

Six Steps for Aligning Training with Organizational Goals

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Abstract

Aligning training with organizational goals is no different than the alignment of marketing, IT, and other support functions to business strategy. Once the business goals are clearly articulated and prioritized, it is a matter of identifying who needs to do what to achieve these goals, and whether individuals have the knowledge and skills to perform the tasks to the desired level. What remains is simple mathematics to identify actions that will generate the greatest impact.

Participants will be able to:

- Develop clear line of sight between organizational goals and training programs.
- Prioritize training programs.
- Prepare a plan of action.
- Gain executive support.

In a knowledge-based economy, workforce's ability to quickly adapt to changing realities is critical to the continued success of the organization. To facilitate the upkeep of workforce knowledge and skills, training professionals seek out innovative training design models and delivery methodologies to provide the *right* information to the *right* individual at the *right* time. Authoring, delivery, collaborative and management tools can greatly facilitate the development, distribution, sharing and tracking of training materials. However, if the *impact* of training programs on organization's missions/goals is not being assessed, our limited training resources may end up supporting programs with little or no value and even worse – waste employees' valuable time.

Of course every training program is initiated for a reason. The problem, however, arises from relying on *qualitative evidence* to build the business case for training – such as, it is compulsory, it addresses a performance deficiency, it improves productivity, it is needed for the introduction of new processes or equipment, etc., making them difficult to assess and prioritize from client or executive perspective. When considering a significant investment or multiple requests, executives require a *quantitative measure* that addresses the following questions – how will the training program help the unit and organization attain its goals; is it worth it; and how does it compare to other initiatives – for example, if 20 programs are being considered, but can only fund 10, which ones should be funded and why. Although for some, these may not appear to be training issues, they are critical to demonstrating the value of training services.

First, we have to recognize that the assessment should be done at the planning stage when budgets and resources are being allocated. In other words, we cannot rely on current evaluation models (e.g., Kirkpatrick and Phillips) that assess the impact after training has been delivered – by then it is too late. By shifting from historical data collection models, to a predictive analysis model, managers will: (1) become more responsive to current and future training needs, (2) increase the impact of training by focusing on the most crucial initiatives, and (3) improve training programs efficiency by selecting the most cost-effective blend of delivery options.

To facilitate the assessment of training programs impact – i.e., conversion of quantitative evidence into qualitative measure – at the planning stage, the following simple and practical model is proposed:

Step 1. Define and prioritize the problem or opportunity and validate assumptions. In other words, who initiated the request for training, and for what reason? Based upon circumstantial evidence and constraints, the validity of a request can be evaluated, impact on organization/unit missions/goals estimated and the need for further analysis confirmed. By linking the requirement to the mission/goal of the organization/unit, the weight for each request can be classified accordingly as: Critical (4), Very Important (3), Important (2) or Somewhat Important (1).

Note: The monetary benefit for resolving the problem or initiating an opportunity may be used in-lieu of the weight. In most cases, individuals that initiated the request for training can estimate the monetary value – otherwise they would have not initiated the request. Examples of how the monetary value of a problem/opportunity can be estimated are presented in Table 1.

Table 1. Examples of Measurable Benefits

Objective	Measurable Benefit
Improve productivity	The sooner desired productivity is attained; the sooner productivity gains can be realized. For example, process more action requests or resolve more technical problems.
Reduce errors	The sooner new processes are implemented; the sooner savings can be realized. For example, minimize waste, rework or administrative costs.
Reduce operating costs	The sooner new technology is introduced; the sooner savings can be realized. For example, reducing overhead or overtime.
Reduce number of personnel	The sooner employees are ready to perform new functions, the sooner downsizing or rightsizing can take place.

Step 2. Assess the impact of tasks on the problem or opportunity – “retaining 90% of clientele”, for example. The relative impact of each task can be easily computed by identifying how tasks performed by each group (occupation) are impacting the problem or opportunity. For example, the Impact of Tasks by Account Executives on problem/opportunity can be classified as Critical (4) since Account Executives are not identifying and addressing clients potential problems; while the impact of Tasks by Customer Service on problem/opportunity can be classified as Somewhat Important (1) since Customer Service staff are not communicating key customer complaints to Account Executives.

This implies that to resolve the problem/opportunity “inability to retain 90% of clientele, for example”, the performance of Account Executives and Customer Service groups should be improved. Moreover, it points out that Account Executives have four times the impact on “retaining clientele” as the Customer Service group.

Step 3. Confirm the need for training and assess impact. A number of venues may be used to validate the assumption that training is needed. These include document searches, surveys, individual or group interviews, etc. The key point here is – some form of empirical evidence is needed to validate that training would resolve the performance deficiency within each group.

Note: A performance deficiency may be caused by a lack of clarity in described job functions, inadequate feedback, lack of access and/or reliability of resources used to perform the task, disincentives to perform effectively and/or efficiently, lack of requisite knowledge and skills, physical and mental capacity or motivation. In most cases, the solution for a performance deficiency is not training as illustrated in Table 2.

Table 2. Plausible Solutions for Potential Problems

Source of the Problem	Plausible Solution
Clarity of job functions	Explain job functions
Adequacy of feedback	Offer adequate feedback
Access/Reliability of resources needed to perform task	Provide access to reliable resources needed to perform task
Incentives to perform effectively and efficiently	Implement an incentive system
Lack of knowledge/skills	Train
Physical and mental capacity	Supplement capabilities

Should there be a requirement for multiple solutions, training and tools for example, then the relative impact of each solution can be easily computed by factoring the impact of each solution on the performance deficiency. For example, if Account Executives are not identifying and addressing clients potential problems because they lack critical communication skills as well as access to the latest CRM technology, then the impact of Training on performance deficiency can be classified as Critical (4) since communication skills are essential for resolving the problem; while access to the latest CRM technology can be classified as Important (2) since current CRM technology is acceptable.

This implies that both training and tools are needed to resolve the performance deficiency for Account Executives and training has twice the impact on the problem/opportunity “retaining clientele” as the tools.

Step 4. Assess the feasibility of implementation. Assess the feasibility/effectiveness of solutions by examining available lines of funding, existing resources needed to implement and sustain the final solution, compatibility with existing systems, and organizational attitudes/perception regarding the proposed solutions. In other words, the more resistance to training the less effective it is expected to be.

Step 5. Forecast the costs of plausible solutions. For each solution, estimate the direct (out of pocket expense) and indirect (productivity loss) costs pertaining to design, development, administration, management, delivery, support and maintenance over life.

Step 6. Prioritize recommendations and prepare a plan of action. The cost benefit ratio for each solution can be computed by simply dividing the impact (benefits) by the costs.




With this in hand, it is easy to compile, sort and compare the costs and benefits of training programs as well as other interventions and allocate money and resources to initiatives that will generate the greatest benefit (impact) at the lowest possible cost. Moreover, clients and executives will become keenly aware of the value of training services.

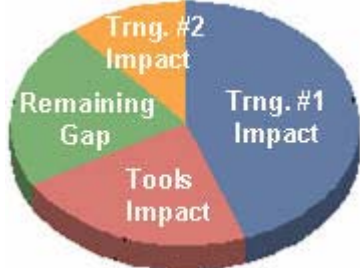
While a certain level of subjectivity is inherent in the proposed approach, it is nevertheless based on scientific principles commonly used in making various investment decisions. In addition, to managing expectations, it provides clear and measurable performance based outcomes that facilitate the validation of training impact upon completion. An example illustrating the computations within each step is presented below as a reference.

Conclusion

The proposed forward looking model provides a simple, effective and reliable process for quantifying the impact of training programs at the planning stage and in-turn the allocation of money and resources to programs that will generate the greatest benefit (impact) at the lowest cost. Moreover, it is highly effective in communicating the value of training services as well as managing expectations. It is performance driven. It facilitates the validation of training impact upon completion, and can be used to forecast training return on investment (ROI). And if you are overwhelmed by this level of detail, don't despair tools such as ADVISOR Enterprise are available to guide through the process.

Summary of Steps with Example

Steps	Example	Quantify Impact	Compute Impact	Graphical Representation
<p>Step #1: Define and prioritize the problem or opportunity and validate assumptions</p>	<p>Problem/Opportunity: “Inability to retain 90% of clientele” Rating: “Critical”.</p>	<p>Problem/Opportunity Critical = 4</p>	<p>Estimate Monetary Value: \$100,000 <u>Note:</u> Individuals initiating the request for training can estimate the monetary value. Examples provided in Table #1 above.</p>	
<p>Step #2: Assess the impact of tasks performed by various groups on the problem or opportunity</p>	<p>Impact of Task #1 by Account Executives is Critical Impact of Task #2 by Customer Service is Somewhat Important</p>	<p>Impact of Task #1 Critical = 4 Impact of Task #2 Somewhat Important = 1</p>	<p>Relative Impact of Task #1: 3.2 (4 x 4 / 5) <u>or</u> \$80,000 (\$100,000 x 4 / 5) Relative Impact of Task #2: 0.8 (4 x 1 / 5) <u>or</u> \$20,000 (\$100,000 x 1 / 5)</p>	
<p>Step #3: Confirm the need for training and assess impact</p>	<p>Account Executives lack “Critical” knowledge and skills Account Executives do not have access to the latest technology Customer Service lack “Critical” knowledge and skills</p>	<p>Impact of Training on Account Executives: Critical = 4 Impact of Tools on Account Executives: Important = 2 Impact of Training on Customer Service: Critical = 4</p>	<p>Impact of Training on Account Exec: 2.13 (3.2 x 4 / 6) <u>or</u> \$53,333 (\$80,000 x 4 / 6) Impact of Tools on Account Exec: 1.07 (3.2 x 2 / 6) <u>or</u> \$26,667 (\$80,000 x 2 / 6) Impact of Training Customer Service: 0.8 (0.8 x 4 / 4) <u>or</u> \$20,000 (\$20,000 x 4 / 4)</p>	

Steps	Example	Quantify Impact	Compute Impact	Graphical Representation	
Step #4 Assess the feasibility of implementation	Training will close knowledge/skill gap for 80% of Account Executives	Training Net Benefit to Account Exec = 80%	Training Net Impact on Account Exec: 1.70 (2.13 x 0.8) <u>or</u> \$42,666 (\$53,333 x 0.8)		
	Tools will improve performance of 90% of Account Executives	Tools Net Benefits to Account Exec = 90%	Tools Net Impact on Account Exec: 0.96 (1.07 x 0.9) <u>or</u> \$24,000 (\$26,667 x 0.9)		
	Training will close knowledge/skill gap for 70% of Customer Service	Training Net Benefit to Customer Service = 70%	Training Net Impact on Customer Service: 0.56 (0.8 x 0.7) <u>or</u> \$14,000 (\$20,000 x 0.7)		
Step #5 Forecast costs of potential solutions		Cost of Training to Account Exec = \$10,000	Training Cost Benefit to Account Exec: 0.00017 (1.7 / 10,000) <u>or</u> 4.27 (\$42,666 / \$10,000)		Training ROI to Account Exec: 327% (\$42,666 - \$10,000) / \$10,000 1st Priority
	Step #6 Prioritize solutions & prepare plan of action		Cost of Tools to Account Exec = \$6,000		Tools Cost Benefit to Account Exec: 0.00016 (0.96 / 6,000) <u>or</u> 4.00 (\$24,000 / \$6,000)
		Cost of Training to Customer Service = \$8,000	Training Cost Benefit to Customer Ser: 0.00007 (0.56 / 8,000) <u>or</u> 1.75 (\$14,000 / \$8,000)		Training ROI to Customer Ser: 75% (\$14,000 - \$8,000) / \$8,000 3rd Priority