

The depressed economy is forcing today's first-generation CLOs to prove their worth—and quickly. Can they?

CLO Accountability

Three years ago, corporate learning professionals were a high-fiving, back-slapping, horn blowing group. Training budgets were on the upswing. Studies were continuing to prove the bottom-line results of ongoing learning. And after years of courtship, CEOs were finally ready to commit to long-term relationships with a new breed of executive: the chief learning officer. As a result, the number of CLOs in U.S. corporations has grown from a handful in the late 1990s to hundreds, with most in *Fortune* 500 companies such as Colgate Palmolive, Cigna, Motorola, and Dell.

The propagation of CLOs and equivalent positions is a trend worth noting, but it doesn't signify that the corporate commitment to strategic learning is permanent. Like any modern relationship, the one between CLOs and their companies must prove itself on a day-to-day basis, in good times and bad. With the economy the way it is, it's no longer assumed that having a CLO will be good for the company. Executives want proof that learning will help the bottom line, and they want that proof *now*. In a nutshell, the honeymoon's over and the real work has begun.

Not that it was a long honeymoon to begin with. Most CLOs have been in their jobs less than five years, and many have held the title less than two. These first-generation CLOs are working to prove themselves, while writing their own job descriptions. They are having to convince people that learning isn't just about training. They're competing for limited resources in a function that many people still don't understand, and they're doing it in a complex global environment with short product cycles, a great deal of uncertainty, and ruthless ongoing change. If the job wasn't easy before, it has become that much harder because of the market downturn. With business results tough to come by, CLOs everywhere are having to make hard choices—and fast.

Cam Danielson, executive director of Kelley Executive Partners, an organizational development firm affiliated with Indiana University in Bloomington, recently conducted in-depth interviews with 19 CLOs

from large companies in a cross-section of industries. His research reveals that CLOs face a recurring set of trade-offs. They're asking themselves, should I

- focus on selected targets or mass projects
- emphasize individual development or organizational capability
- focus on e-learning or on classroom-based delivery
- centralize or decentralize?

Although most of the CLOs in Danielson's study would prefer to think in terms of both-and instead of either-or, they're being forced by limited resources to choose.

Making the CLO's job more complex is the lack of a template outlining what strategic learning should look like in every organization. CLOs are often charged with very different responsibilities, depending on the nature of the business and the goals of the organization. Some CLOs have large staffs and broad HR responsibility; others have a narrower focus on leadership development or e-learning. Further, according to Dede Bonner, president of New Century Management, based in Leesburg, Virginia, an increasing number of people are calling themselves CLOs who haven't a clue what strategic learning is all about. The wide range of responsibilities and definitions, combined with the utter newness of the role, make it exceedingly difficult for new CLOs to identify best practices and find external support. Consequently, many are navigating uncharted territory with few guideposts.

So, how do strategic executive-level CLOs set themselves apart from the charlatans and prove their worth to companies? Can the challenges inherent in this new position be overcome? Absolutely, says Danielson, and it starts with a strong sense of focus.

A business focus

For CLOs to prove their worth, they must begin focusing resources on projects and processes that will help their companies meet business objectives. That's done by understanding the strategic goals and how learning contributes to attaining those goals. After all, the learning needs in a company that makes its money from innovation will be different from those in a company where customer service is the key to profits.

"Now, more than at any time in recent history, CLOs have to be razor focused," says Danielson. "They have to figure out what they're going to take

on and where. They have to consolidate their resources around the area that will provide the biggest strategic payback.”

At Boeing, Steve Mercer, vice president of learning and leadership, came into the company and declared he wasn't going to have anything to do with organizational learning, training, or performance management. Instead, he focused his resources exclusively on leadership development. At Cisco Systems, Tom Kelly, vice president of training, faced a different challenge: keeping the salesforce up-to-date in an environment in which new products were being launched every four days. So, he set his sights on e-learning. Says Danielson, “That kind of focus is the key differentiator between companies that understand the investment they're making in strategic learning and companies that hire CLOs as a reactionary 'me too' effort.”

A CLO's focus doesn't necessarily have to be on one particular objective. Some CLOs have broad responsibilities with a number of strategic goals, but all CEOs should focus their energy on activities that directly contribute to the organization's competitive posture.

Last March, T.J. Elliott was hired as the first CLO of Educational Testing Service, the Princeton, New Jersey-based company that designs educational assessments, such as the SAT and GRE for schools, municipalities, and private firms. “When I arrived, I was bombarded by people who wanted help with different training and development activities,” he says. His challenge was to sift through those requests and focus on initiatives that could immediately help the company's bottom line. Because ETS competes for business by responding to RFPs (requests for proposals), one of Elliott's first projects was to find a way to improve the proposal generation process. “We didn't have just one, but many processes because we have many different divisions, all of which respond individually to RFPs,” he says. Because ETS receives hundreds of RFPs a year—in some cases, 20 to 40 a week—improving the response process could have immediate benefits in terms of new business.

Elliott pulled representatives from each of the divisions into one room and asked them to share their RFP processes. He also brought in people from the IT department to talk about the company's technological capabilities, and people from finance to discuss costs. That move uncovered what knowledge was necessary

for developing proposals, how that knowledge could be created and disseminated more effectively, and what internal best practices already existed.

Information from that session enabled Elliott and the group to map a best-practice procedure for responding to RFPs, which has since been put on the company's intranet. Elliott's now building a knowledge framework, in which tools and information that can help employees create proposals will be housed in one central database. “Already,” he says, “the effort has aided our success rate in acquiring proposals, and it has also allowed our folks to be more efficient in how they use our resources to create a response.”

Another of Elliott's first projects was on leadership development. But instead of creating some type of course, he took a more focused, bottom-line approach and asked 60 of the company's top managers to submit projects in which they believed they needed additional learning—and that if they had additional learning, business results could be generated. Elliott's team accepted 40 of the 60 managers and then divided them into four action-learning groups. In each group, the managers presented their projects and received input from the other group members. Assumptions were challenged and advice was given, causing the managers to look at their projects through different lenses. The CEO and other senior leaders participated in many of the groups, giving managers valuable face time.

The process is still ongoing, Elliott says, but such action-learning activities have already resulted in major structural changes in the company's finance system and in a speedier launch of a new line of products. Both came about because the activities focused on results rather than on vague learning activities. Elliott confesses to challenges in his new position—such as getting people to realize that when a gap exists in performance related to a knowledge or skill deficit, the deficits aren't necessarily best filled by a workshop or course. That, in fact, a variety of learning services can boost performance. Experience

Editor's note:

For the sake of simplicity, we've used the term *chief learning officer* or *CLO* in this story to refer to any executive-level strategic learning position. In reality, people in these positions have many titles, including vice president of learning, corporate learning executive, and director of learning and knowledge.

CLOs Make the Business Case for Learning

Employer of Choice	Culture-Building	Leadership Development and Bench Strength	Source of Innovation	External Value	Functional Excellence
<ul style="list-style-type: none"> ● Learning is a key weapon in war for talent. ● Has means of protecting its investment in people. ● Good management is key to retention; good development is key to good management. ● Inoculates against success derailers and the key reasons people leave. ● Serves as the organizational chaplain; nurtures the whole person; preserves integrity and dignity in the firm. 	<ul style="list-style-type: none"> ● Exposes to shared values, has an organizational conscience, creates denser people networks, and is aware of resources. ● Is a potent lever for change; provides vehicles for getting people's attention. ● Serves as a megaphone for new corporate initiatives. ● Shares best business practices; fosters a boundaryless environment. ● Is the organizational glue that makes people better together than the sum of parts. 	<ul style="list-style-type: none"> ● Growing, global firms depend on skilled leadership; current demand exceeds supply. ● Provides safe environment for risk taking and noble failures. ● Can influence development at key career stages. ● Tied to challenging jobs; can accelerate individual development and reduce talent gaps. 	<ul style="list-style-type: none"> ● Learning can be window on the world; gestation source for new ideas, skunk works. ● Creates living laboratories to experiment with new processes and systems. ● Fosters knowledge generation, not just dissemination. ● Provides knowledge management and an incubation center. 	<ul style="list-style-type: none"> ● Learning products or services help customers make the purchase decision (for example, accompanying training material is an attractive product feature). ● Business partners and customers venture with us in part because of our learning enterprise. ● Analysts value the whole organization, in part, on the basis of the learning enterprise. 	<ul style="list-style-type: none"> ● Defines a high level of operational competence for functional units. ● Facilitates the transfer of knowledge to day-to-day performance of individuals (for example, a better trained market analyst targets better opportunities for the organization). ● Enhances the economic or business literacy of employees.

*This table shows all of the different ways CLOs can make the business case for learning with senior executives. If the company wants to become an employer of choice, for example, CLOs can argue that learning is a key weapon in the attraction and retention of talent. If a company's success depends on innovation, learning activities can help with the gestation of new ideas.

Source/"Formulating Learning Strategy in Organizations: Challenges Facing the Chief Learning Officer," by Timothy T. Baldwin and Camden C. Danielson, *Academy of Management Review*, May 2002. (Used with permission of the authors.)

has taught him that getting people to accept a wider view of learning happens more quickly when learning activities focus on results.

Speaking the language

In order to understand what results are necessary, successful CLOs have learned how vitally important it is to replace the language of training with the language of business. Take Steve Kerr. In the small, relatively new world of CLOs, Kerr's an acknowledged elder statesman. He spent several years as CLO of General Electric, where he worked hand-in-hand with Jack Welch to implement wide-ranging learning initiatives. Two years ago, Kerr left GE to become CLO and managing director of Goldman Sachs, a global securities investment banking firm that's, obviously, very different from GE. "Here," says Kerr, "there are specialized technical experts, such as investment bankers and fixed-income experts, who have their own language and system of talking." In order to make an impact, Kerr had to learn that language.

Like Elliott, Kerr had to spend his first few months on the job convincing people that he wasn't there to develop courses and send people to workshops but to help them improve their business operations. "Division heads would come to me and ask what classes I was going to teach," he says. "I responded, 'I don't know because I don't know what your objectives are.'" Kerr encouraged managers to talk about their business challenges instead of talking about training programs, so that he could better understand where learning was necessary.

"As CLOs," Kerr says, "we can't be talking about learning models and knowledge communities and manpower analyses. Our clients don't talk that way. We need to find out *their* business issues. Maybe employees aren't focused on the same goals. Maybe they can't keep good employees. Maybe their systems are too slow. That's how managers think in the business world, and we have to make connections for them between learning and the issues they face." To gain credibility with managers, he says, CLOs must learn to view learning challenges from their clients' points of view.

For instance, when Kerr arrived, Goldman's senior executives expressed the desire for a program that could develop leaders in a shorter timeframe. The company had been using role modeling, mentoring, and coaching programs extensively but felt those ap-

proaches were too slow. In seeking a quicker route, Kerr interviewed 10 to 12 senior leaders and asked them to reflect on the experiences that best prepared them to run a large piece of the firm.

"We didn't ask them to describe their competencies," says Kerr. "We asked them to reflect on their careers." Through those conversations, Kerr's team discovered that one of the most important learning experiences shared by Goldman executives was spending time in a job outside of the United States. Kerr's now trying to determine what career rotations will best prepare employees to become future leaders of the company.

In learning how to communicate with internal clients, Kerr uses the metaphor of a car manual. The front of the manual talks about such things as gear ratios, drive trains, and transfer cases—terminology that most people don't understand. What people do understand is the troubleshooting guide at the back of the manual that describes what might be wrong when the car won't start. He says that "CLOs are the troubleshooters of an organization. Like the auto manual, we have to troubleshoot in terms that people understand."

Working across the enterprise

Marcia Glatman, president of HRD Consultants in Clark, New Jersey, has been in the HR recruitment field for 24 years. In the past few years, she has recruited high-level learning executives for *Fortune* 500

The CLO Search Competencies

Bill Wiggernhorn, founder of Motorola University, has consulted with several search firms seeking someone to take on the CLO role at MU. He believes that ideal candidates for any CLO position have these key characteristics:

- a high comfort level with senior managers and boards of directors
- a successful track record running a large organizational unit
- a demonstrated impact on business performance (not necessarily in learning; could be sales)
- a knowledge of learning and development processes and technologies.

Learning Strategy Audit: Key Questions for Formulating a Learning Strategy

Aligning With the Business

- What are the top five business challenges we need to address as a firm?
- How is our company organizing to respond to those challenges?
- What role does the learning function play in the assessment of the business challenges and the organization and in implementing the company's response? (Based on the answers to the above questions, it should become apparent who are the major stakeholders for the learning function of the organization.)
- What is the order of priority regarding the stakeholders? Who will *not* be served?
- What can we tell our stakeholders regarding the company's training and education expenditures—for example, should we ask, "Is this the way you want to spend your money?"
- How do we make a business case for learning?
- What qualitative and quantitative data do we use for measuring the business case?

Organizing for Impact

- Who has impact on our means to contribute to organizational performance? How is the learning function linked to them? How do we hear the voices of our customers?
- What are the core capabilities of the organization? In what ways is the learning function linked to those?
- What degree of influence does the learning function have regarding scope? Is it all learning, some subset of learning, a crossover into performance management, or succession planning?
- What learning activities do we centralize and why?
- Does our funding model align with our scope? How do we make choices regarding our programs and services in light of constant cost pressures?

Affecting Real Learning

- Many factors contribute to the growth and development of individuals. What factors can and does the learning function influence—classroom experiences, knowledge management systems, communities of practice, centers of excellence?
- Given our scope, how do we define our potential impact on the performance of individuals for the long-term (how they see the world) and short-term (what to do Monday morning)?
- What role does e-learning play in the overall learning strategy and for what reasons?
- How do we leverage information technology for the benefit of learning?

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companies and written their job descriptions. She says that in addition to having strong business acumen, today's CLOs must have the ability to influence others, build relationships, and work across their organizations to meet learning goals. Says Glatman, "CLOs have to champion learning and create a community that can help them assess competencies and address strategic needs." Simply put, CLOs have to be able to work with people up, down, and across the organization to be effective.

Jack Tootson and Brenda Wisniewski understand that need. These two learning professionals are in the not-so-enviable position of changing a decades-old approach to learning in one of the most tradition-bound organizations out there: the Internal Revenue Service. Tootson, who is chief learning executive, and Wisniewski, director of tech-enabled learning, were hired a year ago from jobs in the private sector to head up the agency's efforts to make learning more effective. "I figured out what employees need to know, and Brenda's responsible for how they acquire that knowledge," says Tootson.

Together, they're responsible for implementing new learning initiatives for 50,000 employees in the division that processes tax returns for small businesses and self-employed individuals. Because of annual changes to the tax code, each employee typically receives at least a week of continuing professional education each year. In the past, those employees traveled to a class, but that was costly and the courses were inefficient. In addition, the IRS is in the midst of changing the way tax returns are processed, which means that people who have worked for the agency for, in some cases, 30 years have to learn a new way to do their jobs. Getting rid of classroom training and changing the way people approach their work were high on Tootson and Wisniewski's priority list. But when they showed up for their first days of work last year, they didn't immediately begin putting into place e-learning initiatives or computer-based training. Instead, they initiated a series of instructional design sessions, in which they brought in people from across the organization to help them determine what people needed to know and how they could best learn it.

"We brought in the employees who needed to change and asked them to help us map the differences between the old way of returns processing and the new way," says Wisniewski. That included employees from five different job classifications, representatives from

several support functions, auditors from the field, and employees who manage the technology. "At the end of these sessions," she says, "we were able to identify what activities employees needed training on, what were the most effective e-learning methods, and what technology was needed to make that happen." Involving the IT people and database managers was especially critical because they helped the team understand what was possible from a technological standpoint.

Wisniewski says that getting internal clients and associates involved in the instructional design has been critical because it lessens the amount of time it takes to do the work and because the organization doesn't have to expend as many resources to get the work done. By involving users in the design process, they were able to quickly convert a group of employees from skeptics who believed that the classroom was the only way to learn, into internal champions who helped spread the word that a newer, better approach to learning was on the way.

Remaining challenges

Even when new CLOs succeed in understanding business goals, communicating with managers, and working across the organization to meet learning objectives, the position is so new that other difficulties arise. For instance, when a CLO is hired, the learning department can become centralized, which makes it a target for restructuring and budget cuts. Sometimes, learning executives find themselves competing with other HR executives for funds and responsibility. Then there's the frustration voiced by many of the CLOs in Danielson's study over the inability to translate what they call "vague CEO-speak" into actionable learning objectives.

Despite those challenges and the pressing need to show business results quickly because of the economy, today's CLOs seem to relish their responsibilities. "Being a CLO means that your work is never done," says Elliott, "but you also never stop learning. This job provides an opportunity to make great companies even greater. What could be better than that?"

The question remains: Are CLOs up to the challenges that confront them? Time will tell. But CLOs who understand what strategic learning is all about are eager to show their mettle. TD

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