

Aligning L&D with the business

6
critical
steps



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L&D has to be aligned with the business if it is to deliver learning solutions that have real impact. This white paper sets out the case for L&D business alignment and gives six critical steps to achieving it. Those steps are:

- Understand the meaning of business alignment.
 - Be clear on how business alignment adds value.
 - Align to the business through talent development.
 - Have open two-way communication with the business.
 - Diagnose business issues and identify learning solutions.
 - Create an L&D strategy and roadmap.
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Introduction

Business alignment is a very hot topic in L&D circles. Both L&D and business leaders talk about the very great need for L&D to be aligned with business objectives and drivers. Why are they talking about it? Why is it so important? Because organisations need L&D strategies and interventions that help drive their business forward. They desperately need to have the right people, with the right skills and they need them in the right place, at the right time. And that is what L&D needs to facilitate. It needs to ensure the whole workforce, from top to bottom, has the people and skills it needs to succeed; people and skills that are aligned to the business.

The big question is: “Is it happening?” **Sarah May, learning and leadership lead at BT**, thinks that it is, on the whole. She thinks some professionals are still talking about the need for business alignment, rather than actually doing it, but she thinks those people are in the minority. As for herself, she sees her role as integral to the business. “I don’t feel like an L&D person coming in to talk to the business. **L&D shouldn’t be a separate function, coming at things with a different agenda.** I feel like I am hand in hand with the business.”

‘L&D shouldn’t be a separate function, coming at things with a different agenda.’

Sarah May

L&D needs to have a laser sharp strategic focus on what is important to the business and how to take the business into a successful future. However, there is plenty of research that suggests that L&D has a long way to go yet, such as a report by the best practice insights and technology company CEB Global, a subsidiary of Gartner. The report, called ‘Aligning L&D’s Value with the C-Suite’¹ found that only 34% of business leaders think the L&D function impacts on business outcomes. That is fractionally over a third of the business leaders polled. Moreover, under a third (31%) said L&D provides learning solutions that are relevant to their needs and only 12% are confident or highly confident about L&D and HR spend.

Another report that paints a similarly damning picture is the research and analysis organisation Brandon Hall Group’s 2018 Learning Strategy Survey². Despite the fact that three in four of the organisations polled in the survey said that aligning L&D strategy with business goals is the top priority for L&D in 2018, only 36% of companies said their learning strategy is linked to the business. Furthermore, 17% said they don’t even have a learning strategy and only 6% said that their current L&D strategy is very effective at helping achieve business goals.

Those two sets of figures indicate that L&D has to really up its game if it’s to achieve business alignment and play the important, strategic role it so wants and needs to play.

Step 1

Understand the meaning of business alignment

Let's establish what L&D being aligned to the business actually means. For May, it's about being at the heart of the business. "It means that you are directly engaged and involved with helping your business deliver the stuff that really matters. You are part of a shared collective success – you know your business really well, are ingrained in it and part of the DNA." May says L&D needs to be able to demonstrate how it directly impacts on business success, in terms of areas such as performance, behaviour change and customer change.

Claire Rooks-Byron, previous head of talent and development at Yodel, thinks that as an L&D professional, you are part of the evolution of your business. "It's about strategy – what is the business trying to achieve? **It's about ensuring that you are not just delivering development activities that you think are right, but ones that help the business to succeed.** When I put a talent strategy in place, it is 100% about the business, the development requirements across the whole business."

'It's about ensuring that you are not just delivering development activities that you think are right, but ones that help the business to succeed'

Claire Rooks-Byron

The HR/L&D benchmarking organisation Towards Maturity has an Alignment Index³, which organisations and L&D can use to see how well they are working together. According to Towards Maturity, there are seven habits of highly aligned L&D teams and they are as follows:

- 1 Operate as a business partner
- 2 Use strategic business objectives to determine learning priorities
- 3 Design with the end in mind
- 4 Integrate with HR and talent strategy
- 5 Demonstrate business value
- 6 Ensure that workers understand personal contribution to business success
- 7 Enjoy proactive management commitment

'If L&D is not purposeful, if it's not aligned to the business, then it becomes futile really. What's the point of having us if we're not aligned?'

Claire Rooks-Byron

One way to bring the question of business alignment into really sharp focus is to think about the repercussions of L&D not being aligned to the business. What happens then? That's when L&D is working to one agenda (its own) and the rest of the business is working to another. That's when L&D ploughs time and money into learning interventions that have little or zero impact on business outcomes. Why? Because the focus was on the learning intervention itself, rather than on the business need. Because it was the wrong solution. Because the skills being invested in were of little consequence... There are many reasons why learning interventions fail but more often than not, it's because the learning was not aligned to business needs.

In order to stay on the right track – one where L&D is aligned to the business – Rooks-Byron says L&D professionals need to maintain a constant focus on the overarching purpose of the function: delivering learning interventions that meet business needs. **"If L&D is not purposeful, if it's not aligned to the business, then it becomes futile really,"** she says. **"What's the point of having us if we're not aligned?"**

L&D has no choice: it has to align to the business. If it doesn't, it will be sidelined, with its reputation and credibility in tatters.



Step 2

Be clear on how business alignment adds value

The good news is that when L&D is aligned to the business, it tends to achieve great results in the key areas of productivity, performance, innovation, employee engagement, skills, recruitment and retention. These are all business critical areas and if L&D is having a positive impact on all, or even just some of them, then it will be helping drive business growth. According to Towards Maturity's Alignment Index³, those organisations in the top quartile are four times more likely to report:

- Increased organisational revenue
- Improved productivity
- Improved staff engagement
- Reduced staff turnover
- Decrease in their training costs and delivery time

In today's digital, fast moving world, no organisation can afford to stand still

In today's digital, fast moving world, no organisation can afford to stand still. It's a case of constant innovation, constant knowledge and skill regeneration. And that's just to stay abreast of change. In order to be an innovator, a real game changer, then business leaders need their people to be continually looking forward and continually learning, plugged into where the business is going. That is what L&D needs to facilitate.

Businesses and L&D need to be constantly scanning the horizon – where is the business going, what are the market forces at play, where are your competitors going, what skills are the skills of the future, where are they, how can you develop them or get them...? L&D has to be on it, all the time.

Strategic lens

May looks at her contribution to business growth through three lenses. Firstly, there's the strategic lens. "You need to really identify where you are heading as a business and the skills you will need to get you there. That's the skills to buy or skills to grow. Your L&D strategy should have a future skills plan so that you are setting yourself up for future growth."

'We mustn't forget the importance of L&D engaging your people so you can retain them'

Sarah May

Leadership lens

Then there's the leadership lens. "In order to achieve business growth you need leaders who inspire their people, so you need to equip leaders with the right mindset and capabilities." For May, those capabilities are diverse and far-reaching, including competencies in essential areas such as understanding innovation, the importance of collaboration and being connected to customers.

Engagement lens

The third and final lens is around engagement with the workforce. "L&D is a massive lever for employee engagement. **We mustn't forget the importance of L&D engaging your people so you can retain them.** You need people who are engaged with the vision and ready to achieve it. We know that the more engaged employees are, the more engaged your customers will be. There is a direct correlation there. So you have to help your people to deliver the things that matter most."



Assess how strategically aligned to the business your L&D team is, with our L&D diagnostic at the back of this white paper.

Step 3

Align to the business through talent development

Historically, leaders have been criticised for a lack of willingness to invest in employee development, but May thinks that is not the case any more. “I would struggle to name a leader who isn’t really engaged in wanting to support the development of their staff. They understand why it’s important to their business – it’s about engaging and retaining people and having the right skills for the future.”

‘There has to be a connection between L&D and what a business is trying to achieve – L&D has to be connected to the needs of the business in an umbilical way’

One leader that understands the importance of investing in people and skills is **Paul Gordon, vice president of strategy, sales and marketing at Coca-Cola European Partners**. He says that if business leaders want employees with world class skills, then they need to invest in them. “There needs to be much more responsibility from commercial leaders for talent development. Too often it’s not seen as a strategic priority and lip service is paid to it. **There has to be a connection between L&D and what a business is trying to achieve – L&D has to be connected to the needs of the business in an umbilical way.**”

Paul Gordon

Gordon thinks people development is critical for organisations – in terms of having business critical skills in place and in terms of talent attraction and retention. He says millennials in particular expect to be developed and to see clear career paths. If they aren’t developed and don’t see a tangible career path they will leave – and that’s if you managed to hire them in the first place.

What L&D has to be doing in conjunction with the business is identifying the must-have skills. “The long range plan should specify the winning behaviours required and prioritise which skills to focus on,” says Gordon. “Which skills do you want your people to be world class in? Which are the ones that will make a real difference?” The less critical skills can sit on the back burner. “You can’t do everything – there’s not the time or resources and people don’t have the bandwidth.”

'It's about innovation and allowing people the creative space to do that'

Paul Gordon

When developing a skills strategy, Gordon says L&D and leaders should always work from the future back. For example, with regards to the potential future leaders in your organisation, what skills and experiences do you want them to have so that they are in the right place in the next three to five or even 10 years? Those skills and experiences could be anything, ranging from formal training and 'on the job' training to project assignments. "Give them the skills and experiences they need to be the best they can be," says Gordon.

A modern day L&D professional always needs to think about what learning solution best suits business needs. The old model of just putting on another training course is broken. Think about what is required and why. For example, when Rooks-Byron was at Yodel, the L&D team orchestrated an initiative whereby marketing spent some time with another organisation looking at the user experience with apps. This was prior to Yodel launching a new app. "It allowed them to think differently about how they were approaching it and rather than going in blind, they got some knowledge and information. **It's about innovation and allowing people the creative space to do that.**"



Step 4

Have open, two-way communication with the business

In order to understand business drivers and needs, L&D has to be in constant communication with the business. L&D has to know what's going on for business leaders, what's going on for line managers and what's going on for the general workforce. Those three groups are L&D's stakeholders and L&D has to be constantly talking to and listening to all of them.

May says it's so important that L&D has the ear of business leaders, something it has struggled with in the past. "You have to know the things that are keeping business leaders up at night." The communication needs to be two way – not just you getting out there, talking to the business, but the business also coming to you to talk about business drivers and issues. That's when you know business leaders are taking you seriously as a function and want your input.

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Step 5

Diagnose business issues and identify learning solutions

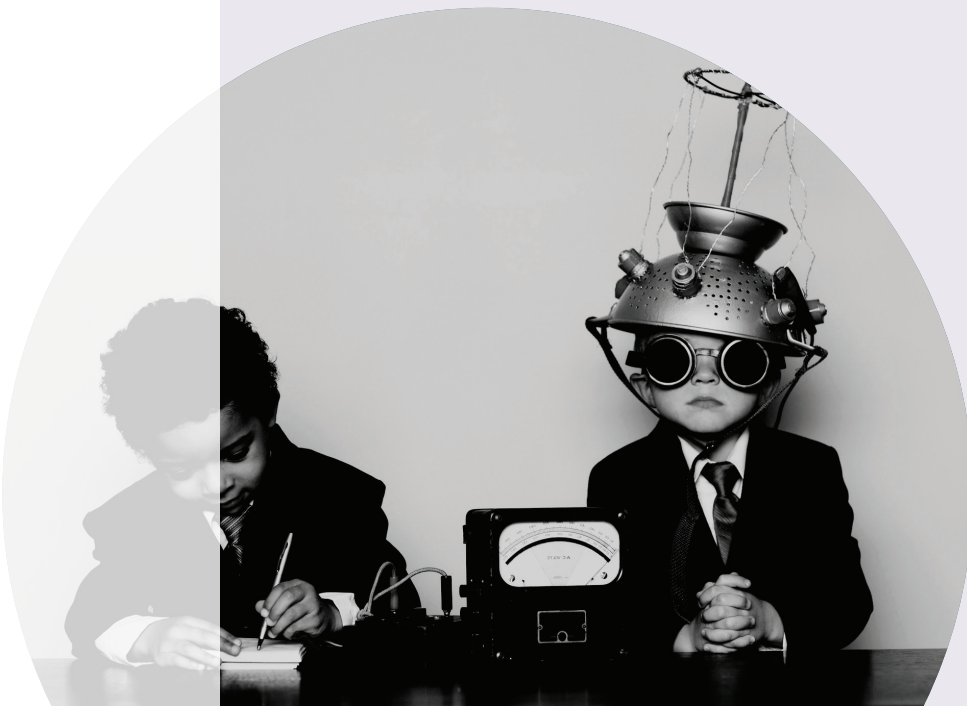
When L&D has its ear to the ground and knows what is going on for everyone in the business, that's when it can provide learning solutions that make a difference. The word 'solutions' is important here. You want to solve problems. What you don't want to do is paper over any cracks by running a training course that does nothing to solve the problem in hand.

L&D has to avoid being an order taker. You do that by properly investigating business problems. What's not working? Why?

L&D has to avoid being an order taker. You do that by properly investigating business problems. What's not working? Why? "You have to ask questions with intent and really seek to understand," says May. "When you are given a training request, you have to get them to think about it so that the solution fits the need."

Then you find the solution that best fits the problem. Chances are, it's not a formal intervention that's required, but something like job shadowing or mentoring. Other times, it's not even a training issue, but a performance management issue. Then, L&D needs to step into a coaching role – helping the business leader or line manager who approached you in the first place with their performance management and how to handle tricky conversations.

The main thing to remember is that to solve a problem, you have to understand the problem. If you don't, anything you do will only act as a sticking plaster.



Step 6

Create an L&D strategy and roadmap

When drawing up an L&D strategy you need to remember one important thing: it is not an L&D strategy for L&D, it is an L&D strategy for the business. The focus has to be on how the learning strategy and any interventions are going to get the business where it needs to go. It needs to be a direct roll down from the business strategy, not a standalone piece.

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The strategy needs to include a roadmap that tells all the business leaders how L&D is going to help the business move forward and it needs to include timescales. But be prepared to amend the roadmap or rip it up altogether, says Rooks-Byron. "It has to be flexible as changes over a two year period are huge. In most organisations change is constant and priorities change, so the plan cannot be fixed. You have to be able to set off on one road but be agile enough to veer off onto another if it's required."

Although the strategy and roadmap are set by L&D, they are not done in isolation. Everything is drawn up in collaboration with business leaders. Yes, L&D talks with and consults with line managers and employees, but most importantly of all, it talks with and consults with business leaders



Conclusion

Leadership buy-in



L&D has to have business leaders on board – with the strategy, the roadmap, with the L&D approach, with budgetary resources.... L&D needs the support and sponsorship of the leadership team. Without it, initiatives are unlikely to succeed and L&D will end up just tinkering around at the edges, achieving very little.

How can L&D ensure it has leadership buy-in? By creating learning strategies and solutions that are truly aligned to business objectives and needs. If your MD or CEO can see a direct correlation between L&D and business success, you've got them hooked. But it needs to be there and you need to show it to them. Your vision needs to be the business vision and the leadership team needs to buy into that. It comes back to what Rooks-Byron said earlier on in this white paper about purpose: "If it's not purposeful, if it's not aligned, then what's the point?"

It's time that L&D stopped talking about business alignment and got on with doing it.

References

- 1 CEB Global: Aligning L&D's Value with the C-Suite <https://www.cebglobal.com/content/dam/cebglobal/us/EN/talent-management/metrics-that-matter/pdfs/aligning-ld-value-with-the-csuite.pdf?pageRequestId=3a353fdf-b30e-43e6-ab99-393e27a5606f>
- 2 Brandon Hall Group's 2018 Learning Strategy Survey <http://go.brandonhall.com/l/8262/2018-02-23/86f6jf>
- 3 Towards Maturity's Alignment Index <https://towardsmaturity.org/model/alignment-index/>

About Learning Bar

L&D needs to be strategically aligned with the business if it is to deliver learning solutions that have a real commercial impact. We work with Learning and Development teams to develop their commercial awareness and strategic alignment.

We can help L&D teams in the following ways:

- Improving your commercial awareness
- Helping you align your strategy to the business
- Identifying and building your L&D Brand
- Developing your team capability
- Enabling you to better support and develop line managers

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L&D Diagnostic

How aligned to the business is your L&D team?



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