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MANAGEMENT PERSPECTIVES

Learning and Development

From the Editor

There is piece of wisdom that comes from the Haida nation that goes like this: We do not inherit the earth from our ancestors, we borrow it from our children.

If nothing else it should get us thinking about our role as stewards of the environment and what it is that we are taking now that cannot be returned or passed on. Such reflection should shape our decision making as practical ecologists.

For me, that Haida wisdom got me thinking about the responsibilities that we have as leaders. We haven't inherited our organizations from previous generations of employees to do with as we want; we borrow it from those who will follow us. If we believe that, we have the obligation to create organizations that are durable, organizations that are built to last.

Sure we have to look after the demands of today and be profitable. *And* we have to develop organizations that are adaptive, resilient, and capable.

Part of what we do at LIVE Consultants Inc. is help organizations become more robust and capable.

Marilyn Baetz, editor

About the Author and the Article

There are few organizations today that are talking about training costs; most have turned the corner and are talking about the investment they need to make in development.

In this article, Stephen invites us to look at the nature of the relationship between investment in learning and development and productivity. If we can understand that relationship for our organization (and every organization is not the same on this issue), we can then ask the right questions as we think about learning and development in both the shorter as well as the longer term.

Stephen Baetz is a partner in LIVE Consultants Inc., the organization which sponsors this publication.

Stephen Baetz

Figure out the curve

One of the most significant changes within organizations is the realization that improving the quality of our human resources is as important to our long-term success as any effort to improve bottom-line profitability. It has only taken us three decades to get there. Perhaps too long.

The amount of learning and development that occurs within organizations today is significantly more than what occurred 10 years ago and that was more than the 10 years prior to that. Today there rarely is a debate about whether learning and development activities should occur; the debate is which learning and development is the priority. The *if*-question has disappeared (*if* learning and development should occur) and the *what*-question has taken its place (*what* should the focus of our learning and development investment be).

When addressing that question, leaders are also rethinking what is the best method to ensure that learning does occur. Seminars, workshops, and on-the-job training are being augmented by coaching, mentoring, forums, dialogues, e-learning programs, job swapping, job rotations, job shadowing, and cross-functional team assignments. Internal and external resources are being used — all in an effort to improve how individuals, teams, and the organization function.

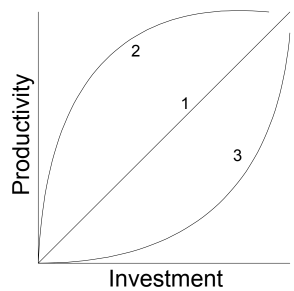
Developing an Investment Plan

Is the question we are now facing as simple as, "How should we invest in learning and development?"

I wish it were. If that were the case, all we would have to do is create a grid with learning objectives down one side of the page and learning strategies across the top and then fill in the boxes on the grid — what is the best learning strategy for the content that needs to be learned. Don't get me wrong. I'm not saying that that type of activity doesn't need to occur. It does. However, there are a couple of other issues related to the investment in development that leaders should address.

1. What is the relationship between investment and productivity?
2. What control can we as leaders take?

At first blush, those questions may seem odd, so let's address each in turn.



Line 1 shows a simple relationship between the amount of investment made and its relationship with productivity. (Don't be put off by "productivity" as the name of the y-axis; it's a catch-all term for however we think about the output of a learning process … efficiency, consistency, quality of service, improved decision-making capability, capacity to build durable relationships, ability to manage projects, and so on.)

In this case, for every unit of investment in development, there is an equal lift in productivity. Chances are, in real life, it doesn't quite happen that way. As Lines 2 and 3 illustrate, there are other relationships that could occur between investment and productivity. Line 2 suggests that an initial investment in development yields substantial gains in productivity but then returns begin to flatten. For Line 3, there is a long period of investment before there is any noticeable rise in productivity but, when it does happen, the lift is dramatic and substantial.

These are but three possible relationships; the possibilities of course, are only limited by reality.

So what's the point for leaders? If the investment-productivity curve is like Line 2, leaders would be advised to invest heavily in the early stages of a development initiative and then minimize investment thereafter because it costs so much to get the final payoff. And if the investment-productivity curve looks more like Line 3, leaders have to be willing to invest in development for a long time before payoff will occur and to resist any temptation to unplug early because it doesn't look like gains are being made.

It would be nice to have an easy-to-use measurement device which would tell us what the curve looks like in any organization. A review of the literature over the past 10 years indicates that no such instrumentation has been devised. What are we left with? ... the key factors that might influence the shape of the line. An appreciation of the factors should shape our thinking about what we might do to get a better payoff for the investment made.

Factor: Nature of the Marketplace

The nature of the competitive environment influences the beliefs that people within the organization hold about learning. For instance, if people believe that they work in a tough competitive landscape where everyday they have to perform well or their competitors will take their business tomorrow, the sense of urgency that people have to learn and learn quickly will increase. In that case, the line is likely to take the shape of Line 2. If, on the other hand, the competitive environment is relaxed (either because there is enough work for everyone or because multi-year contracts are in place), the shape of the line is more like Line 3.

Factor: The Learning History of Individuals

If the individuals within an organization have a history of being successful at learning — from knowledge acquisition to problem identification, from solution finding to implementation — the curve is likely to be more like Line 2. These individuals lap up every opportunity to attend workshops, engage in coaching dialogues, acquire additional experience, and take on special assignments. By contrast, if individuals within the organization have not had a history where learning has been enjoyable and where they have been successful when learning, the curve is likely to be more like Line 3. These individuals usually avoid classrooms, coaching dialogues, and forums where new ideas are considered and tested. They tend to depend on learning in the school of hard knocks, where direct performance feedback is always more ambiguous.

Factor: Rewards and Recognition

There is a now standard piece of wisdom which goes, "What gets recognized, gets done." If there is recognition for learning — from thank-yous to promotions — individuals and the teams they work on will be motivated to learn and the shape of the curve is more like Line 2. And where recognition is absent or learning is not highly valued or perceived as worthwhile, the shape of the line is more like Line 3.

Factor: Belief About Opportunity Availability

Learning is more likely to happen in environments where individuals can see opportunities to apply what they are learning and discover that it makes a difference. By contrast, if individuals can't see that what they are learning applies to any real problems or opportunities around them, they become less interested in learning or learning quickly. In the former case, a Line 2 takes shape; in the latter case, a Line 3.

So Now That You Know That …

So if those are the factors which influence the shape of the line, what implications does it have for leaders?

First, leaders should determine what the relationship is between investment and productivity and what are the key determinants of the shape for their organization.

Second, leaders ought to determine whether they can afford the shape.

Third, if they can't afford the shape, leaders should determine what factors they can influence or control to alter the shape so they can be happy with their return on investment in learning and development activities within their organization.

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