The CLO's Critical Role: Nine Areas for Action

By Jack J. Phillips, Ph.D.

The October 2004 Business Intelligence column presented an instrument designed to assess the extent to which the CLO and the learning enterprise add value to the organization. The 30-question instrument detailed specific areas that define this critical role of the CLO. This article presents nine areas for action that, when addressed appropriately, will ensure that the learning and development enterprise adds value and helps the organization meet its strategic goals.

1. Creating a Strategy and Setting the Investment Level

Fundamentally, the first area is to determine the strategic focus of the learning enterprise. This involves the typical issues addressed in any strategic plan: mission, vision, values and strategic objectives. It also involves identifying the stakeholders, audiences, services and scope of the function. This is not news. Perhaps a more important issue is setting the desired investment level, which is defined several ways. Traditionally, the investment is the total learning and development expenditure, often reported as a percentage of total employee compensation. In best-practice organizations, this is typically in the range between 3 percent and 5 percent.

Five strategies can be used to set the appropriate investment level:

- ***Let others do it.*** Avoid the investment in human capital to whatever extent possible. This strategy involves a significant use of outsourcing, offshoring, temporary contract employees and sometimes hiring fully competent individuals so that no additional training and development is needed.
- ***Invest only the minimum.*** Rarely, if ever, invest in the training of employees beyond what is absolutely necessary for current job functions.
- ***Invest with the rest.*** Use benchmarking and other aggregate data to determine this level.
- ***Invest until it hurts*.** Spend more than necessary. These organizations invest excessively–over-investing in learning and development–offering all types of learning programs and making them easily accessible to employees. In some situations, attendance is required to achieve certain arbitrary targets.
- ***Invest as long as there is a payoff*.** Deliberately evaluate learning and development and invest when there is an actual return, at least for certain major programs.

We recommend a combination of the third (benchmarking) and the fifth (payoff) strategies. But it is not that simple. See "How Much Should You Invest in Education?" in the August 2004 issue of Chief Learning Officer magazine.

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2. Aligning Learning With the Business

One of the most critical issues is to ensure that learning is aligned with the business. (Research indicates that a lack of alignment is the number one reason why learning and development fail.) This requires a detailed, up-front analysis where the conception of learning and development begins with the end in mind (the business need). Learning solutions must be linked to the business issues to ensure that learning requests are not based on faulty assumptions or inadequate analyses. Also, consultants must be willing to discuss performance issues with key clients to pinpoint problem areas and potential solutions. This involves more of a performance analysis approach—replacing the traditional skills assessment (needs assessment) process. Although this is sometimes painful for the learning staff, it is better to raise the defenses on the front end than suffer the consequences of delivering solutions that are not aligned or adding value.

3. Improving Individual and Organizational Performance

Closely linked to the previous area is the tremendous shift that is occurring as learning and development make the transition to performance improvement. CLOs are realizing that not all performance problems are learning issues, and that most learning and development should be designed to improve the performance of the organization. Performance consultants must be able to hand off non-learning solutions to others or develop the capability to deliver them. Sometimes, learning solutions are integrated with other solutions to improve performance. The traditional roles of designer, developer and facilitator are replaced with performance advisors and consultants. This helps to ensure that solutions are adding appropriate value.

4. Designing Efficient and Effective Delivery

Ensuring that solutions are delivered efficiently is one of the processes that adds the most value. This requires a significant use of technology as programs are rationally and economically converted to e-learning. In some cases, immediate, on-demand learning modules are appropriate. Blended learning is usually the best approach to ensure the appropriate mix of delivery strategies as instructor-led delivery is converted to e-learning when it is appropriate and cost-effective. Cost-effectiveness should not be the only driver. The appropriate mix of on-the-job learning, coaching and mentoring is also necessary to change job performance and develop talent. Finally, the use of suppliers and vendors often is combined with internal resources to develop some programs internally and outsource others.

5. Managing Learning as a Business

An increased need for accountability has forced CLOs to manage learning as a business. The learning enterprise must operate as any other part of the business: preparing a budget, managing the budget with fiscal controls and providing routine reports that show not only the expenditures, but also the results of those expenditures. A few organizations are pursuing the concept of a profit center, where the learning and development function charges fees for all services. The fees become revenue for the center, and the expenses are compared to the revenue. The learning enterprise generates a profit or breaks even. Ideally, for this to occur, managers in the organization should have the autonomy of selecting programs and services from the learning and development function or another source. This is sometimes difficult to give up, but when it is, it brings the ultimate fiscal accountability to learning, adding value to the organization. If managers are willing to pay the fees, the CLO has provided a service that is competitive and desired by the organization.

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6. Developing Productive Internal Partnerships

The CLO cannot be a strategic partner without developing key relationships throughout the organization. Partners must exist in all key operating groups, major support groups and sponsors throughout the organization. The problem with developing partnerships is that partnering often will be resisted. Learning and development staff members often have a fear of this issue. They do not know how to do it. Also, operating managers lack the skills, the time or, in some cases, the desire to partner with learning and development. Learning department staff members should be recruited based on their willingness and ability to interact with clients and key executives. Partnering principles should be established and followed to ensure a constant focus on developing these relationships throughout the organization, and the success of partnering should be rewarded.

7. Managing Organizational Talent for Business Growth

Perhaps the more recent role of the CLO is that of managing talent in the organization. Talent management usually involves both acquisition development and retention of talent. With the addition of recruiting responsibilities, this shifts the CLO's role from the traditional development perspective and provides the accountability needed for ensuring that the selection of adequate talent is not an issue. When talent is required, recruiting is necessary. Then, a variety of developmental processes are put in place to build appropriate skills, prepare individuals for future jobs and develop them to meet the needs of the organization. Along with this key responsibility, CLOs are held accountable for retention. Partnering with key executives, retention is monitored in all key job groups, and appropriate solutions, projects and programs are implemented to keep retention at the desired level.

8. Demonstrating the Value of the Learning Enterprise

The CLO must be held accountable for measuring the value added to the organization. The annual, quarterly or monthly contribution report can no longer be limited to statistics about inputs, such as the number of hours, programs, projects, people and processes. In a scorecard format, it must show contributions in terms of job behavior, organizational improvement, impact and specific contributions, including a sprinkling of ROI studies. ROI has become an integral tool in the learning enterprise. As many as 75 percent of the top learning and development organizations use ROI as a strategic tool to show the value of specific learning initiatives.

9. Maintaining a Customer Focus

Because the CLO is providing important services throughout the organization, there must be constant attention to customer service issues. Three groups of stakeholders are critical:

- Participants who are actively involved in the process.
- Sponsors who fund, initiate and approve many of the learning projects.
- Managers of the participants who must make adjustments when their immediate employees are involved in a variety of learning processes.

Although there are other stakeholders, these three very important groups need constant attention with appropriate service levels and routine feedback. These specific stakeholders need special care.

Conclusion

These nine areas represent opportunities for action where the chief learning officer can provide value

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to the organization. The roles have changed dramatically from recent years when the traditional training manager knew much about training and learning but very little about the business. These days, the CLO must be a business manager first—one who also understands the nature and scope of learning and development.

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