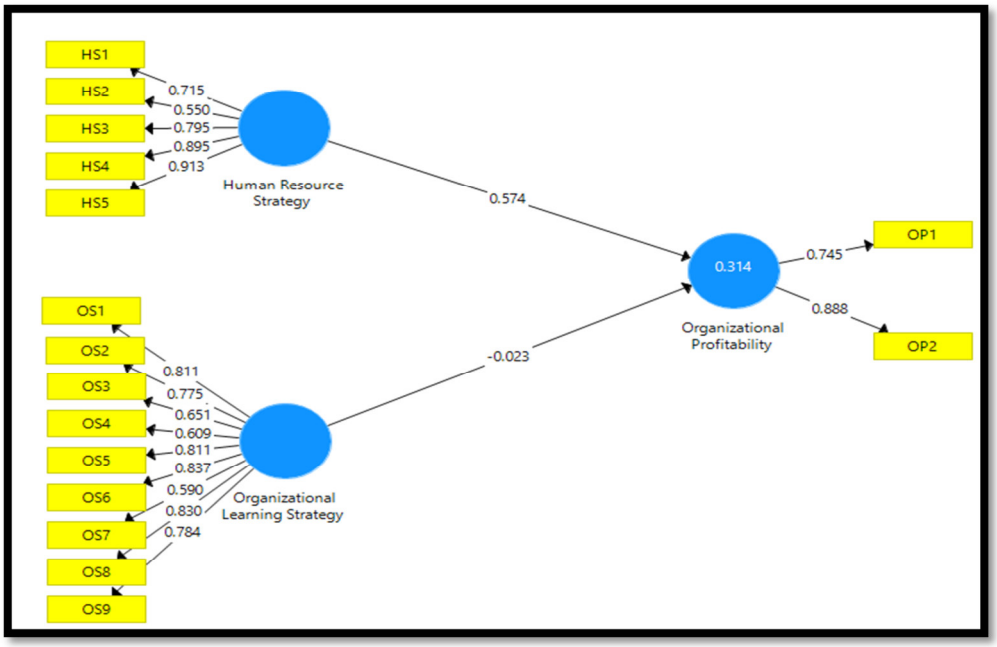

Figure 1. *Measurement Model*

(ii) Internal Consistency Reliability

Internal consistency reliability means the extent to which all items on a particular (sub) scale are measured for the same concept (Sun et al., 2007). Bacon, Sauer and Young (1995) explain that Cronbach's alpha coefficient and composite reliability coefficient are the most used estimators of the internal consistency reliability of an adapted instrument in organizational research (McCrae, Kurtz,Yamagata, &Terracciano, 2011; Peterson & Kim, 2013). In this present study, composite reliability coefficient was used to ascertain the internal consistency reliability of measures. It was used for two main reasons: first, composite reliability coefficient offers a much less biased estimate of reliability than Cronbach's alpha coefficient because the later accepts that all items give equal contribution to its construct without considering the real contribution of individual item loadings (Barclay, Higgins, & Thompson, 1995; Gotz, Liehr-Gobbers, &Krafft, 2010); second, Cronbach's alpha has the tendency to overestimate or under-estimate the scale reliability in a study. Therefore, composite reliability takes into consideration that indicators have dissimilar loadings and can be understood in the same way as Cronbach's alpha. Nonetheless, the explanation of internal consistency reliability using composite reliability coefficient was based on the benchmark provided by Bagozzi and Yi (1988) and Hair et al (2014), who recommend that the composite reliability coefficient should be in the region of .70 or more.

Table 1 below explains the composite reliability coefficients of the latent constructs. The composite reliability coefficient of each latent constructs ranged from .802 to .919, with each beyond the minimum acceptable level of .70, signifying adequate internal consistency reliability of the measures used in this study (Bagozzi& Yi, 1988; Hair et al., 2014).

Table 1 *Construct Validity and Reliability*

Constructs	**Cronbach's Alpha**	**Composite Reliability**	**Average Variance Extracted (AVE)**
HR based learning	0.844	0.886	0.616
Organizational Strategic Learning	0.901	0.919	0.563
Organizational Profitability	0.836	0.802	0.672

(iii) Convergent Validity

Convergent validity refers to the degree to which items correctly represent the intended latent construct and how they correlate with other measures of the same latent construct as suggested by (Hair et al., 2014). Therefore, convergent validity was measured by examining the Average Variance Extracted (AVE) of each latent construct, as recommended by Fornell and Larcker (1981). According to Chin (2010), in order to achieve adequate convergent validity, the AVE of each latent construct should load at .50 or more. Following Chin's recommendation, the AVE values in this study exhibited high loadings (> .50) on their respective constructs, showing adequate convergent validity (See Table 1).

(iv) Discriminant Validity

Discriminant validity can be described as the extent to which a certain latent construct is different from other constructs (Duarte &Raposo, 2010). In this study, discriminant validity was determined by using AVE (Fornell and Larcker (1981), accomplished by matching the correlations among the latent constructs with square roots of AVE (Fornell & Larcker, 1981). Moreover, discriminant validity was ascertained in line with Chin's (2010) criterion by comparing the indicator loadings with other indicators in the cross loadings table.

In line with rule of thumb for evaluating discriminant validity, Fornell and Larcker (1981) advocate the use of AVE with a score of .50 or more. In achieving adequate discriminant validity, Fornell and Larcker (1981) suggest further that the square root of the AVE should be more than one of the correlations among latent constructs. As shown in the Table 2 below, the correlations among the latent constructs were compared with the square root of the AVE. Thus, it shows that the square roots of the AVE are greater than the correlations amongst latent constructs, signifying adequate discriminant validity as recommended by Fornell and Larcker (1981).

Table 2

Discriminant Validity

Constructs	**HR based learning**	**Organizational Strategic Learning**	**Organizational Profitability**
HR based learning	0.785		
Organizational Strategic Learning	0.586	0.750	
Organizational Profitability	0.560	0.313	0.820

Additionally, as stated earlier, discriminant validity can be determined by comparing the indicator loadings with cross-loadings as suggested by Chin(2010). To achieve satisfactory discriminant validity, all the indicator loadings should be higher than the cross-loadings. Thus, Table 3 compares the indicator loadings with other indicators. All indicator loadings in this study were found greater than the cross loadings, signifying

adequate discriminant validity for additional analysis.

Table 3 ***Cross Loadings***

Constructs	HR based Learning	Organizational Strategic Learning	Organizational Profitability
HS1	0.715	0.600	0.223
HS2	0.550	0.406	0.179
HS3	0.795	0.522	0.410
HS4	0.895	0.533	0.543
HS5	0.913	0.395	0.602
OP1	0.360	0.745	0.051
OP2	0.537	0.888	0.403
OS1	0.377	0.250	0.811
OS2	0.301	0.148	0.775
OS3	0.225	0.179	0.651
OS4	0.289	0.205	0.609
OS5	0.353	0.268	0.811
OS6	0.371	0.337	0.837
OS7	0.346	0.228	0.590
OS8	0.267	0.223	0.830
OS9	0.247	0.141	0.784

(B) ASSESSMENT OF SIGNIFICANCE OF THE STRUCTURAL MODEL

Having established the measurement model, the structural model was assessed. The present study required to do the standard bootstrapping process to further assess the significance of the path coefficients (Hair et al., 2014; Hair et al., 2011; Hair et al.,2012; Henseler et al., 2009). Therefore, Figure 2 below indicates the estimates for the full structural model of the study.

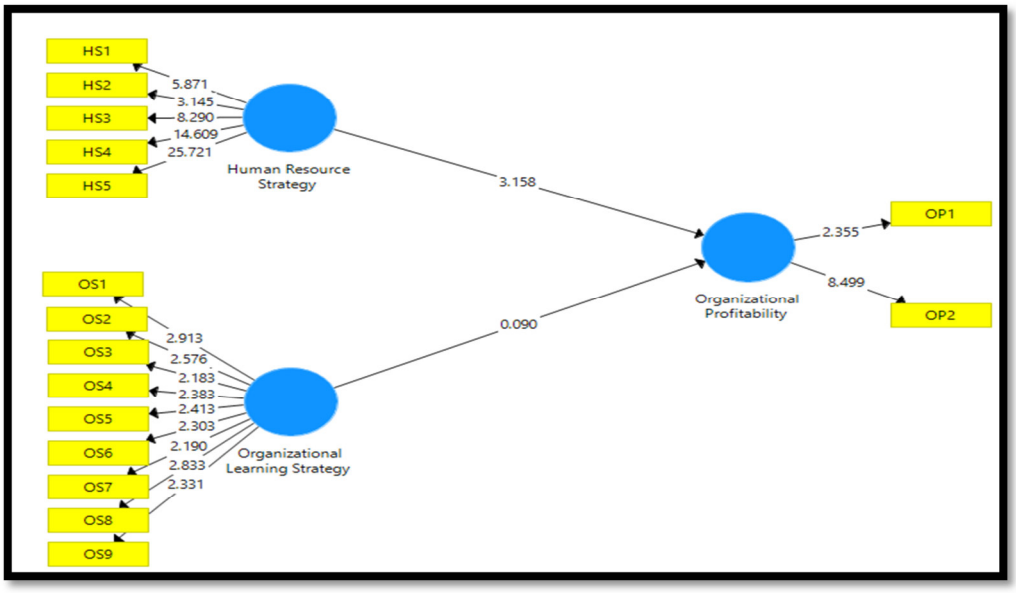

Figure 2. *Structural Model*

The main premise of this study is that human resource strategy is more strongly related to organizational profitability. Table 4 reveals that PLS path analysis result has revealed that there exists a stronger inclination for HR based learning (β = -0.574, m= 0.541, t =3.158) which are larger in comparison to organizational based strategic learning. However, owing to the L&D factor in all the sampled organization and respondents gradually getting aware of its significance, standard deviation (0.258) and *p* values (0.928) of organizational based learning were found higher in comparison to HR based learning. It also proves that organizations have started accepting the need of organizational based learning. This study raised thus several questions on the pertaining issues of establishing a strategic fit as far as learning organization was concerned.

Table 4 *Structural Assessment Model : Table Of Significance*

Constructs	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values
Human Resource Strategy	0.574	0.541	0.182	3.158	0.002
Organizational Learning Strategy	0.023	0.085	0.258	0.090	0.928

STRATEGIC FIT

Strategic fit has as many connotations as the number of times it has been used in research studies. Strategic fit is defined as a situation, internal or external to an organization, wherein a new product or a new market promotion strategy or even a new business proposal stands appropriate or fit in relation to the organization's goals and objectives.A strategic fit is also said to take place when there is an agreement or a match between organization's internal resources and capabilities with the opportunities existing in the environment. Any business proposition to avail these opportunities would be justified since that strategic fit will support the taking of such a step. Therefore, from the data of questionnaires, such indicators of a 'strategic fit' were identified like employees' preparedness, their emotional and intellectual fitness, comprehensibility, commitment, and willingness to change. This suggested that employees understood the business strategy of the organisation and willingly accepted to become a part of a learning intervention. It was also discovered that employees did not resist to getting trained in a particular skill like Six-sigma or e-commerce or cloud computing and showed their willingness to learn and acquire new knowledge and new skills to get them more aligned to the strategic needs of the organization. These are examples to prove that organizational learning was determined by business goals and strategic needs. There were many areas in IT, sales and marketing where organisations needed talented employees who should be willing to upgrade their knowledge and skills according to new business and strategic initiatives. If they did it, it would mean they were aligned to business strategy. Ultimately the result was going to be profitability. This happened only due to the synergy, used in this research interchangeably with alignment, between training for new skills and the business strategy.

Finally, this study addressed the issue of popularizing organizational learning methods in comparison to HR based learning techniques. Mintzberg (1994) portrayed four images of business strategy: first, business strategy was a plan, a means of achieving objectives; second, it was a pattern to accomplish those objectives e.g a "high end" or a "low end" business strategy; thirdly, business strategy was a position that enabled decision makers to launch products or services and, finally, business strategy was a perspective, a vision and a direction. Mintzberg argued that there was no fixed order or priority for organizations to place these images and that business strategy could be understood in accordance with varying situations. Thus, business strategy might be seen as a perspective that was necessitated by a certain position, which could be accomplished through a plan that must reflect a pattern adopted in taking strategic decisions in the whole business scenario. It can therefore be recommended in this study that even the HR based learning can offer a plan or a pattern to align itself with the business strategy and rise to higher positions and perspectives that are organizational dimensions. Grant (2007) too expanded this idea of HR based learning, encompassing the organizational resources and capabilities having the capacity and competence to gain a competitive advantage in a global situation and bring in organizational profitability,. According to him, a strategic fit was nothing but an outcome of a coordination between two elements, namely organizational resources and organizational capabilities. This suggests that profitability was not only through external factors like rank or positioning or industrial liaison but also through a focus on internal resources preferably their human resources or the human capital, i.e. the employees.

CONCLUSION AND RECOMMENDDATIONS

The increasing attention being given to organizational level learning or aligning learning with the business strategy seems to be a response to rapid changes happening world-wide. The challenge looks bigger when businesses are going through volatile, uncertain, complex and ambiguous times (VUCA), an acronym that has forced many organizations to assess their training and learning strategies, many of which have found adequate reasons to align organizational learning with their business strategy. This VUCA has transformed the human resources (HR) and learning and development (L&D) professionals into a more responsible workforce with new skills and capabilities to face the new challenges. For instance, in March 2016 Karen Blal, Regional Director, CIPD Asia, informed that the L&D industry has addressed a few issues related to Asia's labor markets and also insisted that mere recruiting new talent to meet changing requirements would not suffice. Organizations must place an ever greater emphasis on HR and L&D functions in order to re-skill and up-skill their existing workforces. Blal (2016) also affirmed that even a trained workforce could not take on new challenges if training and learning functions relied only on traditional approaches or if it followed simply HR based learning. One of the findings of this study is therefore the discovery of L&D or training aligned with the business strategy as a new way of designing, developing and monitoring the organizational learning.

The study therefore recommends that organizations must be adaptive and highly attuned to the external environment in responding to the changes attributed to the VUCA elements. They must also break the past practices and explore new opportunities. It is also recommended that organization should adopt L&D practices as a key role in addressing to the new challenges faced by the organizations. There are numerous research studies (Gemmell, 2011; Clarke.2014; Stuart, 2015) which have proved that L&D is responsible for many benefits including enhanced profitability, lower attrition rates, improvements in employee engagement and productivity. Employees in L&D environment are also better equipped as they can respond faster to changing business conditions. However, to produce these results, L&D must evolve and abandon their traditional approaches. A new breed of L&D professionals should emerge who are better aligned to business needs and requirements; who can shift their focus from traditional classroom training to continuous learning, performance coaching and mentoring and similar other practices that L&D has devised.

Cegos Asia Pacific, a training consultancy, published a research in 2015 revealing how blended learning surpassed classroom learning as the most popular form of learning. The report drea attention to learning approaches like 70:20:10 learning principle, which required 70% of learning to take place on the job through on line and e-learning methods; 20% to take place through interaction with colleagues; and only 10% to take place in a formal classroom environment. Such learning principles are the signs that leading L&D organizations are shifting from a training delivery focus to a performance consultancy model. This involves partnering with Learning Management System (LMS) agencies that can help businesses to identify opportunities to enhance performance through devising new learning methods. There are several LMSs like SABA, Docebo, Blackboard, Moodle, Litmos among many others that are helping organizations to devise strategic learning initiatives. Many organizations have also adopted a corporate university model. One example is of PricewaterhouseCoopers that has established a Digital Learning Academy and has designed it to build new capabilities throughout their learning and education team. A much deeper and extensive study is required to explore and understand the corporate university model and LMS as training providers and learning service agencies.

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