

-- Please note that this is a preview and includes only a select chapter from the book. --

Using Design Thinking to Deliver Business Results
and Increase the Investment in Talent Development

The Business Case for Learning

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Online: www.HRDQstore.com

ISBN: 978-1-58854-912-9

Editorial development: Christina Giampa

Graphic design and typesetting: Carina Ahren

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EN-01-MR-17

Chapter 1

Design Thinking: It's Time for a Change

Think about the funding for your learning and development projects and programs:

- Are you receiving the budget you need?
- Are you facing a budget cut?
- Is a travel freeze in effect?
- Do you have difficulty securing the approval for a new program?
- Do you need additional funding for your programs?
- Are stakeholders questioning the value of your programs?

These and other questions bring the budgeting and program funding process into focus. While benchmarking is the basis for funding decisions for some organizations, developing a business case for a major program, a series of programs, or the entire budget is standard practice for others. How do you make the business case? By applying a systematic process that demonstrates how learning and talent development drive important business measures. This book describes that process.

The Opportunity

The expenditures for learning and talent development have grown significantly in the last two decades.¹ Few leaders would argue that learning is not critical for growth and change in organizations. The investment in programs has generated mixed results. On the one hand, increased investment has led to an expansion in the volume of programs and the people involved in those programs. On the other hand, the results, particularly at the business level, are less evident. Three dilemmas plague this field and obstruct the opportunity to demonstrate real value:

BUSINESS CASE FOR LEARNING

1. Much of the learning and development is wasted (i.e., it is not used on the job, although we want it to be used).
2. Few learning and talent development professionals have data to show top executives that these programs make a difference.
3. The measurements desired by executives are rarely obtained by the learning and talent development team.

Learning and talent development professionals have been facing these dilemmas for a long time. Sure, we know that learning can make a difference, and there are many examples showing how it drives business value. But the approach has been to try to measure the way to success; that is, to implement a measurement strategy to determine the level of success. Sometimes, but not always, people make adjustments based on the data. While the intent is good, the approach is not working.

Success, results, and outcomes lie not merely in the learning event and measurement process but in the design of the learning. It is time for learning and talent development professionals to embrace the concept of design thinking, which has been successful for strategic innovation, and begin taking a new approach to designing programs, products, services, and processes in organizations.² Applying design thinking to the learning and talent development process keeps a laser-like focus on results throughout the program cycle. This approach ensures that when the measurements are actually taken, the business results can be demonstrated, overcoming one of the biggest fears of measurement—negative outcomes. By adding designing for results into the process, the issue of accountability now involves all the stakeholders in the process rather than being a burden to just a few.

Design thinking places the focus not so much on value capture as on value creation, because now learning is built for value. If, when the measurement is taken, business value does not exist, changes are made to ensure it does. This process optimizes learning investment, and this optimization can lead to resource allocation. Ultimately, this allows learning leaders to protect and sometimes enhance their budgets even in times of uncertainty and downturn.

This book shows how to make the business case for investment in learning and talent development by designing for results instead of merely measuring for success.

EDF Energy



True Story

It’s a spring day in the beautiful English countryside, and we just completed a tour of Cannington Court, a magnificent facility that is a recent refurbishment of a twelfth-century Benedictine convent. The head of learning and development (and our tour guide) sees this facility as the showcase learning center of EDF Energy, one of Europe’s largest electric utility companies.

He is very proud of this facility. Physically, Cannington Court is a leading-edge residential training center with en suite bedrooms, pioneering technology, and smart metering throughout. Functionally, Cannington Court is a place for all employees to learn. It is where apprentices learn alongside executive teams and engineers attend sessions with senior managers. The facility is open to all academic, research, and industrial partners. With painstaking effort, the original structure and much of the atmosphere of the original facility has been preserved. It offers the perfect setting for learning.

It is just a few weeks before the facility will be officially opened, and they are anticipating that Prince Charles may be a guest at the opening ceremony. The building is a pet project of the chief executive officer (CEO), who not only wants to have a great learning facility but is very interested in restoration. The tasteful and sensitive refurbishment of this historical building is a complement to the many other historical sites in the area.

As the tour was nearing the end, we asked an important question, “In one sentence, how would you define the success of Cannington Court when it is fully operational?”

He thought for a minute and then said, “I want to see this place busy, the rooms fully utilized, the lodging completely filled, the technology working, and the participants moving through the facility with ease.”

Knowing that the CEO is thinking about retirement at some point in the near future and that the chief financial officer (CFO) is rumored to become the new CEO, we asked another important question, “What would the new CEO want to see from Cannington Court? What would be his one-sentence description of the success of this beautiful facility?”

He hesitated for a few moments and said, “I think he would probably like to see a connection to the business—and that whatever happens here is somehow connected to the business. Right now, we don’t have that in place,

although it's our goal to get there quickly.”

This story illustrates how people can easily be lured into measuring success with the amount of volume, hours, and time spent in the learning process or learning facility. Sometimes, this is taken to the extreme, losing sight of why an organization should have such an expensive facility for learning.³

What's Your Status?

It is helpful to reflect on the current state of your efforts to show executives and others the value of your contribution. Here is an opportunity for you to check your progress.

Three Questions

When we speak to different groups around the world, and particularly to chapters and conferences of ATD, we ask the audience which of the following statements are true. (You saw them earlier.)

1. Much of learning and talent development is wasted (not used).
2. Few learning and talent development teams have data showing that they make a difference in the organization.
3. The learning outcome desired by executives in our organizations is rarely measured.

By a show of hands from the audience, we find that in most cases it is unanimous—total agreement on all three. That is amazing and yet disappointing at the same time. After years of conversation, training, publications, and research focusing on measuring results, and suggesting that executives need the results, why are we still plagued with these three issues? This is a dilemma that represents the focus of this book.

Paula Ketter, editor of *TD* magazine, made this point in a recent article celebrating 70 years of the magazine.⁴ As Paula wrote, “As we examined magazine issues published in the 1940s, we saw some of the same topics discussed then that are as relevant today. Proving training's worth has been a constant pain point for industry professionals and, seven decades later, we are finally seeing training gaining steam in organizations.”

It’s not just a matter of measuring success, it is a matter of changing the way in which we initiate, design, develop, and implement learning and talent development programs. Yes, you can measure results at the impact and ROI levels, but those results may be disappointing. Following the steps in this book will help ensure that your programs are driving business value.

What Is Your Definition of Success?

Reflect on “What is your business?” While it is important for the organization to clearly articulate and understand its business, it is also helpful to understand the business of learning. What one sentence represents the current definition of success of learning in the organization? This is a critical issue, because it can vary significantly.

Figure 1-1 shows six possible descriptions of success for the learning function.⁵ Complete the following exercise to bring into focus the current description of learning success and, perhaps, how it should change in the future.

Figure 1-1. What’s Your Business?

The Possible Measures						
Your Choice	Value Description	Rank	Measure Now	Executive Rank	Percent Measured Now	Best Practice
	“Serve the largest number of people with the least amount of disruption and cost.”					100%
	“Participants are engaged, enjoy the programs, and see their experience as valuable.”					100%
	“Participants are learning the latest information and skills to make this a great organization.”					90%
	“Participants leave the learning program, take action, use the content, and make important changes.”					30%
	“Participants are driving important business measures and having an impact in their work units and the organization.”					10%
	“Participants and the organization have a positive return on the investment of their time and the resources of the center.”					5%

BUSINESS CASE FOR LEARNING



Exercise

1. As a first step, read each value description and select the one (only one) that is the most important to you right now. Place a check to the left of that description.
2. Next, rank each of these statements in terms of importance to measuring the success of your learning programs. Place a number one for the item that you would consider your most important, and continue numbering until the least important measure is ranked sixth (6).
3. In the next column, check the statements that define the categories you are measuring now. For example, if you are counting the number of people, time at the learning center, and the costs, check the first item. Check all that apply.
4. In the next column, indicate how your senior executives would rank these data items in terms of what is valuable to them from one to six, with one being the most valuable and six the least valuable.
5. In the next column, indicate the percentage of programs measured annually now at each of the levels.
6. The best practice profile is in the last column, representing the percentages of programs evaluated at each level for each year. Usually, the current versus best practice comparison reveals gaps that serve as opportunities to pursue.

The six types of data in the table follow a logical flow or chain of impact that occurs as participants engage in learning programs. Figure 1-2 shows the flow, demonstrating how data move from input (Level 0); to participant reaction (Level 1); learning acquisition (Level 2); application of knowledge and skill (Level 3); impact on the organization (Level 4); and economic contribution or ROI (Level 5). These five levels of outcomes provide the compass that points toward success and represent the framework for the ROI Methodology.⁶

Figure 1-2. Six Categories of Data

Level	Measurement Focus	Typical Measures
0 Input 	Input into programs, including indicators representing scope, volumes, times, costs, and efficiencies	<ul style="list-style-type: none"> • Types of topics, content • Number of programs • Number of people • Hours of involvement • Costs
1 Reaction and Planned Action 	Reaction to the programs, including their perceived value and planned action	<ul style="list-style-type: none"> • Relevance • Importance • Usefulness • Appropriateness • Intent to use • Motivational • Recommend to others
2 Learning 	Knowledge gained, including learning how to develop concepts and how to use skills and competencies at work	<ul style="list-style-type: none"> • Skills • Learning • Knowledge • Capacity • Competencies • Confidences • Contacts
3 Application 	Application and use of knowledge, skills, and competencies in the work environment, including progress with implementation	<ul style="list-style-type: none"> • Behavior change • Extent of use • Task completion • Frequency of use • Actions completed • Success with use • Barriers to use • Enablers to use • Employee engagement
4 Impact 	The impact of the programs and processes, expressed as business impact and effectiveness measures	<ul style="list-style-type: none"> • Productivity • Revenue • Quality • Time • Efficiency • Accidents, incidents • Retention • Customer satisfaction
5 ROI	Comparison of monetary benefits from the program to program costs	<ul style="list-style-type: none"> • Benefit-to-cost ratio (BCR) • ROI (%) • Payback period (PP)

Defining the success of learning is often an eye-opening exercise for the chief learning officer (CLO) and the learning and talent development team. In most cases, we find that the definition and demonstration of success must

BUSINESS CASE FOR LEARNING

change. While many learning and talent development teams often focus on the first category (Level 0), there has been a constant and persistent shifting through the chain of value to the impact (Level 4), with an occasional view of learning as offering a good ROI for individuals as well as the organization (Level 5).

Learning measurements from participants, based on skill and knowledge acquisition alone, do very little to help the organization. It's what participants do with the learning that is important, and unless learning is connected to the business of the organization and helping to drive the business, it will not be a sustainable process in today's competitive climate. Recognizing that definitions of success may vary depending on perspective and that gaps exist in the provision of data is a first step in moving toward designing learning to add business value.

Stuck at Level 0?

We were particularly amused by an article recently posted in *Training* magazine's online article summaries (June 23, 2016). This particular article, "Five Essential Training Management Metrics," recommended the five most critical measures of success from a perspective of managing learning. The author suggested that there are so many opportunities for data and measurement that it is important to focus on the measures that are the most important. Here are his five:

1. *Student Days*. The amount of learning days being delivered to students each month.
2. *Average Fill Rate*. The percent of the classes that are actually full.
3. *Average Course Duration*. The average time that participants are involved in learning sessions.
4. *Class Cancellations*. The percent of participants who cancel and do not attend the training.
5. *Break-Even Reporting*. This was not really a metric, but merely showed what numbers were needed to break even to cover the cost. This is assuming that there is a fee charged or transferred to the client.⁷

All these represent the activity that occurs in a learning department. They are what we refer to as Level 0, input to the process. They are neither outcomes nor necessarily leading indicators of potential outcomes. These

measures disregard how people react to the content, what they actually learn, how they use the learning on the job, and the impact the learning has on their work and the organization. They disregard the importance of knowing how the benefits of an activity compare to the cost of the activity.

Unfortunately, this kind of thinking permeates many talent development groups. It is this type of measurement that leads to executives cutting costs and reallocating resources to other areas, and it in no way makes the business case for investment in the learning function. Don’t get stuck at Level 0. Level 0 data alone represent costs—costs get cut. Balance these data with results. Results reflect investments, and investments are allocated to programs that drive results.



Exercise

What would be on your list of important measures?

1. _____
2. _____
3. _____
4. _____
5. _____

Challenges

We are living in a world of economic uncertainty. Although the economy is growing in the USA, some industry segments are not doing well. Across the globe, uncertainty exists in many areas. The recent Brexit vote is causing significant uncertainty in the UK and Europe. The price of oil is causing uncertainty and reducing budgets in oil-producing countries. Economic uncertainty has an effect on executives who are preparing for the future. To be safe, these executives often curtail expenses, particularly the variable expenses that are not absolutely necessary. They will also invest in projects that they see have future value.

BUSINESS CASE FOR LEARNING

This is a good time to reflect on how executives see the learning and development budget. Is it a cost, an investment, or a combination of the two? If they perceive it as a cost, they can easily trim it or, in the worst case, eliminate it. If executives see it as an investment, they may avoid reducing it and may actually invest more. Although most executives will proclaim that people are their most important investments, their actions speak much louder than their words, as they cut staff when there is the least bit of uncertainty.

In the last two decades, we have tried to convince executives that the best time to invest in learning is when there is an economic downturn. In these situations, employees must be at their best, and they are usually multitasking more because of a smaller staff. Learning needs more budget instead of less.

Feed the Gorilla

During these uncertain times, we are often contacted by CLOs or chief talent officers (CTOs) who need help quickly. A senior executive has questioned the value of a certain program and wants to see the results. We refer to this executive as the “gorilla” who has shown up at the door and is demanding to be fed. The gorilla wants impact data or ROI. In many cases, the gorilla has concluded that a program (usually an expensive one) is not adding value, so maybe it should be eliminated. The gorilla is willing to listen, if you have data that show these programs delivered a positive ROI.

Unfortunately, when the gorilla shows up, you are in a precarious position. Three things happen:

1. You have a short timeline to show results, often weeks—not months. To change some of the processes so that you can measure the results may take much longer.
2. You now have ROI on the executive agenda. It needs to be on your agenda. You need to be driving this issue.
3. You are now defensive. You need to be on the offensive. If the program that you evaluate is not adding value, it is hard for you to make the argument that you would like to change it to make it better. You are defending what you have accomplished. If you are on the offensive, and the evaluation is not where it needs to be, you can make some adjustments without a problem.

You need to feed the gorillas to keep them away from your door. You feed the gorilla by having an executive-friendly learning scorecard.⁸ This scorecard cannot be dominated by input data (counting people, times, and costs), reaction data, or learning data. It must have some application and impact data, detailing how people are using what they have learned and the impact it is having on the organization. For major projects or programs, the financial ROI is needed, showing that this was a good investment. When this is routine, the gorilla will be happy and will not come to your door. We have seen this approach work many times.



Case in Point

The greatest barrier to measuring results at the business level is the fear of those results. People worry, “If the program is not working, how will this affect my performance?” Recently, an individual with an executive coaching firm contacted us and asked to visit for a day to learn how to measure the ROI of coaching. We showed him how to evaluate a coaching project at the impact and ROI level. To do so requires that the coaching engagement begin with one or more business measures that need to improve and could do so with the coaching process. After spending a day learning how the methodology works, he concluded that the ROI Methodology is an appropriate, effective process.

“This is a great way to show the business value and even the financial ROI,” he said. “However, for my particular case, I don’t think I’m interested.”

Somewhat surprised, we asked, “What’s the issue?”

He responded, “Well, I have a million-dollar contract to deliver coaching to a Fortune 500 company. I keep hearing comments about ROI and just thought that I should explore this concept. But I’m afraid that if I calculated ROI, it could be negative, and I might lose my contract.”

We asked, “Is your coaching designed to add business value?”

“Well, probably not, but the client thinks that it does,” he said.

“Have you told the client that this coaching would drive business value?” we asked.

He replied, “Not specifically, but I’m sure they are expecting it, because it costs so much.”

“Why do you think it’s not connected to the business?” we inquired.

“We just haven’t required that up-front connection to business mea-

BUSINESS CASE FOR LEARNING

tures with the coaching process. If we haven't done that, it's probably not going to deliver business value in the follow-up."

We agreed.

"So," he added, "I think an ROI study would raise more issues than it would resolve."

"So what happens if the client asks for business impact or ROI when it's completed?" we asked.

He quickly responded, "Well, I'll have to deal with that issue then. If I have to connect this project to the business, then I will try to do it at that time. If the result is disappointing and negative, and the project is complete, then I've only lost one client."

We warned, "The reputation of a negative ROI could follow you."

"Maybe, or maybe not. I'll take the chance," he replied with some frustration.

This scenario underscores the greatest barrier to connecting learning to impact and ROI—a fear that the results are not positive. In this scenario, there is an intermediate client and the ultimate client. The intermediate client contracts with the external firm, and the ultimate client provides the budget. The perception is that if the ROI is negative, it will reflect on the performance of the entire team, the intermediate client who bought the program, the program designers, the coaches, or the individuals being coached. A negative ROI may cause the ultimate client to discontinue the project. Our comment is always "not so fast." If you can approach this issue on your own, before being asked, then you have a chance of determining if it works and implementing adjustments to make it successful.

In reality, if the coaching program (or any other learning and talent development program, for that matter) does not work, more than likely it is because something went wrong in the client organization. It is not usually the content; rather, it is something within the organization that failed to support the change.

A comprehensive evaluation system uncovers why results do not exist, so adjustments can be made to deliver value in the future. When you approach a client and state, "I think this project should be delivering business value. We don't know that for sure, but we think it does. Why don't we check to see, and if it's not working, we will make adjustments," you are in a much

better position if it proves to have negative results than if you throw the dart in hopes of hitting the bull’s-eye and then miss.

Unfortunately, too many people wait for the request for results and hope for the best. When it comes to delivering results for programs, hope is not a strategy, luck is not a factor, and doing nothing is not an option. Be proactive. Step up and show the value of your major programs, and be prepared to change it if value is lacking. (Contact us if you have questions or would like to see a copy of an ROI study on coaching.)

Preventing Future Failures

Professionals who are involved in serious evaluation, pushing the evaluation up to impact and ROI, usually know why the programs are not working at these levels. Our analysis of about 500 ROI studies per year reveals the top ten reasons why learning fails to deliver business results, as shown in Figure 1-3. Breakdowns occur throughout the chain of value from reaction to impact, starting with the initial business alignment. Analyzing the barriers and enablers along the way shows what needs to change to ensure greater success.

The reasons for failure may not come as a surprise to seasoned talent development professionals. The challenge is to change the system to prevent future failures. For the most part, these methods of preventing failure are condensed into the action items that comprise the steps in this book. Following these steps can ensure that the results are delivered, changing disappointment to success and driving the results that are needed by stakeholders, including senior executives in the organization.

Figure 1-3. Top Ten Reasons Why Learning Doesn’t Deliver

-
1. Lack of business alignment
 2. Improper program design or content
 3. Not building data collection into the process
 4. Not assessing current performance
 5. Failure to create application and impact objectives
 6. Failure to secure commitment from participants
 7. Failure to secure management support for the program
 8. Failure to remove or minimize barriers to application
 9. Not assessing learning needs properly
 10. Not including the right participants
-

BUSINESS CASE FOR LEARNING

Designing for Results, Not Measuring Results

Over the years, evaluation professionals have tried to change the system by focusing on measuring results. But it is important to note that attention is needed at every step in the process to emphasize delivering value important to all parties, particularly those allocating the funds (this is often the team led by the CEO, president, chief administrator, executive director, or the managing director).

Our approach is to change the system to design for results, which includes one step focused on measuring those results. If you can deliver business results at a reasonable cost, you can influence the investment in learning and talent development, protect your investment when it needs to be protected, and enhance it when it needs to be increased. The key is to influence the investment decision with data that connect learning to the business and add value to the organization.

Is There a Need for a Business Case?

This is a legitimate question. For something as necessary as learning, should we have to make a business case for it? Maybe we should, maybe we shouldn't—let's explore the question further.

Learning Is Necessary and Important

Most stakeholders, particularly the executives who fund learning and talent development, see learning as necessary and important. It is necessary to be in compliance, to ensure that employees have the skills and knowledge to do their jobs, and to grow the organization and meet new challenges. It is impossible to sustain an organization without having a very capable, skilled workforce. The question is: Could the organization achieve more with greater investment?

Executives Want Business Value

With the support of ATD a few years ago, the ROI Institute conducted a major study with Fortune 500 CEOs.⁹ Data were received directly from 96 CEOs who provided input on their learning investment. The results were impressive and served as a wake-up call. It was impressive because of the candid responses we received from this important decision-making group, yet it was a wake-up call because it revealed some prominent gaps. For ex-

ample, 61 percent of the CEOs would like to see learning connected to application, yet only 11 percent see it now. In terms of business impact, 96 percent would like to see the connection of learning to business, but only 8 percent said they see this now. In terms of ROI, 74 percent would like to see the ROI in learning, but only 4 percent see it now. At the same time, the reaction level was acknowledged by 53 percent, whereas only 22 percent want to see it in the future, underscoring that the most measured outcome level is not the most desired by executives. They see this as an operational measure.

The results of this study clearly show that learning and talent development teams are missing the mark with this key stakeholder. Some would argue that the CEO may be too far removed from learning to actually see this type of data, and so it may not be that important for them to receive it. Anticipating this issue in advance, we asked the question, “What is your role in learning and development?” Over a half-dozen roles were provided for them to select. The number-one item selected, representing 78 percent of the CEOs, was “I approve the learning and development budget with input from others.” Obviously, this is a person who needs to see this data.

This prompted many CLOs to start focusing more on measurement and evaluation and also to make sure that executive-friendly learning scorecards were developed and pushed up to that level in the organization.

Fortune magazine picked up the results of this study and began digging a little deeper into the issue. They contacted ATD, asked for the investment in learning, and were informed that it is over \$125 billion a year in the USA. Next, *Fortune* approached some of the largest organizations in the world and asked the CEOs about the learning investments. Most of the respondents confirmed what this study was presenting: learning is a huge expenditure, but the learning and talent development team does not provide the type of results that executives would like to see.¹⁰

The *Fortune* interviewer went on to ask, “So why don’t you fire the head of learning . . . isn’t that what you do when you don’t get the results?” The CEOs were quick to say that was not the solution, although some, in fact, indicated that they had still tried that approach and it didn’t work. The challenge is to work with CLOs to get them to drive accountability for learning and development to the business level. After all, many of the very top Fortune 500 organizations are spending close to \$1 billion a year on learning

BUSINESS CASE FOR LEARNING

and talent development. This expenditure cannot escape the accountability that is needed in today's climate.

Should You Fund Based on Perception?

Absent business data for learning and talent development, people have spent years asking the top executive to fund a large talent development budget on the basis of perceived value, recognizing that learning is necessary and important. Some would suggest that funding decisions have been made based on the faith that learning is making a difference, positioning learning as an initiative based on pure faith. Today, executives would like to fund programs based on tangible results—those indicating a real connection between programs and business outcomes.

A parallel to this dilemma appears in the green and sustainability movement. According to the Massachusetts Institute of Technology (MIT), the number-one reason why organizations invest in green projects is for the image that they are involved in a socially responsible project.¹¹ Adding business value is the number two reason, and it is a distant second. The reality is that 80 percent of green projects can add business value if they are properly implemented and supported. The other 20 percent are projects that comply with regulations. Funding based on perception rather than real results has caused the green movement to sputter and hampered its forward progress.

Progress Is Evident

Talent development professionals are creating a world that works better. To show how much impact they are having, here are some statistics collected in ATD's 2015 State of the Industry report:

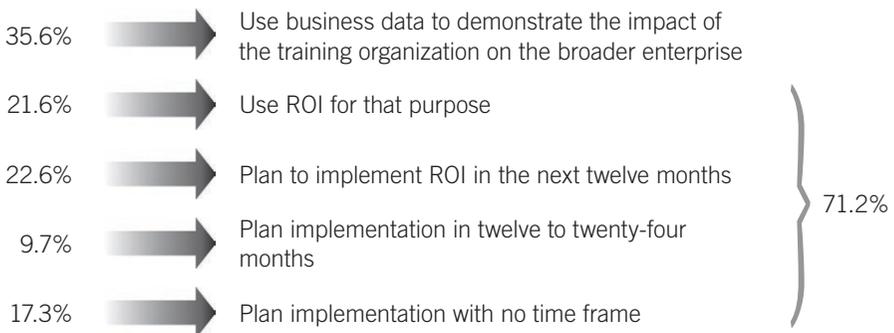
- Eighty-six percent of talent development professionals think that they will have a bigger impact on corporate performance in the next six months.
- Sixty-one percent think that the perception of the value of learning in their organizations will go up in the next six months.
- Sixty-six percent think we'll see an increase in the creation of new learning content in the next six months.
- Companies are investing in learning. This is the second year in a row that spending on learning and the number of learning hours per employee have gone up.¹²

It’s never been a better—or more important—time to be a talent development professional.

More good news is that there is progress in measuring impact and ROI, the data desired by top executives. Figure 1-4 shows data from a recent study by the Business Intelligence Board at *CLO* magazine.¹³ In total, 335 CLOs indicated how they show the value of training to the broader business enterprise. Business data is used by 35.6 percent to show value now. In addition, 21.6 percent use ROI for that same purpose. But the most impressive finding was the number of organizations planning to use ROI to show value. In total, 22.6 percent stated they plan to implement ROI within 12 months; 9.7 percent stated they will be implementing ROI within a 12–24 month time frame; and 17.3 percent plan ROI implementation within no particular time frame. Together, this suggests that 71.2 percent of CLOs are either using or planning to use ROI to show the value of their learning function.

Because this study was conducted in 2015, we should be well on the way with this implementation. From our work at the ROI Institute, we see this push to connect learning to business impact and ROI. Is the talent development team ready to make this change?

Figure 1-4. CLOs Use or Plan to Use ROI



(N=335)

2015 Measurement and Metrics Study by *Chief Learning Officer* magazine

Are You Ready?

One of the most important issues is the readiness of the team to shift to a results-based focus. Unfortunately, when a CLO is deciding to measure at the business and impact level, the focus is on the measurement process, equipping the team with skills to measure their success. Too often, these processes

do not focus on the steps needed to drive the results. Business results start at the beginning with the end in mind, and that end is a clearly defined business need. The focus on results continues through every step in the learning and talent development cycle. This book shows what is necessary at each step to make sure the results are there when the measurement occurs.

Change Is Inevitable . . . and Necessary

According to Idris Mootee, a design thinking expert, “A design thinking organization is capable of effectively advancing knowledge from mystery to heuristic to algorithm, gaining a cost advantage over its competitors along the way.”¹⁴ The design thinking approach is a change in the way we tackle the different functional steps of initiating, developing, implementing, and evaluating learning and talent development. When facing change, it is sometimes helpful to reflect on what happens if you don’t change and what happens if you do change your focus to a results-based process.

The Paradigm Shift

Figure 1-5 shows how things have evolved in recent years, and this evolution serves as the driving force for results. This also reflects changing workspaces, culture, use of technology, and the expectations that have evolved in terms of how things get done. The traditional way was to focus on issues such as job training, scale (in terms of volume), and reporting on inputs. Learning was considered a cost—something that must be implemented as a necessity. Standardization is key, and the science of learning drew much attention. Needs assessments, as the front-end analysis, was king, which focused too much on purely the learning as the solution. Reaction and learning were the principal measurements of success.

The evolution is leading to a focus on talent development, speed, and adaptability. An outcome focus permeates planning and execution of programs, and learning is now considered an investment that is a value driver. Customization with flexible options are present. Learning analytics has replaced the focus on understanding learning. Empowerment, performance consulting, and measurements at the business level are now a must. While many organizations have made this shift, others must make the journey if learning and talent development is to move from value capturer to value creator.

Figure 1-5. Changing Paradigms for Learning

Traditional	Emerging
Job Training	Talent Development
Scale and Scope	Speed and Adaptability
Input Focus	Outcome Focus
Cost	Investment
Necessity	Value Driver
Standardization	Customization
Fixed Setting and Time	Agile and Flexible
Science of Learning	Learning Analytics
Command and Control	Empowerment
Needs Assessment	Performance Consulting
Reaction and Learning	Impact and ROI

If You Don’t Focus on Results

If people don’t focus on results, several consequences occur. We see them now in some learning and talent development functions, especially in organizations facing uncertainty.

1. *Investments are made on perceptions.* Most would agree that this is a dangerous way to fund a functional area. Sustainability comes into question when the funding is based on perception of value, intangible benefits, or other logical deductions.
2. *Middle managers cease to support investments in learning.* Middle-level managers are critical to the success of learning and talent development functions. Participants in the program usually report to these managers. Because these programs normally take participants away from the time needed to perform their jobs, their managers need data to show what participants will do and accomplish with the new skills. Without these types of results, support will be minimal.
3. *The commitment for learning and talent development will diminish.* Commitment translates into support from the top. The tangible evidence of commitment is the budget and resources for learning, and this includes the actions that top executives take to be actively involved in learning and support and encourage the learning process. Without business results, commitment will suffer.

BUSINESS CASE FOR LEARNING

4. *The influence of the learning function is diminished.* It is hard to have a seat at the table when you are not clearly connected to the business value of the organization. Consequently, influence suffers, which hampers the ability to secure approvals and implement processes to get the work done.
5. *Budgets are curtailed or not funded properly.* While budgets will be funded, the right programs may not be funded properly or the total amount of funding may be less than needed to address the organization's needs. In tough economic times, the learning budgets are the first to go; during a recession, this sometimes happens in a very dramatic fashion. This is occurring now in some industries in the USA and in many other countries.
6. *The image of the learning and development function suffers.* Some managers perceive learning and development as a "necessary evil." The image could be shifted to a perception of learning as a business-driving process, one that makes a difference to important metrics in the organization.
7. *Team satisfaction will diminish.* All talent development stakeholders would like to see their contribution to important, bottomline measures in the organization. This line of sight from each person's contribution to the business has to be clear. Without that connection, without evidence and proof that they make a difference, the team becomes concerned about the value of what they contribute. Nothing can build team morale more than seeing this connection, people knowing that they made a difference as individuals, teams, and an organization.

Why Focus on Results

Focusing on results is rather obvious given the previous discussion. The benefits often are the opposite of what happens if you don't focus on results. More precisely, here are six major advantages.

1. *Funding for learning and talent development becomes a business decision.* When business decisions are made, they have the support of the rest of the organization. When funding decisions on major projects are made with business results, it's the right thing to do as well as the economically correct thing to do. It shows that learning and talent development adds value for the organization.

2. *The budget can be protected and enhanced, particularly in downturns.* Sometimes, there is a cycle of funding learning in good times but curtailing it significantly in tough times. Maybe this should be reversed. We have argued with executives for years that the time to invest heavily in learning and development is during downturns, when the best skills are needed to achieve better results. But if executives don’t see the connection of learning to the business, they are unlikely to make that decision. Fortunately, we’re making progress in convincing them.
3. *Programs can be improved.* Evaluation is pursued to improve programs. If a program is not delivering the desired results, the data show what caused the disappointment. Adjustments are made to improve this program (or others) in the future. Even if the program is successful, adjustments are made for improvement. This positions evaluation as a process to optimize the ROI. Optimization leads to better allocation of funds.
4. *Business partnerships can be built with selected executives.* Learning and talent development team members get things done through partnering with operating units, support teams, regional managers, and district managers. Business partnerships with these individuals are needed to develop the capability for their teams. Sometimes, these executives and managers are reluctant to partner with the learning and development team, because they don’t see the value in the relationship. One of the best ways to turn around that thinking is to show the value of major programs in terms that these business partners clearly understand.
5. *Support for learning can be improved.* If you show the application and impact data to middle managers, you gain their support, and this makes it much easier for them to back learning in the future and actually help to drive results.
6. *It is possible to earn a seat at the table.* There is so much talk about earning that seat at the table and being involved in major decisions that affect the organization. Some CLOs are in that role now. They got there by showing the value of learning in terms that executives clearly understand, which would be difficult to achieve without this level of accountability.

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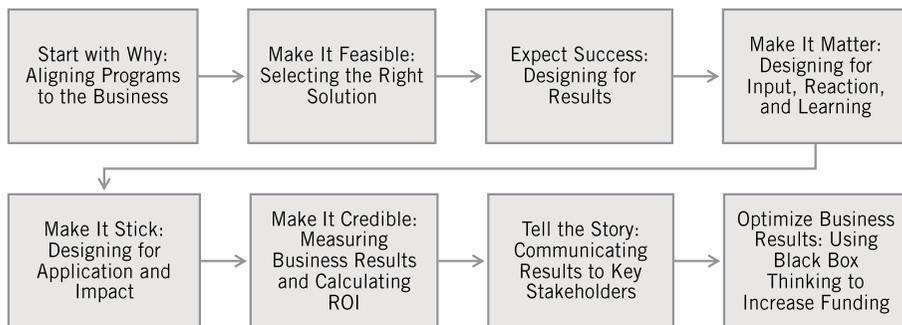
Do We Need Another Model?

The short answer is “no.” The learning and talent development field has too many models as it stands. We suggest making tweaks to existing steps of the learning cycle. Rather than radical changes, we propose adjustments that seamlessly integrate the components that identify organization needs, quantify these needs, and evaluate the success of solutions to the needs into the learning design.

The Results-Based Steps

For the sake of convenience, eight logical steps are presented in this book, reflecting design thinking in the learning cycle. These are illustrated in Figure 1-6, which shows how and where they are addressed in the book and how they connect to the rest of the chapters. The key elements are arranged as a flow diagram to show the eight steps clearly. To a certain extent, these steps mirror existing models of learning system design. These critical steps start with “why” and end with optimization and allocation. When a focus on results is applied in each step, the outcome can be tremendous, adding significant value from learning and talent development.

Figure 1-6. Eight Steps to Enhance Talent Development Investments



We will tackle each step with a chapter containing appropriate detail and explanation, which will establish a road map for the process. Each chapter will begin with one or more opening stories, providing details about how an organization has addressed this particular issue. The main portion of the chapters contains the tools, templates, and processes that focus on results. Checklists and how-to guides, along with many examples, keep it practical

Chapter 1 – Design Thinking: It’s Time for a Change

and usable. Each chapter ends with “what must change,” recognizing the fundamental changes that must be implemented.

“Insanity is doing the same thing over and over again and expecting different results.”

—Albert Einstein

What Must Change

This chapter began with three dilemmas that afflict learning and talent development. Much of learning is wasted, most learning and talent development teams do not have data to show that they make a difference in the organization, and the measure of success desired by top executives is rarely measured. The approach that learning and talent development teams have followed for many years is not as effective as it needs to be, and, if they continue on the same path, they will lose budget, influence, and respect. You must alter your thinking to focus on results at every step of the learning cycle. You must design to deliver results. This will increase your influence on the talent development investment in the future. Just remember, change is inevitable, but progress is optional.

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