Quality info

Eight Steps for Learning and Development Success

Mitigate learning disasters by designing for results

According to W. Edward Deming, "Every system is perfectly designed to achieve exactly the results it gets." This applies to any quality initiative and any other activity, including learning and development. Yet, according to an ATD/ROI Institute study, only 8 percent of CEOs see the results most important to them: business impact.

This lack of business results from learning and development can lead to seven disasters:

1. Investments based on perception rather than evidence. This is risky in today's economic climate.

2. Middle managers stop supporting investments in learning. Manager support is essential for transferring learning to the job.

3. The commitment to learning and talent development wanes. Executive commitment is necessary for a viable learning and development function.

4. Influence of the learning function diminishes. It's hard to earn a "seat at the table" when you are not connected to the business.

5. Funding dwindles. Executives fund projects that they perceive to be an investment. If it is a cost, they cut it, freeze it, or eliminate it.

6. The image of the learning and development function suffers. The learning and development team may be perceived as "order takers" and "time wasters" rather than "business deliverers."

7. Team satisfaction plunges. The learning and development team is concerned about its relevance and how it connects to the business.

So the question is: What do we do to mitigate the risk of disaster? Design for the results that you want. There are five levels of outcomes from learning programs: reaction, learning, application, impact, and return on investment. Most learning and development programs are designed for reaction and learning—and that is what we get. These programs should be designed for impact. Remember: If you want business impact, design for it. Eight steps are involved.

Step 1: Start with *why* by aligning programs with the business

The old adage, "Begin with the end in mind" holds a lot of truth. By identifying opportunities for the organization to make money, save money, or avoid cost, and defining the specific business measures that must improve to seize these opportunities, we get clarity of purpose for a program. We know why we are implementing the program(s).

The key is to identify the specific business measures that must change so that the program delivers business value. These should be very specific measures, such as new account generation needs to improve from three per month per sales representative to six per month in six months; out-of-compliance fines should be reduced by 50 percent in one year; or product returns should be reduced by 20 percent in six months.

Specificity drives results. The more specifically we can define measures that need improving, the easier they will be to target as we design the program.

Step 2: Make the program feasible by selecting the right one

With the business need clearly defined, the next step is to decide on the solution to improve the business measure. What should target employees be doing (or not doing) that will influence the business measure? Answering this question sometimes requires only a limited amount of probing. In other situations, additional analysis is needed, using techniques such as problem-solving, brainstorming, fishbone diagrams, records review, focus groups, or nominal group technique. The various techniques attempt to understand what's causing the business problem or what's keeping the business measure from being what it should be. This points to a feasible solution to drive business results.

Step 3: Expect success and design for results

The outcome from the needs assessment is a clear definition of the objectives and the proper solution. The objectives define the success that's needed at each level. At the payoff level, the ROI objective is the minimum acceptable return on investment. At the business impact level, it's the minimum amount of business improvement required to be successful. At the application level, it's the minimum amount of action, the use of knowledge, skills, tools, and processes. At the learning level, it's the minimum amount of knowledge and skill that must be learned. And at the reaction level, it's the minimum level of perceived value.

Specific objectives are important to the program's success, and they define the expectations for everyone, including designers, developers, facilitators, participants, managers of participants, and program owners. They all step up to their responsibilities to deliver business results.

Step 4: Make the program matter by designing for input, reaction, and learning

The key to making a program matter is to develop it with content that is relevant, meaningful, important to the individuals and the organization, action-oriented, and something that they will use. This requires prospective participants to decide if this is the right program for them, making sure that they are attending at the right time and the right

place, with the proper support. This helps the developers provide examples, activities, and exercises that reflect not only what the participants are learning, but also what they will do with what they've learned and the impact it will have.

Step 5: Make the content stick by designing for application and impact

The reality is that if participants don't use what they've learned, then it has failed for the organization. Just because participants learned something doesn't necessarily mean that they will actually use it. Unfortunately, much research continues to show that much of what is learned in formal learning and development programs is not used on the job. Some studies put this percentage in the range of 60 to 90 percent, while others are more or less than this amount. This is a huge indictment for the learning profession, to admit that 60 to 90 percent of a program's budget is wasted because participants don't use what they have learned.

Transfer of learning is a process that occurs over time and involves all the stakeholders. Yet there really are some very simple things a company can do that have a big impact. For example, research shows that it takes only about 30 to 60 seconds for a manager of a participant to make the transfer by having a brief discussion to set expectations with the participants before they attend the program. Then have another brief discussion when they return to reinforce the expectations and offer support. Making it stick is not as difficult as it seems.

Step 6: Make the program credible by measuring results and calculating ROI

This step can be one of the most rewarding parts of the process. The first action is to sort out the effects of the learning program from other influences. Simple, easy-to-use techniques are available for this step to clearly see the connection of the program to business measures. If the evaluation is needed at the ROI level, three more actions are needed: The impact measures are converted to money, the costs are tabulated, and the ROI is calculated. This can be accomplished with fourth-grade mathematics. The challenge is to overcome the barriers to moving to this level of evaluation and evaluate at this level only when programs are expensive, important, strategic, and attract the interest of top executives.

The traditional financial ROI is the comparison expressed as a percentage when the fractional values are multiplied by 100. In formula form, the ROI is:

$$\text{ROI (\%)} = \frac{\text{Net Program Benefits}}{\text{Program Costs}} \times 100$$

Net benefits are program benefits minus costs. This formula is essentially the same as the ROI for capital investments. For example, when a firm builds a new plant, the ROI is developed by dividing annual earnings by the investment. The annual earnings are comparable to net benefits (i.e., annual benefits minus the cost). The investment is comparable to fully loaded program costs, which represent the investment in the program.

The principal barrier here is fear of results, and this should be tackled in a proactive way. If a program is not successful, you need to understand why it's not working and correct

it. If you are proactive, your various stakeholders will accept this easily, even if the results are very negative. But if you wait to be asked for the impact or maybe ROI, then it places you at a disadvantage. This should be tackled from the mindset of process improvement—making programs better, even if they're not delivering the desired results.

Step 7: Tell the story in a compelling way to key stakeholders

Communicating results to appropriate audiences can range from executive briefings to blogs, and the content can range from a detailed report to a one-page summary. The important point is to tell a compelling and interesting story with results.

Storytelling is very effective, and it's the best way to get the audience's attention and have them remember the results. The four (or five) levels of outcome data represent a compelling story with very credible, executive-friendly evidence and anecdotes.

Step 8: Optimize results by using 'black-box thinking' to increase funding

It is helpful to think about the power of the evaluation completed in steps four, five, and six. The results are there, and you know what caused success or failure. If the results are disappointing, you know how to correct it. Black-box thinking is needed at this step. In the airline industry, black boxes point to the cause of a crash of an airplane. The analysis usually reveals the cause and identifies the actions to be taken to prevent this type of accident in the future. Learning and talent development professionals can take the same approach.

In step eight, the programs are evaluated, and the data are used to make them better. When this happens, results will improve and ultimately the ROI is enhanced. The ROI calculation can be improved by increasing the numerator, or decreasing the denominator, or both. The numerator is increased by having more impact from a program. The denominator is decreased by having less cost for the program.

Optimizing the ROI presents the best case for increasing funding, providing a credible rationale for additional funding. This is your ultimate goal, to make sure that funding is there in the amount that's needed, or enhanced so that talent development adds more value. This approach ensures that executives see learning as an investment and not a cost that can be controlled or reduced.

Following these eight steps will ensure that your learning programs are designed for results.

1. Start with why.
2. Make it feasible.
3. Expect success.
4. Make it matter.
5. Make it stick.
6. Make it credible.
7. Tell the story.
8. Optimize results.

"An organization's ability to learn, and translate that learning into action rapidly is the ultimate competitive advantage".

Jack Welch, former General Electric CEO

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