Training that delivers Business Value

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Introduction

Business strategy, operations improvement, customer satisfaction, new product development and quality assurance are examples of functions performed within organizations. These activities are designed and deployed by people. Thus the ability of an organization to survive and remain resilient during both good and challenging economic time depends on the quality of its people. This may be referred to as the talent the organization possess. Talent development has become and will continue to be a focus area for all organizations.

Developing talent involves a combination of both internal and external development strategies. Examples of internal strategies include training, job transfers, jobs design to increase breadth and depth, promotions, performance management, coaching and mentoring. External strategies typically relate to the acquisition of talent from the external market through recruitment or establishing contract relationships for specific capabilities, projects over defined periods of time.

Training that Adds Business Value

Training is a key element of an organization's internal talent development strategy. This activity needs to add business value in order for it to be considered an investment and needs to be driven by the business strategy. The business strategy needs to be platform from which required business capabilities and workforce competencies are defined. A business capability may be defined as "What the organization needs to be able to do." While workforce competencies relate to the individual and/or team knowledge, skills, experience and behaviours required to deliver the defined capabilities. The management of training as a value-add business function needs to be approached as a business driven process similar to what is outlined in Figure 1.

Figure 1 – Managing Training for Business Value
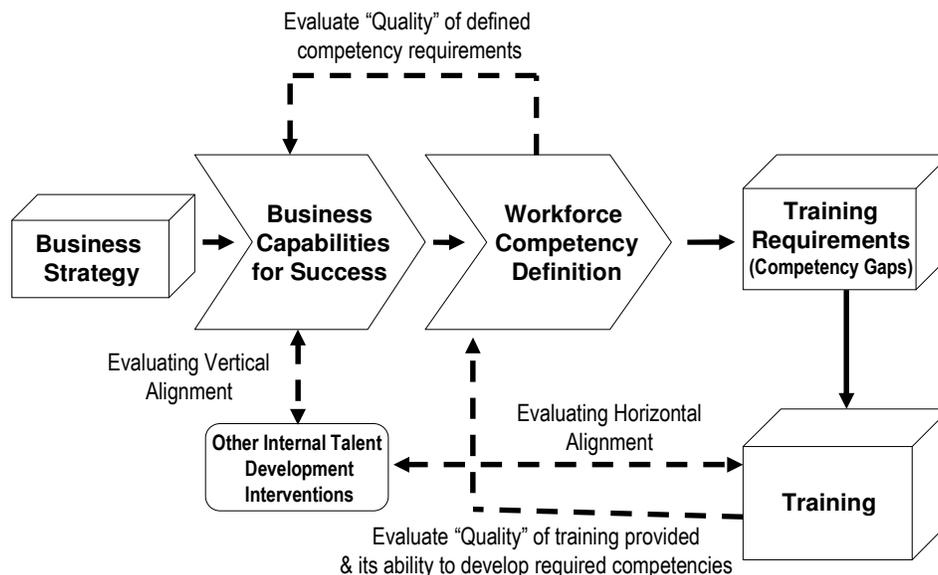
With reference to Figure 1, it may be observed that training requirements are derived from gaps between required and available competencies. Competency gaps need to be clearly and specifically defined at a level that will support the design and development of training programs and its contents. How can this be done? I recommend a 5 step process of:

1. Identifying the key business processes that are required to deliver strategic business capabilities; (e.g New Product Development Process; Order to Delivery Management Process, etc.)

2. Development of performance measures to evaluate the performance of these business processes in terms of actual vs. expected performance levels.

3. Taking each of those processes and breaking them up into their core-activities and systematically identifying the: Knowledge, Skills, Experience and Behaviour required.

4. Evaluating each person in competencies against this requirement to identify gaps that training will be able to solve.

5. Developing a training program to fill those gaps and evaluating its effectiveness post training.

Adopting this 5 step process will provide the required information to design an effective training program and further provide a post training measure of effectiveness.

Training as a development tool, primarily facilitates the attainment of knowledge and skills. However when it comes to developing competencies, training efforts need to be complemented with opportunities for application of new knowledge at the workplace and real-time coaching to guide and clarify expected behaviours. Thus effective talent development requires the alignment of training, job-design, career development, coaching and performance management.

Evaluating Effectiveness
Training like other business processes or systems should be evaluated to support continuous improvement. Traditional HRM models of training evaluation approach the topic from a pure functional perspective. However from a business process value perspective, training should be evaluated from 3 key dimensions (Refer to Figure 1):

- **Evaluate how Effectively Competency Gaps have been defined**.
  - If an organization cannot specifically define its workforce competency requirements to support its strategy, it is unlikely that training will be effective given that it has no clear outcome to measure against.

- **Evaluate the "Quality" of Actual training.**
  - This relates to the effectiveness of the training program to fill the knowledge and skill gaps identified.

- o **Evaluate the horizontal and vertical alignment of training.**
    - o This relates to how well training and other internal talent development programs have been integrated to enable the workforce to build required competencies to support strategic business capabilities required for strategy implementation.

Conclusion

In summary the model in Figure 1 highlights some core principles on how training should be managed for business value:
- o Training needs to be driven from business strategy and drilled down into defined workforce competencies;
- o Training needs to be done with clear deliverables defined in terms of competency gaps to be filled;
- o Training needs to be done just-in-time, taking into consideration the "total time" required to build required competencies (i.e. The combination of knowledge, skills, behaviour & experience);
- o The overall organizational training system needs to be evaluated for its ability to accurately identify competency gaps, to deliver training that closes those gaps and its horizontal and vertical alignment with other internal talent development strategies.

Over the medium to long term, deploying this approach will enable the organization's training system to be of true business value. Coupled with its effective integration with other internal talent development interventions a learning environment will be created. At a subliminal level, training will evolve into a valued resource, leveraged on by leaders and workforce to remain current in dynamic business environment.