GLOBAL HORIZONS

ACHIEVING PERFORMANCE EXCELLENCE

Session Code: TC05

Title: **Five Diagnostic Dimensions of Business Impact Measurement**

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Productivity Dynamics

Topics

- Introduction

- Business Impact Measurement **Meta-Analysis**
  - Study approach
  - Study findings:
    - Why learning solutions can **fail to create business impact**
    - **Five diagnostic dimensions** of business impact measurement

- Business Impact Measurement **Framework** – for collecting timely and actionable intelligence to:
  - Enhance and **optimize learning transfer**
  - Ensure **predictive business impact**

- Concluding Remarks

Sharing experiences and lessons learned:

- *Types of experience*
  - Founder and Managing of Director of Productivity Dynamics (15 years)
  - Senior Fellow at Digital Equipment Corporation (16 years)
  - Part-time faculty at Boston University (27 years)

- *Sample clients*

Business Impact Meta-Analysis Study Approach

- **_Number:_ 232** Business Impact Measurement studies were included.

- **_Period_**: Studies were conducted between **1998** and **2014.**

- **_Coverage_** – Studies covered various:
  - **_Industries_**: IT, communications, petroleum, finance and banking, etc.
  - **_Audiences_**: Engineering, service delivery, sales, marketing, leadership/management , etc.
  - **_Content areas_**: Technical, professional, leadership, onboarding, etc.
  - **_Learning methods_**: Facilitated learning, e-learning, blended learning, social learning, on-the-job learning, etc.
  - **_Geographies_**: Americas, Asia Pacifica, Europe, Middle East, Africa

Study Findings
Highlights

Why Learning Solutions Can Fail to Produce Business Impact

Four major contributing factors were discovered:

- Lack of **business alignment**

- Lack of **Readiness**

- Low **perceive relevance** and employee **self-efficacy**

- Environment **barriers** that prevent *application of what was learned in the program back on the job*

Contributing Factor 1:
Lack of Business Alignment

Three categories of learning solutions were identified in the meta-analysis study:

- ***Business Neutral*** – Content-driven, catalog-based, or generic learning offerings (e.g., generic sales training) ***[Produced questionable business impact]***

- ***Business Supportive*** – Reactive learning offerings in response to a business crises or initiative (e.g., hunting and pipeline management training in response to declining revenue) ***[Produced random/ moderate business impact]***

- ***Business Integrated*** – Strategic learning solutions that proactively target behavioral change in anticipation of impacting well-defined business metrics (e.g., strategic account planning to ensure profitable growth in a targeted market segment) ***[Produced significant predictive business impact]***

Contributing Factor 2: Lack of Readiness

Lack of readiness in three areas led to little or no business impact:

- **Solution readiness** – Learning offerings did not comply with quality standards and best instructional design practices and/or were not technically ready (e.g., lack of availability, accessibility, interoperability of e-learning, or usability issues).

- **Learner Readiness** – Learners did not have the necessary *prerequisite knowledge* and/or *learning strategy* to fully participate in and benefit from the learning opportunity.

- **Organizational readiness** – An appropriate learning environment was not created for the employees – managers were not aware and/or supportive, protected learning space was not available, etc.

Contributing Factor 3:
Low relevance & Self-Efficacy

Learning transfer and ultimately business impact were negatively impacted when employees:

- Felt learning solutions **were not relevant** to their work and work-related challenges:
  - Role and responsibilities
  - experience levels
  - customer needs
  - local business cultures attributes
  - market segments requirements

- Did not feel **competent** and **confident** to apply what was taught in the program

* Note: Self-efficacy is the extent or strength of one's belief in one's own ability to complete tasks and reach goals**.**

A number of barriers to transfer of learning were identified in the meta-analysis study. Major categories included (but were not limited to):

- Lack of management support – expecting and inspecting
- Conflicting metrics and incentive programs
- Competing priorities
- Lack of time
- Poor timing – too late, too early, wrong time
- Non-conducive tools and processes
- Insufficient resources, coaching, technical support
- Lack of critical mass of "enlightened" colleagues
- External factors – business climate, competitive pressure, partner readiness

Implications for Learning Professionals

Business Impact Measurement:

- **Should not** be conducted "after the fact" and upon competition of the learning solution. This practice produces insights that might be too late to use.

- **Should** start in the business requirements definition phase and continue throughout the lifecycle of the learning solution, to create actionable intelligence just-in-time to optimize the learning solution, behavioral change, business impact.

Business Impact Measurement should collect **five types of data** to provide stakeholders with <u>timely</u> and <u>actionable</u> intelligence in the following areas:

- Business alignment
- Readiness – solution, learner, organization
- Perceive relevance and employee self-efficacy
- Barriers to learning transfer
- Credible business impact results

Five Diagnostic Dimensions of Business Impact Measurement

Effective business impact measurement efforts should produce timely and actionable intelligence in five areas, to help learning professionals enhance and optimize learning transfer and achieve predictable and significant business impact.

Diagnostic Dimensions of Business Impact Measurement

- Business Results
- Business Alignment
- Barriers & Enablers to Transfer
- Readiness
- Relevance & Self-Efficacy
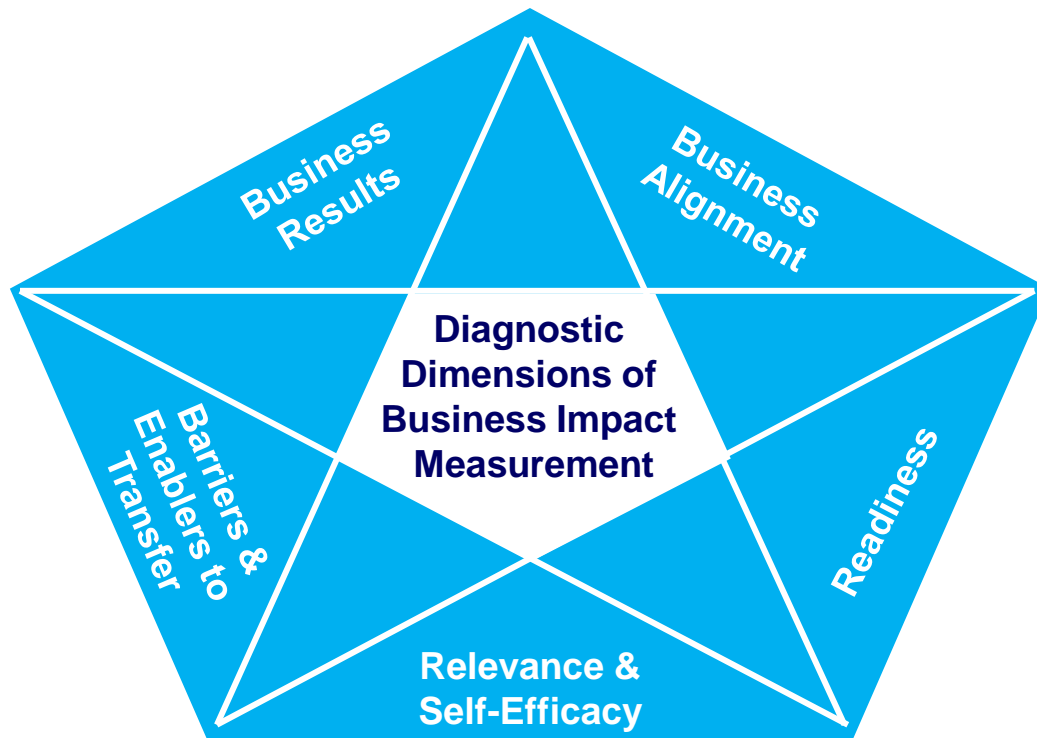
Dimension 1:
Business Alignment

Key Question: Is the learning solution aligned with the business needs and requirements of the organization?

Timing: Prior to the design of the solution

Call to Action:

- Collaborate with Business Requirements Definition and Front-End Analysis teams to create a Business Value Chain (BVC) that clearly links:
    - Expected learning outcomes
    - Desired behaviors on the job
    - Targeted business metrics

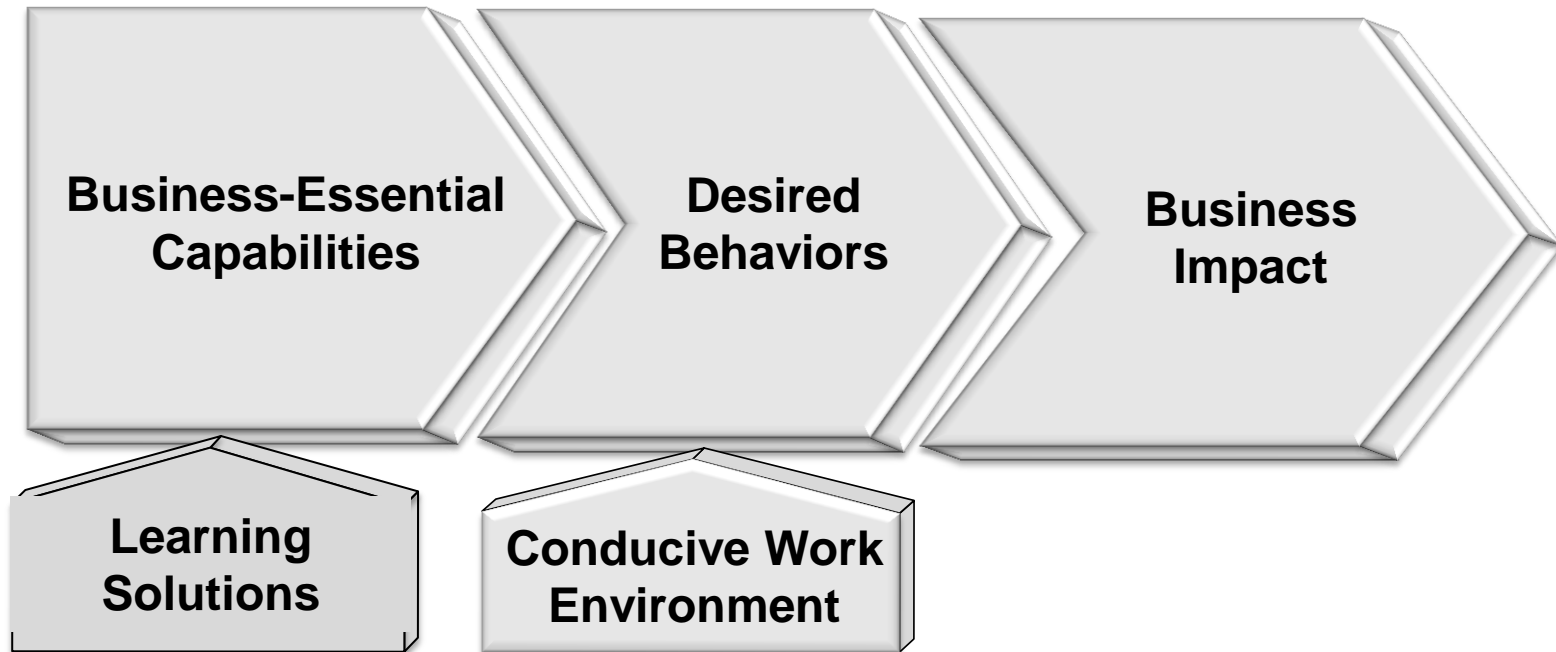- Collect baseline data on select business metrics.

A well-defined BVC provides a line of sight into how skills and knowledge gained through learning solutions fuel desired behaviors on the job, which in turn impact well-defined business and operational metrics.

Business Value Chain

Business Value Chain:

A Tool to Align Business Requirements and Learning

Dimension 2: Readiness

Key Questions:

- Is the solution ready?
- Is the learner ready to use the solution?
- Is the organization ready to provide a conducive learning environment?

Timing: During the formative stage of the solution

Call to Action:

Collect three types data to provide stakeholders with timely and actionable intelligence to ensure readiness from three perspectives:

- *Solution* – to optimize usability, effectiveness, accessibility, etc.
- *Learner* – to ensure learners possess prerequisite skills and knowledge and can use an appropriate learning strategy to fully participate in the learning solution
- *Organization* – to prepare the managers and to create a conducive learning environment for employees

Dimension 3:
Relevance & Self-Efficacy

Key Questions:

- Do employees feel the learning solution is **relevant** to their work and work-related challenges? If no, why?

- Do employees **believe that they can apply** what they learn? If no, why?

Timing: During the pilot and early deployment of the solution

Call to Action:

Collect self-efficacy data to provide stakeholders with timely and actionable intelligence on how to:

- Enhance **relevance** of the solution

- Help participants gain **confidence** in applying what is learned

Dimension 4:
Barriers to Transfer of Learning

Key Questions: What are barriers and enablers in the work environment that impact application of what was learned in the solutions?

Timing: During early deployment of the program

Call to Action:

Collect data on work environment variables that impact transfer of learning, to provide stakeholders with timely and actionable intelligence to:

- Remove barriers to taking action and demonstrating desired behaviors
- Reinforce enablers to learning transfer

Dimension 5:
Business Impact

Key Question: Was a statistically significant business impact observed?

Timing: Between 6 and 16 months after solution deployment

Call to Action:

For metrics identified in the Business Value Chain (BVC), collect data and conduct comparative analysis using:

- Pre- and post-learning analysis for those who attended the program
- Post-learning analysis of two homogeneous groups of employees: one group who participated in the learning solution and one group who did not

Concluding Remarks

Attributes of Successful Business Impact Measurement

- Enables learning professionals to collect **timely** and **actionable intelligence** to:
  - **Align** learning solutions with business needs and requirements
  - Ensure **readiness** of the solution, learner, and organization
  - Enhance **perceive relevance** and participants' **self-efficacy**
  - Increase and optimize **learning transfer**

- Occurs **throughout the lifecycle** of learning solutions (vs. "after-the-fact") to produce actionable intelligence at the right time

- Provides learning executives and practitioners with accurate and predictable business results that they can use to:
  - **Build a business case** for obtaining business sponsorship and needed resources, even in an era of shrinking budgets
  - **Demonstrate accountability** to business sponsors
  - **Encourage cross-organizational collaboration** to ensure organizational readiness and to remove barriers to learning transfer

Q&A

The End