Training managers are getting creative in the quest to align organizational learning with broader business objectives. And they're being helped by growing recognition of training's value.

**A**mid the belt-tightening and budget scrutiny, a novel pattern has become evident in the recent economic slowdown: Budgets for employee training, traditionally vulnerable to significant cutbacks in economic downturns, appear to be faring much better in the current climate, say industry observers. Indeed, many corporations have pursued sweeping learning initiatives despite lackluster revenues over the past few years. The resilience of training budgets in the current economic slump is evidence of a broadening recognition of the relationship between workforce development and corporate performance that analysts say has been mounting for several years.

Does e-learning get the credit for this seismic shift? In part, yes, but for reasons not always obvious. E-learning's ability to enable both fast and wide dissemination of learning, and provide tools for managing it strategically, has certainly seeped into the C-level mindset. For organizations pursuing that goal, the significant outlays on e-learning infrastructure and content have also helped elevate the prestige of corporate learning in the pecking order of funding priorities.

"It's one of the unexpected results of the e-learning phenomenon that it brought learning into conversations at the board table," merely by involving outlays that called for C-level decisions, says Godfrey Parkin, a learning professional and CEO of e-learning provider MindRise. Parkin characterizes the upward shift in learning's status in organizations as "the most newsworthy de-velopment that has happened in the training and development arena in a long while."

What hasn't changed, Parkin and others agree, is the fact that in order to fulfill its promise, learning must support an organization's goals. A challenge that the field has long grappled with—achieving such alignment between business goals and the learning to support them—has become a tougher task as organizations continually reinvent themselves to stay competitive. "Hitting a moving target" doesn't do justice as an analogy for the challenge, say some learning experts. It's more like tracking a moving target, continually tuning learning initiatives to shifting corporate strategy. These demands play to e-learning's strengths, but at least as important is establishing a broader methodology that links learning with corporate strategy. Learning needs to be a key party to corporate strategy making. And increasingly, it is.

"Because the economy has been so bad, top people have been looking for ways to improve efficiency and have been asking, 'What is our training doing for us?'" notes David Grebow, CLO of e-learning provider Trinity Learning Solutions and former executive with IBM's Mindspan unit. He adds, "That has caused more of a focus on aligning learning with corporate goals, and that conversation is now happening higher up the food chain than it has before." As always, Grebow contends, the puzzle facing strategy makers is how to create goals, how to broadcast those goals to the entire organization, and how to translate those goals into learning interventions that will meet those goals. Savvy or-

By Tom Barron

# It's All About Alignment

ganizations are those that develop a well-oiled mechanism for doing just that. Organizations are being forced to change quickly to adapt to changing markets. Grebow likens the typical corporation to a knowledge worker who will change jobs up to seven times over the course of a career. Likewise, "Successful companies must continually reinvent themselves to stay competitive," says Grebow. Keeping the people charged with learning in the loop on changing strategic goals is obviously vital to ensuring proper alignment of learning.

Andy Snider, a performance change consultant who advises clients on e-learning and training initiatives, has been involved in hundreds of such initiatives over the past 10 years. Of those, "only a couple dozen have been successful in terms of radically transforming the business," says Snider. "In almost every case, the learning interventions that have had great long-term business value have been those where the solution was very intentionally integrated with strategic initiatives at the corporate level and where there were clearly defined outcome measurements."

## Seeking alignment

Talk of aligning training with corporate goals is a time-honored tradition in training circles as the source of endless how-to books and conference sessions. But experts agree that too often, alignment remains stuck in the talk stage because the learning function isn't brought into strategy-making discussions. When organizations develop forward-looking business strategies, training staff are sometimes among the last to know, and the translation of corporate goals through multiple layers of management is comparable to the children's game of telephone, notes Grebow. "People will reinterpret the goals along down the line. In the end, something has gotten lost in the translation and the learning isn't well aligned."

In order to identify and implement learning to fill skill and knowledge gaps created as they pursue new opportunities, more organizations are recognizing the need for training to be an integral part of top-level strategy making. Indeed, business strategy should be based in part on assessing the learning demands on an organization that must be satisfied to ensure success. That's true even as strategic planning moves from an annual or less-frequent event to an ongoing process, says Grebow. The increasingly chaotic nature of business demands higher levels of integration of learning with business strategy to ensure organizational success, he argues.

For training professionals grappling with the alignment puzzle, Bill Keeley's experience serves as an ideal. Keeley is project integration manager for Westinghouse TRU Solutions, which manages the U.S. Department of Energy's Waste Isolation Pilot Plant, an underground storage facility for low-level radioactive wastes. He recounts his role as training manager of the facility in the 1990s when it prepared to begin storing waste. The facility began construction in the early 1990s, and Keeley says top management was aware from the get-go of the importance of safety training for the plant's technicians. "However," he says, "training for the rest of our employees consisted largely of the dreaded touchy-feely development courses." Keeley launched an effort to provide safety training for all WIPP personnel as the plant geared up to begin accepting wastes, including a testing and certification system that ensured that all employees were well trained on safety issues. Though some line managers squabbled over the expanded training demands, top brass brought them to heel, he says. The icing on the cake was the day the top manager "casually walked into a classroom we'd been using to administer written tests, plunked himself down next to a couple of technicians, and said, 'Yep, I'm here to take a test, too,'" Keeley recalls. The news spread like wildfire among the roughly 1000 employees and contractors at the facility. Ten years later, the facility is still in the business of storing radioactive waste, and Keeley says top management remains committed to safety training, as evidenced by what he calls a "world-class safety performance" the plant has achieved.

Keeley's success is commendable. Then again, few organizations have the somewhat static organizational goals his facility faces. Consider the recent radical transformations of IBM, Lucent, and Kodak, to name a few. Just as the telecommunications, financial services, pharmaceutical, and information technology industries have been roiled by sweeping changes, similar transformations are afoot in medicine, government, retailing, and manufacturing, says Snider. Ahead of the curve are those firms "that understand that their industry is in change and that they need to find a new model—even if they're not sure what that model should look like," he says. The pressure to continually evolve—fueled by technology shifts, mergers and acquisitions, and global competition—is becoming the norm for a growing number of industries.

Other learning professionals tell of successes that approach Keeley's degree of alignment between learning and organizational objectives. Mark Brewer, corporate university director of PBS&J, an engineering and project management firm with 3000 employees U.S.-wide, says formative experiences in his earlier role at Motorola University encouraged him to pursue an aggressive effort to meld learning and corporate strategy for the Florida-based firm.

"What we developed at MU was a performance consulting process that had at its core the alignment of performance improvement activity with business goals and strategies," says Brewer. "Each division and group had a clear statement of strategic business objectives and associated metrics. We worked with our respective in-business counterparts to determine what human performance improvements or enhancements would impact those business objectives."

Brewer wanted to apply the same approach at PBS&J when he joined the firm in early 2002, with the mission of establishing a corporate university. He wasted no time scrutinizing management development and other training programs in terms of their benefits and focused on the firm's broader goals. But the fast-growing, employee-owned company had not yet developed an overarching business strategy. Brewer lobbied for the need for a strategic roadmap and wound up facilitating a company-wide strategic planning process. "That's how I ended up with a seat at the table," he says. As a result of his intimate involvement in that process, Brewer harvested a score of individual strategic objectives, which he then used to pinpoint training needs in conjunction with line unit managers. "We deconstruct the business objectives in terms of how an individual business unit needs to meet them, and then determine whether training is part of the solution. Anytime someone says, 'We need training in x,' we can look at these objectives to determine why they think they have that need."

Brewer cautions that it's not completely smooth sailing as a result of his efforts. A recent initiative to provide organization-wide training on the firm's accounting system fostered typical turf war issues between accounting staff, IT, and other departments. But having business objectives to work with has helped defuse debates over the need for training to support various initiatives. "Without business goals, you don't have a sound basis for defending training. And when cost-cutting or investment takes place, you can direct it to what is really important for the organi-zation," says Brewer.

Another challenge is breaking down sometimes vague business objectives into concrete, measurable goals. "If you can't articulate how a business objective is measured, it's especially difficult to determine the impact of performance interventions," Brewer notes. It's a problem familiar to many who pursue similar methodologies to align learning with business goals, one without easy answers. To some observers, the drive for measurement and ROI of learning initiatives can become a formidable and costly distraction that detracts from alignment efforts.

In another example of aligned learning, Ron Kempf, director of project management competency and certification at Hewlett-Packard, describes a recent initiative to provide training to HP's growing ranks of client-focused project managers. The initiative, which won recognition as an ASTD 2002 Excellence in Practice award winner, grew out of a broader strategic initiative by HP to expand its consulting and integration business. "As we grew the consulting business, we anticipated the need to improve the skills of our project managers," says Kempf. To that end, he and his staff created a formal training program for 2500 project managers and support staff scattered around the globe. Kempf's division tapped training provider ESI International to develop a curriculum that would bolster skills of project managers who supervise IT integration projects for HP clients. The ESI training was designed to help project managers achieve the project management professional designation developed by the Project Management Institute, which Kempf says has become a de facto standard for the profession. "We've seen more customers specifically asking for PMP certification as part of project bids," says Kempf, making such training vital to staying competitive in the IT integration arena.

In addition to training for the PMP designation, Kempf worked with ESI to develop customized training on HP's project management methodology and financial management of projects, among other topics. The outsourcing of training to ESI was decided based on cost and resources, he says. "We recognized that the PM standards were evolving and that we would need to keep updating the training to stay current," which seemed impractical given the many demands on the department. "Our goal was to identify ways to bring training to our PMs in a variety of formats," says Kempf. In addition to formal training, centered around

a Project Management University gathering held annually in three to six regions worldwide, it includes self-paced e-learning, knowledge sharing, networking, and use of HP's knowledge management system to capture PM wisdom. "A big part of this is getting PMs to learn from one another," he says.

Importantly, the PM training initiative dovetails with a larger push by HP into IT consulting that began in the mid-1990s. A strategic planning process that takes place a layer above Kempf's department sets business goals for the corporate division known as HP Services. Workforce development is an active participant in that process, helping assess skills and knowledge needs for broad strategic initiatives. Once the decision was made to focus more resources on external consulting and specific business goals were formulated, Kempf created a group of stakeholders to identify what training was needed to meet those goals. That effort led to the PM training initiative, which has been subsequently refined over the past six years. The initiative is credited in part with boosting profit margins as much as 50 percent and keeping 70 percent of integration projects within budget, according to an overview of the initiative submitted to the Excellence in Practice award program http://www.astd.org/virtual_community /awards.

### Changing profession

The growing coordination between the learning function and business strategy by organizations is being stoked by success stories such as that at Hewlett-Packard. At the same time, some people view the increasing recognition of the importance of employees to organizational success as part of a more fundamental change. "We are now in an era that is clearly different than both the industrial age and the information age," says Snider, who was former CEO of custom e-learning developer VIS and a frequent speaker in the industry conference circuit. "The industrial model was about improving manufacturing efficiency, and it treated people as incidental—sort of a 'press the button at the right time' mindset," he says. "Just as the industrial age was built around the scarcity of efficient manufacturing capability, the information age was built around the value and limited access to information and money." But the growing volume of freely available information on the Web and the ongoing assault on intellectual property rights have eroded the bedrock of competitive advantage in the information age, claims Snider. "What is be-

coming valuable are people and relationships, because those are becoming competitive values. And organizations that focus on increasing the value of their relationships and their people will be increasingly successful."

Evidence of that shift is more organizations are minting chief learning officer positions or making similar changes to provide training a seat at the strategy table, say observers. Grebow estimates that there are more than 3000 CLOs these days and says a new *knowledge economy* is the latest buzz in corporate boardrooms. "People are realizing that the most important thing they can do in the new paradigm is improve their corporate IQ," says Grebow. According to Snider, many of the new crop of C-level learning and HR executives come from backgrounds outside of training and HR, adding, "These are people who have experience in core lines of business, and they better understand the relationship between those functions and what the business needs to succeed." Both Snider and Grebow note some resistance to the new paradigm. "Knowledge is still power in many organizations, not knowledge sharing," says Grebow. Says Snider, "There's a significant number of veteran HR and training people who don't want to hear that in 10 years their lives are going to be different."

Those are aspects of entrenched thinking that need to be won over for organizations to better harness learning to meet business goals. Employees often welcome opportunities for advancement that benefit themselves and the organization. "A lot of the larger companies are finding that if they are training their employees to think and to learn, the employees become agents in that change process," says Parkin. The result is a pull from employees for learning opportunities—not only in IT areas, but also in management education and other areas.

Learning technologies are clearly beneficial in terms of the help they provide in managing learning strategically and disseminating learning quickly—both vital to organizations seeking to leverage knowledge for competitive advantage. Indeed, some observers see the recent debate over quality of learning content as misguided. More important to organizational success is getting the needed learning to the right people when they need it, says Grebow. He sees the latest efforts to integrate e-learning into workflow as more workers interface with computers on a regular basis as an example of strategic applications of learning. "Formal learning isn't working; there isn't

time for it anymore," he argues.

E-learning is no magic bullet for achieving strategically aligned learning, many pundits agree. Nevertheless, various e-learning tools can automate aspects of the task that would otherwise be too onerous. One emerging area is in establishing and measuring competency profiles that help determine skill and knowledge gaps at the employee, department, or global level. Such measures help quantify what training is needed to allow a business to pursue various objectives. Where earlier paper-based efforts to managing employee competency often became obsolete before they were completed, new software tools are making the process manageable, says Grebow. Other observers are less sanguine. "Competency modeling tends to look at where things are today rather than where we need to be," argues Parkin. "By the time you figure it all out, the company has moved on." The value of competency modeling and management will be borne out through several high-profile initiatives currently underway, including one at Cisco.

In the meantime, learning professionals have reason to believe top brass is waking up to learning's key role in corporate competitiveness. "The difference between a vision and a hallucination is that with the former, a number of people are able to share it," says Parkin. Training executives need to be among those formulating strategy, "or the CEO risks grappling with the latter." **TD**

**Tom Barron** *is an independent researcher and writer who has covered the corporate training industry since 1995; tebpub@tebarron.com.*