

## 2003 Excellence in Practice Citation

Workplace Learning & Development



### Tibbett & Britten

Etobicoke, Ontario, Canada

### NewMindsets, Inc.

Toronto, Ontario, Canada

## ***Using Second Generation E-Learning to Support Results-Focused Top Team Development***

### **SUMMARY**

This fast moving entrepreneurial business projects incremental growth for the next decade by launching new business units. A major challenge is talent development for senior positions under extremely tight time constraints. The industry is very competitive in its search for top-talent making it difficult to recruit externally. Internal talent development offers enormous advantages – the CEO and executive team view this as a key strategic imperative. But, everyone is stretched to the limit. Managers are geographically dispersed – conflicting schedules make it difficult to meet. They are also reluctant to take days away from the job because of the volatile nature of the business and clients that demand payback on *all* expenses.

Time constraints, extreme pragmatism and intense business pressures combine to create an environment that is hostile to learning as an end in itself. To overcome the challenge and meet the strategic mandate to develop top-talent, a six-month program combining e-learning, action-based projects core to business development and mentoring has been launched. This action-oriented General Management Development Program (GMDP) upgrades the skills/competencies of key talent while tackling specific business problems that generate demonstrable ROI.

#### Key Results:

- Tightly integrated succession planning, e-learning and mentoring program that overcomes time/geographical constraints
- \$10M-20M financial gains resulting from action-learning projects (based on participants' self-reports )
- A pool of qualified high potential talent capable of moving into senior business
- Significant spillover effects (e.g. team learning, networking, cascading operational impacts)

- Improved recruitment potential as “an employer of choice”

## BACKGROUND

The original purpose and goals of this Best Practice were to:

- Implement a program that aligns with and supports the CEO and executive team’s strategic business imperative for developing top level talent to meet the needs of a rapidly growing business predicted to double every two years
- Overcome the barriers of extreme time constraints, geographically dispersed managers, over-stressed resources, a highly volatile competitive environment, and a pragmatic business culture that make the use of conventional executive development programs inappropriate in this business context
- Create a context where performance-based learning is valued and rewarded by fostering innovation, critical thinking, team learning, cross-functional mentoring and the dissemination of new practices and knowledge corporate-wide
- Become an employer of choice by offering continuous learning and career development opportunities that motivate, retain and attract high achievers

The original goals have remained equally intense. However, as the program has evolved more emphasis is now placed on the project-based action learning dimension where creating value for the company and demonstrable ROI are critical measures of individual and organizational success. ROI is defined in terms of generating demonstrable economic and other returns related to actual job performance over the life of the six-month program, as opposed to improvements on behavioral competence tests. Candidates bring “stretch” projects approved by the executive team and push for strategic and operational breakthroughs that can really make a difference for the business. As a result, subjective and objective gains as well as spillover effects can now be linked to the management development program.

The original program was pilot-tested in 2000 – 2001. Graduates endorsed the program, recommended more emphasis be placed on project-based learning, and shared their best practices at the annual Operations Conference. Subsequent demand has been strong as business units vie for placement of their high-potential candidates in upcoming programs through the annual succession planning process.

- One idea that came from the post-mortem assessment of the pilot was the importance of personal projects as the focus for learning. Subsequent programs now place even greater emphasis on “stretch” projects that seed action learning and demonstrable ROI.
- The other key insight that has emerged is the need to deliberately keep the program highly targeted and small (between 14 and 20 high potential managers) to create the intensity of experience between the managers and the executive level mentors. The program mandate is to focus time and energy on key managers with proven talent that offer the most promise rather than spreading the program too thinly and diluting the learning experience and corporate results. Each year a list of candidates is reviewed as part of succession planning - the selection process is rigorous.

The program is North American-based. However interest has been expressed in European operations and discussions are underway to consider introducing similar programs overseas.

As stated earlier, the program is deliberately restricted to the development of top talent. About 45 high potential managers (less than 3% of the management base) will have been through the program by mid 2004. Nevertheless the impact on the business has been significant. For example, gains of \$10M - 20M (based on participants' self-reports) have been realized; the company's bench strength has increased as high-powered talent is developed and ready to move up the organization to launch new client-based businesses. The program's action learning dimension also has a cascading impact on members of the next management level and sister business units as best practices are shared informally through the mentoring program and formally at the annual conference attended by mid and senior managers.

The three categories of resources committed to this program are:

1. the time of the participants and mentors – costs include attendance at a one day kick-off and regular conference calls. (note: the e-learning component of the program minimizes the need for scheduled time off the job since participants integrate learning with daily job activities)
2. HR support – costs include program administration, communication, general learning support for the mentor team (e.g. chairing monthly conference calls) and program participants (e.g. chairing two program wide conference calls, participant surveys, program analysis, etc)
3. e-learning – costs include annual licensing fee and incremental technology costs to support existing technology. Note: new technology was not required to launch the program.

	Participants / mentors	HR support	e-learning
Past costs incurred:	\$40 K	\$35 K	\$75 K
• Launch of the pilot program	(time/travel/expense)		
Present costs per annum:	\$60 K	\$25 K	\$75 K
Estimated future costs per annum:	\$60 K	\$25 K	\$75 K

This Best Practice exemplifies sound learning and performance improvement by:

- Taking an innovative approach to tackle the extremely pressing strategic imperative to develop top talent by integrating succession planning, rapid mentoring, and e-learning.
- Offering a proving ground for high-potential managers where mentors can evaluate performance and concrete contributions (e.g. ROI) through action learning projects
- Exemplifying how Training and Development can be run with a view to demonstrating specific and immediate return on investment
- Illustrating how a flexible performance-oriented e-learning system with top quality learning resources based on a "second generation" design can provide just in time leadership education at senior management levels

- Harnessing the power of the cascading effect of action learning where efforts to develop top team talent has a spillover impact at the next level through familiarity created in the mentoring teams and individual competence improvement within a highly cost-effective e-learning program that translates down into the rest of the organization
- Making the company an employer of choice by investing in people and demonstrating faith in the capacities of internal talent

In conclusion, this program is set apart by its focus on “performance learning” - where learners take control of their own action-learning and add concrete value and ROI for themselves and their company - versus more conventional management development programs that tend to focus on more abstract “off the job” learning that needs to be translated and applied later. This Best Practice offers an effective way to develop top talent where time is a major constraint, managers are geographically dispersed, corporate culture is highly pragmatic, and a key success factor (KSF) is a “can do” mindset.

## DOCUMENTATION

### Needs Identification

1. *Describe the problem or need for which this practice is designed and implemented. How was this problem identified, and how was it determined that this practice is an appropriate response?*

Business problem: The scarcity of top talent was a major bottleneck to rapid business growth, hence a strategic imperative. There simply wasn't enough top talent to fill senior-level jobs as our entrepreneurial company positioned for an intense period of rapid business expansion over the next decade. Pressure was also created by a very competitive industry in its search for talent making it difficult and costly to recruit key talent from outside. Internal talent development offered enormous advantages from time and cost perspectives, leading the CEO and executive team to launch a program targeted at developing high-potential senior managers as rapidly as possible. This was not a “nice to do” option. It was seen as a “do or die” imperative – but one facing great difficulties because resources were already stretched to the limit. The management team was geographically dispersed; conflicting schedules made it virtually impossible to bring them together; managers were reluctant to take days / weeks away from the job because of the volatile nature of the business and clients that demanded close attention and a tight business logic that returned a rapid payback on expenses.

These time and resource constraints, intense business pressures and a culture of extreme pragmatism combined to create an environment that was hostile to learning as an end in itself. The General Management Development Program (GMDP), developed as a strategic response, was designed to meet all of these pressing needs.

Needs Identification:	How this Practice is an Appropriate Response
<p>1. Develop a sufficient level of top management “bench” strength with the expertise to rapidly grow the business – taking into account:</p> <ul style="list-style-type: none"> <li>• time constraints,</li> <li>• cost constraints,</li> <li>• competitive constraints, and</li> <li>• the pragmatic nature of our business culture</li> </ul>	<ul style="list-style-type: none"> <li>• We introduced a program that combines: <ul style="list-style-type: none"> <li>• top quality job-based e-learning supported by team mentoring,</li> <li>• action-based projects core to business development,</li> <li>• high value teamwork where people collaborate on business problems, and</li> <li>• skill development focused on developing 9 competencies such as critical thinking, leadership and learning, team building, covered in an intense six month program</li> </ul> </li> <li>• The program integrates theory and practice. Participants must cover program content and also apply the new insights and ideas directly to business projects and daily business practice.</li> <li>• Program workload is estimated at 25 hours per module – a total commitment of 225 hours/participant that is tightly integrated with ongoing work and job challenges.</li> </ul>
<p>2. Contribute a demonstrable return on investment (ROI) for individuals, business units and the company at large</p>	<ul style="list-style-type: none"> <li>• Action learning principles drive the program and are pivotal in stimulating “on the job” learning.</li> <li>• Each participant selects a stretch project that addresses a key business problem – approved by his/her immediate boss - as a focus for personal learning. This practical learning focus accelerates attention directed at problems that might otherwise be left boiling on the back burner. It also provides the mentors a proving ground for observing leadership in practice.</li> <li>• The project is also the focal point of the kick-off workshop where colleagues, mentors, and learning support staff offer advice to get a fast start.</li> <li>• Participants document the problem/project in a 2-page case study format that becomes the focus for learning and evaluation. They are mandated to “Make a difference to your business” and clearly show a qualitative and quantitative contribution to the bottom line – “ROI-based learning.”</li> <li>• Contributions are highlighted at the annual corporate Operations Conference when the CEO recognizes the project contributions of each graduate of the program.</li> </ul>
<p>3. Become an employer of choice to attract and develop the expertise needed to</p>	<ul style="list-style-type: none"> <li>• High potential candidates are identified in the annual company-wide succession planning process</li> <li>• Candidates are invited to join the GMDP as a</li> </ul>

<p>launch and grow new businesses, and also retain and motivate our high potential employees</p>	<p>prestigious program that is:</p> <ul style="list-style-type: none"> <li>• kicked off at a workshop introduced by the CEO,</li> <li>• mentored by members of the executive team,</li> <li>• recognized with a graduation ceremony that showcases project results at the annual corporate Operations Conference attended by the middle and upper management team</li> <li>• The high profile makes participants feel valued and supported, and showcases development opportunities with the company.</li> </ul>
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The Best Practice has been developed over a period of three years and every year the program has been improved to add more corporate value, and attract more high-powered talent. The CEO's participation and recognition of graduates at the annual Operations Conference symbolizes the company's strong commitment to the program and its strategic value and contribution to the business.

## Design Values

2. *Please describe how this practice takes into account the best interests of both the organization and the employees targeted.*

The program design strongly endorses the importance and value of people in achieving strategic and operational goals. It's about having a win-win orientation for employees, their teams, their careers and the company. Since the emphasis is performance learning, participants are urged to complete course work on-the-job by selecting online resources that are tightly linked to top priority business issues. The application of the learning is the main focus, not meeting screen counts, hours online or abstract testing. It is a senior management program based on adult learning principles and trust – participants are firmly in control of their own learning and performance improvement. The key deliverable is the “push to action” – a message that is continuously reinforced by a) mentors who coach learning teams to tackle important business issues rather than get stuck in abstract learning cycles, and b) the e-learning materials that are specifically designed to stimulate new thinking that can be put directly into practice.

Benefits that serve the best interests of employees and the company include:

- Giving participants access to online tools/supports and high-powered corporate expertise for tackling immediate job problems and issues by integrating work and learning
- Providing career development opportunities for advancement and personal recognition as part of a selection process linked to the succession planning process
- Offering flexible alternatives to conventional classroom-based management development programs that require candidates to leave their families and job responsibilities adding stress to already stressful and often over-committed lives

- Leveling the playing field to ensure fair treatment and equal opportunity for career advancement for women and men by eliminating the constraints of travel making the program equally accessible to people in all locations and functional areas of the organization
- Establishing communication networks across and up the organization by tapping candidates from across the company and giving them direct access to mentors from the executive team
- Creating “live settings” through the use of action learning projects where performance can be observed and evaluated in a pragmatic, cost effective manner from a company perspective
- Offering a proving ground for high-achievers to really show what they can do by delivering on the promise of their talent and capabilities in a highly practical – but low risk context (i.e. participants do *not* work in their mentor’s business operation)
- Providing the executive team the opportunity to seed or influence projects to move the business ahead on both strategic and operational imperatives
- Inviting graduates to participate in upcoming programs to peer-coach or mentor others to support continuous growth/learning, maximize the original investment and ensure the best interests of both are an ongoing priority.
- Building a learning culture where critical thinking, experimentation and “performance learning” are fostered and rewarded
- Establishing the company as an employer of choice by offering an executive MBA-quality program tied directly to succession planning and career advancement

## Alignment

3. *How is this practice in alignment with the performance identified, as described in your answer to question 1?*

The integration of theory and practice embedded in the action learning principles and “second generation” e-learning system that allows us to create a direct performance improvement focus for the GMDP is key to alignment with the strategic imperatives identified in the needs identification section of this submission (question 1). For example:

- Our bench strength is increasing as we take top talent and give them a proving ground where they can develop their leadership potential and make a contribution to their business. This practice not only enables us to test and observe leadership potential, it also meets employee needs for learning without leaving home by closely integrating work and learning. Abstract academic learning (e.g. sending people away on courses) is just not possible in our company.
- The e-learning dimension provides valuable job support, reduces costs and, when coupled with an action focus, enables the program to add value for our company and employees. The practice adds productivity and value to the stressful lives of busy managers by offering them an MBA-quality action learning program at their desk.
- Concrete value is realized as the action learning projects come to fruition. Evidence indicates that breakthroughs can deliver demonstrable ROI as direct and indirect

gains (measured in millions of dollars) are reaped from a program that requires about \$160K in annual investment. (more details are provided in question 8)

- The rigorous selection process, deliberately restricted size of the program to create an intense learning experience, and the points mentioned above contribute to the alignment with the desire to become an employer of choice. Program visibility grows as graduates publicize the program, accept stretch assignments or are promoted, and return to mentor others as the program continues.

4. *Please describe how this practice integrates other training, learning, and performance improvement practices, and aligns itself with organizational goals to achieve the desired outcomes.*

We're building a culture where learning and performance are fostered and highly valued. This emphasizes the importance of all education and training programs offered by our College of Applied Learning to support performance improvement all the way down to the shop floor and loading dock. We see direct evidence of program impact in terms of:

- A marked difference in the willingness of business units headed by graduates of the GMDP to commit to training their people. e.g. "After the opportunity I had I see training as an investment not so much as an expense any more. I want to give some of my people an opportunity like I had."
- Reports from employees on other courses that they have seen the behavior they are learning modeled by the management team in their business that participated in the GMDP. e.g. about coaching: "... It's the way he asks me questions. Now I understand why he does that."
- Self-reports from program participants on how they are, for example, leading "out of the box" thinking using stakeholder analysis tools, overcoming barriers to business improvement and development, using the 15% principle to lever change, finding creative breakthroughs using the rules of one situation to reinvent another, fostering dialogue and open discussion by asking questions instead of giving directives, developing strong support teams by letting go so that others can take a lead role. (specific anecdotal evidence can be provided if requested)

The GMDP practice also aligns very closely with our corporate values of continuous learning and performance improvement. It offers a highly targeted program supported by practical tools and techniques that target skill development at the top of the organization. One of the major benefits of the program is the cascading impact it has down the organization and for our client organizations through improved service and/or reduced costs. For example:

- The performance improvement dimension is reflected in quantifiable gains made in the action learning projects that participants bring to the program. As shown in question 8, the direct and indirect gains from the program have resulted in a benefit-cost ratio of at least 75:1 (i.e. 12000/160K). The high return results from a combination of the low program costs and the high ROI project impacts that the top-team is able to produce.

Our experience is that even a small program can have a huge impact if targeted at top talent development, coupled with an action learning focus.

5. *What evidence is there of partnerships within and outside the organization (e.g. with senior management, frontline supervisors, unions, external training suppliers, consortia)?*

Productive learning partnerships are the foundation upon which this Best Practice is built. For example, the program has created the following internal and external partnerships:

- Program participants partner with colleagues in the mentored learning teams to explore new ideas and discuss the ways they are applying what they are learning to business issues.
- Program participants also partner with others across the whole program to share learning and ideas between business units, directly and electronically.
- Mentors partner as a team to guide the overall program and share insights about what is working well on their teams and where improvement is needed. This creates a vibrant real-time learning context at a senior management level.
- Graduates of the program partner with new participants to coach and mentor in a variety of ways (e.g. technology expertise, content recommendations, learning process ideas, etc)
- The Training and Development Department partners with:
  - Our e-learning provider to create customized courses of study using performance-focused online learning resources that meet the specific individual, team and corporate needs for top-talent development and performance improvement
  - Succession Planning to identify and target high potential candidates in the annual performance appraisal and succession planning process
  - Business unit operations to support participants as well as mentors in learning and working together effectively, and evaluating progress and program effectiveness
  - Our company's technology department to ensure the e-learning dimension hosted on the corporate intranet meets the needs of the participants and the organization
- As indicated in this award submission, the company has formed a strong learning alliance with the e-learning supplier and its learning specialists who advise on how to gain maximum value through action learning applications of their product.
- External partnerships are also formed with client organizations through the action learning dimension of the program where common supplier-client problems can be resolved and gains made for both.

It is especially noteworthy that at every level of partnership the focus/shared goal is directed at talent development and supporting our strategic imperative for rapid business growth. The partnerships reinforce the Best Practice objectives throughout our company and create the common ground that ensures the program stays on track and

that value accrues to individuals, business units, and the company by having a positive impact on bottom-line performance.

## Evaluation Strategy

6. *How is this practice evaluated? What factors are included in your calculations (e.g. time, costs, staff count, lost phone calls, customer satisfaction)? Are the financial costs of this practice calculated? If so, how? How often is this practice evaluated?*

The GMDP practice is set apart by its focus on “performance learning” - where participants take control of their own learning and add concrete value for themselves and their company. This differs greatly from conventional senior management development programs that tend to focus on communication of abstract concepts and theories that need to be translated and applied later. An evaluation strategy designed to test content retention by comparing before and after scores on tests is inappropriate for our model of talent development because it doesn't address the very pragmatic nature of the action learning dimension. In this program, we are more concerned about how performance has actually improved as a result of this intensely targeted six-month learning experience – in terms of real job accomplishments. Therefore the program evaluation strategy is driven by the following key questions that combine objective and subjective evaluation criteria.

*Key Question: Has bench strength improved so we are positioned for rapid business growth? If so, in what ways and by how much?*

- A dual approach is used to assess behavioral aspects of top-talent development that includes:
  - Participant's self-assessment e.g. a written assessment based on specific questions that prompt participants to describe what they learned and how they have applied the new insights and ideas to relevant and critical business issues. This self-assessment of learning and performance is forwarded to the participant's mentor for review/validation.
  - Mentor assessment e.g. a written assessment based on specific questions and guidelines that provide a measure of the participant's progress. Part of the assessment takes into account the participant's ability to self-assess on a realistic basis – which is in itself a key leadership competence.
- Corporate records are updated annually indicating the readiness of the GMDP graduates for promotion and placement in stretch assignments.

*Key Question: Has value been created for the company as a result of the action learning projects that are a focal point of the program? If so, in what ways and by how much?*

- Executive summary: a one-page summary is required as part of the evaluation process at the close of the program that includes a one-line description of the project, key learnings that made a difference, and a summary of business impacts. This is included in a PowerPoint slide presentation made at the graduation

ceremony at the “Ops Conference” where the CEO awards graduation certificates and recognizes program-wide contributions.

- Short report: details the benefits that have accrued from the project as part of an ROI-driven evaluation approach to performance learning e.g. cost savings, cost avoidance, revenues, customer satisfaction, resource utilization, inventory turnover, employee satisfaction, and other relevant measures that indicate the value created

Key Question: *What is the benefit-cost ratio for the GMDP practice?*

- The benefits reported in the summaries submitted by program participants mentioned above are compared to program costs (e.g. participant and mentor costs, HR support costs, and e-learning and associated technology costs).
- We also compare program costs to comparable senior management development programs offered externally. This is important since the second generation e-learning component of the GMDP practice is designed to integrate work and learning to reduce time away from the job and the associated expenses, as well as to stimulate performance learning where personal projects yield value for individuals, their teams, their business units and the company at large

## Results

7. *What specific participant behaviors are observed as a result of this practice, and how do these behaviors contribute to the goals of the practice? Are the impacts of these behaviors short-term or long-term? How do these behaviors differ from the results of previous practices?*

We're a fast growing entrepreneurial enterprise with a strategic imperative mandated by the CEO and executive team to grow talent to support rapid expansion. We are operating within extreme time pressures, over-stretched resources, geographical dispersion, a hyper-competitive business environment. We don't have the luxury of a large institution operating in a stable environment where talent development can be systematically planned and measured using before and after behavioral assessments. Our program takes a highly pragmatic approach. It targets what Dr. Gareth Morgan, a key player in the design of our e-learning program, calls the development of “mindset competencies” and an action-oriented approach to competency development. Therefore we look for results-focused behavior that delivers demonstrable returns on investment to individuals, their teams, their business units and the company at large. Full details of results are provided in Questions 6 and 8, including a demonstrable benefit-cost ratio of 75:1 (based on benefits of \$10M – 20M versus costs of 160K i.e.  $12000/160 = 75$ ).

One other short-term program-wide behavioral impact we've noticed is the development of very close team working relationships between participants and mentors. These relationships blossom very quickly to form strong bonds between levels, across functional departments, business units and geography because of the pressing need to work together solving significant business issues and problems in a collegial manner. We're seeing this foster longer-term networking behavior – an individual and company benefit of this intense learning experience.

Although we do ask for self-assessments from participants about personal behavioral changes that are validated through observations by mentors, this is not the critical aspect of assessing behavioral change. Since the program is designed as a proving ground and “live laboratory” to develop top-talent, the critical short-term and long-term behavior that we seek and recognize is the individual’s capacity to take action, create value and contribute to the company’s bottom line and growth – stated goal of program. We have not had a previous program for top-talent development and therefore cannot compare these results to others. Nevertheless, we do consider our ability to integrate succession planning, executive-quality mentoring and e-learning as a sustainable competitive advantage that can set us apart from our competitors by fostering “performance learning” as opposed to “compliance learning” that locks out innovation.

8. *What was the impact of the practice on your organization? Are the impacts of these behaviors short-term or long-term? Wherever possible please include actual figures related to the practice.*

It is difficult to demonstrate a clear causal relationship between all management education projects and the outcomes that follow because there are so many variables. Many of the GMDP participants have reported that while their action learning projects have drawn on different resources, many of the gains would not have occurred without the program. In particular, the program was seen as pivotal in getting high return action projects to the top of their agenda. The program can therefore be regarded as a key factor leading to the financial and other gains. Our experience is that it takes just one major breakthrough to deliver huge gains, and we find this pattern at work each year of the program. One or two projects often deliver most of the returns that are a direct product of teamwork and mentoring by the executives involved. On the basis of our investigation and documented results we feel confident in reporting demonstrable gains of \$10M - 20M – see details below. On a conservative note, even if we attribute just 10% of these gains (\$1M), the ROI related to the program is 625% - a benefit-cost ratio of 6:1 (i.e. 1M/160K).

Short-term Benefit Impacts include:

Breakthroughs on action-learning projects included in the program e.g.

- Revised loading procedures to increase fill rate and reduce damages due to load shift
  - estimated freight savings of over \$10M in one year
- Creative ratification of a highly volatile union contract without a labor disruption
  - estimated savings of \$10M - \$11M over a five year period (securing major competitive advantage and client commitment for future contracts)
- Streamlined procedures of regular maintenance of specific equipment
  - Improved service quality cutting maintenance time by 65% from 1560 hours to 576
  - Labor costs saving of \$22.5K on a pilot in 12 days – now being rolled out as a best practice across the organization with further gains
- Resolved gridlock and gate congestion by creating a second outbound lane

- Cost avoidance of significant investment to build a second exit

Longer-term Benefit Impacts that have yet to be quantified:

- Improved forecasting accuracy for inbound/receipt planning from 40% to 80% which will result in savings and client loyalty
- Increased e-procurement usage rate from 48 to 75% which doubles buying power (\$200 -400K/month), leverages volumes and drives down pricing (savings yet to be determined)
- Streamlined reporting process which directly impacts client perceptions, service levels, and improves decision-making that can save time and costs and build client loyalty

Investment:

- Annual program costs are \$160K (i.e. \$60K time/travel/expense for participants and mentors + 25K for HR support + 75K for e-learning and technology support). Note: Salaried costs are included for the workshop. However no costs are included for e-learning time since the performance/action learning focus allows the majority of the learning to be integrated with work practice with no extra cost to the organization.

NOTE: The e-learning component has a significantly positive impact by:

1. Reducing the training investment in the program which would typically run at \$500K
  - Based on an estimate of \$25K for 6 weeks (i.e. 225 online hours) of MBA-quality executive level education – travel and program expenses
2. Increasing realizable benefits of the program by providing practical tools and techniques that can be applied immediately to action-learning projects for demonstrable ROI

Other benefits (details in questions 1 – 5) include:

- Alignment of HRD function with strategic imperatives to support rapid business growth
- Tightly integrated succession planning, mentoring and e-learning for top-talent development
- **Rapid leadership skill development of high-achievers for handling additional senior level responsibilities, as well creating a pipeline of talent for promotional opportunities as the business grows and expands i.e. the right talent available at the right time philosophy**
- **Built in company-wide dissemination of best practices at our annual operations conference**
- Development of a strong learning culture for sustained growth and development
- Role for T&D changed from content expert to providing timely learning support, creating a safe context for learning, catalyzing the capture and dissemination of best practices, and evaluating the ROI on the program investment

Although the results will stand up to rigorous scrutiny, we feel they need further explanation. In the pilot program, there was a more modest benefit-cost ratio 1.87 : 1 –

enough to justify continuation of the program. What is noteworthy this year is how the focus on “stretch” projects and the push for demonstrable gains has generated exceptional “returns.” In a program of twenty top people, all it takes is one breakthrough to create enormous returns - the principle of high leverage. It’s a risk. You can never know for sure if you’ll get the breakthrough results. But if just one person has a major breakthrough – even every few years, the investment in this program more than justifies the time and effort from a value creation perspective. The top-talent development achieved is always paid for by the results – even when modest. The other key benefit rests in the ability to see what talented people can do when mandated to make a difference for the business given the resources and support of executive level management.

## Shared Learning

9. *What have been some of the specific lessons learned from designing and implementing this practice for the purposes of continuous internal improvement? Please discuss whether and how this practice might be transferred and replicated both internally and external to your organization.*

Specific lessons learned from implementing this Best Practice include:

- How to create a low cost intense action learning experience to develop top talent that has significant impacts on demonstrable business results
- How a strong partnership with an e-learning partner providing top quality performance-oriented content used in an action learning context can ensure exceptional learning
- How flexible “second generation” e-learning materials (definition given below) are crucial for targeting program and learner needs in ways that link theory and practice. (All of the learning materials used for this Best Practice were specifically designed to provoke “performance learning” as opposed to teaching abstract concepts)
- How to effectively integrate technology and human interface by combining online learning and mentoring to develop top-talent identified in the annual succession planning process
- The importance of building learning programs that blend with the time constraints of busy senior managers
- How one of the big motivators for senior management to get involved in the program rests in designing programs where they can deal with real business issues and explore potential solutions through mentored discussion and team learning with colleagues
- How one can make the idea of a learning organization more than a concept – the community created through this program is becoming a network for sharing best practices
- How motivated learners that have experienced success have a tendency to take the learning out to a broader community e.g. program participants enthusiastically share learning with the members of their team, colleagues, and senior executives from the broader organization

- How enlisting mentors from various business units is an effective way to raise important issues and foster open cross-organizational communication for disseminating knowledge

This Best Practice can be transferred and replicated. Success rests in:

- Implementing a timely and appropriate succession planning process for identifying high-potential candidates that have the capacity to prove themselves in a results-focused program where *what they do* – not just what they know – is the key criteria for career success
- Selecting content supported by an appropriate action-oriented learning design
- Using a results-focused strategy for program evaluation (benefit-cost ratio) to find effective ways to reduce training investment (e.g. e-learning technologies) and increase value creation
- Developing a “tight-loose” framework for learning that offers participants the freedom of learning what they want when they want (loose) yet clearly communicates expectations (tight) that link learning directly to work (e.g. through action-learning projects and encouragement to apply new insights and behaviors on the job to daily business issues)
- Looking for high-leverage points where a small training investment can have a large positive impact due to cascading impacts e.g. targeting action-learning programs for top-talent development can create intense learning experiences that can rapidly deliver performance improvement and move the organization ahead on key strategic imperatives

A footnote on the “second generation” approach to e-learning:

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### What is a “second generation” approach to e-learning?

**Unlike traditional “first generation” e-learning systems that are highly linear and instructor-driven, a second generation approach:**

- Puts learners firmly in control of their own learning by configuring highly granular content for use in a *non-linear* fashion – in whatever way the learner chooses to learn.
- Allows the learner to drill as deeply into the material as he or she wishes.
- Provokes the creation of new applied knowledge
- Encourages learners to share their insights and new knowledge with colleagues.

***“Research shows that over 80% of learners prefer non-linear approaches to learning. Our experience is that if you can create a structured environment in which this can happen – e.g. by linking the learning to specific objectives - it’s possible to create major new value for the learner.”***

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## Contacts

Fred Lewandowski  
Director, Management Staffing & Development  
Tibbett & Britten  
[fred.lewandowski@tbgamericas.com](mailto:fred.lewandowski@tbgamericas.com)

Sandy Betti  
Manager, Training & Development & Relocation Services  
Tibbett & Britten  
[sandy.betti@tbgamericas.com](mailto:sandy.betti@tbgamericas.com)