

Learning and Development - Getting More for Less

Businesses must find new ways of workforce development to improve ROI

Best value has always been the guiding principle of business. After all, getting more for less is basically a simplified explanation of a profit margin. But in this new economic climate the focus has certainly shifted from how companies can get more to how they can do it for less. Arbitrarily slashing budgets, which might briefly address the issue, is never going to produce the long-term desired outcome, so instead organisations must look to change the way they think and work to ensure they are getting the best return on their investment.

Nowhere is this more important than in L&D. Survey after survey has shown the importance of a well-funded and efficiently-run training development plan to a successful business. Those who manage to invest their budgets wisely see improved employee productivity, strong retention rates and consistently high levels of employee and customer satisfaction. But just throwing money at the issue is no guarantee of success. Training solutions which fail to match expectations not only cost companies the outlay of the programme, but the lack of ROI means their workforce does not have the skills they need which can drag down the performance of the business as a whole.

Getting it right can be hard, but there are a few key areas where proper focus and engagement can lead to business success:

Work smarter

It almost seems too obvious, but properly analysing and understanding how L&D relates to company performance and the ways it can be improved is the best place to start. All too often training budgets will be apportioned to departments at the beginning of the year with no interaction until the next year's budget is to be addressed. Successful training programmes need to be focused, with a specific goal in mind, and must be monitored carefully to appreciate the value provided. While larger organisations may be able to get by without such a focus, SMEs - for whom the value of an effective training programme can be more marked - cannot afford to be so blasé.

In order to effectively work smarter, companies must be willing to be flexible. Fundamentally, getting more for less means changing the way things are done. To successfully implement a change in L&D, organisations must show they are willing to change their approach and adapt the way they work with training programmes. Whether this is simply a case of streamlining processes or more of a seismic shift in the way the company operates, the key to success is in appreciating the value of new ideas and ways of thinking.

Look outside the company

In the spirit of working smarter, many companies could benefit from looking to outside resources to help develop their L&D function. There is a natural reticence to allowing an external organisation to operate a department of the company but utilising a managed learning service (MLS) can be one of the most effective ways to reduce costs while improving performance.

An MLS operates in a different way to an internal L&D department because they have a focus on learning optimisation over learning delivery. All too often, companies will fall into what has been described as a Conspiracy of Convenienceⁱ, where all parties have a vested interest in continuing the training cycle without ever looking to develop the function or ensure they are getting the most out of it. An MLS can help break this cycle because their working model is focused on providing the best service available for the lowest possible price. Because they're providing a service, they necessarily have to be more effective than an internal department as they will always be held to a higher standard; if they performed at the same level as an internal department they will not have achieved what they set out to.

MLS providers are able to provide this improved level of ROI because of the structure of their organisation. Internal L&D departments exist as an arm of the main business and their purpose is to ensure those who need training are provided with it. MLS providers are wholly focused on training and employee development and their working model means their focus is on new developments, supplier performance, focused learning and learning optimisation. Their extended reach within the training industry allows them to negotiate better discounts with suppliers and they will already have models in place to assess the impact of training on employee performance as this is necessary to demonstrate the value of their work. An effective MLS programme, properly implemented, can produce an ROI which is almost three timesⁱⁱ that of an internally-organised system.

Explore alternative training methods

While developing the processes around the delivery of L&D are an effective way to increase the value from a training budget, looking at viable alternatives to traditional classroom learning can also deliver excellent results. Approaches like blended learning or eLearning, while not appropriate for all training (e.g. teamwork training is unlikely to be successful if it doesn't involve a team working together), can provide an elegant solution to providing more for less.

For programmes which involve the dissemination of information to a large group - e.g. updates for regulations, changes to working practices, etc. - it will often be simpler, cheaper and more effective to develop an eLearning programme than to deliver the same message multiple times through classroom learning. In a similar vein, training which needs some direct interaction but doesn't necessarily require general participation may work better as a webinar, as part of a video learning programme or implemented as a blend of classroom and online learning. While these kinds of solutions will not be the preferred option for every form of training the key is to recognise the full toolbox available for L&D delivery and to utilise it in the best way possible to get the best returns.

Innovate

All too often overlooked in business environments, the significance of innovation cannot be overestimated. By their very nature, the exact value of innovative ideas is hard to quantify, especially before they have been introduced and implemented.

However, making use of innovative ideas to glean a better ROI from a training budget is not about coming up with the next great breakthrough but making sure those involved are open to the possibility of a new way of doing things. Referring back to the Conspiracy of Convenience, it can be easy for organisations to fall into a training cycle which provides the minimum learning solutions needed. Being open to alternatives, to new ideas and ways of working, may lead to the discovery of effective working practices. The focus must be on listening to those invested in the learning process, from L&D practitioners and management to the delegates themselves, absorbing their feedback and using that information to introduce improvements which lead to more effective employee development.

As such a vital cog in the machinery of any organisation, spending on training can be a key factor to business success. But effective training needn't cost the earth. By developing processes to operate with maximum efficiency and exploring and utilising all available training options a better ROI on training can be achieved.

ⁱ "From Conspiracy of Convenience to Virtuous Circle" http://www.knowledgepool.com/company/press_releases/september2011.html

ⁱⁱ "White paper gives ten steps to increase the ROI of L&D by 238%" http://www.knowledgepool.com/company/press_releases/october2011.html