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OUTCOMES-BASED TRAINING

Supercharging learning and boosting L&D's value

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Is your Learning & Development (L&D) organization focused more on process than on outcomes? If it is, you're missing an opportunity to supercharge learning and significantly increase the value of your team by proving it understands the organization's needs and delivers programs tightly aligned to its strategic goals.

Shifting the training paradigm focus from process to outcomes means it's no longer enough to design a killer course. Now L&D must look beyond courses to also consider job rotations, coaching, and other learning opportunities while tracking and measuring that learning. Such a learner-centric approach is challenging, requires discipline, and can be expensive. The results, however, are well worth the effort.

Outcomes-Based Training Defined

Outcomes-based training has many names. Some call it business-focused training. Others call it evidence-based training. Regardless of what it's called, this training is all about moving the needle. The focus is on developing and using skills that make a positive difference in areas that matter to the organization.

Outcomes-based learning is proactive. It engages learners, building on pre-existing knowledge, skills, and experiences, and fills in the gaps. It promises measurable results. After training, an outcomes-based approach tracks how many times learners use their new skills in their daily work.

This type of training bases each segment of education around specific goals that are incorporated into individuals' performance objectives for greater accountability. Formal training, coaching, mentoring, job rotation, and other methods may be combined to achieve those goals.

Benefits

Benefits of outcomes-based learning include increased employee engagement; flexibility in instructional design; and, often, the ability to engage with senior management.

For example, learners understand that to internalize and demonstrate the skills they are learning, they must be actively engaged in the experience. They realize they must not only comprehend the material, but be comfortable using it in their jobs.

Because learning isn't confined to a training class, L&D leaders gain flexibility in providing learning experiences. A wide range of curriculum options and teaching styles can be employed to meet the needs of a diverse audience as long as the key points are covered and the goals are achieved.

Concentrating on outcomes that demonstrably affect business performance also gains the attention of senior leadership. From their perspective, L&D now is delivering the results that matter most—improvements that affect company operations, sales, and profitability.

Challenges

A key challenge in designing effective outcomes-based learning solutions is focusing on the applicability of the learning, the knowledge/skills gained, and the impact on performance. Even more challenging is successfully measuring all three.

One of the biggest difficulties is actually identifying the desired outcomes as they will vary by stakeholder. For example, employees prefer learning that helps them advance. Business leaders want development that fosters growth and profitability. Regulatory

leaders need training that ensures compliance.

So when identifying desirable outcomes, determine who's evaluating the outcome, what they need, and what they consider meaningful. Only then can you begin to consider the training itself.

Once the learning has occurred, evaluating its impact on performance, results, and return on investment (ROI) is the next challenge. Outcomes-based training expects learners to apply the skills routinely. So questionnaires to participants and their managers ask not whether a skill was used but how often it was used 30, 60, and 90 days post-training. (Note, however, that response rates often decline in proportion to the time since the training occurred.) Activities with the highest learning impact are those in which learners need and will use the skill within 30 days of training.

Obviously, not every desirable skill can be measured, and others may not generate returns for several years. And while a dollar-for-dollar value may not be returned, there still may be a return on value that can be measured via metrics such as employee retention, productivity, promotions, and engagement.

Getting Started: Root Cause Analysis

To begin outcomes-based training, concentrate—at least initially—on areas that can show a quick learning impact. Sales and customer service are good candidates because you can leverage their ample data and the existing measurement infrastructure data to gauge improvement. Other business performance areas L&D can help address include services and solutions, market growth, operational performance, and talent/workforce. These offer categories for where and how L&D can impact the business, and also provide a North Star of the business drivers and desired outcomes of a given L&D solution.

Shifting to outcomes-based training requires starting the training discussion at a different, earlier place than ever before. Begin with discussions with the business partners to identify the problem or challenge and then go deeper to identify the root cause of that issue. You can start the conversation by asking, "What problems are keeping you up at night?"

Follow up with insightful questions about the issue, desired outcomes, and objectives. There are many angles to every issue, and many approaches to address them. If you don't yet know what you don't know, you can begin by thinking how that issue would affect your own department.

Engage department heads early during their fiscal year planning. One Hall of Famer's L&D team facilitates the development of approximately 80 percent of the business plans in its organization. By working with business unit leaders to develop their plans for the coming year, L&D can lend insights that smooth areas where they may be struggling and help them design objectives that are aligned with the organization's long-range plan.

Sometimes the organization's mission isn't clear. When that happens, extrapolate a mission. Decide what the mission and strategy should be and validate that vision with the organization's leadership. Explain that you've observed certain issues or challenges and believe that building learning around this strategy can help resolve certain specific challenges.

Organizations of all sizes can take this approach by working with business units to help uncover the real issues. By doing so, L&D transforms itself into an in-house consultant. Because L&D works with each business unit routinely, and with individuals throughout their careers, it is able to see the broad picture. With that perspective, L&D is well positioned to align solutions to the organization's strategic objectives. The goal is to determine what the organization is trying to do and how L&D can help it achieve its mission more effectively.

Be a Bridge

Often when working with business units, you're seeking historical data as a baseline against which to measure the outcome of a specific learning experience. An all-too-often response is, "We don't measure

that." Perhaps not, but another department may.

Smaller companies, in particular, often lack the relationships with business leaders in other departments to get the data they need. They may not even realize the data is available or that they need those relationships. The role of L&D is to serve as a bridge to get the right people talking, helping them build connections to get the data they need to improve their departments' performance.

BOOZ ALLEN HAMILTON: Get Commitment

When prioritizing projects and resources at Booz Allen Hamilton, L&D considers the level of commitment of the business unit requesting the learning. A learning solution alone cannot solve a business problem—you need the involvement of the business. Within the model, learning is considered to be a partnership between L&D and the business unit deployed to address a business challenge. Together, the partners must reach consensus on the definition of the issue being addressed, as well as on what success or resolution looks like.

For example, a technical team recently identified a need to develop more staff with particular programming skill sets to meet a specific client need. These staffers were not broadly available for hire in the market and the need for experts in this narrowly focused area was a high priority for the client. To solve this issue, the business unit partnered with L&D to design and implement a tailored training program that would take an identified group of staff who were determined to have 80 percent of the necessary skills and fast-track them through a skill-building program that would develop the other 20 percent of identified skills. The business unit was responsible for identifying the technical skills required to successfully engage in the client work. It also worked with L&D to analyze the data to identify those staffers who would participate in the program and scope the effort. The expertise of the business partner removed any guess work from the training developed, utilized the subject matter expertise of the business, and allowed for a timely economic resolution of a business problem with a learning solution.

This is something of a tricky area because for the most part, when there is a correlation and causality, the impact of L&D on such quantifiable measures is indirect. As such, L&D can only take partial credit or partial blame for business outcomes, but still should pursue a focus on outcomes and impact over the traditional emphasis on output.

To measure anything, you need a baseline. That's obvious, but easily overlooked. Training organizations too often deliver programs without establishing that baseline. Others may not follow through to track results. This lack of measurement creates an environment in which there is no accountability and, therefore, no consequences for failure. In such an environment, there is no reason to participate in a learning opportunity.

Along with establishing a baseline, also define what constitutes success. If the discussion starts with the business problem, a good second question is: "What numeric results would indicate the problem is solved?" There undoubtedly is a report that indicates the presence of the problem, so there also must be a figure that indicates when the problem is solved.

A word of caution: The departmental data used to establish a baseline must be consistent. Particularly when coming from multiple departments, it must be normalized to ensure it is based on the same definitions, time frames, units of measure, etc. Any differences can affect outcomes dramatically.

Measuring Success

Obviously, success must be defined before it can be measured. Be as specific as possible and link training

objectives to the organization's strategic goals. It's important to measure the impact on individual and organizational performance against areas such as services and solutions, market growth, customer satisfaction, operational performance, and talent/workforce. A key point is defining success to ultimately be about performance.

One Hall of Famer has performance objectives for all its courses. Its core presentation course, for example, lists two pages of behaviors that need to occur after the learner takes the course. These are specific performance objectives, not a general statement that "participants will gain the skills to develop effective presentations."

Some organizations measure to Kirkpatrick Level 1 (reaction) and Level 2 (learning), including follow-up evaluations and learner feedback on their perception of learning gained. Others have progressed even further, measuring to Level 3 (behavior) and Level 4 (results). But what is most important is that whatever is measured is aligned to strategic objectives.

For major strategic initiatives, companies may identify and track best practice behaviors. Sometimes, however, no matter how important the project, measurement is simply too expensive. One Hall of Famer reports that tracking critical behaviors for one important project would cost $250,000 per person. Needless to say, those behaviors weren't tracked.

Linking training to strategic objectives can be challenging, even for Hall of Fame companies. But making the linkages sometimes reveals some surprising gaps.

People and organizations don't always know what they need to know to be more successful. When one Hall of Famer tracked behaviors, it began with easily measured outcomes, such as costs. Then it moved to soft skills. The CEO admitted he normally would not have prioritized an investment in presentation skills. However, he continued, "my executives are on a completely different plane now. I can understand the engineers when they talk to me. L&D solved a problem I didn't know we had."

This Hall of Famer asks learners and their managers if they get ROI from the presentation skills class. They've all said, "Yes," for five consecutive years. But results for critical thinking training are less uniform. Sixty-eight percent of managers and 32 percent of learners said they received ROI from this class. Rather than eliminate the class, however, the CEO wanted it continued. He realized it plants seeds that may be reaped later.

Another Hall of Famer tracks its results extensively. Tracking results for behavior and business outcomes is often easier with technical training than it is with soft skills and leadership development. After working with a number of consultants focusing on "what" to track relative to soft skills and leadership—promotability, retention rates, team results, etc.—the company found that the issue wasn't about *what* to track, it was about *when* to track it, as results from soft skills and leadership development often take more time to manifest themselves.

Soft skills training is about changing behaviors, which often take years to become fully ingrained in personnel. Most organizations, however, are reluctant to wait a realistic length of time to get valid measurements. With a critical thinking program, for example, improvements are difficult to demonstrate and measure objectively. Leaders must determine when and how improvements can be expected to manifest and whether they can be measured and linked to a specific program.

In measuring the success of any L&D program, focus on the big picture now, as well as five years into the future. Trend lines are more important than specific data points or particular projects. Trends provide the data needed to continue to improve.

Training the Right People at the Right Level

It also is crucial to ensure the right level of knowledge and skills training is available. As people advance in

the organization, coaching or experience may be more valuable than structured training. Therefore, organizations should determine what level of training is needed well in advance of the class. Then, e-mail the objectives for an upcoming class to learners and their managers one week before class begins.

The best learning impact comes from training people who need the skills and information being taught. The consultant you hired last year to teach a presentation course, who subsequently joined your company, probably doesn't need to attend this year's presentation course. Yet sometimes he or she is sent as a matter of policy, effectively wasting a training slot and lowering productivity by his or her absence from the job.

Some companies excuse employees from classes in which they already are proficient, thereby boosting productivity while lessening the backload that would be caused by their absence for training.

Testing out isn't always the best option, however, depending on what you hope to achieve. Functional onboarding, for example, should involve everyone. It's designed to establish a baseline of skills, but, just as importantly, to ensure new hires develop supportive inter-organizational relationships. Relationships are particularly important when people are based in many different locations. While they may connect on social media, their relationships are stronger when they have been in a room together and formed even minor connections.

Training the right people depends, largely, upon whether they plan to use the learning. One Hall of Famer is adamant that if you don't expect to use the information, don't attend the class. When pre-screening participants, consider the immediacy of the information. Learners with near-term reasons for taking the class—such as the need to present at a conference within 90 days—internalize the knowledge and skills more deeply than those without a deadline.

Pre-screening also helps align classes to individuals' needs. Understanding learners' existing skills and knowledge helps place them in situations that deliver needed experiences at a level that's appropriate for them.

Obviously, some classes are mandatory, but for others, pre-screening ensures that attendees actually need to be there.

Ultimately, business drivers should shape what employees need to know and be able to do. This will define the learning and development that is offered and undertaken, which then comes back to affect business outcomes.

Set Expectations

Before a class, have participants write their goals for the learning experience. If those goals and the class are misaligned,

KLA-TENCOR: Align with Actual Needs

The head of KLA-Tencor's India operations some years ago had a conversation with L&D. He said, "My managers are going into certain situations and they don't actually apply anything you taught them. They can use these skills proactively, but when they have to react quickly, they revert to their core behaviors." They had the necessary knowledge, but not the behaviors to consistently leverage the training.

The head of L&D flew to India, talked with managers, and identified nearly 100 situations they had in common. L&D put the list on its internal social media site, where managers ranked them by importance. Then L&D mapped those situations against what L&D was teaching. Of the nearly 100 situations, L&D had no training for the majority of them. In response, KLA-Tencor created "The Situation Room," which helps managers to resolve common, difficult scenarios in an open environment, using the best-known methods that they already have learned via KLA-Tencor's curriculum. The moral of this story: Align learning to actual needs.

perhaps learners should be in a different class. Also ask managers and learners to discuss the goals of the class beforehand in the context of how the new skills will apply in the daily work. When this happens, learners are more engaged and more likely to use the information.

Emphasize the expectation that these skills will be performed on the job, as well as in class. The day the class is completed, e-mail an outline of the skills learned in the class to the learner and manager. One month later, ask them both how many times—not whether—that skill was used. If the skill was used infrequently or not at all, ask whether there were opportunities to use it, or whether L&D did not teach the needed skills.

The applicability of training is vital. People should attend training for skills they intend to use, and those skills also should be useful for the organization. Compliance classes are the exception. That training is mandated by regulatory bodies as part of a larger objective.

Teach the Right Skills

Organizational needs evolve much like technology. Years ago, when smartphones and apps were new, organizations had to train people to use them. Today, that's unnecessary.

Programs that were highly effective when they were launched may no longer address the organization's needs, as they were refined with time and additional information. Hall of Fame companies advise reviewing learning options regularly and rejiggering them as needed, based upon what's happening in the marketplace today.

One Hall of Famer reassessed its entire curriculum in six months, paring more than 700 courses to less than 65. L&D scored each program in terms of how well it supported specific strategic objectives, including alignment to the corporate culture. No one complained about the drastically reduced selection.

Perceptions and Credibility

Regardless of whether training is proactive or reactive, cognitive or affective, L&D leaders must understand the overall business well enough to know what it needs to be successful. They must see the big picture, identify potential bottlenecks (ideally, before business leaders do), and realize that few challenges are caused by a single force or solved by a single program. Skepticism of quick fixes is healthy.

Because L&D works with each department, it is well placed to gain a broad, enterprise-wide view. Business unit managers, in contrast, may have a narrower, deeper focus that leaves them blind to the overall business.

Whether L&D is staffed primarily by leaders with learning backgrounds or by professionals recruited from within the business, the team must have a blend of learning and operational expertise to enable informed conversations with the C-suite that address the root of the problem.

To achieve the optimal blend of expertise, become deeply involved in talent strategy, so you know the top talent from the business and, therefore, can more easily recruit them. Also rotate education-centric personnel into jobs throughout the organization where they may gain deeper understanding of the day-to-day issues in those departments. After such broad exposure, they should be able to ask better questions to identify underlying issues and a range of options that extend beyond designing additional training. As one Hall of Fame member points out, "You can't get outcome-based results if you don't understand the questions to ask to help the business achieve the desired outcome."

Broad understanding of the business lends credibility that can make L&D leaders valued business partners at the decision-making table. But that comes with the challenge of speaking truth to power, even when the truth, for whatever reason, is that you failed.

One Hall of Famer recalls presenting long-term

training statistics for a functional skills training program. At first glance, it appeared from the trend analysis as if the program had dropped below the benchmark for acceptable attendance levels during a critical period. Upon further examination, the low figures coincided with a government shutdown. The competing pressures of the business had staff fully engaged in other matters, and no one was taking training during that period.

In presenting the data, L&D explained the reason for the poor results. It's not enough to say, "This wasn't our fault." Explain why, how the measurements were made, and the long-term projections based on the historic record.

Of course, sometimes L&D is wrong. When that happens, admit it and explain how you plan to resolve the situation. If you never fail, you aren't stretching yourself…but you also have to know when to cut your losses.

Applicability and Actual Use

People attend training courses because they have had experiences that showed gaps in their skills, or to build skills before a specific event. While traditional training checks boxes and assumes learners actually learned, outcomes-based training goes deeper. It identifies gaps in skills or knowledge, fills them at the appropriate levels, and follows up months and years afterward to see how and how often the skill or knowledge was used. That emphasis on applicability and actual use is what makes outcomes-based projects successful.

Embracing outcomes-based training can be challenging, but it's also among the most effective ways to help employees and, therefore, the organization, to advance. In the process of focusing more upon outcomes than upon process, L&D has the opportunity to affect outcomes that really matter, which increases its value to senior leadership and the organization as a whole.

THE RITZ-CARLTON: Key Success Factors

All of The Ritz-Carlton's training is geared toward a strategic plan that is so clear anyone from the housekeeper to the CEO can list its five key points:

1. Strengthen The Ritz-Carlton Mystique Through Its Gold Standards
2. Inspire Exceptional Ladies and Gentlemen
3. Create Guests for Life
4. Deliver Product and Service Excellence
5. Maximize Financial Performance

Importantly, individual employees also know how the strategic plan affects their departments and how they can advance the corporate goals. Although the business plan is tweaked annually, the basic mission remains consistent, which ensures employees can articulate the plan.

Training programs, therefore, must improve one of those five areas. For example:

In 2013, The Ritz-Carlton was concerned because guest surveys showed employees not executing the company's warm welcome and fond farewell processes consistently enough to "Create Guests for Life." In response, The Ritz-Carlton designed a six-module training program (a blend of classroom and e-learning). Every front-line service professional in Ritz-Carlton hotels around the world had to complete the training. The results are significant: In 2014, the warm welcome score improved by 12.1 percent, and the fond farewell score improved 23.2 percent.

Strategic plans are developed as roadmaps, but they also engender passion in employees. They help remind everyone, including leaders, of the purpose behind the work.

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