Performance Consulting: A Critical Strategy to Building Relationships

Findings from the CorpU 10th Annual Learning Excellence and Innovation Benchmarking Study
Performance Consulting: A Critical Strategy to Building Relationships

In the past, performance consulting was considered an ambiguous methodology to many learning organizations. The mystery surrounding it often prevented learning organizations from taking full advantage of its benefits. Many learning organizations would cite, as reasons not to use it, the difficulties in gaining support to implement non-training solutions and the fact that learning professionals lacked the skills needed to execute the process.

In reviewing the results of the CorpU 10th Annual Learning Excellence and Innovation Benchmarking study (the 10th Annual study), it is apparent that these statements are still true. According to the study, few learning organizations use a standard performance consulting process. However, “experts” are much more inclined to use this methodology consistently and to offer it as a service to business units.

While there is nothing earth shattering about those results, it is interesting to note that learning organizations that use a performance consulting process report more leader participation and support for learning initiatives than do learning organizations that do not use this process. Why is that? We think it is because those learning organizations that use a performance consulting process have found a consistent way to ensure it is talking to the right people about the right things, thus better aligning their programs and services with business needs and, in the process, building stronger relationships with senior leaders.

Performance Consulting Defined

Performance consulting is defined by industry experts as a process in which learning organizations partner with clients – either internal or external – to achieve strategic results through the optimization of workplace performance in support of business goals. The process uses a systematic and systemic approach to analyzing and diagnosing performance problems, and then recommends solutions – both training and non-training – to resolve the diagnosed root causes of performance problems.

The process itself is ambiguous in that it crosses many disciplines and can be “owned” by any number of business units: Organizational Effectiveness, Human Resources, Six Sigma, Total Quality Management, or Learning and Development. With the proliferance of possible process owners, learning organizations sometimes use a modified version of the performance consulting process that is linked to the training request process. In this way, the learning organization can at least ensure that any training developed is related to a knowledge or skill gap and is aligned with the priorities of the business strategy.

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1 Expert learning organizations are defined as the highest scoring 20% of companies in CorpU’s 10th Annual study. The 10th Annual study is scored using practices that are deemed “best” by independent judges through CorpU’s annual awards program.
Prevalence of Performance Consulting

As a theory, performance consulting has been around for quite a few years. In fact, its origins date back to instructional design systems research that began in the 1940’s and 50’s. However, it wasn’t until the late 1970’s-1990’s that performance consulting as a methodology achieved some credibility within learning organizations. Since then, the methodology has been the subject of numerous journal and industry magazine articles with certification programs offered by several industry associations. Surprisingly, even with all of this support, the result of the 10th Annual study shows that performance consulting is not as widely used as one would expect. In fact, only 21% of participating learning organizations state that they use a disciplined and consistent process to identify root causes of performance problems. Further, only 29% are asked to analyze performance problems when there is no evidence that training is the problem. This does increase slightly when training is suspected as the solution to a performance problem with 45% of participating learning organizations becoming involved at that point (Figure 2).

Interestingly, this changes significantly when reviewing the results of expert learning organizations. These learning organizations are 30% more likely to use a disciplined and consistent process to analyze and diagnose performance problems. Additionally, 65% of expert learning organizations report that they are asked to analyze performance problems even when there is no evidence that training is part of the problem. This increases to 70% when inadequate training is suspected.

Figure 2. Expert learning organizations are much more likely to be involved in analyzing and diagnosing performance issues whether training or non-training related.

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Why the difference? While not completely conclusive, the data does show that expert learning organizations are more likely to be asked to address a performance problem when it is first identified, while the majority of participating learning organizations are asked to address performance problems only when leaders believe training is the solution (Figure 3). Qualitative interviews also suggest that these expert learning organizations developed their performance consulting process to resolve existing problems within the learning organization, such as poor communication or a need to manage training costs. While important in themselves, these benefits do not tell the whole story.

Figure 3. Almost half of expert learning organizations are asked to address performance problems when these problems are first identified. – a key factor in a well-developed performance consulting process.
An Unexpected Relationship

The utilization of a performance consulting process provides a number of outcomes including: reduced training costs due to the elimination of training for training’s sake, increased communication with business units, reduced learning headcount due to increased efficiencies, and increased alignment between learning and the business strategy. These results are important and to be expected after the implementation of a well-developed performance consulting process. However, the 10th Annual study found that these solutions, and ultimately the process implemented to develop them, correlate with another important outcome – increased leadership support for organizational learning.

Industry experts agree that leader support is a key to the alignment of learning with business strategy, implementation of any new learning initiative, and ultimately the development of a strong learning culture. This support can be visible in many ways and often includes leadership participation in any or all of the following:

- A governing or advisory board
- Talent review meetings
- Action learning programs (mentoring)
- Leadership and/or technical programs (teaching)

The results from the 10th Annual study illustrates that leaders in learning organizations who are asked to address performance problems when first identified are significantly more likely to participate in any or all of the above activities than leaders in companies where learning organizations are only involved in creating solutions when needed (Figure 4). In fact, these learning organizations enjoy as much as 4 times the support as those that are not involved in the analysis of performance problems. Only in the activities of designing and teaching technical programs does leader support drop off for both sets of learning organizations to within a few percentage points of each other.

![Leadership Participation in Learning Activities](image)

*Figure 4. Learning organizations that are involved in the analyzing and addressing performance problems when first identified enjoy more leadership support across the board than those that are only involved in designing the solutions to resolve the problems.*
In conjunction with active participation in learning activities, leader support is exhibited in behaviors that sustain and are the driving force behind the creation of a learning culture. Learning professionals often admit that with support from leaders, learning is taken much more seriously in the company and their jobs become much easier. Behaviors that encourage a learning culture can include:

- Leaders routinely stating the importance of workforce performance improvement
- Leaders viewing failure as a source of learning
- Leaders understanding that learning is a part of work
- Leaders promoting cross-functional collaboration
- Leaders enabling practical application of new knowledge and skills
- Leaders encouraging employees to spend some time working on projects they enjoy

The 10th Annual study results illustrate that while not all of these behaviors can be attributed to the use of a performance consulting process, all do show that learning organizations involved in performance consulting are more likely to see these behaviors as opposed to those that do not. The most significant differences are seen when reviewing leaders’ viewpoints on the importance of learning. Learning organizations that are asked to address performance problems when first identified are over 20% more likely to have leaders agree that improving workforce performance is linked to improved profitability. These organizations are also 40% more likely to have leaders that view learning as a part of work versus learning as time spent away from work (Figure 5).

![Behaviors that Support a Learning Culture](image)

*Figure 5. Learning organizations that are involved in analyzing and addressing performance problems when first identified are more likely to have leaders that exhibit behaviors that support a learning culture.*
Conclusion

Performance consulting is frequently an ambiguous process that is sometimes shared by many different functions within a company. In a learning organization, it is most often seen as part of the training request process and helps learning organizations ensure that training is a solution that will resolve the performance problem identified. Expert learning organizations are much more likely to use a consistent process and reap the many outcomes it offers. These learning organizations enjoy more participation from leaders in learning activities and more support for learning within the company culture.

But, why? Why does performance consulting make such a big difference in contributing to the sometimes elusive leader support that all learning organizations desire? Does the implementation of a performance consulting process guarantee immediate leadership support? The simple answer is no, it does not. Leadership support for and the development of a learning culture take years of proven, successful outcomes, objective advice and support, and active listening to and understanding of leaders’ business problems. CorpU’s research suggests that learning organizations that use a performance consulting process have found a consistent, structured way to develop trust and build strong relationships with leaders. Over time this will result in the learning organization becoming a highly aligned and strategic partner with the business, thus, increasing the learning organization’s ability to deliver value and contribute to the business, its goals and ultimately its profitability.

About the Study

The Corporate University Xchange 10th Annual Benchmarking study featured over 100 questions covering Corporate University Xchange’s 12 Dimensions of Learning Excellence and Innovation Framework. This framework focuses on important operational processes and practices within the learning function that include but are not limited to, strategy, performance consulting, branding, measurement, technology, etc…. The study gathered information from over 150 companies that completed all or part of the detailed question set. Most of the study research was conducted in a twelve-week period from November 2009 to February 2010.
Corporate University Xchange is a private membership of senior learning and talent executives, founded in 1997. We believe that the most valuable advice for senior executives comes from peers who have wrestled with and successfully overcome similar challenges, and we make this exchange of information happen through our research, events and peer-to-peer networking.

Resources available to CorpU members include:

- The Learning and Innovation Excellence benchmarking study which measures how well learning and talent functions meet the needs of their companies
- CorpU’s Learning Brand, a holistic voice-of-the-customer survey for the learning function
- Case Studies of the work done by leading edge practitioners
- Tools that support the learning decision-making process

For more information about joining CorpU, see our website, www.corpu.com.