

## The Convergence of Learning and Performance

### AN INTEGRATED APPROACH TO ACHIEVING TRAINING BUSINESS RESULTS

According to the U.S. government, an estimated 77 million workers will leave the workforce in the next few years, most of them members of the baby boom generation. This looming challenge means we will lose 6 to 10 percent of our workforce by 2010 — and the incoming generation of workers will not be nearly large enough to replace them. As these baby boomers exit the workforce, they take with them years of expertise and knowledge, some of it impossible to replace.

This phenomenon will not only leave us with a shortage of talented workers, it will also leave a sizeable skills gap. According to studies conducted by research firm IDC, most companies say the coming retirements will cause significant skills gaps in their organizations during the next three to five years. It will take time and effort on the part of both employees and the company to replace the knowledge that workers need to perform their jobs at the caliber of the experienced baby boomer retirees.

Amidst this impending shortage of workers and the looming skills gap, there is an increasing demand for results and continued pressure to improve the business' bottom line. Customers, shareholders and employees have increasing expectations for the productivity of the company. At the same time, global competition is increasing, with other countries able to provide the same labor and services at lower costs, thus creating a competitive environment for all.

Economic conditions lend an extra level of urgency to the increased demand for results. The mortgage and credit-industry crises and the threat of

a recession create additional pressures on companies. As a result, executives increasingly have to produce more with less. Fewer employees will be used to perform the same number of tasks — or in some cases, more tasks. This shift makes learning and per-

formance tracking all the more important to ensure the workforce is operating optimally and efficiently.

an organization's strategy to ensure employees achieve maximum performance and contribute to business goals. In order for learning to be effective, organizations need to assess business needs and develop learning initiatives that target knowledge or skills

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While workforce and economic conditions exert increased pressure, the rapid pace of business and the need for innovation adds additional urgency. Increased demand from consumers and growing global competition are leading to shrinking product and service life cycles to meet those demands. As the time allotted for creating and rolling out new products shrinks to meet these demands, companies will need effective training to keep employees up-to-date on quickly evolving product and service lines.

**The Case for Integrating Learning and Performance**

In this rapid-fire business environment, learning is an integral part of

gaps in an organized and efficient manner. Technology is one way this has been possible.

In the past decade or more, performance management, along with other HR functions, has largely moved from a handwritten, paper-based model to one based upon sophisticated software systems. As technology improves, the software available for HR and learning professionals makes it increasingly more viable to integrate multiple functions and make complex processes more efficient.

As technology advances make managing HR functions easier, they also make it easier to integrate related functions for increased effectiveness. This convergence is increasingly necessary because the segmented, silo approach has proven to be cumbersome and inefficient. As silos, func-

tions exist as separate entities and are consequently slow to respond to changing business needs.

Such is the case when learning and performance management are separate. When a change happens in the business environment, the two functions must make time to come together and compare the learning taking place with the recorded performance results. After this analysis, the business can then determine what changes will facilitate the necessary performance to meet the business'

### **The Benefits of Integrated Learning and Performance Management:**

- Automated data collection and analysis.
- Alignment of targeted learning initiatives with direct business needs.
- Better business intelligence and workforce analysis for managers.
- Increased employee engagement and retention.
- Significant cost savings.

evolving needs. The silos' disconnected nature makes this sharing of information and collaboration for solutions a slow and challenging process, which can have negative effects on the bottom line.

Employee demands highlight another drawback to the silo approach. The new generation of workers wants opportunities for growth and flexibility in its work environment. When these arms of the business are not integrated, employees find their path in the company to be ill-defined and inconsistent, which can affect retention and morale and create negative effects for overall business and add extra costs.

The biggest drawback to the silo approach falls on the managers. The effort it takes to confer with other silos is administratively complex and difficult. It requires extensive manual work to access information from another silo, and it creates additional paperwork in the process of communication, wasting valuable time that could be used to create effective learning goals and programs that will help achieve business success.

Integration of siloed functions creates significant opportunities for greater efficiency and bottom-line impact. Learning and performance management are two clear examples of how functional silos can converge to deliver results, despite a tightening labor market and an increasingly competitive business environment.

### **The Business Benefits of Convergence**

The benefits of converged learning and performance management include automation and optimization of data. Automation makes the management of learning and performance data more efficient and accurate. Using a centralized technological system to store, analyze and retrieve such data, instead of the old-fashioned pen-and-paper approach, leads to data that is increasingly quantified and precise.

When the systems of learning and performance are automated, both functions have access to training information and results and are granted immediate visibility into the needs for further learning. This makes the manager's job easier and more effective. Instead of wasting valuable time gaining access to the data, that data is already available, and the manager can immediately identify the changing needs of the company and plan new learning strategies to meet those.

In an October 2006 Bersin & Associates report, survey respondents cited many benefits of the automation of learning and performance management, including ease in creating and assigning development plans, the ability of executives to see how training impacts performance and the consolidation of all development processes in one location.

Bringing learning and performance management together also aligns two powerful tools, the learning management system and the performance management system, to deliver maximum impact.

Using a learning management system (LMS), managers track the various processes of training and e-learning, including creating and delivering content to trainees and maintaining records of employee training and certification. An LMS also uses technology to aid in the delivery of education, with the use of tools such as video conferencing and discussion forums. The performance management system (PM), on the other hand, is used to establish performance plans, including developing goals and monitoring progress, and storing and analyzing related performance data for performance reviews.

With the two combined, an organization could have essentially one unit concerned with improving business performance by identifying employee performance gaps and solving them by creating learning initiatives to improve skills and competencies that align with business goals. Problems with employee performance can be quickly identified, allowing managers to set up a plan to improve it, implement that plan through the delivery of learning and then track progress and analyze the results of the training provided via a centralized system.

In addition to the benefits of automation and the use of technology, there are many business benefits to integrated learning and performance management systems. First, the visibility of the needs, goals and ideas for

improvement allows managers to be more effective in creating suitable learning and development plans. This leads to a more efficient workflow, including easing the challenges of the analysis of results and the reporting of progress.

The streamlined workflow also allows companies to reduce the cost of training programs by pooling resources and saving time and paperwork by solving issues in an integrated manner instead of as two separate functions. This integration allows for learning programs to be deployed in a timely fashion, since they will be created more quickly and with more ease, and can be implemented and analyzed collectively.

Another business benefit to this model is that it enables employee performance to be assessed on an ongoing basis, rather than as a yearly occurrence. With an efficient process in place through the integrated systems, managers are able to evaluate employees and complete reviews more easily and efficiently, allowing for them to be conducted more often. Employees receive more feedback on their work and will therefore know where improvement is needed, where they are in the company and what they need to do to move forward.

The integration of these two systems makes sense for the employee, the manager and the organization itself. Through integration, organizations can avoid forcing communication across siloed arms of the business. The integration streamlines the process of learning by eliminating time-consuming processes and combining learning with the evaluation of that learning's effectiveness toward improving employees' skills and competencies, and ultimately moving toward changing business goals.

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