White Paper:

Next Generation Tools for Aligning L&D with Business Priorities - Part 1

IMPRINT
LEARNING SOLUTIONS

By Jon Hillegeist

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Overview

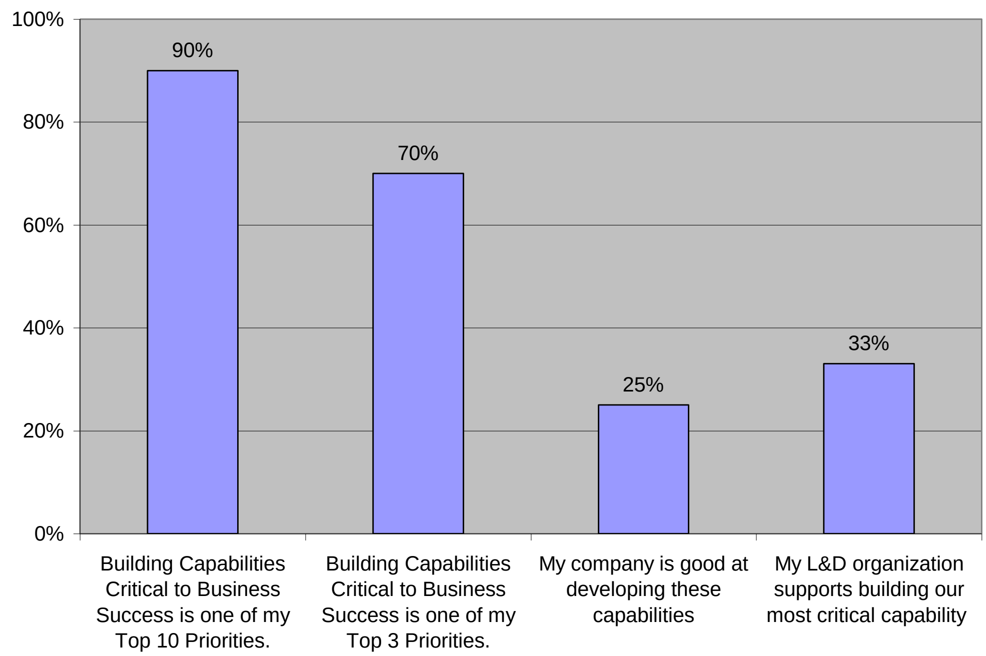
In this White Paper we will discuss:

1. The frequent lack of alignment between L&D learning solutions and critical business capabilities.

2. The "Action-ability vs. Accessibility Tradeoff" and how it severely diminishes the business impact of our needs assessments and learning solutions.

This will set the stage for two subsequent White Papers where we will explore next- generation tools that enable L&D to break the action-ability vs. accessibility tradeoff and drive business results like never before.

The View from the Top



A McKinsey Survey conducted in 2010 reveals some sobering news for Learning and Development (L&D) professionals: 1,440 executives spanning regions, industries, functions and seniority responded to questions about building organizational capability, i.e. anything a company does well that drives meaningful business results. Key findings relevant to our discussion are summarized in the graph above.

It is remarkable that only one-third of the companies surveyed have training programs focused on the capability that the executive team deems most important for business success - even though we know that organizations that align their L&D programs to senior management's priorities are better positioned to thrive than those that do not.

How Do These Findings Relate to Your Situation?

1. What percentage of your learning solutions support the capabilities deemed most important to business success by your executive team?

2. How specifically do your needs assessments determine the performance gaps for the critical few competencies for the various combinations of job roles, job levels, geographic span of control and market situation (e.g. the competencies needed to manage a regional supply chain during rapid growth are fundamentally different from those needed in a mature market)?

3. How specifically do your learning solutions address these performance gaps?

4. How well are you able to measure the impact of your learning solutions on the bottom line?

If your answers to any of these questions are like mine and indicate room for improvement, then you could benefit greatly from the discussion that follows.

Alignment Drives Capability Development

Many of us have delivered great learning solutions which have not been utilized back on the job. To fully understand what limits the impact of learning solutions on business success, we must first examine what comprises capabilities:

1. Executive insight determines the critical organizational capabilities to be developed.

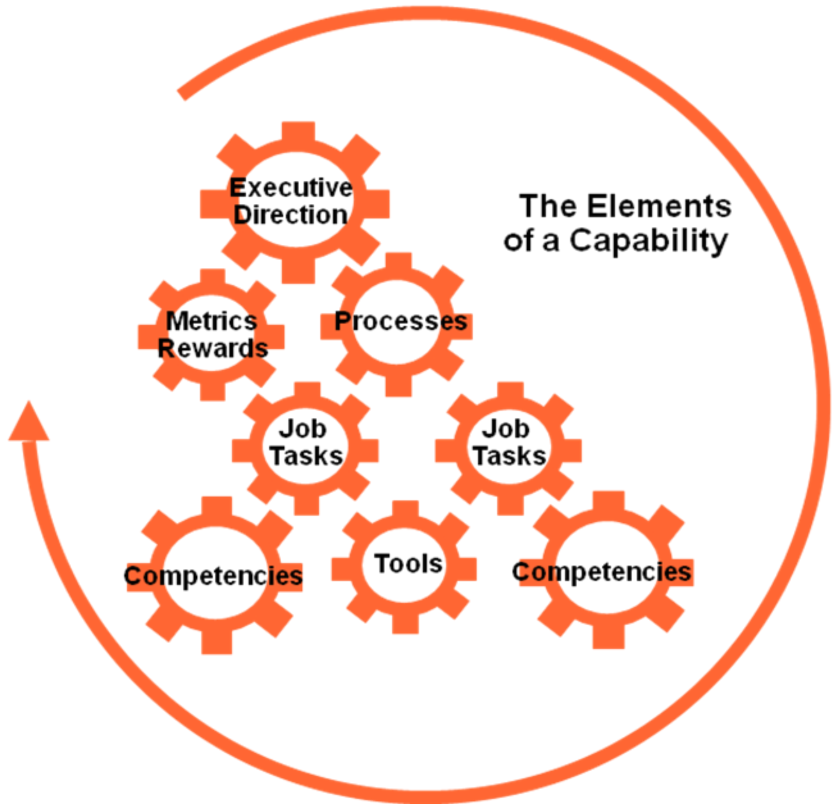
2. Within those capabilities, job tasks clearly define roles, responsibilities and decision-making authority.

3. Individual competencies and tools enable the execution of those tasks.

4. Processes link job tasks together.

5. Metrics and rewards promote and reinforce the performance of the job tasks.

Powerful business impact occurs when executive direction, metrics and rewards, processes, job tasks, competencies and tools are aligned towards the same goal.



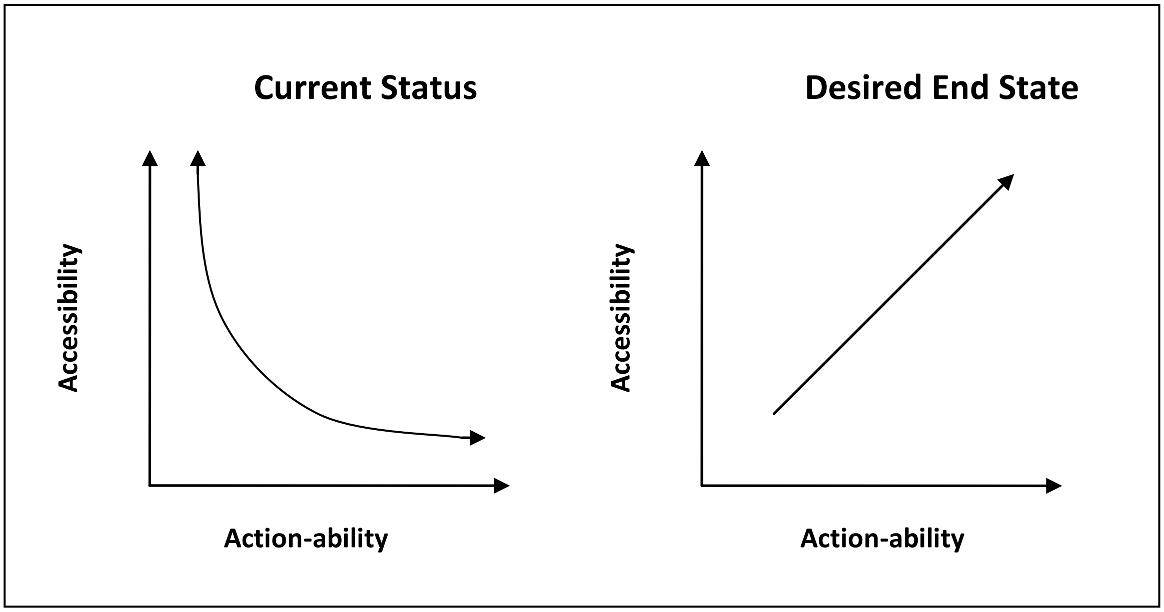
To that end, it's imperative that we as L&D professionals do two things well: 1) Ensure that the competencies we are elevating actually drive critical job tasks; 2) discern and, at a minimum, escalate the misalignment of factors such as inefficient processes or the absence of tools that prevent what is being learning from being implemented on the job.

The greatest limiting factor I see to doing these things exponentially better is the **inherent tradeoff between the action-ability and accessibility of our needs assessment and learning solution approaches.** The more precisely we ascertain the competencies critical to an individual's tasks, the more effective and actionable the learning experiences we can create and deliver. However, the more precise we try to be in these regards, the less accessible our learning solutions become. The time and cost investments to create and deliver them go up and the size of the audience to whom they apply goes down.

Thus, the more actionable learning solutions become, the less accessible they are. And the more accessible they become, the more general and less actionable they are.

The Present and Future of Needs Assessment

To begin to address the tradeoff between action-ability and accessibility, we must review our current needs assessment approaches and their shortcomings.



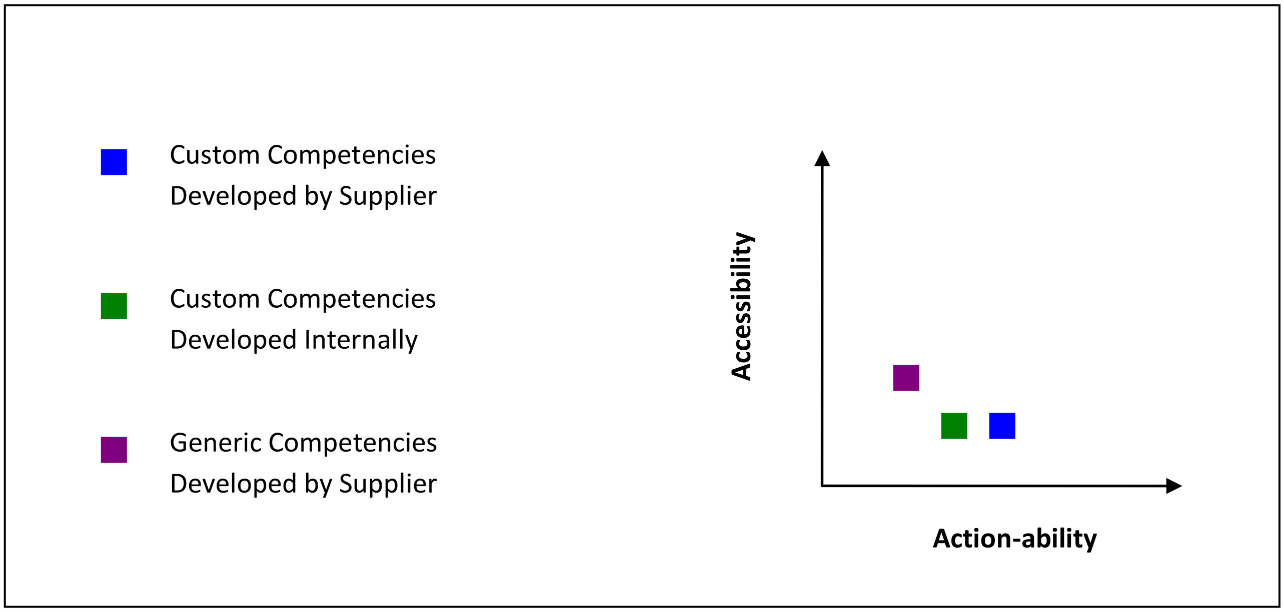
Shortfalls of Leadership and SME Interviews

Often we interview senior business leaders about their business initiatives and their perception of critical skill gaps. Our aim is to 1) link L&D investments to strategic capabilities, and 2) increase chances that these leaders will drive learning solution participation and implementation. However, this high-level perspective is rarely sufficient to clearly diagnose who needs to do what differently. So we conduct additional interviews lower in the organization to fill in the detail that we need to know.

Subject Matter Experts (SME's) who are knowledgeable about content are relatively easy to find, but frequently cannot specify who should do what differently. In addition, we often find that business situations, processes, tools and terminology vary significantly between workgroups. The result can be a generalized learning solution that is accessible to an acceptably large audience size but significantly compromises action-ability.

Competency Assessments Demonstrate a Lack of Specificity

Competency assessments are another approach to diagnosing training needs. Over the past 8 years I have been extremely involved with accessing competencies for over 5,000 people from nearly every conceivable business situation. Below is a summary of the strengths and weakness of three approaches I have used.



Accessibility

- Custom Competencies Developed by a Supplier
  - Very expensive to develop competencies
  - Additional expense to develop online survey tool
  - High SME & L&D time commitment
  - Lengthy project timelines

- Custom Competencies Developed Internally
  - Very high SME & L&D time commitment
  - Expense to develop online survey tool
  - Lengthy project timelines

- Generic Competencies Developed by Supplier
  - Less expense to license competencies than to develop custom competencies
  - Possible additional expense to develop online survey tool
  - Little SME and L&D time commitment
  - Short project timelines

Action-ability (for all three types of competency assessments)

- The need for accessibility to a wide audience drove high level competency definitions that significantly reduced action-ability.

Action-ability Requires Specificity

Competency assessments with items such as "Develops comprehensive marketing plans," don't begin to diagnose the level of specificity needed to develop highly action-able learning solutions. Instead, assessment content should be applicable to the individual's job tasks. These tasks can vary considerably, even within the same job role. Consider the different critical competencies required for two Solution Marketers who support different market situations:

- Early Market Critical Competencies
  - New Solution Generation
  - Market Profitability Metrics
  - Industry Expertise
  - Customer Passion
  - Market Sensing
- Mature Market Critical Competencies
  - Insight
  - Solution Profitability Metrics
  - Segmentation
  - Solution Life Cycle Management
  - Integrated Marketing Planning

Each of these ten competencies comprises a rich set of unique tools, processes and skills.

- **The number of competencies hindered prioritization and focus.**

  A typical employee might be allotted the time and resources to develop one or two competencies over the course of a year. Assessment results typically showed aggregate ratings for 20 or more high-level competencies. These assessments did little, however, to diagnose the critical few tasks individuals in different roles needed to do well to drive organizational capability.

- **Multiple assessments created overwhelming time requirements and complexity.**

  My assessments focused on functional skills. Often another L&D professional would assess my target audience regarding professional and leadership competencies. Our assessments, reports and interventions were not coordinated, requiring more time from learners than they had available and leaving them to integrate and prioritize the different findings for themselves.

- **Results suffered significantly from “rating inflation.”**

  Nearly everyone seemed to “agree” or “strongly agree” that they were excellent at the competencies being assessed, even when we had strong reason to believe this was not the case. To address this, we asked the managers to rate their direct reports. Getting managers to commit time to the process was challenging enough, but even when they did, there was still the risk that the managers might not realize a participant was weak in a particular area if the manager and/or the organization as a whole were weak in that area.

  This concern turned out to have merit. Our stellar 180º ratings contradicted the opinion of established external and internal experts. Furthermore, we frequently received rave reviews about how powerful our learning solutions were, even when we were teaching competencies on which teams had rated themselves very highly.

  Another way we tried to negate “rating inflation” was to use an external test of functional knowledge. See the “Knowledge vs. Behaviors” box for a discussion of this approach.

Knowledge vs. Behaviors

I believe that one assessment we did was more objective than the others - a test of the participant's knowledge in a particular function. Yet there were two fatal flaws as I see it.

- It was more high level and un-actionable than the other assessments. Additionally, only a small sample of the functional knowledge was tested, with the assumption that one or two wrong answers meant a whole area of that function was deficient.

- As proficient L&D professionals we know that "knowledge" is not what we base our learning solutions upon. Learning objectives are based on behavior: under certain conditions a person is going to do certain things to a certain level of quality. What people do is what matters, not what they know. Yet here I was testing people on what they knew. If they knew some academic knowledge, it didn't mean they could do it. Even if they could do it, the test wasn't telling me if they were actually doing it or not. I wanted to know the current and desired behaviors. If there was a gap, then I would dig in and find out why (e.g. maybe they didn't know how to do it, maybe processes were unclear, etc.)

- **Fear and Resistance Undermined Effectiveness**

Something all these competency assessments had in common was the fear they generated. Participants were concerned their assessments would be incorporated in performance ratings and/or layoff decisions. I was made aware of at least one internal assessment that was once used to help justify layoffs.

In addition, standardized, generic competency assessments often generated strong resistance by a significant portion of the management team. People challenged the results and questioned the applicability of a tool that wasn't developed for their business situation.

How to Minimize the Fear

1. Use an external supplier to host and administer the survey.
2. Ensure the supplier is certified in terms of data privacy standards.
3. Stipulate that the supplier will only report aggregate results to the management team.
4. Explicitly explain to participants that the supplier is legally liable if the agreement is violated and the management team is shown to have used individual results for layoff decisions.

- **Reporting Functionally Left Huge Potential for Driving Business Success Untapped**

Results took time to generate and were provided in standard templates. Different data cuts, which senior leadership and/or I invariably sought, required additional time and money. More significantly, the most we got out of the majority of our assessments was a high level sense of the areas that needed development. The potential for rich business, HR and L&D insight went largely untapped. Imagine how powerful it could be to slice competency data by business unit profitability, annual performance ratings, length of time with the company, career path, educational background, etc. Such analysis and insight could be used to improve the hiring processes, promotion criteria, career development paths and a host of other functions critical to employee satisfaction and business success.

Summary: Shortfalls of Traditional Competency Assessments

- Significant time and/or expense to create and implement.
- Too high level to yield desired specificity.
- Too broad to elucidate the critical few competencies.
- Too compartmentalized to yield a holistic development plan (e.g. functional and leadership and professional competencies accessed separately).
- “Rating inflation” (even 180º or 360º assessments suffer from departmental or organizational “unconscious incompetence”).
- Sometimes test knowledge, but are too high level and academic in nature, and neglect behaviors.
- Limited reporting functionality negates significant potential value.
- Can generate significant fear and resistance.

What Does It Take to Align Learning Solutions to Critical Capabilities?

Based on our discussion above, the following elements are critical to creating L&D programs that build critical capabilities and drive business results:

1. ***Engage Senior Leadership*** to provide high-level direction and drive learning solution participation and on-the-job implementation.

2. ***Break the needs assessment tradeoff between action-ability and accessibility*** through a new approach that:
   a. *quickly and accurately diagnoses*
   b. *large numbers of individuals* on the
   c. *critical few behavioral competencies* for their
   d. *very specific role* in the organization, considering job family, role and level; geographic span of control and business context
   e. *integrates functional, leadership and professional* competencies
   f. *maximizes reporting functionality* to drive powerful business & HR insight

3. ***Break the learning solution tradeoff between action-ability and accessibility*** through a new approach that profitably addresses specific critical competency gaps in a timely manner.

4. ***Maximize business value*** through the detailed reporting and analysis of key individual and organizational dimensions (e.g. educational background, business unit profitability, etc.)

5. ***Reveal for escalation any other relevant barriers*** (e.g. unclear or inefficient processes, inadequate tools, misaligned or nonexistent metrics and rewards, etc.)

6. ***Employ user-friendly tracking and measurement systems*** regarding learning solution enrollment, completion and levels 1-4 evaluation (especially linking training to business impact).

Where Do We Go From Here?

Despite a successful L&D career with a Fortune 20 Company, none of my needs assessments and learning solutions would have met even 50% of the criteria outlined above. I find that both sobering and tremendously exciting. Could there be a way to exponentially increase the alignment between learning solutions and the critical competencies that drive strategic capability? That would require breaking the tradeoff between action-ability and accessibility. What if we really could diagnose needs much more specifically in a timely and cost efficient manner? What if there was a way to tailor learning solutions to the learner's needs so that they routinely resulted in huge ROI returns? L&D would be a profit center, not a cost center. Executives would be lining up to ask for our assistance.

If you find these possibilities intriguing, stay tuned over the next few months as we explore next-generation needs assessment and learning solution approaches designed to drive business results more than ever before.

In the meanwhile, I invite you to use our two-minute Needs Assessment Diagnostic Tool to see how much room for improvement you have!

By Jon Hillegeist

As a Learning & Development professional for a Fortune 20 Company for 14 years, Jon has worked with people from all organizational levels; multiple functions across all regions; and global, regional and country B2B and B2C roles. His learning solutions have impacted the bottom line by hundreds of millions of dollars. Learn more about Jon at http://www.imprintlearn.com/jon-hillegeist/.

About Imprint Learning Solutions, Inc.

We believe how you learn determines what you learn.

We utilize a hybrid approach to deliver practical—not theoretical— knowledge that generates business results. Why? Because executive education gives you the theory and relies on you to apply it to your organization. Although consulting solutions provide the answer to the problem, they fall short of addressing the ability of your organization to resolve marketing issues after the engagement ends.

We focus on capability transfer—learning to identify the specific marketing competencies required to implement strategic marketing initiatives, retaining what you learn, and transferring that knowledge to your team or organization.

Our focus on your companies' marketing and go-to-market readiness led to the development of market-driving learning strategies and tools that leverage the latest accelerated team-based adult learning methods. Our seasoned staff members are professionals in their individual fields—they've been where you are, and are uniquely qualified to guide and coach your people to turn training investments into actionable and measurable business results.

Our team is composed of educators, authors, inventors, entrepreneur's and global executives with experience ranging from startups to Fortune 20 companies with ‘C-level' responsibilities.

We have delivered:

- Instructor Led workshops to more than 6,000 corporate executives in 40+ countries
- Marketing eLearning courses to more than 1,200 marketing professionals
- Web based diagnostic assessments to more than 5,000 marketing professionals

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