How to Maximize and Measure Learning's Contribution to Business Results

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Summary

The biggest challenge in the future will be establishment of processes and creation of a model for the development of small and medium enterprises and promotion of entrepreneurial and staff skills through structured training. Every training department today faces the question of how to prove its worth or quantify its contribution to business results and organizational success. With current business downturn this is no longer just a philosophical question. A clear and credible response is critical to the entrepreneurial levels of funding, priority and visibility of your learning initiatives.

Due to todays economical situation there are two ways to think about different industries. One that are still continuing to grow and hire, and other struggling to survive and cutting their costs and workforces. Growing industries need new employees and they need them up-to-speed quickly. They also need employees due to attrition and often high turnover rates. Industries that are struggling are looking at how to get work done with fewer employees as often critical organizational knowledge has left or is leaving with outgoing employees.

Purpose of this paper is to show how we will use Learning Paths proven metodologies to fast-track rapid development of industry-based job-skills to quickly fill skils-gaps and anable companies to deploy a productive trained workforce in far less time than through conventional curriculum-based training. We ll show also how this method creates enormous opportunies for entrepreneurs, companies, associations, economic development leaders and others to leverage the power of Learning Paths to create jobs, retrain workers, address skills-gaps and build stronger local and national economy.

Learning Paths apply lean process engineering techniques to the skills development challenge. This enables businesses to benefit from much faster (up to 30-50%) development of new hires, beyond competence to proficiency, and existing staff to achieve greater levels of productivity. Almost as a spin off benefit, managers are equipped with tools to facilitate, quantify and maintain improved performance, and individuals get the opportunity to take control of their own skills development.

As with lean process improvement, we ll show how the learning paths approach breaks down the skills development path, all the way to proficiency, into its component steps. Each step includes a learning outcome or demonstration of proficiency and chunks up training to be delivered just before it is applied, rather than all at one time, introducing milestones, or check point events to review progress and make any necessary adjustments. All done in a 4 stage process for each learning path: 1. Define proficiency 2. Map Current Path 3. Accelerate the Path 4. Implement and Measure

The key point however is that the Learning Pathways approach allows people development to be measured for both its effectiveness and return on investment to the business which we ll show in so called ROI LP calculator.

Key words: *ROI on development, proficiency, learning path, driving waste out of development*

1. Introduction

Rapid changes in our environment forced us to constantly develop our competencies and improve existing ones. Most of us have been, or still are, facing the impact of the global recession. It takes time for employees reaching the proficiency level so they can independently deliver the desired result. We observed that some of the employees even seem "unable" performing well, regardless the time spent in the job. There is lot of costly, waste and variability in the development process of people.

Ouantifying the benefit of training in such a way as to demonstrate return on investement to the business is challenge for anyone working in people development. Only the most enlightened companies manage to think of trainings as an investment, with many seeing it as a regulatory requirement or simply an overhead to the business. Identifying the essential components of competence and providing targeted training that delivers this components and company results is seen as "black art" by most.

For this reasons business managers find it hard to justify investment in what is probably their most valuable asset, their people, while capital asset are generally well invested in and maintained.

The time it takes for employees to get up-to-speed, either in a new position or learning a new process or skill, has a direct and significant impact on the bottom line and people motivation. Consider what it means for and enterpreneur or whole organisation to have new salespeople make their first sale in Month 3 rather than Month 9. How about customer service reps handling complex problems in Week 3 instead of Week 12? There is even cost savings associated with haveing managers ready for promotion in 2 years rather than 3. Think about learning driving car and getting drivers fully proficient in safetly handling car more efectively.

Today most organisations look at training as a support function that provides classes and courses topic by topic. In some cases, these classes and courses are connected in a curriculum. The apporach to training is something like traditional educational model in any school or university. While this structure makes it easy to build and deliver training it misses many of the key elements that ensure that what happens in the classroom transfer to the job.

2. How Adults Learn?

We can explain philosophy of how adults learn by taking a common example, such as learning to drive a car. You can learn a lot of about how to drive a car in the classroom but when you get behind the wheel for the first time you are still a long way from being able to use it safely. It's a lot easier if you've spent some time in a driving simulator but pulling into practical and safety process for isn't same in real life as it is in the simulator.

What You need to do is quickly learn how to drive by driving with an instuctor who provides coaching and feedback as you learn. You also need to drive several kilometers until everything starts to work together smoothly and you no longer need to think about every action as you drive. It still takes several months or years of using car before you become a good, safe driver.

In a business environment, you learn how to sell, handle customer complaints, process transactions and manage others in the same way as you learned to drive car. It takes formal training, structured practise and experience. But usually, the formal training portion is well defined but the practise and experience is seldom documented, run or measured. There is no structured path so

everyone goes through a different path. As a result, it usually takes weeks, months or even years longer than it really should.

In addition, training is always delivered in a pieces and parts or topic by topic rather than in the way tasks and processes are performed. For example, you'll often see technical skills and soft skills taught separately. In fact, they almost never have the same instructor. However, on the job you need to use both sets of skills at the same time. A customer service rep needs to answer questions from an irate customer about why a product didn't work. Teaching things separately, rather than together, means that it either takes longer to learn the full job or parts of it are never learned.

Let's start for example, by looking at a very traditional way of training salespeople. Usually there is an up front training period either in the classroom or using self study. This may be followed by a period of on-the-job coaching or just trial and error learning. In other words: "we provided training for you, here's your phone and start booking your calls!". Following chart shows what this looks like:
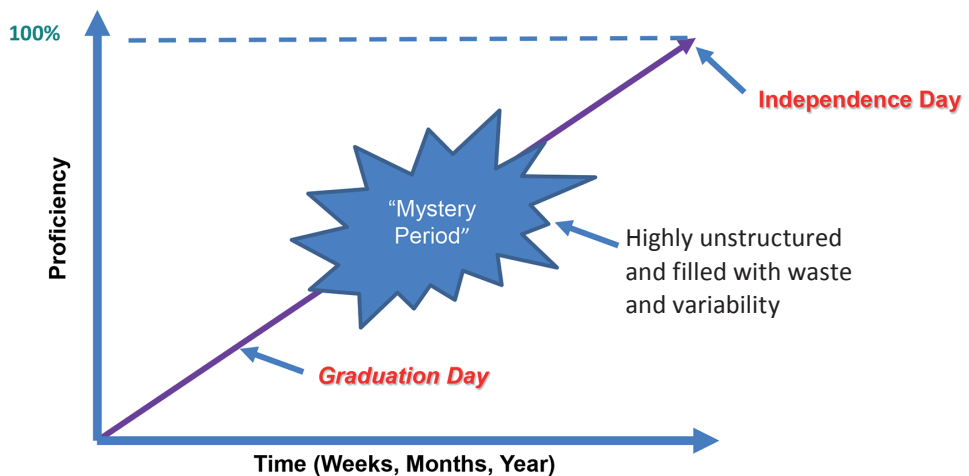
Source: Grapf done by Authors – visualizing problem

Graduation day is the day training ends, which is usually a long way from independence day. The time in between is a mystery period where there is a lot of trial and error learning going on. There's also a lot of frustration and atrition during the mystery period. It's also a time where less than trained people burn through markets and alienate customers. It's high risk time.

Traditionally training only focuses on day one to graduation day. It's a traditional curriculum approach with series of modules or courses. There is always some practise and application but it's rare the salespeople leave this training ready to make sales the next day. Therefore, there is need to change approach and design different and more effective Learning Path or we need to shange learning and development approach or/and process..

3. Driving the Waste Out of Training

First step in reorganizing approach to learning is analysing current way of working and eliminating waste. People development and learning path are very similar processes as production. Whether you are fun of Six Sigma, Kaizen, Lean or TQM, eliminating waste is one of the fastest and most cost effective ways to reduce costs and improve productivity.In quality improvement terms, waste is defined as anything that doesn't add value. Getting sales people together to discuss best practise can add value, but using classroom training because it's easier for the instructor probably doesn't.

We need to eliminate waste from learning process and for that we need to starts with mapping out or flow charting existing learning process. This should include both formal and informal development methods. Than on the first pass review any item that doesn't add value can simply be deleted. For example, if the current training includes any out-of-data processes, procedures or informations.

As a second step, we need to identify activities that add marginal value but could be improved without major effort. Probably these are items that would add more value if they were resequenced or delivered in different way. For example, an employee might not be getting a lot out of a plant tour on day one but it would be valuable 30 days later etc.

Finally, there may be a number of major or structural items that create waste but we need to chanege approach. For example, employees may get a lot of more value out of product training if it is moved from classroom training to plant or elearning.

Waste in training is usually found in the same place. Waste acomulates over time when training isn't being continuously improved. It's also a result of what's tradition or is convinient to do. The following fourteen items are the most common sources of waste:

- The forgotten: Estimation is that retention rate for lectures is less than 20%. Everything that is forgotten the next day or next week is waste.

- Waiting time: Companies often wait until they have enough employees to make up class. Waiting time is often weeks or months.If the training is really important, waiting time will have a direct impact.

- Old stuff: When training programs aren't ferquently updated, they becomes filled with out-of-date information, processes that have changed or are no longer used.

- Overstuffing: When you set a limited amount of time for a training program such as a day or week, there is always an urge to maximize participants time comparing with expenses. Or we want many thing in limited time. Imagine a week of sales training that includes sales processes, listening, communication skills, negotiation etc.. Very little of this training will end up being used because it is too much and with too little practise.

- The Unsupported: Any training that isn't ardently supported by senior management quickly becomes a waste of time. Good training is tied to the strategic direction and goals of the organization.

- Written Tests: Paper and pencil tests are relatively easy to score and easy to create. They are almost always about testing knowledge. However, there is no correlation between doing tests good and doing well on the job. These type of tests are often waste.

- Unnecessary Travel: There are only a few reasons that individuals need to travel to get training. With elearning, web conferences and other new technologies these reasons are diminishing. Too often learners travel for training because it's "the way it's always been done" or it's simply convinient for instructors.

- Rewards for Headcount: In many organizations training is measured by how many people attend a training program or employees are required to complete a certain number of training hours per year. Often employees will take a course of minor interest that has nothing to do with their job just to meet the requirements.

- Death by PowerPoint: Sitting in a room for hours and watching one PowerPoint presentation after another is one of the most boring and deadly types of training. Most people aren't awake long enough to get anything from training.

- Not Enough Practise: Buliding skills and integrating knowledge into work takes a lot of practise to build competency and speed. Training that doesn't have enough practise both in and out of the classroom quickly becomes to difficult

- Too Little, Too Late: It usually takes months or even years to put training program into place. Meanwhile the need for program is out there creating dissatisfaction while everyone waits.

- One Problem, Many Solutions : How many sales trainings, leadership development or communication skills programs or methodologies does your organization have? Do you have mulitiple versions because divisions or business units don't talk to each other? Maybe you have or not, but it's hard to share best practices or take advantage of economies of scale when it happens.

- No End In Mind: Training that lacks a clear set of objectives often has little chance of getting anywhere. In addition, these objectives need to be linked to the goals of the organization. Training without a clear purpose or end in mind is waste.

- Spray and Pray: Training is often looked as a one time event. Training without clear follow up strategy doesn't stick. What seems like a good idea one day, becomes waste the next.

Looking for waste is one way to apply quality improvement principles to training, but is one of the best ways to find the low hanging fruit and make improvements in a short amount of time. Mapping out the learning process usually reveals a great deal of waste. Fourteen sources of waste above are the most common ones but there are many others

4. Focus on Speed and Proficiency

Every minute employee is less than fully proficient has a significant impact on productivity, sales, quality, error rates, safety, customer satisfaction and more. Ensuring that employees reach full proficiency while reducing time to proficiency is at the core of the Learning Paths approach. For salespeople this means reaching sales goals weeks or months earlier. In manufacturing, this means reducing accidents by making workers safer sooner while improving the quality of their work. For health care workers it means providing a higher level of care without the need for constant supervision.
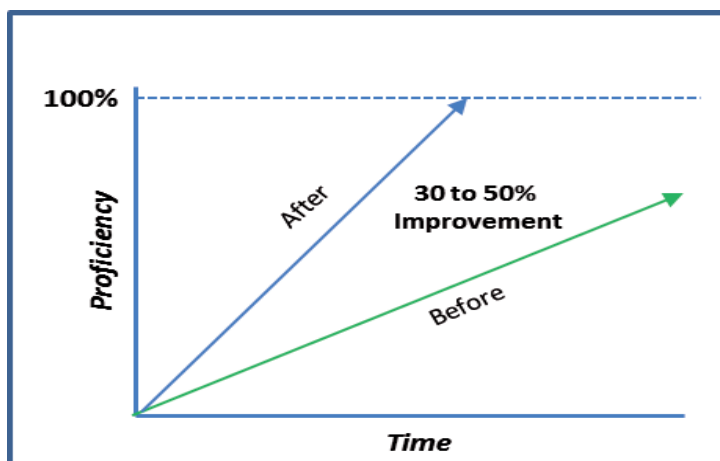
Source: Steve Rosenbaum, Jim Williams, (2004) Learning Paths book

4.1. Definition of Proficiency

The Learning Paths approach starts by building a concise, complete and measurable definition of proficiency. We define proficiency as the measurable outcomes and observable behaviors of doing a job or task correctly at the desired level of performance. Once we have a definition of proficiency, we can determine current time to proficiency and set a goal of reducing time to proficiency by at least 30%. In addition, the proficiency definition becomes a valuable assessment tool.

This means that assessing and tracking proficiency is the cornerstone of measurement strategy or better to say Proficiency Definition is our assessment tool. It consists of 20 to 50 Proficiency Statements that describe performance in terms of quantity, quality and time. For example here are few statements for sales positions:

- Generates and maintains a list of 50 qualified prospects per month
- Sets a minimum of 4 appointments per week with qualified prospects
- Submits a minimum of 5 proposals each month at minimum 25.00 EUR each

Each of these statements can be measured through different reports and review on prospect list, appointment calendars and proposals.
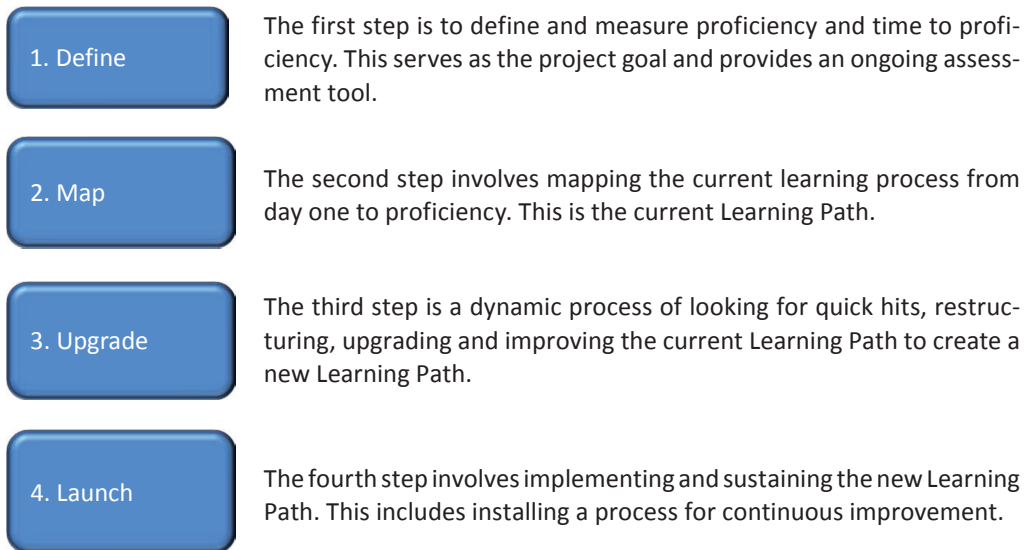
5. Learning as a Process

Next, there is a need to look at learning as a process rather than a single event or series of courses. In fact, we look at the entire learning process from day one all the way to proficiency. We call this a Learning Path. What we find is that most learning is happening on the job and is usually informal, highly unstructured and highly variable. By viewing learning as a process, we are then able to apply process improvement tools to improve learning by taking out time, waste and variability. It also gives us tools to restructure and re-sequence the process in a way that improves retention and transfer to the job.

5.1. Learning Paths Projects

Individual Learning Paths projects start by targeting a critical job, function or task. Usually these involve front line employees and first line supervisors. We start with these functions because they have the greatest and most immediate impact on the organization. Then in as little as 6 to 8 weeks we create a new definition of proficiency and a reengineered Learning Path that will dramatically improve proficiency while reducing time to proficiency. Ideally, Learning Paths are created for every function within an organization to establish a common approach to learning as well as promote sharing of best practices.

A Learning Path project mirrors the process used for successful quality improvement initiatives. These projects use the following four steps:

1. Define	The first step is to define and measure proficiency and time to proficiency. This serves as the project goal and provides an ongoing assessment tool.
2. Map	The second step involves mapping the current learning process from day one to proficiency. This is the current Learning Path.
3. Upgrade	The third step is a dynamic process of looking for quick hits, restructuring, upgrading and improving the current Learning Path to create a new Learning Path.
4. Launch	The fourth step involves implementing and sustaining the new Learning Path. This includes installing a process for continuous improvement.

Source: Learning Paths – New Whitepaper, (2011)

6. Deliverables for this project

There are four major deliverables of a Learning Path project. They are:

1. Proficiency Definition

    A Proficiency Definition consists of 30 to 60 statements that describe the results and critical observable behaviors of a given job. The Proficiency Definition is used as an assessment tool and to determine time to proficiency.

2. Learning Path

    A Learning Path is ideal sequence of learning activities from start to proficiency. It includes both formal and informal training as well as all the practice and experience required. The Learning Path is also used to track progress through the learning process. It's also easily

customized to create a unique Learning Path for employees of different levels of experience and learning styles. A typical Learning Path consists of 70 to 125 learning activities.

3. Activity Description

    For each activity listed on a Learning Path, there is a detailed Activity Description that provides step by step instructions how to complete a learning activity. Activity Descriptions are used for existing training as well as new training that might be required. Activity Descriptions often provide a structure and process to all of the informal and on-the-job training.

4. Implementation Plan

    An Implementation Plan provides a strategy and action plan for successfully launching, maintaining and upgrading a Learning Path. The Implementation Plan is also used to build support and consensus for the new Learning Path.

These deliverables can be packaged for use in Mentor/Coaches Guide. This guide provides a working tool for a manager, trainer, mentor or coach to guide an employee through the Learning Path. This guide can be delivered in either a print or pdf version.

7. Conclusion

Defining and building Learning Path for different departments or whole organization is a new approach developed in last ten years and tested on many international companies in practice. It is completely different from traditional training approach but is using training as their natural part. As we mentioned Learning Paths demonstrate how to define and measure "Time to Proficiency". You need to know the level of performance required to do the job and how long it takes to get there. The first time you look at Learning Path, it will be obvious what you need to do to make a 30% improvement. Some suggestions include:

-   Remove out-of-date, irrelevant training
-   Redesign all enterprise Learning paths so there is only one path to each job function
-   Delete gaps due to business changings
-   Cut days of formal trainings by using job aids and reference materials
-   Add structured practices to speed skills
-   Add follow up and measurement steps to ensure learning progress quickly

The key to measuring and reporting the results of a Learning Path is to focus on measuring proficiency and time to proficiency. Using a Proficiency Definition as the assessment strategy builds into a Learning Path a way to track and report progress. Since the Proficiency Definition incorporates the measure the organization uses and finds valuable it enables tracking results from the Learning Path and connecting them to financial benefits.

To conclude; when HR uses learning paths for every function, the "HR training organization" becomes strategic partner inside company as if they set Proficiency Definition or objectives based on company plans and objectives and develops action plans. Any change in direction has a corre-

sponding effect on a learning Path. But, with measurement the training organization can quickly determinate the shorter time to proficiency and the lower costs of training the workforce in terms of ROI. This enables HR to the training results to the bottom line.

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