

# HOW HR AND L&D LEADERS CAN HAVE MORE INFLUENCE OVER BUSINESS STRATEGY



FACTSHEET

Exploring how to change the perception of HR and L&D as a 'cost centre' to an integral function for adding bottom-line value.



Less than a fifth of business leaders agree that L&D strategy and delivery was completely aligned with their company's operational strategy."



*Capita Learning and Development, 2010*

In their 2014 annual Learning and Development survey report, the CIPD cited that the most important trend for next year is the integration of L&D activity with the overall business strategy. They cited that "working collaboratively and the ability to influence the organisation" (CIPD, 2014b). are most commonly reported to be the top priority for L&D professionals. And, worryingly, less than 20% of business leaders think that the L&D strategy in their company is aligned with the operational strategy (*Capita Learning and Development, 2010*).

## Why?

Because HR and L&D departments are still perceived as a "cost centre" (CIPD, *Aligning Business and Learning, 2014*) for delivering courses, rather than an integral function for adding bottom-line value to the business.

But we know that it's people who make the difference between the success and failure of a business and therefore people development should always be a priority in any business' agenda.

## So what is needed?

Having more influence begins with credibility. If L&D leaders are to have more influence over the strategy of the business, they need to immerse themselves in the business and fully understand what the main drivers are, as well as all of the facts and figures. That way they can link all of their activity to business outcomes and demonstrate the return on investment of developing their people. Only by doing this will they gain buy-in from business leaders.

And once they have credibility, L&D leaders then need to build the kind of relationships with business leaders that allow for honesty and the ability and to challenge. Through building genuine and effective working relationships with business leaders, L&D leaders will be able to have much more influence over decisions.

But, of course, these must be two-way relationships. Whilst L&D needs to challenge business leaders to ensure that people development is at the forefront of the strategy, business leaders must be able to challenge back to ensure that L&D interventions are going to be delivering measurable business results.

## How can we achieve this?

- **Speak the right language** – One of the main reasons that L&D fails to influence strategy is because it "can't speak the language of the business" (CIPD, 2014). By immersing themselves in the business, understanding the current business strategy and issues, as well as the vital figures, e.g. turnover and profit, L&D leaders will be able to speak to business leaders in the language that they understand. It's about L&D taking themselves out of their comfort zones and working to understand the broader business issues in order to relate L&D activity directly to business outcomes. And by having a grasp of the facts and figures they can then demonstrate the tangible return that the investment has made.



Bravery involves challenging but it also involves stopping – cutting out activities and programmes that are outdated, outmoded and no longer relevant.



**CIPD**

*Aligning Business and Learning, 2014*

- **Build a network** – As well as building relationships with business leaders, L&D departments need to build relationships right across the business. If you “build great relationships across the organisation you can understand the rhythm of the business.” (Mark Reilly, Head of Corporate Training at McDonald’s, *CIPD*, 2014)
- **Be curious** – How much of the misperception of the L&D function is based on business leaders making assumptions that all they do is spend money on training? How much of L&D not having the impact it should have is based on the assumption that they won’t be listened to by business leaders? The foundation of any good relationship is curiosity. It’s about putting aside all bias and assumption and allowing yourself to fully understand the other person. Only through curiosity about the other can two very different people or even whole departments work together.
- **Gain commitment** – Before change can happen it’s important that both parties are committed to driving the change. Contracting is one the most effective ways of gaining commitment. It is used before any action takes place to agree how two parties will work together and how when they disagree, they will challenge, reflect and feed back. Being utterly clear of what your alliance is working towards, in terms of your outcome and purpose, before you take a step is vital and creates mutual accountability in any plan.
- **Challenge the process** – L&D leaders need to be brave. If they are going to influence the business strategy by aligning L&D activity to the outcomes then they must not be afraid to stop doing anything that isn’t aligned with the strategy. “Bravery involves challenging but it also involves stopping – cutting out activities and programmes that are outdated, outmoded and no longer relevant.” (*CIPD*, 2014)

**References**

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