



IMPACT

# WHITEPAPER

## ALIGNING TRAINING WITH CORPORATE STRATEGY



This whitepaper from **Impact International** looks at four key challenges that must be addressed by learning organizations to effectively align corporate training with business strategy. Drawing on examples from a number of leading companies, we suggest that the best vehicle for sustainable organization development is to engage training participants in real work with live strategic issues. This delivers a “triple hit” benefit wherein training can achieve development goals; increase participant grasp of and commitment to company strategic goals; and actually produce innovative ideas, solutions and strategies to meet the needs of the business.

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## EXECUTIVE SUMMARY

**This whitepaper from Impact International looks at four key challenges that must be addressed by learning organizations to effectively align corporate training with business strategy. Drawing on examples from a number of leading companies, we suggest that the best vehicle for sustainable organization development is to engage training participants in real work with live strategic issues. This delivers a “triple hit” benefit wherein training can achieve development goals; increase participant grasp of and commitment to company strategic goals; and actually produce innovative ideas, solutions and strategies to meet the needs of the business.**

Since the publishing of Adelsberg and Trolley’s influential 1999 book *Running Training Like A Business*, which made the case that training departments must evolve from an HR function to a business orientation, it appears that little has changed.

**In a 2011 update to their original research they concluded that:**

- Training remains tactical
- “Keys” to be strategic are obvious, but the challenge is using those keys to unlock value
- Most organizations have fragmented ad hoc learning processes
- Investment in training is poorly managed
- While migration toward “Running Training Like a Business” is occurring, the rate of adoption a decade later is less than ideal

These conclusions will come as no surprise to many Learning & Development professionals. In fact, the economic climate over the past 3 years has inevitably driven some organizations in the opposite direction. Customized, strategically aligned training can be relatively time consuming and resource dependent,

leading many companies to retreat to a more generic menu-driven training scheme in times of budget constraints.

However, experts agree that this knee-jerk response is shortsighted and ill advised, as it does not support the long-term strategic needs of the business...

*“Today’s corporate training organizations must be highly aligned with their business’ immediate and urgent corporate priorities, while also building long term capabilities for the future,” said Josh Bersin, President & CEO of Bersin & Associates, a research and advisory firm. “This means that CLOs and their teams must operate in what we call a “federated” model – centrally building leadership and talent programs which drive enterprise-wide strength, yet working in a local way with regional and functional managers to build programs that meet their immediate and urgent needs.”*

## 4 Key Questions

The core questions that need to be addressed in **Aligning Training with Corporate Strategy** are:

- How can you garner support/sponsorship from senior management so that L&D is regarded as being key to driving the business strategy?
- How do you ensure that the L&D you are delivering is in alignment with the business strategy?
- What methodologies can you leverage in your L&D that will make the company’s strategies run through them?
- How do you involve line managers pre/post L&D delivery in linking program content to the business strategy?

This paper will touch on these four themes, drawing on best practice examples from a number of leading companies, with an emphasis on organization/people development.

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## 1

### How can you garner support/sponsorship from senior management so that L&D is regarded as being key to driving the business strategy?

The holy grail of the CLO or head of Corporate University is a seat on the Board, but in most cases the reality is more one of influence, persuasion and negotiation. Those companies in which the CEO is an advocate and driver of training as an essential component of strategy are the fortunate minority. For most the characteristic approach is that training is “a good thing” and to be supported as long as it doesn’t cost too much or divert focus and energy from the business imperatives at hand.

It is clear to us as L&D professionals that targeted learning and development can and does make a major difference to the success of strategic business initiatives – and we have the case studies to prove it. If we are lucky we may even be able to demonstrate historical ROI.

### From Executive Sponsorship to Ownership

However in our experience, getting real, committed, long term senior leadership support and sponsorship is more a matter of winning hearts and minds than presenting a logical case.

And when winning hearts and minds nothing is better than direct involvement. This is more than CEO sponsorship and a quick hour-long meeting with participants at a kick-off event.

Get the CEO to experience your flagship programs directly by running a “taster” for the top team. The objective of this is not to develop the CEO and the top team but to create ownership. Once they have experienced a portion of the program, they will be more likely to play a key role in enhancing design and content and ultimately to become more involved in the delivery.

Engage senior leaders in dialogue with program participants – create opportunities for them to feel the energy and commitment that is generated.

- At **PepsiCo**, top executives engage directly in dialogue sessions on “Leadership at PepsiCo” with senior leaders during leadership development programs

Get key executives to sponsor Action Learning initiatives and interact with working teams.

- At **Swiss Re**, key talent development program participants submit a range of action learning initiatives to the CEO, who selects those with the greatest strategic value for implementation

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## 2

### How do you ensure that the L&D you are delivering is in alignment with the business strategy?

The use of strategic steering groups for major training initiatives, with senior leadership representation, is becoming common practice. The varying agendas and expectations of these boards are often difficult to manage but, when combined with the above-mentioned tactic of getting direct program involvement from executives, can be very effective in achieving alignment, support and commitment.

However, as we know, company strategy is increasingly a moving target. In many of the organizations with which we work, the days of defining a competency framework in line with a five-year strategic plan - and then designing learning and development programs to hit these - are long gone. Just as companies need to rapidly flex and innovate to business conditions, L&D executives need to develop the ability to recognize change and respond rapidly to meet the needs that it generates.

This means developing, either in-house or via external partnership, the mindset and capability to understand the emerging needs of the business; becoming competent and confident to speak in business terms with line executives; and having the ability to design “just-in-time” learning solutions that harness current issues.

### A Changing Profile

When building a learning and development team it is crucial to select individuals who combine a talent for innovative learning design and delivery with the interest and ability to engage with business stakeholders. Such people are in short supply, and lack of such internal capacity is the most frequent reason for companies reaching out to external learning and development consultants.

- In order to attract and retain top internal L & D talent, one of our financial services clients actively encourages their L&D professionals to take time to conduct consulting projects with their own external clients. An added bonus is the new ideas and broadened perspective they bring back to the company.

The “HR Business Partner” model is an increasingly common mechanism for connecting strategic business initiatives with training. A key attribute in a business partner is the courage to insist that training is strategically linked.

- **At Franklin Templeton** Investments the HR business partners work closely with L&D professionals and Impact’s design consultants. This partnership approach throughout the entire design phase has resulted in development of programs that directly drive the firm’s sales strategy.

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## Strategic L&D Consulting

So what kinds of questions do you need to ask to ensure that training is in line with the business strategy? At Impact International, we approach design of our custom learning solutions by first looking through the following lens:

### L&D DESIGN CONSIDERATIONS

#### Are we truly working in partnership?

- Can we articulate how the solution links to strategic priorities?
- Have we fully involved key business stakeholders in the design process?
- Have we really understood the business, leadership & team challenges and how the solution must align with culture, values and needs?
- Does the solution develop the skills, behaviors and mindsets required by the organization?
- Do we have an executive sponsor within the business and are we maximizing his/her engagement?

#### Will there be a clear ROI?

- Are the business objectives, learning outcomes and success criteria clearly defined, understood and measurable and are these aligned to strategic imperatives?
- Have we agreed how and where behavior change & business impact will be seen and tracked?
- Do we have a shared understanding of what a 'move the needle' return on investment will look like, in this case?
- Can we demonstrate value in organizational analysis, solution design, delivery, learning transfer and evaluation?
- Will it complement existing and planned development initiatives?

#### Is it genuinely challenging and engaging?

- Will participants be challenged to take appropriate interpersonal risks and fully engage in the development experience?
- Is the diversity balance right for both gender and culture?
- Will the solution encourage skills and behaviors that will enable participants to progress?
- Does the solution demonstrate our best and most innovative thinking?
- Does the pace of the experience support the aim and objectives?
- Can learning be readily transferred and applied?

If we are able to answer 'Yes' to these questions, we will be delivering powerful and engaging L&D solutions that are clearly aligned to the strategic priorities of the organization.

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## 3

### What methodologies can you leverage in your L&D that will make the company's strategies run through them?

Regardless of the level of senior leadership support that can be marshaled, there is a huge amount that can be done by L&D professionals to thread company strategies into learning and development. Cleverly designed and researched training can be seen not only to support the company strategy but also be transparently themed on the strategy.

#### Reality Lends Relevance

For many of Impact's clients, the vehicle for development, through the classic mechanisms of Action Learning and interactive face-to-face training, is to work with live strategic issues. In this "triple hit" approach, training can achieve development goals; increase participant understanding and commitment to company strategic goals; and actually produce innovative ideas, solutions and strategies to meet the needs of the business.

At every stage of such programs, be it skill building, knowledge inputs or personal development, the reference point - and the actual content - is directly relevant to and framed by current business strategy. This contrasts with yesteryear's model of designing training around case studies, generic simulations or academic theories and arcane models, which participants are expected to somehow connect to their real lives and challenges.

- At **PepsiCo** the design and objectives of the flagship Senior Leadership Development Program were developed in direct relationship to four strategic imperatives for senior leaders. A centerpiece of this program is a custom-designed live Leadership Challenge built around current manifestations of these strategic imperatives, concluding with presentations to top leadership of what the next 90 days strategy should be.
- **UBS** Wealth Management's Executive Leadership Experience is built around a future-based scenario of entry into a new and emerging market.
- At **Raytheon**, 'Ready Next' participants in the high-profile GM Development Program work on live business challenges sponsored and introduced by key executives.
- **CIGNA's** Leading for the Future program features a high stakes 24-hour business challenge and action learning outputs that are frequently adopted as solutions to current business issues.

In addition to the above, peer coaching can reinforce and sustain learning in line with the business strategy. This can be facilitated initially by external coaches but typically becomes self-sustaining as participants assume ownership due to the practical/applied advice and business benefits derived.

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## L&D as a Driver of Emerging Business Solutions

By leveraging a custom-designed experiential learning approach, organizations can utilize L&D to drive creation of future strategies. This involves the use of realistic Action Learning projects with a focus on emerging and competitive challenges to the business. The challenge given to participants is to work together, both live and virtually, to come up with practical recommendations involving future strategies, innovation and new markets. This provides practical application of skills involving strategic thinking, personal leadership, team collaboration, influence and communication.

- In **New York Life's** Accelerated Leadership Program, the WIN module includes an Action Learning Project based on the realities confronting the industry as a result of technology-based change; participants grapple with a future strategic scenario where field sales agents are replaced by technology.
- **CIGNA's** Leading for the Future program includes a 24-hour Action Learning Project focused on innovative solutions to industry changes being driven by emerging health-care reform.
- In the **Swiss Re** Group Management Development Pool program, participants combine leadership development learning with a strategic investigation and recommendations to the board - on insurance solutions as an alternative to classic relief and aid responses to drought in Africa and other vulnerable regions.

## 4

### How do you involve line managers pre/post L&D delivery in linking program content to the business strategy?

The difficulty in getting the levels of support from line management needed to really deliver on strategy-linked training is a recurring theme in any discussion of the subject. Creating a culture of line manager involvement in training is key, and, as in the case of top management, there is no substitute for getting them directly involved in taster events, program launches, as stakeholders in simulations or dialogue partners.

### You Get the Behaviors You Reward

Companies who link executive compensation to their support for and personal involvement in talent development are also more likely to succeed in creating this culture.

- At **UBS** all senior MD's have an expectation to actively engage in and support L&D initiatives as part of their performance evaluation criteria.

Successful organizations are also likely to have a strong linkage between Talent Management, Succession Planning and Learning & Development. When line managers have a clear line of sight between their talent management needs and the L&D strategy it increases support considerably.

Line manager involvement pre, during, and post program is also crucial.

- At **New York Life** participants work with line managers to identify key development goals; line managers discuss progress regularly with the coaches; and they devise strategy-focused stretch assignments.
- At **CIGNA** participants run virtual sessions for each other's managers on the benefits and outcomes of the program.

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## CONCLUSION

**In a tough economic climate with unrelenting pressure on training budgets, L&D professionals are constantly challenged to demonstrate the value, ROI and business impact of training initiatives. The way to increase the value and return of training is to design it in a way that is clearly aligned with corporate strategy – i.e. to increase the relevance of training to the business need.**

By leveraging the business strategy as the framework for people development – in terms of program objectives, solution design and content – organizations will deliver powerful and practical development of their leaders and key talent that is directly aligned with key business goals and imperatives. A strategy-based program design delivered via engaging experiential learning methodologies, such as live, interactive leadership simulations and action learning business projects involving real business issues, enables participants to readily connect the dots between ‘training’ and their real lives at work.

This approach produces a double win – the L&D win and the business impact win, as participants continue to apply new skills and behaviors in their work for improved alignment, collaboration and execution.

**Impact International** is a global L&D consultancy based in New York. Impact is widely regarded as a leader in custom-designed solutions for development of leaders and key talent and has been recognized as a Top 20 Leadership Training Company (TrainingIndustry, Jan 2011).

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