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Linking Training to Business Strategy

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*"Not everything that can be counted counts,
and not everything that counts can be counted."
-Albert Einstein*

The recent 2000 ASTD Trends Report provided insight on how globalization, technology and demographics are affecting the way organizations are running their businesses and its impact on workplace learning and performance. Upon analyzing these factors and examining the statistics for the past four years, it is concluded that "success in today's economy depends more than anything else on knowledge and learning" - a view shared by both senior executives as well as HRD professionals. The problem arises, however, in the way the results are measured. From senior executives perspective, training is a strategic investment that is expected to provide the organization with a competitive edge. HRD professionals, on the other hand, "often value people development for its own sake rather than something that should be linked to business strategy." Since this issue is at the heart of research and development activities carried out at BNH over the past thirteen years, we will present over the next few issues a practical model for linking training to business strategy.

Before we get started, I should acknowledge that this topic is fairly controversial and there are strong views on why we should and should not link training to business strategy. The problem is not linking training to business strategy per say, it is the measuring of the impact of training that gives HRD professionals shivers. After all, there are so many factors that can impact performance and behavior. Isolating the contribution of training is the main challenge. In general, there are two schools of thought:

1. We concede that measuring the impact of training is not an exact science and a margin of error is expected as a result. Although this concept may be new to the HRD profession, it has been effectively used in various domains including engineering, marketing and polling. After all, how can you predict the strength of soil, the response to a super bowl commercial or the results of an election - perhaps the last example is not very convincing?
2. We bypass the need to isolate and measure the impact of training by focusing on the entire solution - i.e., we identify and measure the impact of all interventions that are required to resolve a problem or achieve a business goal. In this case, isolating the contribution of training is not as important, as long as the proposed solutions produce the desired outcome. The problem with this approach, however, is that we would not know the significance of training and worst, we may be taking the fall for factors and actions that are beyond our control.

Regardless of the approach you choose, the next critical issue is deciding what to measure. Although we utilize intermediary tools - including participants' feedback, testing and observation - to measure the effectiveness of learning, ultimately, the only meaningful measure is the impact on the organization's bottom line - i.e., what changes in business

results can be expected as a result of the training effort? Once again, three approaches may be used to link training to business strategy - although ultimately they should all lead to the same result:

1. Bottom-Top Approach. Identify skills that learners will gain as a result of the training, which problems would these skills address and how would this impact business results. Although this process can work, it gives the impression of a solution looking for a problem and is therefore not desirable.

2. Top-Bottom Approach. Based on organizational business goals, identify problems or issues that are preventing the organization from meeting its objectives, and determine whether training (as well as other interventions) can resolve these issues. Although this approach is effective, you may not be in a position to establish the link between business strategy and problems/issues that is preventing the organization from meeting its objectives.

3. Mid-Line Approach. Based on problems/issues that are preventing the organization from meeting its business goals, identify the impact of these problems on the organization business goals and determine whether training (as well as other interventions) can resolve these issues. You are better positioned in this case to solicit senior executives input on how perceived problems/issues impact business goals.

Regardless of the approach you adopt, a clear link between training and business goals should be established - even on a qualitative level. In the next issue, we will present ways of quantifying the impact of training as well as other interventions on business goals.

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