

Ultimate Guide to Organizational Development

A data-backed look at training, learning,
and development today



INTRODUCTION

Countless industry reports and surveys provide valuable data about organizational development and training. The challenge these days is not in collecting and analyzing information, but in making it useful in the workplace. Identifying trends and gaps is a good first step in making the data work for you. Trends give insights about what is on the horizon and help organizations stay relevant and competitive in the eyes of both customers and job seekers. Simultaneously recognizing gaps can help illuminate what is missing when it comes to practical application. Focusing on the gaps and successfully addressing them offer an opportunity to shine in a competitive job market. Just as you might seek out the marketplace gaps when developing a new product or service, you can do the same when it comes to internal development.

This guide presents compelling data about trends and gaps in organizational development and provides practical guidance on how the data can be applied in the real world. Although every organization has unique challenges, the concepts can be applied across any industry sector.





Trends in Organizational Development

Several trends in organizational development have been identified in recent years, but three stand out as having common threads and the potential to support each other when successfully implemented: strategic organizational development, learning, and technology.

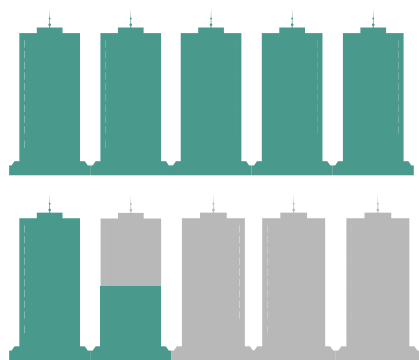


Strategic Organizational Development Is Top of Mind

Many organizations are paying more attention to not just skills in the workplace, but also how learning and development fit in the organization as a whole. They see the value in taking a holistic view of internal investment in employees, processes, and company culture.

BUSINESS ALIGNMENT

Talent management and development are key to the success of any business. However, learning strategies are often developed without considering the larger business goals. The latest data show that organizations recognize this disconnect and want to do something about it. When asked about the primary drivers for implementing an organizational development strategy, 65 percent of companies stated that their goal was to prioritize business needs and align business, human resources, and learning strategies.¹ If this trend holds true, expect to see more organizations taking a close look at their learning and development strategies and how they impact the larger business objectives.



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ATTRACTING TALENT

An organization can only perform as well as the sum of its parts. This is why attracting and retaining top talent is a priority at high-performing organizations. To draw in and keep desirable applicants, robust training programs are being developed and offered. This includes more customized programs that are tailored to individuals or teams, rather than run-of-the-mill standardized training programs that don't necessarily match skill sets or the needs of the position. Skills training is also becoming much more specific as organizations steer away from generic training and focus more on honing specific skills at the individual level.²

NEW TEAM STRUCTURES

Organizational structures are shifting as technology enables mobility, flexibility, and a more global reach. To capitalize on these benefits and stay competitive, many companies are putting greater focus on organizational design and restructuring into networks of teams. Rather than staying in departmental silos, these teams are more project-oriented and will come together, often on a temporary basis, to work on specific tasks. These new structures will require updated training programs to accommodate leadership development, performance management, and skills training in an evolving corporate environment.³

EMPLOYEE ENGAGEMENT

Executives have identified employee engagement as a top priority for human resources and organizational development, with 85 percent of executives ranking it as an important business issue. Measuring engagement allows managers and executives to determine how employees feel about the culture, changes in process, and other workplace issues. Tracking this metric enables a faster response when organizational objectives and reality become disconnected. To measure engagement on an ongoing basis, annual surveys are being replaced by “employee listening” tools. These include periodic pulse surveys, social tools that allow employees to comment while remaining anonymous, and more frequent one-on-one check-ins with managers.⁴



85%
of executives

have identified employee engagement as a top priority for human resources and organizational development.⁴

Leaders Are Focusing on Learning

A recent Deloitte report indicates that 84 percent of executives believe that learning is an important or very important business issue. The same report identifies trends in prioritization of shaping culture and nurturing leadership, two key areas where learning and development also play a critical role.

This attention to learning has brought about changes in the types of training being offered, with a shift toward experience-based learning in lieu of traditional training models. Employees now expect a more integrated learning experience, and employers are increasingly able to provide it through content curation, experiential learning, and innovative learning platforms.⁵

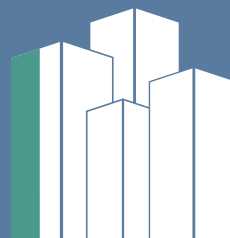


Technology Stays on Trend

The trend toward using new technologies to support learning and development is nothing new. However, companies are adopting new technologies at a higher rate than in previous years, indicating that the desire to use new technologies in these areas is shifting from aspirational to reality. Another indicator of this shift is an increase in the percentage of companies (from 30 percent the previous year to 43 percent) that feel comfortable incorporating massive, open online courses into their learning platforms. Companies that said they would consider incorporating advanced video in a learning program also tripled from 5 percent to 15 percent, demonstrating a noticeable change in the attitude toward technology and its role in learning and development.⁶



43%
of companies feel comfortable incorporating massive open online courses into their learning platforms.



15%
of companies say they would consider incorporating advanced video in a learning program - up from 5% in 2014.⁶



Gaps in the Workplace

Recognizing trends is just one step toward staying competitive in the learning and organizational development landscape. If you want to stay ahead of the game, identify the gaps and determine what your organization can do to fill them. The same three trends in strategic organizational development, learning, and technology also have notable shortfalls.

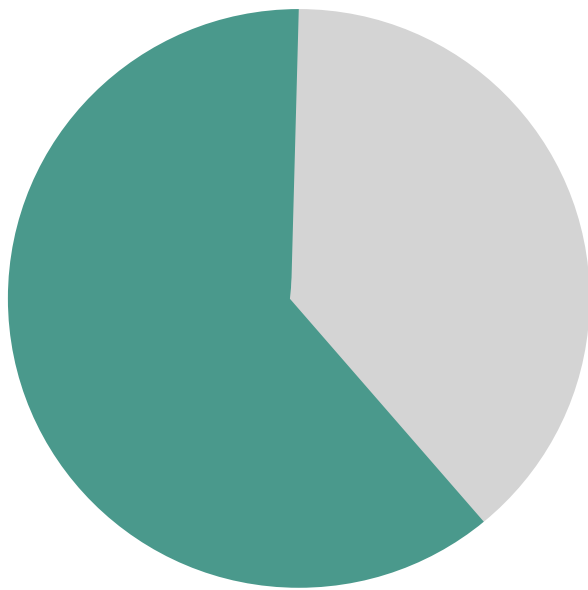


Strategic Organizational Development Is Underdeveloped

Although the desire to align organizational development with business goals is strong, the reality does not yet quite measure up. The same is true of optimizing new team structures and tackling employee engagement.

Alignment with Business Goals

When asked about the linkage between learning objectives and corporate performance goals, only 30 percent of companies said they were highly aligned. Approximately the same percentage of businesses also identified alignment of the business as one of the major challenges when implementing a learning strategy. Not only is there clearly a gap between the 65 percent of companies that desire strong alignment and the 30 percent that are actually doing it, the data shows that this issue is a known problem that organizations are trying to address.⁷



65% of
companies

desire a strong alignment
of their learning objectives
and performance goals.



30% of
companies

said their learning objectives
and performance goals
were highly aligned.

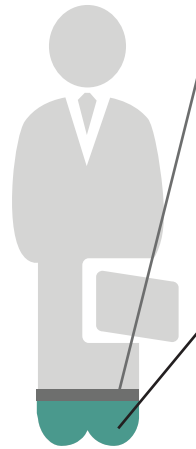
New Team Structures

Despite the fact that traditional team structures are rapidly changing, only 14 percent of executives actually believe their companies are prepared for this evolution. They also don't feel that they, as leaders, have the appropriate skills to guide their organizations through this transition. Approximately 1 in 5 executives (21 percent) feel that they have expertise in building cross-functional teams. Even more alarming, only 12 percent understand the way their own employees work together in networks.⁸ It is clear that leadership is not keeping up with the shifting landscape of organizational design.



**1 in 5
executives**

feel they have expertise in building cross-functional teams.

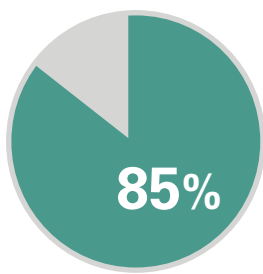


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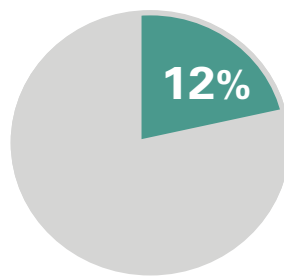
Employee Engagement

Remember that 85 percent of executives ranked employee engagement as a top priority for human resources and organizational development. However, this issue represents one of the larger disconnects between the trend and the reality. Only 12 percent of surveyed executives believe their organizations are "very ready" to deal with engagement issues, and 34 percent feel they are "fully ready." These numbers are on the rise from the previous year but are still a far cry from where the vast majority of companies have said they wanted to be. Why is employee engagement such a challenge? One clue is that 64 percent of companies still measure employee engagement only once per year.⁹

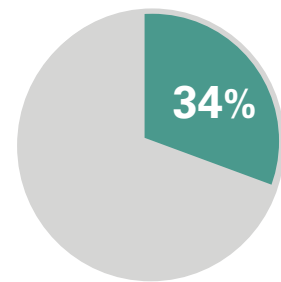


of executives ranked
employee engagement
as a top priority.

but only...



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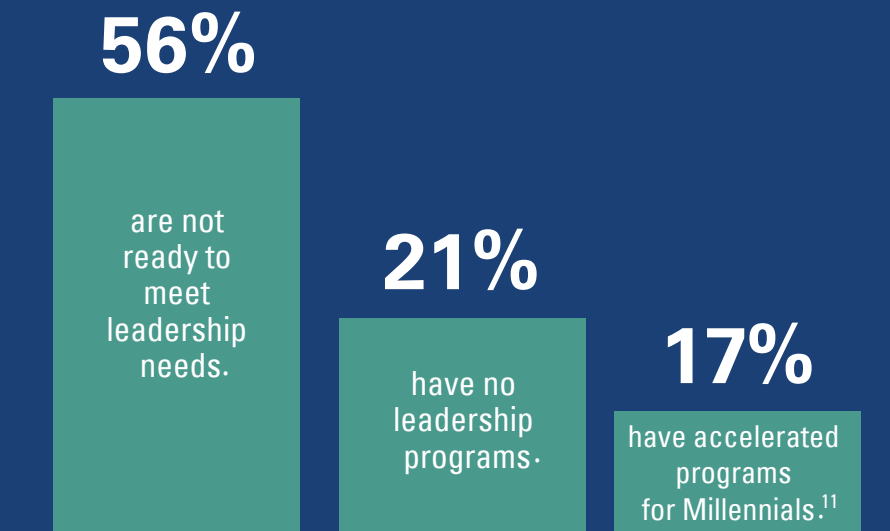
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Organizations Are Still Learning About Learning

Executives recognize that learning is an important component of organizational development and employees have high expectations about training programs. However, the reality doesn't quite measure up.

Despite a growing trend toward more engaging learning methods, there's a lot of room for growth in this area, as traditional classroom learning is still the top method used in most organizations.¹⁰ Leadership training is another area of weakness that should be addressed. More than half of companies (56 percent) report that they are not ready to meet leadership needs. This could be in part because only 17 percent have accelerated leadership programs for Millennials and 21 percent have no leadership programs at all.¹¹

Of Companies
Surveyed...



The challenge of filling the leadership pipeline is not necessarily related to a lack of investment. Spending on learning rose 10 percent in 2015, but only 37 percent of companies feel that their programs are effective.¹² The problem is not with insufficient budgets, but with implementing an effective learning strategy. Most companies continue to use outdated platforms and static learning approaches, with the vast majority spending more than half of their training budgets on traditional classroom learning.¹³ With this type of stagnation, it's no surprise that they are not able to meet the high expectations of the modern workforce.



37%

Only 37 percent of companies feel that their programs are effective.¹²

Technology Is Underutilized

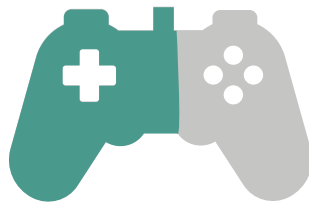
Technology is evolving more rapidly than organizations are able to adapt to it. This leads to gaps in the use of technology in multiple areas of learning and organizational development, specifically in training, reinforcement, and measurement.

The numbers are stark, especially considering that advanced solutions are readily available:



63%

of companies surveyed have never used mobile learning.



60%

of companies surveyed are not using online games.



43%

of companies surveyed don't leverage social and collaborative learning tools.¹⁴

The technology is there and has been for a long time. Although organizations are increasingly becoming more comfortable with the use of technology in learning and organizational development, this is clearly an area that offers a lot of room for improvement.



Translating Data to the Day-to-Day

Data is useful, but it makes up just a snapshot of a particular point in time. The question is, how can you use this information to improve your organization in each of these areas. Strategic organizational development, learning, and technology? Use the existing data to close the gaps and your organization will stand out among the competition.



Aligning Business with Strategic Organizational Development

As one of the top challenges that companies face, alignment between business goals and learning strategies must be prioritized. Creating an organizational development program in a vacuum will only result in a disconnect between aspirations and reality. If you want an organizational development strategy that is truly effective, learning goals must be linked to performance. This can be achieved by periodically evaluating your strategy, staying continuously connected to employees, and regularly measuring results.

Stay Current

In order for training and development to stay aligned with business goals, you must periodically evaluate your learning strategy and compare it against the organization's strategic objectives. What has worked in the last 12 months is not necessarily the same path for the next year. If your business strategy is not stagnant (as it should not be), your organizational development strategy cannot be either. The two must evolve hand in hand in order to achieve meaningful performance results.

It's also important to keep an eye on the world around you in order to keep pace with other companies. For example, 2015 saw significant investment growth in human resources software, with a 60 percent increase over the previous year.¹⁵ These types of market indicators cannot be ignored and should be factored into the ongoing improvement of organizational development strategies.



PRACTICAL TIP

Incorporate learning and organizational development into your overall business planning process to ensure that training goals align with strategic objectives. If you don't already have an organizational development strategy, create one to support the business goals you have already defined. If you do have a strategy, take a look at it through the lens of business alignment and make adjustments as needed.



Stay Connected

As team structures continue to evolve, it's critical for human resources and executives to stay connected both to each other and to employees. Key players must collaborate every step of the way from goal-setting to measurement in order to maintain business alignment in the long term.

Employee engagement must also be measured on an ongoing basis, not just once a year. With continuous measurement, as soon as engagement starts to slip, you have an opportunity to make adjustments and get back on track. Annual feedback will only let you know that there is a problem when it's too late.



PRACTICAL TIP

Ensure that executives and human resources professionals work closely together to develop a comprehensive learning and organizational development strategy. Don't dissolve the team after the strategy has been established; maintain the connection and continue to refine tactics based on regular employee feedback.



Stay Focused on Results

The only way to know if your learning and development strategy is working is to measure the results. Ongoing measurement allows you to quickly identify what is and is not working so that you can make adjustments along the way. Waiting for 6 or 12 months to analyze the data will only result in wasted time and resources. Measurement is also a useful tool for identifying and celebrating success to keep employees motivated to apply new knowledge and skills. Research shows that the highest-performing companies do a better job of robust measurement. Specifically, these organizations are measuring well beyond just how employees feel about the training program; they are also measuring behavior change and performance results.¹⁶

In addition to measuring training results, you can also use ROI as a metric for organizational development initiatives. Calculating ROI, either in dollars and cents or using other benchmarks, allows leaders and employees to see that the investment is worth the time and resources. Even if they already know this intuitively, putting it in numbers reinforces the validity of the process and confirms that it is time well spent. Measuring ROI will also help the organization keep learning and organizational development in line with business goals, as the metrics should be in line with the stated strategic objectives.¹⁷



PRACTICAL TIP

Create a measurement system that is simple to use, easy to analyze, and focuses only on the data that is most relevant. Use metrics that are in line with business goals and go deeper than just gathering feedback about how employees feel about training. Digital tools are a great way to streamline and automate data collection and analysis.

Prioritizing and Optimizing Learning

If 84 percent of executives believing that learning is important doesn't convince you that it's worth the investment, perhaps another data point will. Research shows that a greater investment in training produces higher profits in the form of higher sales per employee and a higher gross profit per employee.¹⁸

The first step is to develop an ongoing learning strategy if you don't already have one. Don't be afraid to invest—when done right, training has the potential to boost the bottom line. When developing or refining your strategy, consider how learning can be applied in multiple areas: job skills, leadership, teamwork, communication, etc. Also, consider your audience. For most organizations, this might mean a mix of multiple generations, varying career levels, and remote workers.

One of the best learning methods that is effective for all types of audiences is experiential learning. This approach can be used to teach virtually any type of skill, and it resonates with people of all ages at any career level. With experiential learning, participants learn by doing. Rather than sitting in a classroom and watching a lecturer, they get to test new skills in a safe environment that allows them to learn from both their successes and failures. By linking the training experience to real-world situations they face on a daily basis, participants are better able to apply their new skills.



Some of the most compelling reasons to employ **experiential learning** are:

70%

of job knowledge is acquired through experience.

70%

of participants express a more positive attitude about experiential learning versus traditional methods.

3x

High-performing organizations are three times more likely to use experiential learning.

80-90%

The retention rate for experiential learning is dramatically higher than traditional learning (80% to 90% versus 3%).

5

It works for all five generations in today's workforce and is effective for individuals at every career stage.¹

One of the most common barriers to experiential learning is the perception that it costs more. However, the cost of experiential learning is comparable to other types of training, but because the results are longer-lasting, it is the more cost-effective solution. Experiential learning paired with an effective retention and measurement strategy will ensure a positive ROI.



PRACTICAL TIP

To get the most from your learning and development strategy, make an effort to shift away from viewing learning events as parts of discrete training programs, and try to create a non-stop learning environment that leverages the expertise of leaders and peers. Creating a culture of learning will lead to long-term success and a universal effort to continuously improve.

Tapping into Technology

The use of technology in learning and development represents one of the biggest gaps between the trend toward wanting to embrace it and the reality of actually doing it. There are likely a number of reasons for this. It's difficult to roll out new software; it requires a lot of resources, and convincing employees to adopt it can be quite challenging. Even before the implementation stage getting stakeholders to agree on the right solutions can be a major hurdle. Regardless of the reasons for the slow adoption rates, there are a couple of approaches that you can take to help close the gap.

It's important to use technology appropriately. Don't do it just for the sake of it; find the solutions that are the best fit for your specific goals. Implementing new software that doesn't help you achieve your goals will only result in frustration and wasted resources. Remember that whatever solutions you select; they must be in alignment with your organizational goals.

With that in mind, there are a number of ways you can leverage technology to get the most from your learning and development strategy. Some examples include:

- ▶ **Online and mobile learning platforms**
- ▶ **Digital reinforcement tools to help employees retain knowledge**
- ▶ **Ongoing measurement systems that gather feedback and collate data**

It's also important that implementation of any new systems must be supported with sufficient training and the message that employees are required to use them. Without this clear message from leadership, new technology has the potential to fall by the wayside, no matter how useful it is.



PRACTICAL TIP

Take the time to define your specific requirements for learning and organizational development and determine which of those areas could benefit from the use of technology. Not all of them will. When technology becomes too cumbersome, it won't be used, so be selective about the solutions you implement and make sure they support your business goals.

Conclusion

There is plenty of data available to help guide your learning and organizational development strategy—all you have to do is find it. However, data alone does not get things done in the real world. You must break it down to actionable insights based on the trends and associated gaps and then determine the practical solutions that will work best in your organization.

When approaching learning and organizational development, ask and answer these questions:

#1 Start With the Strategy –
Does it align with business goals?

#2 Use the Right Learning Tools –
Are you teaching the most people in the most effective ways?

#3 Leverage Technology –
What tools can you use to boost learning, engagement, reinforcement, and measurement?

There is no magic wand when it comes to learning and organizational development. Every business faces unique challenges and must consider a broad range of factors. However, using a framework based on emerging trends and existing gaps will help you better determine where to focus resources and how to approach learning most effectively.



If you would like to learn more about learning and organizational development, contact Eagle's Flight today. With expertise in every area from strategy to post-training retention, we can help you develop and implement a tailored learning program that builds on itself for ongoing benefits to employees, leadership, and the organization as a whole.

Request a Consultation



Endnotes

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