

WHITE PAPER / FEB 2017

THREE WAYS TO AVOID A POOR ROI ON SENIOR LEADERSHIP PROGRAMMES

Is it Learning or Development?

The aim of this whitepaper is to draw attention to the need for senior leadership programmes to focus more on development and less on learning if they are to have the desired impact and return on investment.

The whitepaper begins by highlighting some of the current areas of change and challenge in the wider learning and development industry and how that wider context underpins some of the difficulties experienced by L&D professionals when trying to position the role of L&D as a proactive force that delivers real business outcomes.

The paper then explores the issues surrounding the struggle that many L&D professionals report with regard to making sure that senior management teams have a genuine understanding of the positive impact that development programmes can bring and the resulting impact on ROI. It explores the hypothesis that this lack of understanding stems from senior leaders having previous poor experiences on development programmes that had no impact and therefore don't engage fully in development experiences, which in itself impacts directly on ROI.

The final section of the paper suggests ways in which senior leadership programmes can be designed to focus more directly on vertical development (deeper personal insights on behaviours), rather than horizontal learning (skills, knowledge and experience).

- Accept the context of the challenge
- Explore the 5 elements of the problem
- Generate lasting behavioural change

1. The context of the challenge

One of the biggest challenges currently facing L&D professionals is the increasing pressure from senior management to ensure that the L&D strategy is closely aligned with the wider business strategy and its outcomes. Coupled with this challenge is the need to raise awareness of the proactive role that the L&D function can play in supporting individuals and the organisation so that they both perform at the highest levels in order to deliver those business goals.

How does the L&D function prove its worth? It is a challenge that frustrates the majority of L&D professionals. Many of them report that they experience barriers that prevent strategic alignment, and that there is often a lack of clarity around what the business strategy actually is. Many cite ineffective leadership as the cause of this misalignment, along with constantly changing goalposts, unstable organisational cultures and conflicting priorities between opposing silos in the business.

Some complain of a lack of investment in L&D due to 'lack of insight and understanding from senior management'¹

Results from the 2015 CIPD L&D survey suggest that many L&D professionals suffer at the hands of senior management teams who don't grasp the true purpose and capability of L&D. These senior teams have a lack of knowledge about what L&D can achieve when used proactively to develop an organisation,

¹ Chartered Institute of Personnel and Development, *Learning and Development: Annual Survey Report 2015*, CIPD: London, 2015, p. 8

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Approximately a third of L&D leaders experience 'apathy', 'lack of insight and understanding' or 'interest' from senior management. They complained of 'misunderstanding of the purpose and capability of L&D'.

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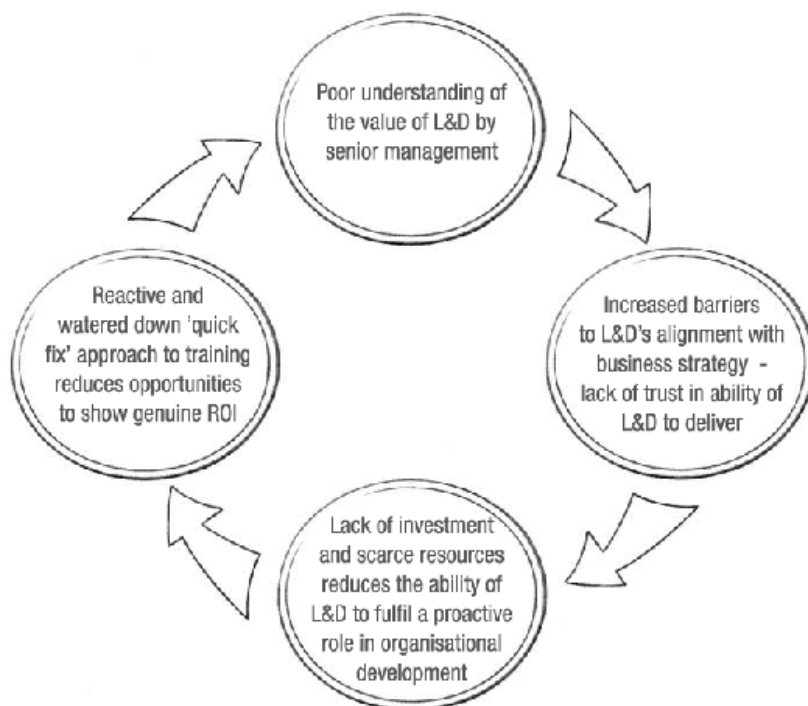
CIPD, 2015

rather than being used as a quick fix to react to current problems. This lack of understanding on behalf of the senior management often then contributes to the constraints and lack of resources that many L&D functions experience.

2. The 5 elements of the problem

There seem to be 5 common issues that prevent quality development work happening at senior levels within organisations, therefore resulting in a poor ROI.

1. Senior leaders don't fully understand the value of L&D in their organisations.
2. Too many senior programmes focus on learning and not development.
3. Ineffective Training Needs Analysis (TNA) means that programme outcomes are not clear and so measuring ROI becomes impossible.
4. Not enough time, space and investment is currently given to senior leadership development to generate the lasting behavioural shifts that lead to real business outcomes.
5. Scarce resources are driving many new L&D practices and structures, which limits their impact on the business.



1. Understanding the value of L&D

Who is responsible for ensuring that senior management teams have a deeper understanding of the proactive organisational development role that L&D can play?

L&D professionals need not only to be the champions for their function, but need also to create high level development programmes for their senior leaders that clearly demonstrate the personal insights and results that can be achieved. If senior leaders receive a direct personal experience of these results then they will be more likely to acknowledge the benefits of that L&D investment for others.

Unfortunately, all too often the viewpoint from senior teams is "it's not us who needs it" and so they don't benefit from those direct experiences. To what extent can this lack of insight regarding L&D from senior management teams be attributed to their own personal experiences on learning and development programmes that simply did not deliver? Would focusing on delivering senior leadership programmes that generated lasting behavioural change alter their perspectives on the real ROI of L&D programmes? Certainly L&D leaders need to challenge this. They need be brave and use their own influencing and communication skills to challenge this viewpoint and demonstrate why it is imperative that they start from the top.

An organisation's culture is set by the behaviours of the senior management. If an unhealthy cultural attitude towards L&D exists then avoiding the issue of creating development programmes for senior management creates a closed and negative cycle.

2. Focus on development, not learning

When deciding to concentrate on developing senior leadership in an organisation the focus needs to be on the 'D' of L&D. Senior leaders will inevitably have significant levels of knowledge and experience on their side, gained through continuous on-the-job

learning, but where do the experiences come from that allow them to develop behaviourally?

Focusing on quick win learning and knowledge acquisition is simply about filling their glass – and there's a finite amount you can fit in before it spills out. Development is about making their glass bigger.



Without those developmental experiences it is hard to see how senior leaders will gain that broader and deeper perspective of both self and others that leads to more creative, complex problem-solving and the generation of rewarding business cultures.

In addition, there is an increasing move towards E-learning as a cost effective approach to L&D. It's important to consider that E-learning, as it says on the tin, focuses on learning. All the best studies of the high ROI from e-learning platforms and interventions concentrate for the most part on programmes that

deliver new knowledge content, are geared towards new skill acquisition, or are for curating learning resources to support other programmes. Exploring people's values, beliefs, biases, personality and emotional intelligence is almost impossible through the medium of E-learning. Yet it is these facets of personal development that drive the creation of healthy working environments and open and trusting business cultures. These areas of development are never a quick fix; they take time and require quality face-to-face interventions to have any lasting impact.

3. Quality TNA leads to measurable outcomes

It's easy for L&D leaders to be persuaded that people 'know what they need' and that an in-depth needs analysis won't tell them anything they don't already know. This is symptomatic of people not valuing the insights that can be gained from taking a more curious or investigative approach.

By committing to a genuine, well thought out TNA for a senior development programme, it enables an in-depth understanding of the personal and group dynamics at play in any senior team. With this insight it becomes a far simpler process to identify not only their specific needs, but also and more importantly, their specific outcomes needed from the programme.

With a detailed set of tailored outcomes at the start of the design process there is a stronger justification (business case) for the senior team to fully commit to the process both with regard to time and money.

4. Programmes with more space and time

Often L&D departments are backed into a corner where they allow themselves to design a quick fix or watered down version of a development programme to make sure it happens at all. Those senior teams that argue the most that they are "too busy for development work" (you can almost hear the words 'pink and fluffy') are likely to be the ones who need it the most.

Anything that is pulled together rapidly, or overly pared down, is unlikely to have any lasting impact on their personal development and will not generate the lasting behavioural changes that will have the positive impact on the business culture. Worse than that, the programme will then be regarded as a waste of time that had no impact, and thus enhance the senior leaders' limiting belief that L&D is not a viable and proactive tool for organisational change.

To have any chance of achieving a noticeable business impact, and thus ROI, programmes need to be designed for delivery over a longer period of time. Multiple interventions are needed to allow for progression and for any frameworks and behaviours to be remembered and developed, leading to a new habitual way of being.

Additionally, creating the right learning environment is hugely important to the success of those programmes that require deeper psychological insights. There is a wealth of research from both psychology and neuroscience that supports the need to take leaders away from their day-to-day business environment. Allowing them to properly dissociate and disconnect from their hectic 24/7, permanently connected business lives, enables a deeper level of personal reflection and focus on self, which is the bedrock of lasting behavioural change.

It is highly unlikely that this will happen after a quick two-hour, afternoon training session in the boardroom!

Deeper self-reflection requires the creation of a learning environment that feels both physically and psychologically safe. The corrosive damage to quality cognitive processing that occurs when the brain enters its 'social threat' mode is significant. The negative emotions and feelings that are often generated by the poor psychological environments in many modern businesses (especially prevalent at senior levels) act as a significant barrier

to those leaders being willing to explore their own behaviours.

5. 70:20:10. Is it always the answer?

The poor understanding of the role of L&D by many senior managers is a main driver in reducing the budgets and resources open to L&D departments. This scarcity of resource then drives structural changes and working practices, which has a negative effect on the impact of development programmes.

Recent research from the L&D industry² shows that the top three expected growth areas for types of delivery are:

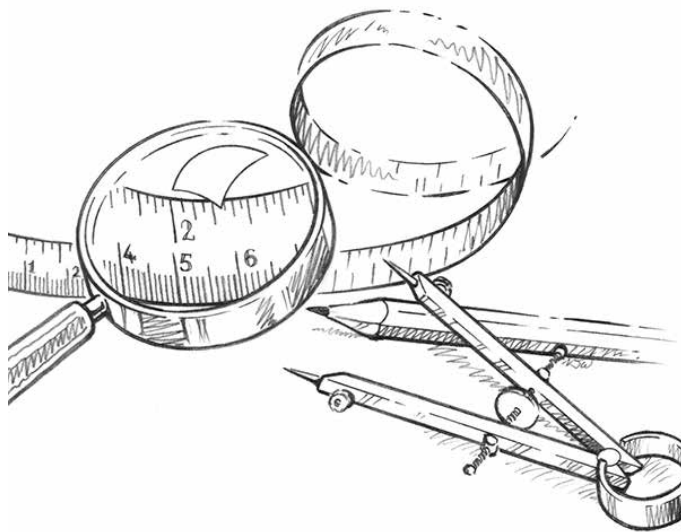
- Coaching by line managers
- E-learning
- In-house development programmes

All three of these are cost effective and can be used to great effect. However, the problem arises when the focus needs to be on developing new and lasting behaviours that will drive cultural change. To what extent can the 70:20:10 model support this?

The 70:20:10 ratio for L&D delivery is growing in popularity and for many types of programmes it makes a whole lot of sense, but there are caveats to its success as an approach. For 70% of learning to come from 'on the job' experiences, there are two fundamental actions that need to happen, and be allowed to happen by the organisation. The learning has to be captured, and more importantly, there needs to be a culture in the business that not only allows, but encourages time for reflection. Simply stating that 70% of the business' learning will come from on the job experience will not make it happen. Creating a workforce that genuinely embraces a reflective, experiential approach to learning definitely will. The culture that will allow that to flourish has to come from the senior management team but only if they are

willing to become reflective practitioners themselves. Not a simple task.

For the next 20% of learning to come from engagement with more experienced colleagues, another set of key cultural elements are needed. There are too many examples in business where in-house coaching and mentoring programmes have failed to deliver any lasting change. Not due to a lack of will for it to succeed from L&D or the inability to give the coaches and mentors some skill in delivering the programme, but most commonly because the senior leadership team are simply not seen to be 'modelling the way' or creating a trusting and open enough culture. Creating a coaching culture in a business takes time and a great deal of support and role modelling from the senior team. If there is no open, trusting culture then coaching by line managers is unlikely to have any effect. Why? Because without that safe psychological environment, participants on these in-house programmes are much less likely to accept that they are in a confidential relationship, be less willing to be open and honest regarding their areas for development and thus limit the impact of the approach on driving learning in the organisation.



So is the final 10% from formal external courses the answer? Not necessarily. You can pay for some excellent programmes at lower levels in the organisation that have a great TNA up front, have a well-formed developmental framework, and take a blended approach, which all leads to behavioural change for the individuals involved. However, if the culture created by the senior management does not actively cultivate and support those changes, then they are unlikely to stick over time. And once again this adds to the senior managers' perception that development programmes don't deliver a good ROI.

For the 70:20:10 model of delivery to be truly effective in delivering ROI, L&D leaders need first to evaluate the behavioural style of their senior management and the business culture they have created. If the culture is stress-prone, or has an underlying sense of anxiety and fear, then the L&D strategy will struggle to deliver the ROI the business demands.

Unfortunately those corrosive business cultures are prevalent in many organisations. The role of L&D in tackling that issue has to be to focus its efforts on designing senior development programmes, starting at the top, creating a genuine and lasting shift in their leaders' behaviours and thus enabling culture change for the whole organisation.

Ensuring clarity on tailored outcomes at the start of the process allows for easier measurement during and after the programme, delivering a greater ROI for the business.



Lack of clarity regarding the business strategy is one of the most common barriers hindering business alignment. Some propose the lack of clarity is due to poor leadership, for others it is hindered by 'changing priorities and focus' or 'organisational instability', while in others a clear shared strategy is mired in 'internal politics', 'conflicting business priorities', the 'inability to agree' or a 'silo culture'.



CIPD, 2015

3. Generate lasting behavioural change

Unfortunately there is no silver bullet. However, by focusing on three key areas when designing senior leadership programmes, the trap of a poor ROI can be avoided.

The three core elements for effective design on senior leadership programmes are:

1. Consciousness
2. Reflective experience
3. Place

Significant behavioural shift only happens when leaders are open to exploring the potential for change, are challenged to think differently, and have an experience that leads to genuine development of new behaviours and patterns of thinking.

If you can design a programme that incorporates each of these three elements, and explore them in depth, then the resulting impact will be greater than the sum of the individual parts. Together they combine to provide real development experiences that are impactful, memorable, anchor the learning, and lead to significant behavioural shifts.

1. Consciousness

Senior development programmes need to focus on raising leaders' conscious awareness of who they are, how they behave, how they communicate with and relate to others and what their personal impact is.

With greater consciousness comes greater choice and behavioural flexibility, which allows leaders to take control of and be responsible for their own behaviours.

As well as creating experiences that allow leaders to notice what they do, it is also important that they understand why they do it. In order to give senior leaders that depth of understanding it is important to explore with them the theory and current research in the following three areas:

- Personality
- Values, beliefs and bias
- Emotional intelligence

To accelerate the development in these areas it is also vitally important to adopt an approach that will foster a higher degree of openness. Leaders need to be encouraged to be more curious about themselves and others, be willing to be vulnerable (which is the source of creativity, change and innovation), to show compassion and kindness (to self and others) and to be more present and focused.

So how can you do this? Plan a programme that incorporates deep psychological assessment with opportunities for leaders to explore and make sense of this information. Ensure that the programme doesn't hide behind 'content'. If people are learning models rather than focusing on their behaviour and impact, it's too easy for them to opt-out and be passengers on the development programme. Ensure you have facilitators who are experienced coaches; who understand how to agitate and probe; who won't get side-tracked down a rabbit hole by bright, assertive people. Be absolutely committed to creating a development experience, which holds up the mirror to people, however uncomfortable they might find it. Above all hold onto the knowledge that without this uncomfortable journey of self-discovery, senior leaders won't change as they won't perceive the need to change.

2. Reflective experience

To enable a genuine engagement with the 'consciousness' topics listed above, and to create a depth of self-awareness that leads to lasting change, significant thought needs to be given to the style of delivery – your pedagogy. The development framework becomes far more important than the content itself, recognising and paying more attention to how people learn, not the content or what they learn.

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A quarter [of respondents] feel constrained by lack of resources. Some complain of a lack of investment in L&D due to 'lack of insight and understanding from senior management', others that the L&D team is overstretched.

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CIPD, 2015

By creating the right development framework that balances different styles and draws upon the latest research from neuroscience, psychology and education, your senior programmes are far more likely to be meaningful, memorable and engaging. The design of the programme should focus on three key areas:

- Experiential learning
- Reflective practice
- Neuroscience

To create a senior leadership programme that provides genuine reflective experiences, attention needs to be paid to the generation of a developmental framework rather than focus on the learning content. The facilitation needs to be capable of engendering an environment of creativity and innovation through stretching comfort zones both physically, cognitively and emotionally. Provoking, agitating and challenging are an essential part of the process that will deliver lasting changes. It is also important to raise leaders' understanding of the importance of self-awareness through 'appreciative inquiry'.

So how, practically, can you do that? Start with a blank sheet of paper – don't be tempted to use something you've used for someone else. By chopping and squeezing and changing you'll end up with a jam-packed programme with no space for reflection. Commit to creating a learning experience which has at least 50% reflection time – the ROI doesn't come from how many topics are covered or how many models are introduced; it comes from the insights and realisations that leaders have when they stop, think and reflect. Use facilitators who can hold people, figuratively, in a reflective space – without the need to fill silence or offer people answers. This takes years of experience and an ability to hold uncomfortable moments as people work through them. Above all, give yourself time to reflect on whether the programme you have designed genuinely addresses the outcomes it needs to address.

3. Place

Where you learn has an enormous, and largely untapped, potential impact on how you learn. There is a wealth of research to support the highly influential role that place has on the quality of people's learning experiences and the developmental journey they go on.

The fields of environmental psychology, education, neuroscience, medicine and architectural design have consistently over the last twenty years proved the importance of place when designing physical learning environments. Yet the L&D community has largely ignored this compelling empirical evidence. How many high cost programmes have you seen delivered in sterile corporate spaces or the ubiquitous and bland hotel conference suite?

To ensure the learning environment supports development, rather than hampering it, attention should be paid to the following areas:

- Physical environment
- Psychological environment
- Anchoring learning

To create senior development programmes that have lasting impact on leadership behaviours and generate healthy psychological environments in the workplace you need to invest time and money in the spaces where you choose to deliver your programme.

How inspirational are they? Will they help to positively anchor the shared experiences of the group? Are you being creative and innovative enough in the places you use? For example, how often do you design programmes that allow delegates to interact with the natural environment where the surroundings allow for clearer cognitive processing and ease of reflection? As well as building a progressive 'learning journey' into your programme, when did you last take them on a physical journey too, allowing the metaphor and physical

experiences to combine in a more powerful way? The evidence supporting the positive impact of combining coaching and walking is compelling yet rarely practiced. It might seem like too challenging a proposal but how 'retreat like' are the learning spaces you create for your senior programmes? You might need to find a term with a harder edge but a leadership programme that is run more like a retreat is likely to have a much greater and longer lasting impact.

Do the venues and spaces you select allow for the temporary disconnection from distractions, therefore providing people with the opportunity to focus, be more attentive and truly present in the experience you have created?

Senior leaders need you to create an environment that demands the necessary suspension of action, creating the space for those reflective experiences and allowing a deeper insight and raising levels of consciousness.

Summary

L&D professionals agree that their biggest challenge is to improve the perception of their ability to align their work with the business strategy. Coupled with this is the need to help senior management to understand the proactive role that L&D can play in leading cultural change in the organisation.

It is a significant challenge. Yet, whilst senior leaders are often resistant to engaging in their own personal development, it is exactly this area that L&D leaders should focus upon. It is highly likely that many senior leaders are uncomfortable with being challenged on their own behaviours and the potentially negative impact they have on the company culture. However, their discomfort and resistance to raising their own levels of conscious awareness should not be a justification for not pursuing that agenda.

By giving increased attention to a more detailed and tailored TNA process the clarity of outcome is enhanced, thus enabling a more measurable ROI. If senior leaders then receive a development programme that focuses on the developmental process rather than content, providing them with a series of reflective experiences in memorable and inspirational locations, then the impact and behavioural changes will be significant. This personal experience will provide the best possible evidence of the influential role that great L&D leaders can play in their organisations. And with this comes greater buy-in, more resources and a greater chance to deliver the ROI that is so often missing when the elements outlined in this whitepaper are not considered.