

ROI and the L&D professional

Article by David Vachell, Head of Learning Strategy & Policy, BT Global Services

November 2007

I believe that the ROI methodology is a real key to the status of learning & development within organisations. If you think of heart and backbone as two essential organs, where the heart represents the soft side of our work and the backbone the harder more analytical elements, a lot of L&D people tend to be more comfortable with the heart than backbone. You need both.

The ROI methodology provides a very effective backbone. The methodology requires and helps L&D managers to focus on the business impact of L&D and on the enablers and barriers in the wider organisation to the implementation of the learning. It enables L&D consultants to have much more strategic and forensic conversations with their stakeholders and as a result the perception of the value that they bring shifts from operational to strategic. As L&D managers become more strategic and professional, their value to the organisation grows.

I also believe that it is essential to grow the capacity of any organisation that does L&D to understand and conduct in depth evaluations. Many organisations are outsourcing substantial areas of their learning and development – either to suppliers of specific programmes or more comprehensively. A part of this outsourcing may well include evaluation. However, I firmly believe that it is essential that the organisation has the internal capability to conduct and assess the value that L&D contributes. A partnership with suppliers works best when the relationship is firmly based on a common understanding of the value proposition and how that is quantified. Using the ROI methodology is an excellent way of standardising the approach so as to reach agreement on that value quickly.

The basic concept behind the methodology is very simple—rigorous but not too complex for day to day use. Anyone can get it in five minutes. But the practical application is anything but easy. We know this is not a hard science, it's a craft. You have to think about the limitations of the data. That's why case studies are so important. The collected body of knowledge represented by the case study library is the foundation of good practice within the evaluation community. Measurement of L&D impact has always been something that management would like to have had, but many didn't believe it was possible to deliver. When I speak to senior finance colleagues they find the methodology familiar and quickly see its potential. They have been extremely supportive in implementing and promoting its use in the organisations that I have worked with. You need to take the long view. Whilst the methodology is simple and straightforward, practical application takes time and effort. The organisation needs to commit to it as a strategic initiative that, over time, will fundamentally change the way L&D operates and contributes to the enterprise.