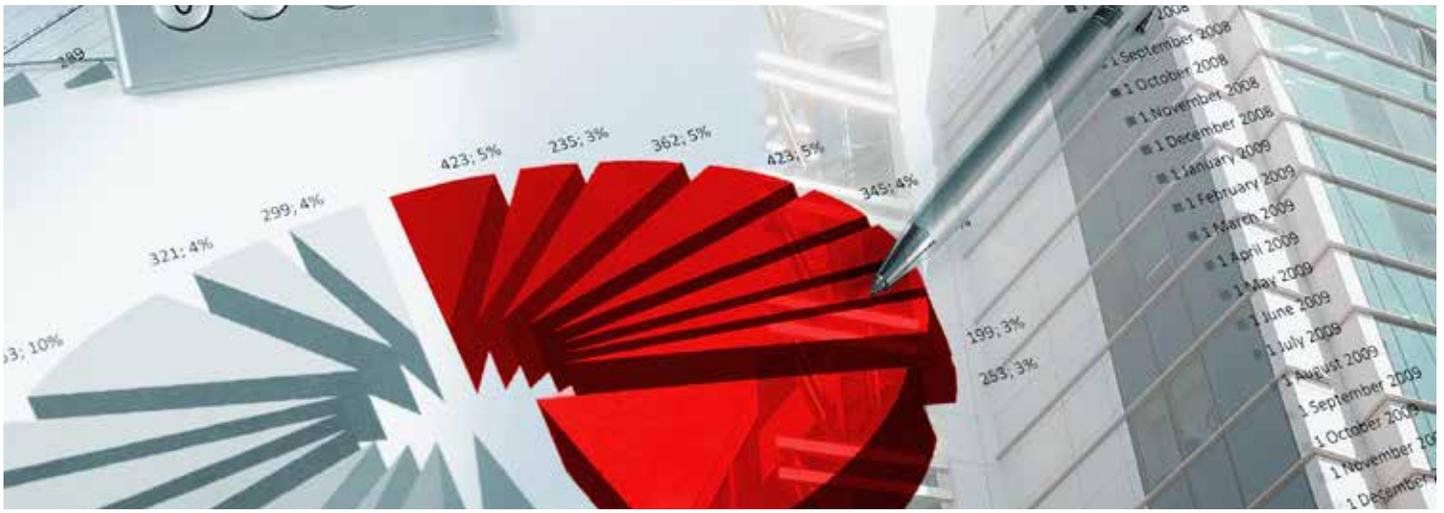


TDRp for Learning and Development

Executive Brief

Managing Learning Like a Business to Deliver Greater Impact, Effectiveness, and Efficiency



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Introduction



Talent Development Reporting principles (TDRp) is an industry-led initiative to better manage learning and development in particular and all key talent processes in general. Application of TDRp will enable you to more effectively and efficiently impact the bottom line results of your company. In particular, TDRp will help you and your organization:

- Identify your key company goals
- Align learning to these key company goals and establish the expected impact of your initiatives on business outcomes
- Identify, report, and manage the most important effectiveness and efficiency measures for your key initiatives
- Manage key initiatives through the year to deliver planned results

In brief, TDRp will enable you to run learning like a business. This means identifying the right learning and development programs, carefully planning those programs, collaboratively establishing goals with program sponsors and stakeholders and executing with discipline throughout the year to ensure the planned, agreed-upon results are delivered as effectively and efficiently as possible. This approach will allow you to deliver the greatest impact for your budget and will help you be viewed as a valued, strategic partner.

TDRp began in 2010 when Kent Barnett, CEO of KnowledgeAdivsors, and Tamar Elkeles, VP of Learning for Qualcomm, engaged a group of industry thought leaders to develop standards for L&D, much like accountants have in GAAP in the US or IFRS elsewhere. The effort resulted in a framework for reporting and managing that provides a CLO with all the necessary tools to run learning like a business including:

- Guiding principles
- Standard outcome, effectiveness, and efficiency measures
- Three standard statements employing these measures:
 - Outcome Statement
 - Effectiveness Statement
 - Efficiency Statement

- Three recommended executive reports employing key measures from the three statements
 - Summary Report for the CLO, CFO, and CEO
 - Program Reports for the CLO, Directors, and Program Managers
 - Operations Report for the CLO and Directors
- Detailed implementation guidance
 - How to conduct discussions with the CEO to establish priorities and goals
 - How to conduct impact discussion with the sponsors
 - How to create the TDRp statements and reports

More than a set of measures or reports, TDRp is designed to answer the most common questions facing learning leaders:

- What should we measure and how should it be defined?
- How should these measures be reported?
- What do CLOs need to manage their function?
- What information do CEOs need to assess the value of L&D to the business?
- How should CLOs and their staff use TDRp reports to manage the function?
- How can we show the value of our work?

TDRp was developed for L&D in 2011 and expanded to other talent processes (like talent acquisition and performance management) in 2012. Hundreds of organizations are now implementing TDRp.

The Center for Talent Reporting, a nonprofit 501c6 organization, was established in sponsorships and workshop income. The board of directors is composed of industry leaders:

- Kent Barnett, CEO, KnowledgeAdvisors
- Laurie Bassi, CEO, McBassi and Associates
- Carrie Beckstrom, VP of Learning & Performance, ADP
- Josh Bersin, Principal, Bersin by Deloitte
- Jac Fitz-enz, CEO, Human Capital Source
- Jeff Higgins, CEO, HCMI
- Kevin Oakes, CEO, i4cp
- David Kuhl, SVP of Talent, First Data
- Claudia Rodriguez, VP of Learning, Motorola Solutions

David Vance, former President of Caterpillar University and Chief Economist for Caterpillar, serves as Executive Director. Peggy Parskey is Assistant Director.

Guiding Principles

Certification for practitioners and software, and accreditation for consulting companies and implementing organizations, is now available to ensure that practitioners and consultants are able to demonstrate competence in TDRp and that software meets TDRp standards. Monthly webinars are conducted to introduce TDRp and two-day workshops are available for an in-depth understanding.

Eight guiding principles provide direction for the entire executive reporting process.

1. Executive reporting should employ concise and balanced measures that are reported in a consistent and clearly defined format
2. Executive reports should be produced and communicated with a frequency and thoroughness to enable appropriate management of the function
3. Executive reporting should include actionable recommendations
4. Data integrity and completeness should be maintained
5. Appropriate analytical methods should be employed
6. The impact and value or benefit of programs and initiatives should be provided whenever appropriate
7. The full costs of L&D should be captured and reported
8. Executive reporting and the underlying data bases should support continuous improvement

The first principle (employing right measures) is especially important so the following detailed guidance is provided:

- a. Key effectiveness, efficiency, and outcome measures should be reported and tracked on a regular basis. These include organizational goals and the contribution of L&D to those goals; key volume, cost, and utilization measures; and level 1-5 measures.
- b. Goals should be set for key outcome, effectiveness, and efficiency measures. Performance to goals should be tracked and reported.
- c. Executive reports should include, at a minimum, results for last year, current year plan or goal, current year-to-date (YTD) results, and a forecast for the current year. Detailed reports typically include just the results which may be daily, weekly, monthly, quarterly, or yearly.

This guidance not only influences the format of the reports, but in combination with the assumptions of strategic alignment and proactive sponsor discussion, it offers critical management principles for all learning leaders to follow in terms of setting goals, tracking YTD progress, and forecasting how the year is expected to end.

Standard Measures

Every organization should employ three types of measures using industry standard definitions, although the choice of measures will depend on the goals of the organization and L&D function as well as the challenges they face for the coming year. The three types of measures are outcomes, effectiveness, and efficiency.

- **Outcome measures** capture the impact L&D is expected to have on the organization's most important goals. For example, a sales training initiative might be expected to contribute 20% towards the company goal of increasing sales by 10%.
- **Effectiveness measures** are indicators of how well learning contributes to organizational outcomes. In short, they are about quality. For L&D the effectiveness measures are simply the Kirkpatrick/Phillips levels 1-5. An organization need not report all five measures.
- **Efficiency measures** are indicators of an organization's activity and investment in learning. Examples include the numbers of learners, number of courses, cycle times, utilization rates, costs, and percentage of employees reached by training.

An organization just starting its measurement journey may have only five of each type to start while a more mature organization may have 10-20 for each. (Many organizations strive to collect hundreds of measures. This is a mistake. The goal is to have just the right number—the select few which their managers will use on a monthly basis to run learning like a business.)

The Three Statements

The three statements are intended to organize L&D measures just as the income statement, balance sheet, and cash flow statement do for accounting measures. There is a standard format for each (just like with the three accounting statements), but the elements or measures for each will differ depending on the particular industry and circumstances. There is a statement for each type of measure: an outcome statement for the outcome measures; an effectiveness statement for effectiveness measures; and an efficiency statement for the efficiency measures. Each statement will have the same columns: last year's results, this year's plan, year-to-date (YTD) results, and YTD results as a percent of plan. The statements may have additional columns (like monthly plan and results) but these are the minimum. These statements should be produced at least quarterly and, in most cases, monthly.

The first statement is the **Outcome Statement** which brings together the key goals or desired outcomes (results) of the organization and the impact L&D is expected to have on achieving those goals. The report should include the primary goals of the organization for the year (e.g. a 10% increase in sales), any other goals which will be supported by learning, and the expected impact or im-

portance of learning on achieving those goals. In addition to sales, goals might include market share, cost, quality, innovation, productivity, customer satisfaction, employee engagement, retention, and many others. The goals should be shown in descending order of priority. The impact or importance of learning on achieving the goal may be a Kirkpatrick/Phillips level 3, 4, or 5 quantitative measure (a number), or it may be expressed qualitatively (like high, medium, low). It should represent primarily the view of the sponsor (e.g. the VP of Sales believes the proposed learning program, properly conceived, designed, implemented, and reinforced, should contribute 30% of the 10% increase in sales [or 3% higher sales]).

The second statement is the **Effectiveness Statement** which contains more familiar measures and focuses on how well or how effectively the business outcomes are achieved through learning. Recommended measures include Kirkpatrick/Phillips levels 1-5. All organizations should be able to report level 1 (satisfaction) and 2 (learning) measures. Level 3 (application) is strongly recommended for all important programs aligned to organizational goals. Levels 4 (impact) and 5 (net dollar benefits or ROI) are recommended for key programs. A forecast for levels 3 and 4 can easily be obtained from participants when the level 1 survey is conducted.

The third statement is the **Efficiency Statement** which brings together all the activity measures and cost elements necessary to judge how efficiently the outcomes were achieved. Efficiency measures include Level 0 or volume (number of participants, courses, hours, etc.), utilization rates (courses, instructors, facilities, etc.), budget and opportunity costs, program and vendor management, cycle times, reach, and other key indicators.

The Three Reports

The three recommended reports are the L&D Summary Report, L&D Program Report, and L&D Operations Report. These are intended for managers and decision makers to use in managing and overseeing the L&D function. Each report is designed to answer the same questions: how are we doing versus plan and how is the year going to end.

The reports are intended to pull key measures from the statements to be used in the management of the L&D function. Consequently, they will be highly customized to reflect the measures that are most important for a particular function. Although the chosen measures will differ by organization, each report should show the same columns or information: last year's results, this year's plan, year-to-date (YTD) results, YTD results as a percent of plan, and a forecast for the year. These are the same columns as in a statement with the addition of a forecast column. The reports may have additional columns (for example,

monthly results and monthly plan), but these are the minimum. These reports should be produced at least quarterly and, in most cases, monthly. They should be 1-2 pages in length and should be interpreted for the audience either in a face-to-face presentation or in writing with a focus on summary conclusions and recommendations.

The first report is the **L&D Summary Report** which includes key measures from all three statements. It is designed to be used by senior organization executives (CEO, CFO, etc.) and learning executives (CLO or VP of Training) and will contain higher-level, aggregated information about the most important initiatives and measures. Typically, the L&D Summary Report will include key organization outcome measures (including the impact of learning), key effectiveness measures (like feedback, learning and application), and key efficiency measures (like number of unique and total participants, number of courses and hours, reach, utilization rates, cycle times, budget and opportunity costs, and cost reduction).

The second report is the **L&D Program or Initiative Report**. The target audience for this report is learning executives who manage programs, people and budget, including the CLO, directors and program managers. The report is designed to manage programs and initiatives on a monthly basis to deliver the planned results. Consequently, it will be more detailed and focused than the L&D Summary Report. Typically, it will include the organization goal, learning's impact on that goal, number of participants, number of courses, completion dates for development and delivery, and levels 1-3 (including the sample size).

The third report is the **L&D Operations Report**. The target audience is the same as the L&D Program Report: learning executives. The purpose of the report is to manage L&D operations effectively and efficiently. This report will contain the most important measures from the effectiveness and efficiency reports, focusing on those key measures which will be actively managed on a monthly basis.

Conclusion

In conclusion, TDRp is designed to help you run learning like a business. TDRp provides industry-standard definitions for measures, three standard statements, and three customizable management reports. Moreover, TDRp also provides the underlying management principles and guidance necessary to align learning to your organization's objectives, get agreement with the sponsors on expected impact, and manage with discipline on a monthly basis to deliver planned results. It is a simple and consistent yet flexible framework to help you become a valued, strategic business partner.

Read more about TDRp at www.CenterforTalentReporting.org where you can link to a 55 page white paper, a 20-page overview, definitions of TDRp terms and measures, sample statements and reports, and implementation guidance.