

White Paper:

Linking Learning to Performance: How to Get Better Results from L&D Investments





Introduction

"Do your company's leaders effectively measure the benefits of learning and development projects and hold people accountable?" That single question determines the success of your organization's training programs.

If the answer is a "no" or a "not quite," your training dollars are a waste.

Make that answer a "yes" by changing how you measure and reinforce behavior and you can increase the effectiveness of your training programs by 50%.ⁱ

Who Says So?

My experience over the past 29 years as both a senior business leader in large organizations and a learning and development (L&D) practitioner with companies of all sizes has shown that leadership engagement is *the greatest influence* on the success of any L&D initiative. The symptoms of this lack of leadership are quite evident in the results, or lack thereof.

In a survey of 126 learning leaders in the business world, the overwhelming majority reported believing that less than 15% of training improves performance.

In short, only a microscopic fraction of training is ever put into practice and only a sliver of the hoped-for benefits are ever obtained.

David Maister, the internationally acclaimed expert on managing professional services firms, wrote: "I now believe that the majority of business training, by me and by everyone else, is a waste of money and time...."ⁱⁱⁱ

Other experts agree. Tim Mooney and Robert Brinkerhoff, authorities on measuring the impact of L&D initiatives, wrote, "The reality is that training fails to work far more often than it works. If you put a hundred employees through a typical training program, chances are that less than 20% will end up using what they learned in ways that will lead to improved job performance."ⁱⁱⁱ

More worrisome, training directors themselves acknowledge the problem. Calhoun Wick, co-author of the book, "The Six Disciplines of Breakthrough Learning," investigated the link between training and business results. He and his colleagues asked 126 learning leaders what percent of training they thought produced improved performance. The overwhelming majority said, "Less than 15%."

The critical question becomes, "Why?" Maister writes that the reason so much training is a waste of money and time is "...because only a microscopic fraction of training is ever put into practice and the hoped-for benefits obtained."^{iv}



What Matters

Executives must understand above all else that new knowledge and skills only improve performance when employees apply them to their jobs. In short, you must ensure people follow through on what they learned. And, in most training programs, follow-through is the weakest part.

Improve follow-through—how you monitor and measure and reinforce behavior—and you radically increase the effectiveness of training. The best part is, improvement is well within reach because the root causes of poor training results are within your control.

The Key to Increasing Results

Of all the monitoring and reinforcement actions leaders can take, which questions managers and executives ask employees is the one most within their control. It is also one of the most influential.

Consider the example of a group of marketing professionals who learned from a workshop how to apply a "Value-Based Pricing" approach to their business. The questions below represent questions senior managers might ask them:

- How can we modify our pricing approach in light of the different customer segments we serve?
- How can our marketing better capture the value of our services?
- How can we estimate the true dollar value of the services we provide?

By asking questions, leaders set the expectation that employees will apply their new knowledge and skills. In addition, such questions make the new learning much more than an intellectual diversion from the day-to-day grind; they transform the new material into practical and practicable knowledge.

Our Promise

The goal of this white paper is to show that your organization can improve the return on its L&D investments by 50%. As a leader within your organization, you can play a significant role in making this happen.

This is the good news.

If you are willing to be accountable, read on. I will provide you with practical guidance and action steps to ensure that you serve as an activator—and not an inhibitor—of L&D gains within your organization.



10 Excuses for Why Management Doesn't Follow Through

Senior managers often think they have completed their job once they fund a project. They assume ensuring follow-through is somebody else's responsibility.

This bogus assumption leads to ten common objections, which I have outlined and framed below for your consideration. You must understand these objections in order to address them and increase the effectiveness of your initiatives:

#1: "I provided budget money to support the L&D programs."

While funding is necessary, it is insufficient—unless you do not expect to see any ROI or business impact from your largess.

You need to establish the business and financial return expectations upfront by linking activities and objectives to specific, measurable, and meaningful business results. If you do not ask questions and frame your learning initiative as having an expected ROI, it will likely be treated as a variable expense that can be ignored or delayed with little impact on potential profits.

#2: "We have communicated the new strategy multiple times. The direction should be understood by everyone."

Don't make the mistake of confusing clarity of purpose with a change in your organization's capabilities. Defining the new direction is the starting point, not the endpoint. When it comes to L&D, you have to actually do the work to attain your goals.

Your organization will probably have to develop a new capability or strengthen an existing one in order to execute the new strategic direction. Senior managers must connect investments to the creation or strengthening of organizational capabilities.

#3: "We hire people with MBA's. They should be good to go."

This is most likely true if your business challenges present themselves as topics which can be addressed as a series of "discrete courses," illustrated by case studies, which can be retold and debated from many academic perspectives.

More likely, your people deal with complexity and ambiguity. If this is more like your situation, take your lead from the medical community. They require physicians to maintain their certification by attending continuing medical education courses (despite all of the education and training they have received). They recognize that practices change and every physician needs to be "current" with the latest practices. Why should this not hold true for your marketing personnel who have MBAs?



You might convince some people that segmenting a market is more taxing than neurosurgery, but most people would agree that acquiring an MBA is the beginning of the L&D in marketing—not the termination.

#4: "I allocated time for my people to get developed."

Once again, this is a necessary condition but it is not sufficient. Time is an input and not an output (unless you are building watches).

Being a senior executive, you should be all about outputs. Again, the question you should trouble yourself with is: "What organizational capabilities are key and how should the L&D activities create business outcomes?"

#5: "We spent all this time and money training people and there is not much to show for it."

How has your behavior changed? In what manner have you become the change you want for the organization?

This is the danger zone of "do as I say and not as I do" where senior managers sometimes live. It is helpful to remember that leadership is a behavior and not a job title or position on the organizational chart.

What's at stake here is senior management's credibility. It's as simple as that. This is the manager who often provides "more heat than light" to encourage results—they hold high expectations for everyone else but do very little to make any personal changes or facilitate changes in others.

#6: "We are paying the marketing folks good money. They should know what to do."

Marketing people are not a "ready-to-eat meal" for which you simply add water and microwave and get quick results! People need continual development and new challenges to acquire and develop relevant functional and personal competencies.

#7: "We have already invested quite a lot in training."

This statement indicates a couple of attitudes:

1. Investing in L&D is episodic and not a sustained or strategic activity. Can you imagine someone saying: "We invested in R&D a few years ago—do we have to do it again?"
2. People are **developed** in order to deal with complex, non-linear business challenges. Animals are **trained** to respond to predictable, repeatable prompts: "Sit, rollover, heel...." You get the picture. Development is not a one-off thing.

#8: "We don't have the budget."

If these folks were at the local swimming pool, they would be shouting (between gulps of water as they thrash about), "We are too busy drowning to take swimming lessons."



The lack of any ROI measures makes this budget statement almost seem rational. But if I presented a new product or promotion program that could generate an ROI of 200% and was paid back within three months, the money would be found somewhere!

The lesson: Organizations always find resources for the things that have an attractive ROI.

The lack of your organization's ability to measure ROI makes you very susceptible to the "this-is-not-budgeted" argument.

#9: "We can't afford to take people away from their jobs."

The way to solve this is to incorporate the L&D with "real work." Don't allow the two to be disassociated and this issue will be addressed with surprisingly positive results.

#10 "If my people become more skilled, I may have to learn something new and that makes me uncomfortable."

Nobody ever says this to me or to anyone I know, but I have come to believe it is a "latent concern" and an inhibitor of L&D. Many managers are afraid of being uncomfortable once they reach the pinnacles of executive management.

Accept that "lifelong learning" is the best way to foster innovation, critical thinking, and an engaged workforce.



Case Study: The Role and Importance of the Manager

Most managers underestimate the impact they have on whether training leads to improved performance.

One study demonstrated just how profound that impact is. American Express^{iv} evaluated the results of a key leadership training program. When they compared "high improvement" participants to "no improvement" participants, they found three factors that consistently predicted high levels of performance improvement.

High improvement learners:

- Were 4x more likely to have had a meeting with their manager to discuss how to apply the training.
- Almost 2x as likely to perceive that their manager supported and endorsed the specific training.
- More than 2x as likely to expect to be recognized or rewarded for the training-related behavior change.

The study authors concluded: "The true impact of a training program will best be predicted by the work environment participants return to after the event. More specifically, this refers to the type of leader they work with and report to after their respective training...As clearly evidenced by this research, the right leader with the right approach will truly work wonders to maximize any training investment."



Using Questions to Establish Expectations

Senior managers must ask questions to reinforce why L&D is practical and operationally relevant and not an intellectual diversion or paid vacation.

Too often employees return from an L&D course fired up and ready to "test drive" the new concepts, tools, or thinking only to encounter a senior manager whose questions do not reflect the new thinking.

This is deflating. They had presumed their manager provided the learning opportunity as a means to share the manager's own belief on how to perform a task. That assumption is quickly dispelled when the manager shows little interest in what was learned. The new learning that energized employees will not be required "on the job."

The Right and Wrong Questions

The most compelling evidence that a manager supports an initiative is the questions he or she asks.

Just like in the game show *Jeopardy*, it is the art of identifying the questions that pay off and win the game. The questions from managers are the drivers of the answers offered, so please get the questions aligned with the learning and desired outcomes!

Building on the "Value-Based Pricing" example used earlier, a less than enlightened manager might ask these questions:

"People respect what you inspect."

- "We need to have a 30% margin. What price level will this take?"
- "Competitor A is dropping price 15%. How can we match this so our volume doesn't decline?"
- "We must have one price for the market. Don't you agree it would not be fair to have different prices?"

The discrepancy between what was learned and what is queried exposes the "chasm" between the practical and the intellectual. It reinforces the perception that the new learning will not be required "on the job." Worse, it may send the message that things will remain "business as usual."

Military officers often say troops "respect what you inspect." This axiom holds true within the corporate environment as well. If you are a senior executive, you "inspect" with questions. The questions establish what is important. Master the art of focused inquiry. Ensure that your questions activate and reinforce the new learning and desired behaviors that were the basis for investing in L&D in the first place.

The First 4 Questions You Must Ask

There are four critical questions to ask whenever "someone darkens your door" to request an L&D investment. These questions determine if the investment aligns with your business priorities. Raise these questions early enough, and you will create the foundation for a successful project:



1. What are they going to learn? (Objectives)
2. How are they going to learn it? (Resources/strategies)
3. How am I going to know that they learned it? (Evidence)
4. How are they going to prove they learned? (Verification)

The difference between evidence and verification here is the *time horizon*.

For example, evidence relates to the L&D's near-term ROI. It answers the question, "Did we get a good payback on the investment?"

The verification question addresses the "embedding and institutionalization" of the new practices on a sustainable basis. This ensures the ROI was not just a one-time event, but has become an organizational capability.



What's Leadership's Role

Below are "rules of engagement" to consider for leaders who want to improve their business results with L&D.

1. Focus the learning development on real world applications, not theoretical case studies.
2. Drive—even demand—that the learning is applied. Don't let the learning "linger."
3. Making sure learning is associated with business impact.
4. Link learning explicitly to business outcomes. Synthesize it with targeted learning objectives on the front-end and not on the backend.
5. Be an active sponsor, not just a source of funding. Specifically, create a forum where you can review what employees learned and how they applied it. Communicate to L&D participants that you expect to review how they have applied the new learning. Establish the time, place and process for when this will occur.
6. Allow yourself to be uncomfortable. Accept the notion that being a leader does not mean the learning stops. You are may be on the bridge of the ship and not spending as much time below, but your learning is not over. Being uncomfortable can being taken as a sign that you are pushing yourself and growing , if you are okay with this, it is likely those who work for you will be as well

Clients who gain the greatest business advantage from L&D follow these rules.

Don't Do This

I once worked for a company that brought in a big-name consultancy to teach employees market planning. Of course the engagement was branded with a nice title and senior managers joined kick-off sessions and waxed about the importance of what "we" were about to undertake, using nice slides and providing great snacks.

That was the last we saw of the senior managers. Meanwhile, we were fire hosed with a cavalcade of training and templates to complete over the next few months. The templates were never utilized on a sustained basis, not because they did not make sense, but because the senior managers were unfamiliar with them, didn't own them, and were uncomfortable with them.

The project was a seven-figure failure and a source of cynicism amongst the employees who had received the "training." They saw it was not a case of there not being a true business need for the L&D. Rather, it was a lack of follow-through by the sponsors who served more like financiers than leaders.



The Consequences for Not Doing Your Part

The preceding example serves to highlight both the financial and "soft" risks associated with a poorly conceived and executed L&D effort. (The disruption to the organization can be on a scale that not even a competitor could inflict!)

I will be more explicit and put these costs and consequences in financial terms that all senior managers can appreciate:

Indirect/Soft Costs:

- **Credibility:** Congratulations... You have created a bunch of cynics within the ranks who now believe you are one of the "do as I say and not as I do" managers.
- **Productivity:** The path from cynicism to disaffected behavior is short. Disaffection occurs when people believe they care more about "doing it the right way" than their managers.
- **Loyalty:** The loss of trust depletes the "bucket of equity" that a senior manager has with employees. As the bucket "get's drained," it becomes harder to push initiatives that require change or employee engagement.

Exercise: Think about a time in your career when you participated in a learning and development initiative only to come to believe that the managers who sent you were the greatest inhibitors of the change being adopted. What were the soft costs you saw in this scenario?

Direct/Hard Costs:

- **Spending:** The money committed was wasted and could have been better spent on other endeavors.
- **Opportunity Costs:** The time allocated to the L&D project could have been focused on something that had a more visible (if less profound) impact
- **Operating Margin Impact:** Of you miss the timeframe in which to create needed change, there is an impact on market share, margins etc.

Exercise: Think about a recent investment and identify the "breakeven" metric associated with a business outcome affected by the investment. It could be acquiring 10 new clients, achieving a 3% increase in price, affecting a 10% increase in market share etc. If you cannot identify one, what is the reason?



Your Managerial Profile

If we surveyed the people in your organization and asked them to select a profile from those outlined below, which one would they likely select to describe you? How would you place yourself? How do you feel about this?

"Grin and Grip"

The Grin: You show up at the kickoff to tell engaging stories and say how important you think it is for "them" to develop themselves.

The Grip: You next appear at the graduation to shake hands and hand out diplomas or certificates. Your photo is taken to memorialize that people were trained on your watch.

This manager is perceived as the classic "do as I say not as I do" manager. They lack credibility and are not viewed as "authentic" in their support. This serves to create the cynical and disaffected behaviors described earlier.

"The Disapproving Parent/Banker"

You provide all the necessary resources for employees to develop their skills and therefore expect (even demand) results. You can now officially check the "employee development box." You are the banker.

The disapproving parent aspect comes into play when inevitably the results do not emerge. As the disapproving parent, you share how disappointed you are given your "commitment" (read funding) to the L&D initiative. All the while of course, you safely distance yourself from any meaningful role other than that financier. Once again you have been poorly served by the employees!

"The Leader as Learner"

You establish from the outset that everything learned will not only be *applied* but will also be *reviewed* by you. In so doing, you know that you must reinforce the learning with your own behaviors and may feel uncomfortable as you grow with your people.

You commit to assessing and adjusting your own behavior so that it will reinforce the new learning and business practices. You accomplish this by:

- Asking the four "challenge" questions when the L&D request is made.
- Establishing that you will "inspect" and review how the new learning has been applied and the business impact measured.
- Formulating "new questions" that will serve to reinforce the learning and application.



4 Elements to a Successful L&D Engagement

Every successful L&D engagement has four elements in common:

1. **It is Strategic:** The L&D initiative or plan is linked to important organizational capabilities that need to be created or strengthened. These capabilities have been identified and the learning investments are justified. The initiative is designed based on a clear linkage to creating these strategic organizational capabilities.
2. **Measurable:** The skills you are developing have measurable results. When they improve, leaders can see meaningful business results. For example: time-to-market improvements, market share growth, or net marketing contribution changes.

Staying with the "Value-Based Pricing" instance, the following are some actual examples of measurable impact:

- a. "By going with a value option, the team was able to preserve a street price about \$30 higher than otherwise. This contributes about \$10-12 incremental gross profit per unit. We're planning to sell approximately 400K units at this higher price. There is some incremental non-recurring cost to the program (estimated \$500K) which nets out to about \$3.5M incremental profit."

"Increased market share and improved operation margin is \$35-70M over the next five years."
 - b. Feedback included, "The tools helped to validate what solution we needed to implement to be most competitive. The Value Map is an easy tool to understand and works well as a practical tool to present to upper management."
3. **Real Work:** L&D is "blended" with doing real work. The two are not mutually exclusive but totally inclusive.

The importance of blended learning is less about the modality of delivering the L&D (face-to-face, eLearning, or instructor led) and much more about linking the targeted learning with "real-world" application. Adult learners are very pragmatic by nature and combine this with the stress and pace of working within a corporate environment and the need to "leverage learning with doing" becomes a necessity.

Don't settle for reading case studies about other organizations, make your own case studies by combining the "learning experience with real work" that matters to your organization.



4. **Walk the Walk:** Be authentic. Senior management leads from the front and takes a meaningful and engaged level of ownership for their behaviors in fostering change. They are willing and able to learn and adapt.

Apply the four modified challenge questions to yourself:

1. What do I need to learn in order to lead the change?
2. How can I acquire this knowledge?
3. How will others know that I have learned something new?
4. How will I ensure the learning and new behavior's are sustained?



Conclusion

If you undertake an L&D initiative with the attitude that "this is for others" and believe your role is a passive one, I recommend you save your organization's money and don't do it.

If you are open to learning and taking a leading role in the L&D initiative, you will yield a return that leaves you smiling and your company better off.

Aligning the initiative with the organization's capabilities and sustaining the newly-learned behavior in yourself and in your employees is a proven path to a successful L&D endeavor.

ⁱ Wick, C., Pollock, R., Jefferson, A. and Flanagan, R. *The Six Disciplines of Breakthrough Learning: How to Turn Training and Development into Business Results*. San Francisco: Pfeiffer (2006).

ⁱⁱ Maister, D. "Why (Most) Training Is Useless," 2006.
<http://davidmaister.com/pdf/WhyMostTrainingsIsUseless.pdf> Accessed: September 2009

ⁱⁱⁱ Mooney, T. and Brinkerhoff, R.O. *Courageous Training*. San Francisco: Berrett-Koehler (2008).

^{iv} Wick, C., Pollock, R., Jefferson, A. and Flanagan, R. *The Six Disciplines of Breakthrough Learning: How to Turn Training and Development into Business Results*. San Francisco: Pfeiffer (2006).

^v American Express. "The real ROI of leadership development: Comparing classroom vs. online vs. blended delivery," 2007. Accessed: August 2009.



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. While 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 people 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 comprised 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

Imprint Learning Solutions
1821 Hillandale Road
Suite 1B-329
Durham, NC 27705
(919) 237-2093
info@imprintlearn.com
<http://www.imprintlearn.com>

