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Put "Earn" in Your Learning

by

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Abstract: Many companies view training as a component of their employee benefits package - an expense to be controlled, not an investment to be maximized. This attitude is dangerously outdated. Survival in today's global economy requires continuous, cost-effective, world-class training. With the right approach it is possible to identify the "earn" in learning and measure the results as you would with any other business investment.

New York retail legend John Wanamaker once said, "Half of my advertising is wasted ...the trouble is, I don't know which half." Many businesspeople feel the same way about training and the root cause of their distress is similar to their concern about advertising: the relationship between cause and effect is unclear.

Start with Business Objectives

It doesn't have to be this way. Most good training programs begin with an analysis of job activities and identify the knowledge, skills, and attitudes that are required to perform those activities successfully. This is certainly not a bad place to start, but a critical first step is often overlooked – what business problem is the training intended to solve? Or to put it more positively, what new business opportunities is the training designed to create? To many of us the answers may seem so obvious that we do not give the questions much thought, but by examining them in detail we can often identify specific points of impact that we can later measure.

A Sales Training Example

For example, my company - ROI Learning Services - is working with a company that specializes in sales training. Two of their courses are designed to help salespeople over-come their reluctance to contact new prospects and to help them contact higher level peo-ple in their prospects' organizations. With this kind of focus, the task of measuring busi-ness impact becomes easier. The key is to create a hypothesis that links the training with a business metric and then to establish a performance baseline against which improve-ment can be measured. In this case there are two scenarios.

Scenario 1: Mining Data from a Sales Automation System

Client companies that have a high degree of sales force automation may already be cap-turing the data needed to assess the training's impact. For the courses described above, this would be the number of new prospects each salesperson contacts per week and the titles of the people with whom they are talking. Using a database it is reasonably straightforward to produce reports on the salespeople before they take the class and again three to six months after they finish the class. Performance improvement goals can be set, say a 15 percent increase in the number of new prospects contacted per week and a one level increase in the organizational position of the people they contact. This scenario is illustrated in Figure 1.
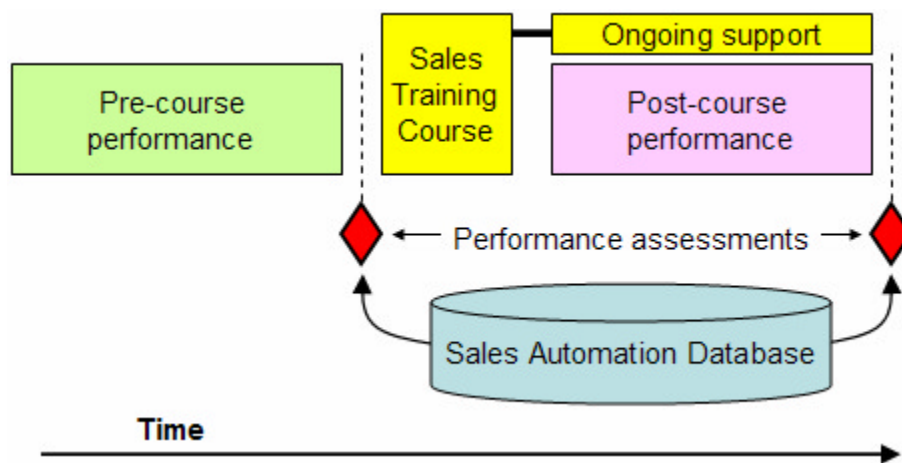

Figure 1: Comparing Sales Performance Using a Sales Automation Database

Ongoing Performance Support is Key to Success

Notice that one of the keys to improving post-course performance is the provision of on-going support. Too often training interventions are one shot events: the students come to the course, receive new information, practice new skills, and are motivated by the instruc-tor and their fellow students to apply what they have learned when they get back to the

field. Of course, we all know what usually happens: when they return to their offices the rest of the company is practicing business as usual, no one else attended the course, and most students revert to their pre-course behavior almost immediately.

Practical, Low-Cost Technologies Can Help

With effective post-course follow-up the real world impact of training can be dramatically improved. Using new technologies, like email and the web, and more traditional, personal follow-up, students can be periodically re-motivated and their skills refreshed, overcoming the deadening effects of the status quo and the loss of knowledge and skill that can occur as time passes after a class.

Scenario 2: Gleaning Data from Surveys

The second scenario for our sales training example applies to companies that do not have sales automation systems or when their systems do not capture the relevant information. In such cases student surveys can be used as illustrated in Figure 2.
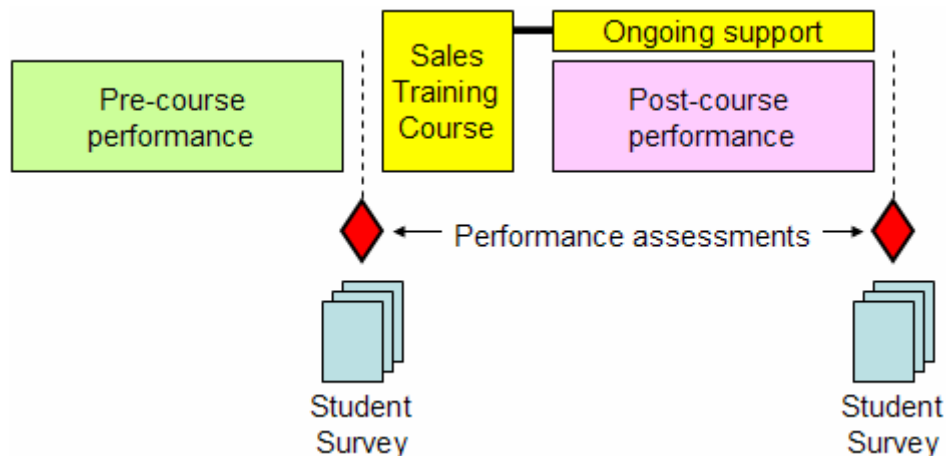

Figure 2: Comparing Sales Performance Using Student Surveys

Good Data Requires Good Surveys

This approach requires that careful attention be paid to survey design and methodology. Whenever you ask people to report on their behavior there are many factors, both conscious and unconscious, that can bias their responses. When salespeople are asked how many new prospects they approach each week, they may be inclined to pad their numbers unless they are confident that their data will never be directly associated with them as individuals. Even if they have this confidence, they may unconsciously over- or underestimate their performance due to the well documented gap between behavioral reality and subjective perception. By providing assurances of anonymity, by correctly wording

the questions, and by comparing input from the salespeople, their supervisors, and peers, reasonably accurate baseline and post-course data can be obtained.

Other Ways Training Can Improve Business

What are some other ways that training can improve a business? There are four major areas of impact: 1) effectiveness (usually tied to increased revenues), 2) efficiency (usually tied to reduced costs and improved profitability), 3) employee satisfaction and retention, and 4) customer satisfaction. In many cases the impact of training will be less directly measurable than in the example provided above, but it is still important to develop a hypothesis that specifies where training will make a measurable improvement in the business and then to test that hypothesis.

The Training Manager Should Be a Strategic Business Partner

Business leaders too often bring trainers into low performing business environments and ask them to make only tactical improvements to employee performance. We can make a much more important contribution by taking the initiative to become partners with business leaders. A good first step in this direction is to initiate a discussion about training's return on investment or ROI.

ROI Starts the Right Discussion and Leads to the Right Answers

ROI always gets a business person's attention and the discussion can lead to the identification of specific opportunities for training to contribute to key components of the company's business strategy. By understanding the expected impact of training on the business in greater detail, we can measure that impact and demonstrate the business value of training.

About the Author

D. Verne Morland is a leader in the application of internet technologies to facilitate learning and improve organizational effectiveness. He defined and directed the implementation of a global online university serving over 30,000 corporate users. Verne was a member of the core management team that consistently reduced NCR Corporation's cost of learning while increasing course completions. Verne is the managing partner at ROI Learning Services and can be reached via email at verne@roi-learning.com.

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