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Business Partner: An HRD Mandate

I grew up playing Monopoly, the classic Parker Brothers game first copyrighted in 1935. Given the strategies that I learned as a boy from my father and brothers, I knew that with a little luck I could end up with Park Place and Boardwalk but that the consistent way to win the game was to take some risks and slug it out on Illinois Avenue, St. James Place, and Marvin Gardens. I even learned to prize Baltic Avenue and Mediterranean because the return on investment (ROI) is actually better than it is for Park Place and Boardwalk—and the odds of my owning them were higher. To this day, I find it as interesting to watch those in the room who do not play Monopoly as those who do. Opting out, watching from the side lines, and grousing about the heartlessness of players are every bit as interesting as watching the tactics, the dealing, and the narrowed eyes of the board players.

I recently participated in a seminar of top human resource development (HRD) people from a select group of large corporations. The theme of the seminar was the ROI of HRD dollars. Several participants were agonizing over the ROI of building a learning organization. The expression *learning organization*—music to HRD ears—had captured the moment. What was it last year? *Team building? Cross training? Excellent companies? Corporate culture?* The HRD profession again displays its amateur status—neophyte Monopoly players dreaming about the learning organization. They envision themselves owning Park Place and Boardwalk with hotels—the learning organization. Every time someone lands on Boardwalk, HRD gets $2,000. In the meantime, they overlook Connecticut, Vermont, and Oriental Avenues.

I found a number of follow-up exchanges during the seminar very stimulating, but I cannot get one of them out of my head. One participant advanced the position that solving present performance problems requiring training interventions was easy and that it was just as easy to demonstrate its financial impact. I was startled. I challenged the group to tell me who, if anyone, was doing it. Their silence told the true story. I risked the indictment because of the HRD profession's consistent aversion to things monetary.

From my perspective, their agony of trying to put a financial value on the costs of supporting the learning organization was disconnected from business performance goals. The continuum of contributions that HRD can make to business performance includes: solving present performance problems, improving present performance, and preparing for future performance needs.

The dilemma that HRD faces is multidimensional, and it calls for research and reform. Research has consistently shown that HRD can be a serious business partner. When properly aimed at organizational performance needs requiring systematic interventions, HRD results in financial benefits that almost always exceed those of rival non-HRD investments. Even so, most HRD scholars and practitioners are not familiar with this research or with the financial analysis tools required to be a business partner (Mosier, 1990; Swanson and Gradous, 1988).

Instead of core business measures—that is, direct measures of learning or performance outcomes—the HRD profession consistently relies on surveys of participant satisfaction despite our knowledge that managers would rather see performance data (Kusy, 1988). The change from collecting participant satisfaction sheets to measuring financial ROI may be too big a leap—although it is one that must ultimately be made. Figure 1 presents a satisfaction, learning, and performance evaluation model to help frame the need and the opportunity (Swanson and Sleezer, 1987).

The participant satisfaction survey is the weakest of all the methods for evaluating HRD. Although important data can be collected easily, participant satisfaction surveys provide the least valid and the least useful information, and they can easily be misinterpreted, manipulated, or both, which means that the intervention can falsely be overrated or underrated.

Learning hurts. It is painful for bright, competent adults who know what has worked for them to entertain rival theories and systems and integrate them into their repertoire. So what if participants rate a development intervention less than 4 on a four-point scale? According to training research, high learning is the immediate goal, not high participant satisfaction. Research shows that participants with peak satisfaction scores actually learned less than those with moderately positive satisfaction ratings

Figure 1. Satisfaction-Learning-Performance (SLP) Evaluation Model

Satisfaction	Learning	Performance
• Satisfaction of Participants • Satisfaction of Participants' Supervisors	• Knowledge • Demonstration of Expertise	• Organization, Process, and/or Job Performance • Financial Performance

(Dixon, 1990). Should participants dislike a course? No. Should every person like the course? No. Should every person like every part of the course? Absolutely not. Should the average of satisfaction ratings of all the participants be positive on each factor? Yes. This dialogue could go on forever, and HRD would still not become a business partner.

Our HRD processes are designed to develop and unleash human expertise. Our core output—the expertise that the organization needs in order to achieve its mission and goals—is best evidenced by measures of learning (knowledge and demonstration of expertise) and performance (the playing out of that expertise in the workplace at organization, process, and job levels and in financial performance). HRD can become a legitimate contributor to the organization by documenting the ways in which it enhances learning. HRD can become a business partner when it regularly presents documented enhancement of performance. We have the theory and tools to do this work. Clearly, the theories and tools need continually to be researched and improved. In the interim, the profession must struggle with the issues of performance just like every other business partner—or move out of the way.

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