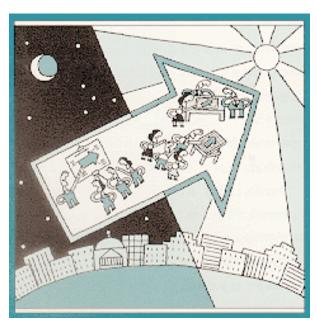# *Achieving Business Results Through Training*

How do world-class companies achieve business results through training?

What makes a training process worthwhile, now and in the long run?

How can you know if your company is getting the best possible return on its training investment, and how can that return be measured in a way that's meaningful for employees?

To help answer these questions, The Forum Corporation recently looked at several decades of research about how people learn, focusing particularly on research of the past 15 years. We also incorporated our experience helping people in hundreds of organizations achieve results by creating learning experiences linked to their business objectives.

Our Findings:

- Organizations and individuals who continually acquire new knowledge and put it into practice differentiate themselves in the marketplace.

- Learning takes place every day, throughout the organization. The ability to manage and orchestrate learning, as well as create systems to ensure it is efficiently captured, are key to building a customer-driven organization.

- Creating a powerful learning environment means designing learning experiences that teach skills central to business issues, and make people central to an organization's success.

- Managers who take on the role of coach and leader can ensure that new skills flourish and continue to address relevant business issues.

> *In a time of drastic change, it is the learners who inherit the future. The learned find themselves equipped to live in a world that no longer exists.*
>
> Eric Hoffer

The Five Core Principles of Learning

Our findings support one central thesis: The best way for an organization to achieve business results through training is to incorporate the following five core principles of learning in its design:

1. Learning is a transformation that takes place over time.

2. Learning follows a continuous cycle of action and reflection.

3. Learning is most effective when it addresses issues relevant to the learner.

4. Learning is most effective when people learn with others.

5. Learning occurs best in a challenging and supportive environment.

Our research also indicates that following the core principles is impossible unless a combination of individual and organizational readiness exists at the company. Organizations that support learning and link it to relevant business issues realize the richest individual development in their employees, and the most impressive business results based on the actions of those employees.

This report highlights Forum's latest finding on how learning architectures should be built to unlock better business returns. It also shares examples of how world-class organizations are creating and supporting training systems that help everyone master the skills they need to meet business objectives.

The Path to Results

Although we have discovered a great deal about how to make learning a more deliberate process, the basics have not changed in the 200 years since Benjamin Franklin concluded that learning calls on equal parts awareness, retention, and application of information—all achieved over time by the learner.

Mastery

How is mastery defined, and what does it mean to an organization?

Although the process of mastery never ends, it is the central goal of the learning process. A master truly knows something by heart. He or she has been exposed to specific information, worked diligently to apply and test that information, and achieved a command over the information by synthesizing and assimilating it into practical skills and knowledge. Anyone who has mastered a skill can teach it to others, lead them in applying it, and be innovative in the way they use it.

The speed at which new information and knowledge needs to be acquired, mastered, and turned into practical action has increased multifold. As companies cut costs and become increasingly competitive, our research indicates that the organizations which use training strategically–as a key business tool to teach employees world-class skills, achieve desired business results, and become truly customer-driven–are the ones which will succeed.

In our view, training success depends on designing training systems that capture the five core principles of learning.

The Five Core Principles and Business Results

Principle 1: Learning is a transformation that takes place over time.

Learning is the process by which people change the way they interpret, or make sense of, their experiences. Throughout our lifetime we construct our own, increasingly complex learning models that allow us to derive meaning from our experiences. Changing these models requires a transformation of previously ingrained beliefs and ideas. We must question and alter old models before new learning can take place.

The learning process occurs in phases over time. People become aware of their assumptions as they encounter new ideas. They adopt new ideas and use them in a variety of situations. As the learning cycle proceeds, they may take on the responsibility of teaching others about the ideas and even improving ideas.

Business implication: Today's leaner, faster business environment has created a need for continuous learning. People need the support of the organization that directs their new skills and

> *Tell me and I will listen.*
> *Teach me and I will remember.*
> *Involve me and I will learn.*
>
> Ben Franklin

ideas toward better results—reward their achievements. Training that is supported and implemented as a process of deliberate and relative learning experiences, and tailored to individual skill levels is key to transforming the learner's perspective and ability.

Example: Aircraft company chairman's program builds leadership skills.

To help its top 150 executives negotiate the transition from a defense-based business to one offering diversified electronics in a variety of markets, a major aircraft company is building a leadership training program based on a year-long learning cycle of closely linked team experiences.

The company chairman begins by identifying the most pressing business issues, based on lists submitted by participating executives. What follows is a series of intensive, 5- to 8-day sessions. Discussions center on such issues as executing reliable companywide reengineering, building more employee diversity, translating core competencies more effectively into systems, and fostering an overall climate of innovation.

At the conclusion of the core sessions, individual executives divide into teams based on topics most relevant to their needs.

Over the next 8 to 12 months, each team of 25 executives meets for two to four "reconnects" to review broader issues, while specific teams of six to eight meet approximately once every 2 weeks, to track progress and incorporate new information. Teams serve as a place for participants to bring business-related problems to solve as a group.

By building training based on support from the top of the organization, and implemented over the long term, the company's leadership program has already succeeded in linking the business goals of the company to the goals of specific teams. The program also helps executives advance a key part of the business as they become fluent with a variety of new approaches to effective leadership.

Principle 2: Learning follows a continuous cycle of action and reflection.

People learn by doing and then consciously thinking about the process. Actions upon which people reflect—that is, examine and assess—lead to new understanding, which in turn guides future actions.

Business implication: Just as action in business allows for the practice of new ideas, reflection allows for the creation of a new way of mentally organizing those ideas. Learning and doing should be totally integrated and seamless, if true retention of information and skills is to occur. Training built on learn-by-doing experiences allows people to practice new activities and behaviors with colleagues and managers who share the same goals and intent. People should be allowed to practice this

learning through application early, and often, in the process. As a result, transfer back to the daily job becomes second nature and learning is absorbed.

Example: Manufacturer turns action-reflection into a process revolution.

By cycling training between the classroom and the shop floor, a global manufacturing and aerospace company has successfully enabled employees to test ideas and put new knowledge into practice immediately. As a result, they have created a flexible manufacturing process that has drastically cut production of needless inventory.

After classroom learning, participants from senior factory management and production lines move directly to the factory floor, where they conduct observations or apply new theories and skills. Each time, they return to the classroom to compare notes on their results. Class composition and size are varied to encourage new levels of teamwork.

Over a 2-week period, the company's employees revamp whole sections of their production lines to become more productive, more customer-driven, and more employee-friendly. Among other achievements, they realize how an A-B-C lockstep production mentality often creates excessive inventory and masks problems in their production capability. By shifting the measures of success away from quantity of production and basing processes on the number of customer orders received (and how well future orders could be predicted), the company has dramatically improved its productivity and opened the minds of its employees to continuous process innovation.

Principle 3: Learning is most effective when it addresses issues relevant to the learner.

People learn in order to respond to challenges in their environment. They are motivated by either a personal desire to acquire new knowledge and skills or by a recognition of the consequences of not learning. When learning activities are linked to personal or organizational objectives, learning is accelerated.

Business implication: Our research indicates that effective training is built on learn-by-doing techniques, and that these "doing" activities are most effective when relevant to the job. Offsite events can be valuable if they take place away from a work environment fraught with existing barriers to better performance. However, these events become much more powerful when companies link lessons learned directly to the job. For example, reinforcing a class on understanding what customers value becomes much more effective when individuals call actual customers and ask them what they really value.

Example: International bank trains by selling to its own customers.

When a large international bank realizes it has to improve relationship management with clients and cross-sell its financial products more effectively, it builds a training process that rein-

forces product-relevant and customer-focused skills. Weeks before training begins, participants send questionnaires to customers at target accounts. Based on the results, training organizers create a feedback process to analyze each salesperson's skills. During the 5-day program, sales staff attend seminars on topics such as high-gain questioning and developing account plans, and build these skills by discussing actual accounts.

Follow-up takes the form of trainers joining the bank's sales meetings and overseeing skill-building exercises based on describing and selling new bank products. Favorable ratings continue to rise for the bank based on its improved ability to propose ideas, understand their customers' international banking needs, follow up promptly, and coordinate the bank's global network capabilities to deliver client solutions.

Principle 4: Learning is most effective when people learn with others.

When people learn together, they share and build on one another's perceptions. As a result, they are able to hear other interpretations and test their own. In addition, team learning increases the likelihood of cooperation back on the job, and that cooperation in turn leads to better results for the organization.

Business implications: Today's business environment requires teamwork to solve difficult, complex problems. Because those teams must cooperate to achieve desired results, it makes sense to learn in teams as well. Groups can be used to create a shared sense of urgency and enthusiasm, convey consistent messages to a sizeable audience, and promote collaboration.

On the organizational level, collaboration skills and a cooperative mentality have become critical in today's flatter organizations. Our research shows that forward-thinking companies already have moved to create training systems and working environments where new learning is freely shared.

Example: Insurance group integrates learning via cross-functional training.

To integrate its product training with its sales training, a large insurance company recently brought both groups together for a shared learning and problem-solving program. Managers from product groups trained with managers from sales groups, while advanced salespeople mentored their less advanced colleagues. Many training sessions doubled as meetings where participants compared notes on best practices. Participants learned from each other, and shaped ideas about making the entire sales process move faster and become more customer-focused. By uniting training within and across functions, the company enables employees to more accurately translate their product capabilities and address a fuller range of potential customer issues.

The result for the company has been a much more customer-driven, solutions-oriented organization with significantly reduced cycle time and waste, and superior product development.

Principle 5: Learning occurs best in a challenging and supportive environment.

When an environment is not threatening to status or security, people are more willing to take risks, explore new ideas, and try new actions. It is essential, however, to balance support with a sufficient level of challenge. Learning results more from closely observing small failures than from celebrating comfortable successes. The skier who does not fall never pushes to new skill levels. Unless people are challenged intellectually or emotionally, they may rely on existing habits and not stretch to find new ways of thinking and acting.

Business implication: Since learning is a process of suspending judgment, questioning behaviors, and challenging assumptions, people must be pushed to learn—but not to the point where their self-esteem is at risk or they feel too threatened to reveal their present limitations.

On an organizational level, support must be in place to coach and facilitate new training, encourage high performance, eliminate unhealthy competition between colleagues, assign relevant projects that build on training, offer constructive criticism, and reward results. A good rule of thumb is that the more support a company provides to its training systems, the more challenge it can place before employees.

Example: Financial services company links needs-based sales training to better results.

In launching its successful new sales training program, an international financial services company works under the premise that support and challenge work hand-in-hand in an effective learning environment. To determine the proper level of support for its employees, the company builds 3-day training modules based on competency-based assessments of individual staff. These assessments help create the best mix of training activities for strengthening the employee's current skills and effectively guiding their growth. If, for example, a salesperson charts as a weak negotiator in their customers' eyes, training that employee concentrates on building negotiation skills.

Competency-based assessments reflect the company's commitment to helping employees select the learning experiences they most need to perform better with customers. The company has already demonstrated the positive impact of this training methodology through increased sales and higher customer satisfaction ratings.

Key Elements for Linking Training to Business Results

In analyzing what contributes to the success of training, we found that providing a quality learning experience is simply not enough for training to drive meaningful business results. Training is most effective when it is strategically linked to and integrated with business results, diagnostics, and the organization's environment.

Organizational and Executive Commitment

Ideally, training systems should be directly linked to individual and organizational business objectives, with results based on clearly defined goals—the success of which is directly proportional to the level of commitment and enthusiasm of both parties. This requires strong leadership and visceral commitment at all levels.

Front-End Diagnostics

Front-end diagnostics are critical to developing training that addresses customer needs and relevant business issues. Part of the process involves determining organizational readiness before training begins and how the training relates to furthering business success. For instance, before a company teaches its employees how to create a team-based culture, it should diagnose how its current hierarchy might block or even defeat the training. Based on this knowledge, the company can significantly improve its readiness for training and achieve its goals more efficiently.

Diagnostics should consider the specific business and competitive context of the company, and focus on hearing and responding to the voice of the customer in order to achieve desired results. Front-end diagnostics can also act as invaluable tools to shape training according to the distinct needs and expectations of customers in different geographies.

Audits

Ideally, Human Resources staff should conduct thorough and candid audits of training curriculums and processes, in order to weed out those that do not support continuous learning, create customer-driven processes, or foster information sharing throughout the organization. Concurrently, HR staff, working directly with line managers, should construct learning architectures that deliver relevant results.

Action Learning

Action learning ties the classroom experience directly to the job by involving people in projects that reinforce what they have learned. Action learning projects involve such things as benchmarking, reducing operations cycle time, developing a sales referral system, or creating a voice of the customer database. By applying new skills to an actual project and achieving tangible business results, people absorb learning firsthand. A sense of ownership reinforces what they have learned and encourages them to integrate the new skill or technique into related situations. It is not only the action, but the conscious reflection on the process and its results that affects a positive change in behavior.

Flexible Learning Experiences

By expanding their notion of a "classroom," companies can design more creative and multidimensional learning experiences. Learning can draw on self-directed learning, learning in

teams, technology, books, managers, and traditional classroom lectures. Flexible learning experiences allow training to be customized to individual learners' environments, schedules, and experience levels.

Customer-Driven Feedback

Feedback from both internal and external customers is essential to effective, results-driven training. Good feedback helps people target improvement actions and determine whether goals are being met. In addition, companies can adjust critical processes that address customer needs.

Ongoing Measurement

Companies should continuously monitor and measure the results over the long term. Teams formed during training sessions meet monthly or bi-monthly for up to a year to discuss how new skills are changing behaviors, what level of proficiency or mastery the team members have reached, how well people are leveraging new information as it becomes available to them, and whether there are any new issues to address.

The Place of Technology

With the move toward flatter, more flexible organizations, where speed and productivity are critical, technology can help overcome some of the barriers to organizational learning. When chosen and implemented appropriately, technology can greatly enhance the learning process, linking people across towns or across continents. Through multimedia tools such as videoconferencing, e-mail, and computer-based training, companies can use technology to:

- Create and share new information quickly and efficiently across time zones and geographies

- Ensure that a learning process is clearly defined and focused across the organization, especially in "virtual companies" without true headquarters

- Allow individuals of different backgrounds and levels of competency to take online tutorials that reinforce basic skills, and review mastery-level skills at their own pace

However, technology should not be viewed as a training cure-all. Although it can provide individual reinforcement and simulate group experiences, technology improperly applied can also act to diffuse learning where a group experience might unite it.

Training Systems Checklist

Companies wishing to do a "reality check" on their training systems should consider a number of questions to ensure that they are linking training to business results:

- Is your training linked to your strategic direction and business goals?

- Is it supported by strong leadership?

- Does it reflect the needs and values of your company's customers?

- Does it communicate your company's values?

- Does it help you address customer retention, acquisition, lower costs, less waste, higher speed, and greater innovation?

- Does it build on the five core principles of learning?

- Is it immediately relevant to your business?

- Can you clearly map an individual's path toward mastery?

- Does the environment empower employees to leverage what they learn?

- Does it lead to measurable results?

Conclusion

In a global marketplace where people are often the key to competitive differentiation, the implications for training are clear: Success in today's competitive environment requires a new level of mastery in the skills that directly support business objectives. Our findings show that when the design and implementation of training incorporate the five core principles of learning, it allows people to grow continuously and remain flexible to change. Just as important, effective learning depends on a combination of organizational and individual readiness. Management should actively reinforce and facilitate new learning processes on the job. To learn effectively means that organizational support is not merely present in the training process, but is an integral part of the training process.

Note: This Forum Issues Special Report highlights the findings from our research report, *Principles of Learning*, prepared and written by Joan L. Bragar, Ed.D., and Kerry A. Johnson, Ph.D., Vice President and Senior Consultant at The Forum Corporation.

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