Overcoming Challenges in Learning and Development

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Economic, social and technological forces continue to change the global economy and organizations around the world. The adoption of new technologies, the rapid obsolescence of knowledge, the need for just-in-time learning and the search for cost-effective ways to meet the learning needs of a global workforce have redefined the processes that underlie the design, development and delivery of training and education. The Hudson Institute suggests that only 20 percent of today’s workforce has the skills for 60 percent of the jobs in the year 2020. Additionally, demographic changes will have an impact on learning needs. By 2008, a wealth of skills and experience will begin to disappear from the market, as the first members of the baby boomer generation reach early retirement age.

Research from Beverly Kaye and Sharon Jordan-Evans predicts a “radical decline in the number of people available for leadership roles over the coming decade.” Furthermore, younger generations joining the workforce are very comfortable using technology as a preferred method for learning. Given these growing skill gaps in organizations and demographic changes, new learning models are needed.

A growing number of enterprises have been creating the role of the chief learning officer to define and implement corporate learning models and strategies that will ensure competitive advantage. This new breed of CLOs must answer several strategic questions.

How Do I Build a True Learning Organization?
The CLO’s role should extend beyond the formal learning and development interventions found in the typical classroom-based learning delivery model. More attention must be given to a broad scope of initiatives that support performance improvement in a learning organization, including talent development, the usage of technology-based learning, workplace learning, development feedback, and coaching and mentoring. Furthermore, CLOs can play a role in helping organizations to support both self-directed and informal learning, as well as building a trusted learning culture.

It is important to recognize that employees are not concerned which department helps develop new skills and enhance their learning opportunities. These employees only know that they want to be able to quickly and easily find the quality learning and knowledge they need to be the best at their work. In most organizations, this poses a challenge in that learning initiatives or processes are owned by other departments or people, such as IT, HR and business leadership (performance management, employee counseling and feedback), among others. Therefore, CLOs need to work closely with several different constituencies to ensure that learning delivery provides seamless opportunities for the learners.

How Do I Create Cost-Effective and Efficient Learning?
Enterprises must create value for their shareholders and sustain their competitive advantage. An important strategic instrument for achieving this goal is to reduce enterprise-wide costs. One of the cost categories executives frequently target is workforce-related costs, which include learning. According to the American Society for Training & Development (ASTD), enterprise-wide education spending can equal as much as 4.16 percent of payroll. However, it is argued that even in the best organizations, the true cost of training is often an elusive number, since the costs are distributed over a number of different categories. These categories may include training needs analyses, learning design and development, acquisition, delivery, travel, lodging and meals, evaluation, training functions, participants’ salary and benefits, and invisible expenses, such as lost opportunity costs, wasted training investments and lost productivity.
Examining the efficiency and effectiveness of learning initiatives and functions can help evaluate the impact of learning. Organizational effectiveness refers to the achievement of multiple goals, and organizational efficiency refers to the economical use of skills and resources. Thus, learning initiatives are effective if they achieve specific goals:

- Launching new products and services more quickly.
- Developing new information systems and business processes faster.
- Building seamless global organization capabilities.
- Ensuring speedy job-readiness of new hires.
- Increasing sales force productivity.
- Gaining a competitive edge by reducing costs.
- Increasing shareholder value.
- Supporting successful mergers and acquisitions.
- Complying with legal, regulatory and internal mandates.
- Attracting, developing and retaining talent.
- Developing the next generation of leaders.
- Building human capital capabilities.

With ongoing business pressure for results, it is critical that CLOs drive learning initiatives that are both efficient and effective. According to Tom Pisello, president and CEO of Alinean, “it is not just how much you spend, but what you invest in and how well it is managed that counts.”

**How Do I Align Learning With Business Needs?**

CLOs need to address a number of issues, including:

- Identifying learning initiatives that have a strong business impact and ROI.
- Gaining and retaining leadership support for learning.
- Getting learning staff levels and funding needed.
- Identifying which part of the learning function should be centralized, decentralized, in-sourced, outsourced or offshored.
- Establishing governance for learning.

Large enterprises are structured in separate business units and departments. As a result, many organizations have a number of different learning departments spread throughout the enterprise. For example, learning departments may exist within different business units, functional departments (e.g., IT, HR) or geographies (e.g., North America, EMEA, Asia-Pacific or at an individual country level). Additionally, some parts of the learning function (e.g., learning system support) are typically centralized in the organization.

The establishment of an enterprise-wide learning governance structure can help to align a large number of different learning initiatives. It is important for learning functions to work closely with business leaders to address specific learning needs. At the same time, it is important to coordinate learning initiatives among different learning functions. A learning governance structure will ensure that learning leaders from the different departments collaborate in a number of areas, including:

- Developing a learning vision and strategy.
- Implementing the learning strategy.
- Sharing learning courseware and streamlining curricula.
- Prioritizing learning initiatives.
- Leveraging centers of excellence for learning.
- Sharing best learning practices.
- Working on joint projects.
• Identifying funding needs.
• Gaining access to senior leadership.

The benefits of a well-established learning governance structure include the opportunity to implement a shared vision and strategy for learning, avoidance of duplication of courseware development initiatives, usage of the best resources, and enhancement of the efficiency and effectiveness of the learning function, among others.

How Do I Implement a Rich Learning Blend?
Traditionally, the term “e-learning” has been used narrowly to refer to online training (change in skills) or online education (change in knowledge). A more specific definition refers to e-learning as Internet-enabled learning targeted to achieve business goals. This includes different forms or solutions, such as online training, collaboration, electronic performance, knowledge management and online learning management. All of these forms or solutions leverage the Internet for learning purposes. The overall goal of learning should be to enhance human performance, and each of these Internet-enabled learning solutions should have an ultimate impact on business performance. Figure 1 captures the relationship between training, education and learning, as well as the different learning solutions that make up e-learning.
How Do I Address Resistance to Change?

Typically, a (new) CLO begins with a process to develop or fine-tune a vision and strategy for learning. It is important to include all important stakeholders in this process, including business leadership, HR and learning leadership, the IT function and, most importantly, the employees who are the final customers. This process requires appropriate time, resources and focus.

While most organizations do a relatively good job in this area, the biggest challenge is the actual implementation of the learning vision and strategy. There are a number of reasons for this. First, it takes time and significant effort to implement initiatives throughout large, complex and global organizations. Multiple cultures, languages and other factors will impact the learning vision and strategy. If it takes a long time to realize achievements, leadership support may deteriorate, which can have a negative impact on future initiatives. Second, a number of new initiatives will impact roles in learning organizations, which can lead to resistance. Examples include outsourcing a number of learning activities and systems, centralization or decentralization of specific learning activities, implementation of a blended learning strategy, and automation of learning business processes. Resistance to change from a large number of stakeholders can create a serious barrier and make the implementation difficult. Therefore, it is important for the CLO’s team to
build time into the implementation plan to address this. Dealing with resistance and change is one of the biggest challenges for CLOs and is therefore a critical competency.

**How Do I Create Value Through Learning?**

A central goal for enterprises and executives is to create shareholder value. Value drivers include increasing revenue, enhancing operating margin, assets efficiency and overall business expectations. In addition, shareholder value is heavily driven by investor expectations of future performance.

Measuring and linking the impact of human capital to shareholder value is a relatively young field of study. Some research in this field has been done by Watson Wyatt, whose Human Capital Index quantifies the HR practices and policies that have the greatest correlation to shareholder value. For example, the results of Watson Wyatt’s 2002 study indicate that companies with superior HR practices have a higher shareholder value.

Jac Fitz-enz, the “father of human capital strategy and analysis,” argues that the key to sustaining profitability is the productivity of human capital, and that the driving force for this is knowledgeable people. Furthermore, he mentions that the stock market has awarded market value for service and technology companies that leverage knowledge.

Additionally, it appears that the evaluation of companies is not just based on pure financial assets. For example, one research report says that institutional investors who manage large stock portfolios base their portfolio decisions for 35 percent to 40 percent on non-financial information.

Other research suggests that enterprises should use the value-on-investments (VOI) metric. The VOI is categorized by courses that solve problems that impact the core of the business. The return on investment can be measured in any of these items:

- Significant dollars saved by the organization.
- Significant increases in revenue earned.
- Substantial improvement in the company’s market position.

**Facing the Challenge**

The challenges faced by the CLO in creating and sustaining the 21st century learning organization are multiple and daunting. From engaging the business leadership and learning organization in support of a new, more comprehensive vision for learning, supplemented by a robust learning technology infrastructure to demonstrating the contribution of learning initiatives to the value produced for shareholders, the scope of the CLO’s role is enormous.

However, if the entire focus of the new breed of CLO is on the learner, the message will be clear and the vision compelling. Human capital creates value. If given access to quality learning from multiple sources in a self-directed, self-service learning organization, the workforce will exceed all expectations in performance and value contribution—and this is the ultimate goal of the CLO.

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