Lexonis

Lexonis • White paper

Maximizing L&D's Impact

Leveraging Skill Insights to Align Learning with Strategic Goals





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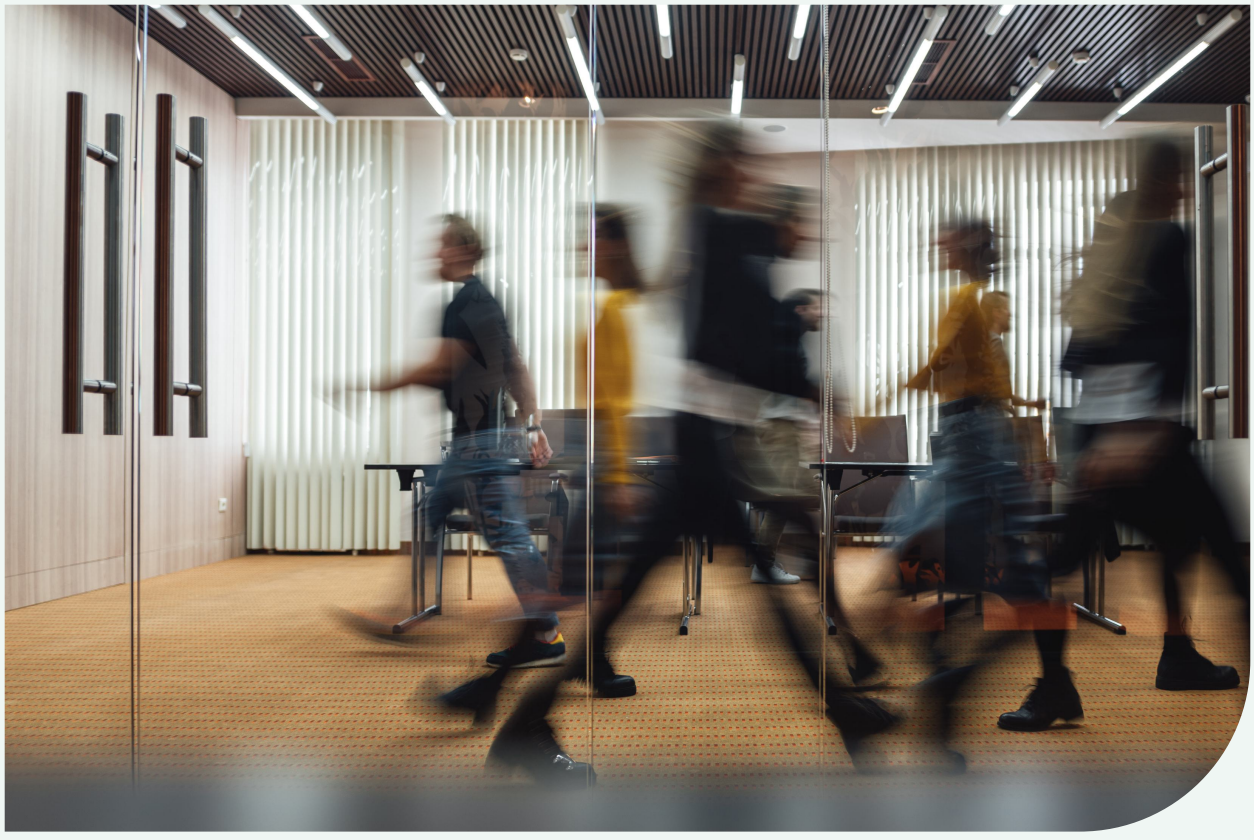
Introduction

Understanding the gap between the skill levels an organization needs to execute its current and future strategy and the skill levels of existing employees is a powerful tool for focusing an organization's Learning and Development (L&D) investment. According to the LinkedIn Workplace Learning Report 2024 "aligning learning to business goals is L&D's top focus area for the second year in a row."[1] It changes the dynamic from investing based on the perceptions of stakeholders and employees to enabling data-driven decisions that result in investing in the most critical skills needed for organizational and individual success.

Moreover, this approach provides clear business justification for the organization's L&D budget by directly aligning training investments with the organization's most critical skill gaps.

The same LinkedIn report states that according to "the LinkedIn Executive Confidence Index, in the next 6 months, 9 out of 10 global executives plan to either increase or keep steady their investment in L&D, including upskilling and reskilling."[2] With data-driven insights, the Chief Learning Officer (CLO) can build a compelling business case to present to the C-suite and other key executives, ensuring that L&D initiatives are effective and tightly aligned with the company's strategic objectives.

In this paper, we explore how to develop organizational and individual learning plans, measure the impact of L&D investments, and foster a learning culture - all while avoiding the common pitfalls of investing in the wrong training.



Part 1: Develop an Organizational Learning Plan

Building an organizational skills framework that includes current and future skill requirements and conducting a comprehensive skills assessment, provides leadership with a top-down view of where critical skills gaps exist. This insight allows for a more focused approach to L&D investment, ensuring resources are directed towards closing the most impactful skills gaps that threaten the organization's fulfilment of its business strategy.

In the example report below (Figure 1), the count in each circle represents the number of employees who have assessed below the required level for that skill in their role. The data can be further drilled down to show employee-specific data, including their role, proficiency level, and the priority assigned to the skill. By leveraging these insights, organizations can make smarter, data-driven decisions about where to allocate L&D budgets and provide concrete evidence of the value that training programs bring to the business.

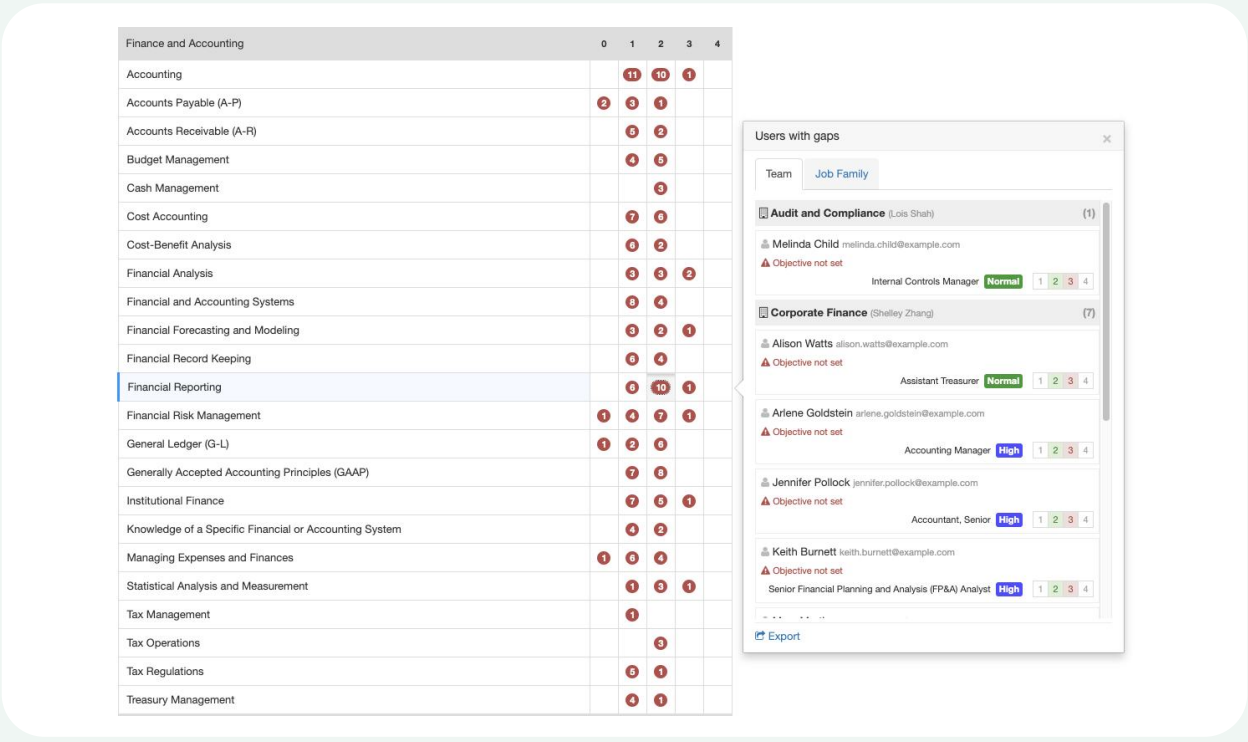


Figure 1: Skill gap analysis enables identification of targeted areas for development.

The concept of **capability academies** ties into this approach. A capability academy helps employees develop new skills on a compressed timeline, with a focus on practical, real-world applications. It requires strong leadership support and participation, which is why having skills data to demonstrate a critical gap in capabilities can secure "C-level" backing.

By identifying the most pressing skill gaps that align with strategic priorities, this data empowers CLOs to justify the resources needed to develop these academies, presenting a clear business case for why the organization should invest time and budget into such initiatives.

Part 2: Build Individual and Team Development Plans

While capability academies aim to address organizational-wide capability gaps, **individual development plans (IDPs)** are equally critical for driving performance at the role level and preparing employees for future roles. Just as skills data can inform large-scale initiatives, it also plays a key role in personalizing development at the individual level.

In the sample report (Figure 2), you can see how skills assessments help identify an employee's proficiency level in the skills required for their role. These assessments provide valuable insights into individual strengths and weaknesses, enabling the creation of personalized development plans that are directly aligned with the employee's current and future needs.

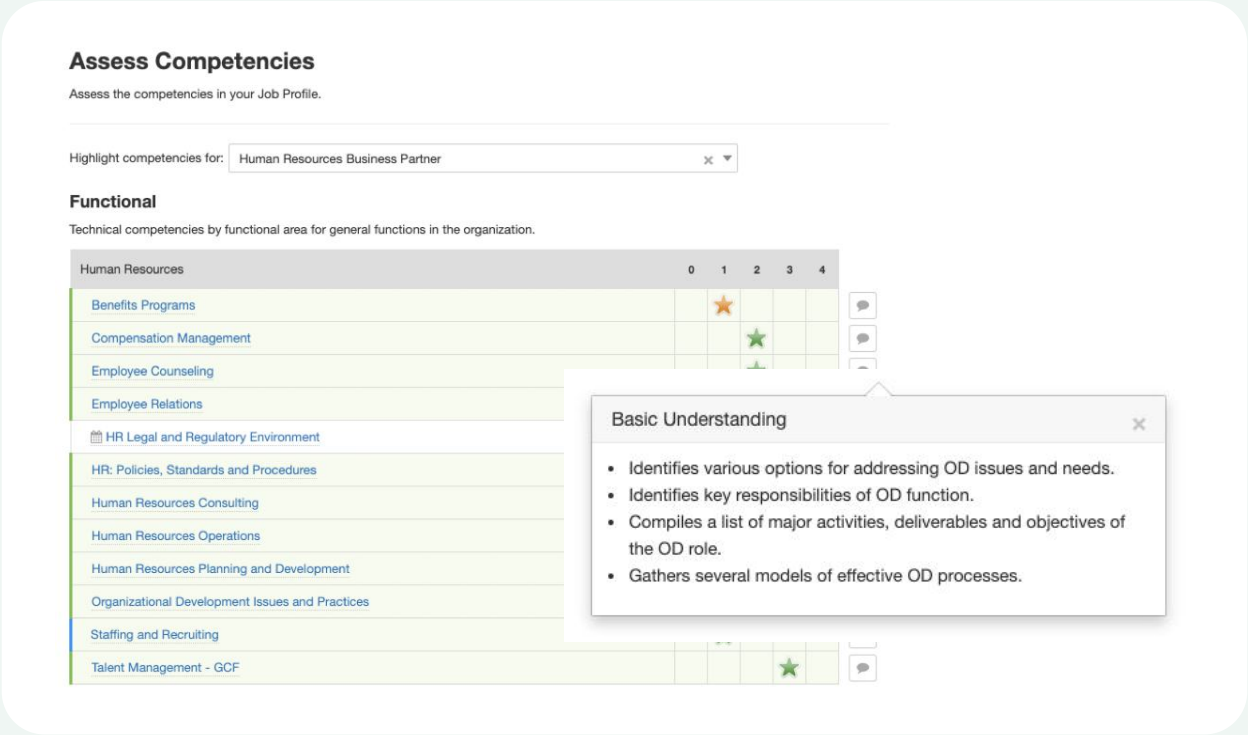


Figure 2: Assessing skills and competencies helps to identify areas for development

By ensuring that learning programs are tailored to each employee's specific skill gaps and career goals, organizations maximize the relevance and impact of their training efforts. This not only boosts employee engagement but also offers a clear ROI on L&D investments, as training is focused on areas where it will deliver tangible improvements.

In addition, by consolidating individual development needs for all the members of their team, managers gain a comprehensive view of the team's areas for growth. This enables managers to combine individual and team development effectively, ensuring that they are aligned to achieve business objectives.

Part 3: Measure the Impact of L&D Investment

Measuring the return on investment (ROI) of training has long been a challenge for L&D professionals. One major obstacle is that it's often difficult to isolate training as the primary driver of performance improvement. Factors such as market conditions, product innovations, or operational changes can also play a significant role in business outcomes.

However, training programs that focus on specific skills development make it easier to measure their impact. When learning objectives are broken down into specific, measurable skills, organizations can more easily track improvement and assess whether training programs are delivering the desired outcomes.

Skill Assessments

Using tools such as Lexonis TalentScape provide continuous feedback on training effectiveness. By measuring skill levels before and after training, organizations can pinpoint the direct impact of their learning initiatives. This data-driven approach enables more precise decisions about which programs to refine, expand, or eliminate.



When CLOs present concrete data showing that skill-based training initiatives have led to measurable improvements in performance, they provide the C-suite with compelling reasons to support and increase L&D funding. This data not only proves the value of past training but also demonstrates the potential ROI of future L&D initiatives.

In addition, organizations need to ask key questions:

- **"How do you measure the effectiveness of your current training programs, and what is the financial impact of employees not applying their training to their roles?"** This question focuses on whether training investments are truly driving performance improvements or if there is a gap between training and its real-world application.

- **"What is the opportunity cost of investing in training programs that do not align with your business goals or employee needs?"** Opportunity cost reflects the missed potential when resources are directed toward irrelevant training programs instead of those that address the most critical skill gaps.

Part 4: Avoiding the Costs of Ineffective Training

Many organizations fall into the trap of spending money on the wrong training - programs that don't deliver value because they are misaligned with the company's strategic needs or employees' specific roles. Ineffective training is detrimental to an organization's bottom line, time and money are wasted on attendance, there is a failure to close critical skill gaps and employees quickly become disengaged.

By aligning training programs with both **organizational goals** and **individual employee needs**, organizations can avoid these pitfalls. A well-defined skills framework, supported by regular assessments, ensures that training initiatives are focused on areas that will provide the greatest impact. This not only helps maximize the ROI of training but also provides full **business justification** for the L&D budget by demonstrating clear alignment between training initiatives and the organization's key skill gaps.



Part 5: Foster a Learning Culture

Taken together, these skills-driven L&D practices form the foundation for building a true **learning culture** within an organization. As Peter Senge, author of *The Fifth Discipline*, pointed out, learning organizations reap numerous benefits, including:

- Innovation: 92% of organizations with a learning culture are more likely to innovate.
- Productivity: Learning organizations are 37% more productive.
- Employee engagement: Learning cultures foster higher morale and reduced turnover.

A learning culture encourages employees to take ownership of their development, knowing that their growth is both recognized and rewarded. By regularly assessing skills, offering personalized development plans, and aligning L&D investments with organizational goals, companies create an environment that promotes continuous learning and improvement.

Part 6: Benefits of a Skills-based Approach

Skills Establish Clear Expectations and Goals

Well-designed skills-based job profiles (see Figure 3) clearly specify the skills and proficiency levels required for successful performance in each role, helping employees understand exactly what is expected of them. With this clarity, employees can focus on the skills they need to develop, leading to better performance and career progression.

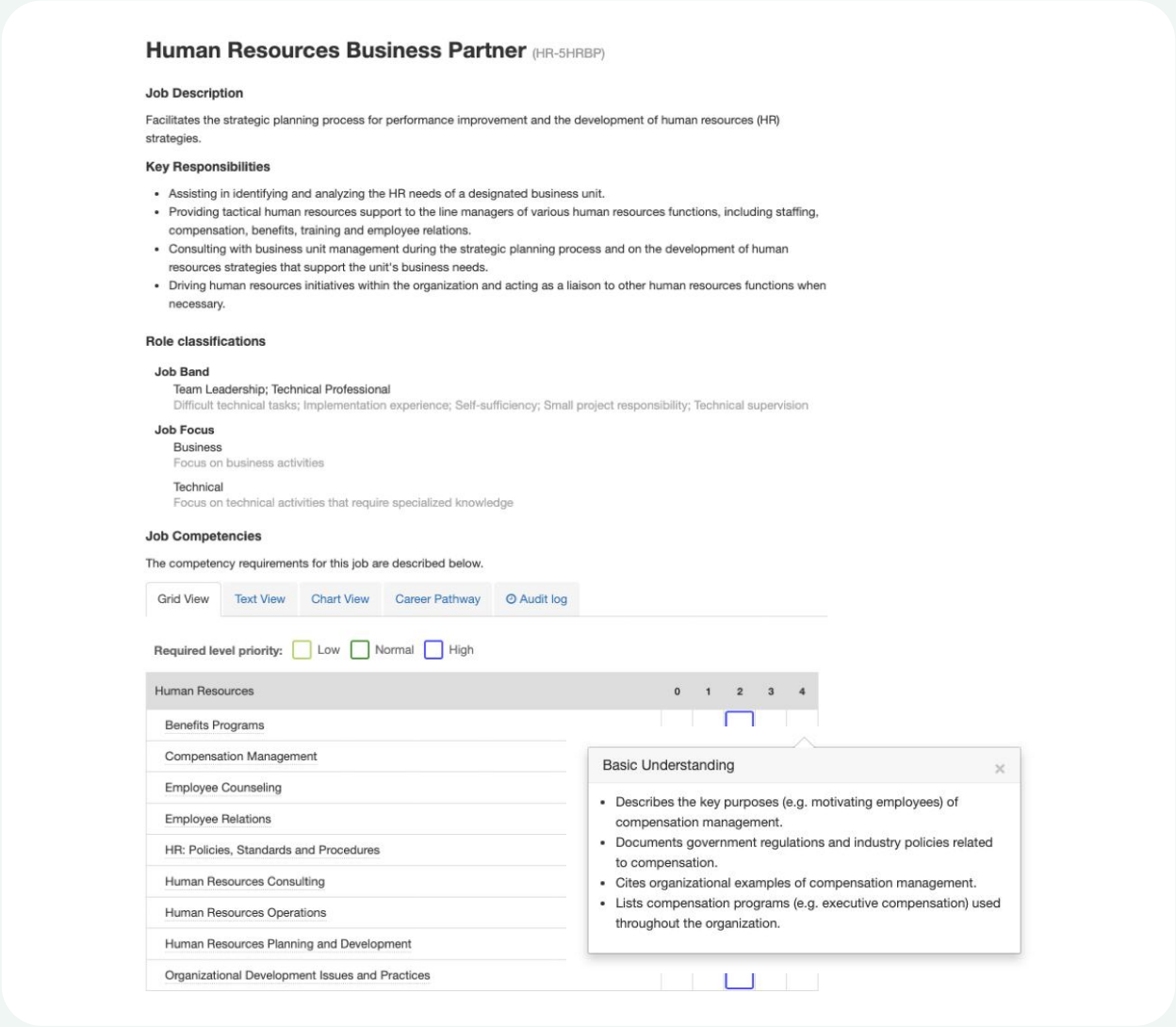


Figure 3: Skills-based job profiles describe the model for successful performance.

Additionally, a well-defined skills framework offers employees clear **career pathways**, showing them exactly what they need to learn to advance. This motivates employees to engage in development activities that are relevant to their growth.

Personalized Learning and Development Plans Motivate and Engage

Personalized development plans (see Figure 4), informed by regular skills assessments, ensure that employees are receiving training that is directly aligned with their roles and aspirations. When employees see the practical benefits of their learning experiences, they are more motivated to engage and apply what they've learned. The LinkedIn Workforce Learning Report 2024 cites that 7 in 10 people say learning improves their sense of connection to their organization."[3]

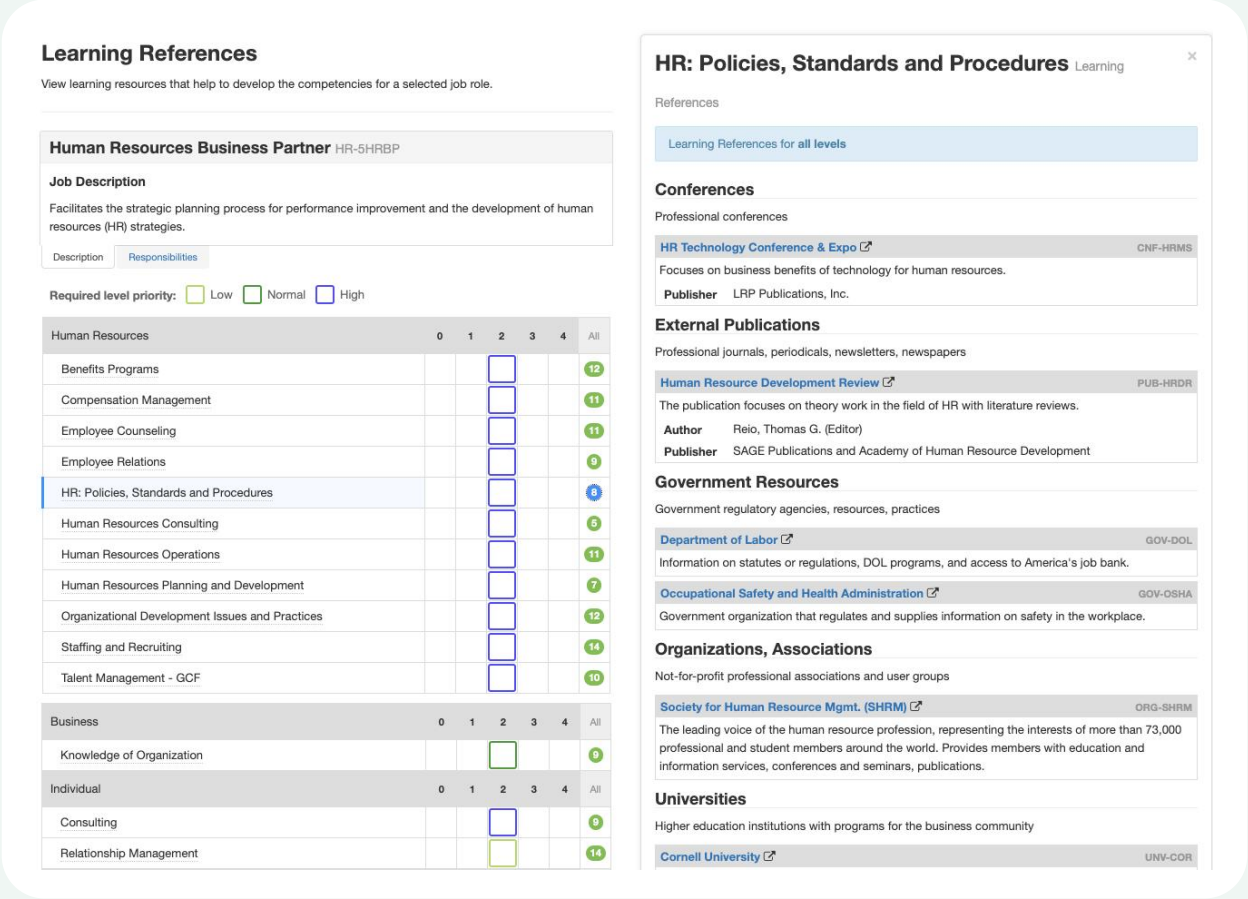


Figure 4: Learning resources are mapped to each skill.

Skills-based Assessments Inform Ongoing Feedback and Growth

Regular skills assessments offer employees ongoing feedback on their progress. These assessments ensure that development remains a focus and provide a structured way to track employee growth.

Recognition and Reward Systems Spotlight the Importance of Learning

Recognizing and rewarding employees who acquire new skills or demonstrate high levels of expertise reinforces the importance of continuous learning. Offering incentives, such as promotions, bonuses, or public recognition for skill acquisition, further motivates employees to invest in their development.

Part 7: Providing Full Business Justification for the L&D Budget

One of the key advantages of a skills-based approach to L&D is that it provides full business justification for the organization's training budget. By aligning L&D efforts directly with the most critical skill gaps identified through skills assessments, CLOs can demonstrate a clear, data-driven connection between training initiatives and the organization's strategic priorities.

With this skills intelligence data available, the CLO can present a compelling business case to the C-suite, showing how L&D investments are being used to close key skill gaps and drive performance improvements. This business justification not only secures executive support for current training programs but also opens the door for future L&D funding, ensuring the organization's workforce remains competitive and capable of meeting future challenges.



Part 8: Conclusion

By leveraging data-driven insights to develop skills frameworks, regularly assessing skills and competencies, and focusing on personalized learning, organizations can make their L&D investments more strategic and impactful. Avoiding the trap of ineffective training is key - only through targeted, relevant development initiatives can organizations ensure that their workforce is equipped to meet present and future challenges.

Furthermore, this approach provides full **business justification** for the L&D budget, giving the Chief Learning Officer (CLO) a compelling case to present to the C-suite. By aligning training programs with the organization's most critical skill gaps and strategic goals, the CLO can demonstrate how L&D initiatives directly contribute to improved performance, innovation, and long-term success. This alignment ensures that L&D investments are not seen as an expense but as a strategic asset that drives measurable business outcomes. By presenting clear data on skills gaps and the effectiveness of training initiatives, the CLO can secure executive buy-in, ensuring that the L&D budget is well-supported and poised for future growth.

Ultimately, this approach enables organizations to maximize the return on their L&D investments, foster a culture of continuous learning, and build a resilient, future-ready workforce.

References

[1] LinkedIn Workplace Learning Report 2024 pg 5 “Top 5 L&D focus areas for 2024”
[2] LinkedIn Workplace Learning Report 2024 pg 9 “The C-suite wants to talk”
[3] LinkedIn Workplace Learning Report 2024 pg 11 “Learning amplifies connection and purpose”

Are you ready to take the next step in your skills initiative? Let’s talk.

Get in touch

UK and Rest of World

info@lexonis.com

Innovation Centre,
99 Park Drive, Milton Park
Oxfordshire, OX14 4RY

+44 (0)208 089 6899

North America

lexonis@lxdcentral.com

+1 312 961 2526