

Purpose Drives the Modern Workforce

UNIFY LEARNING AND PERFORMANCE MANAGEMENT TO DRIVE
ENGAGEMENT, PRODUCTIVITY, AND PROFITS

 **cornerstone**

Thinking Strategically, Acting Holistically

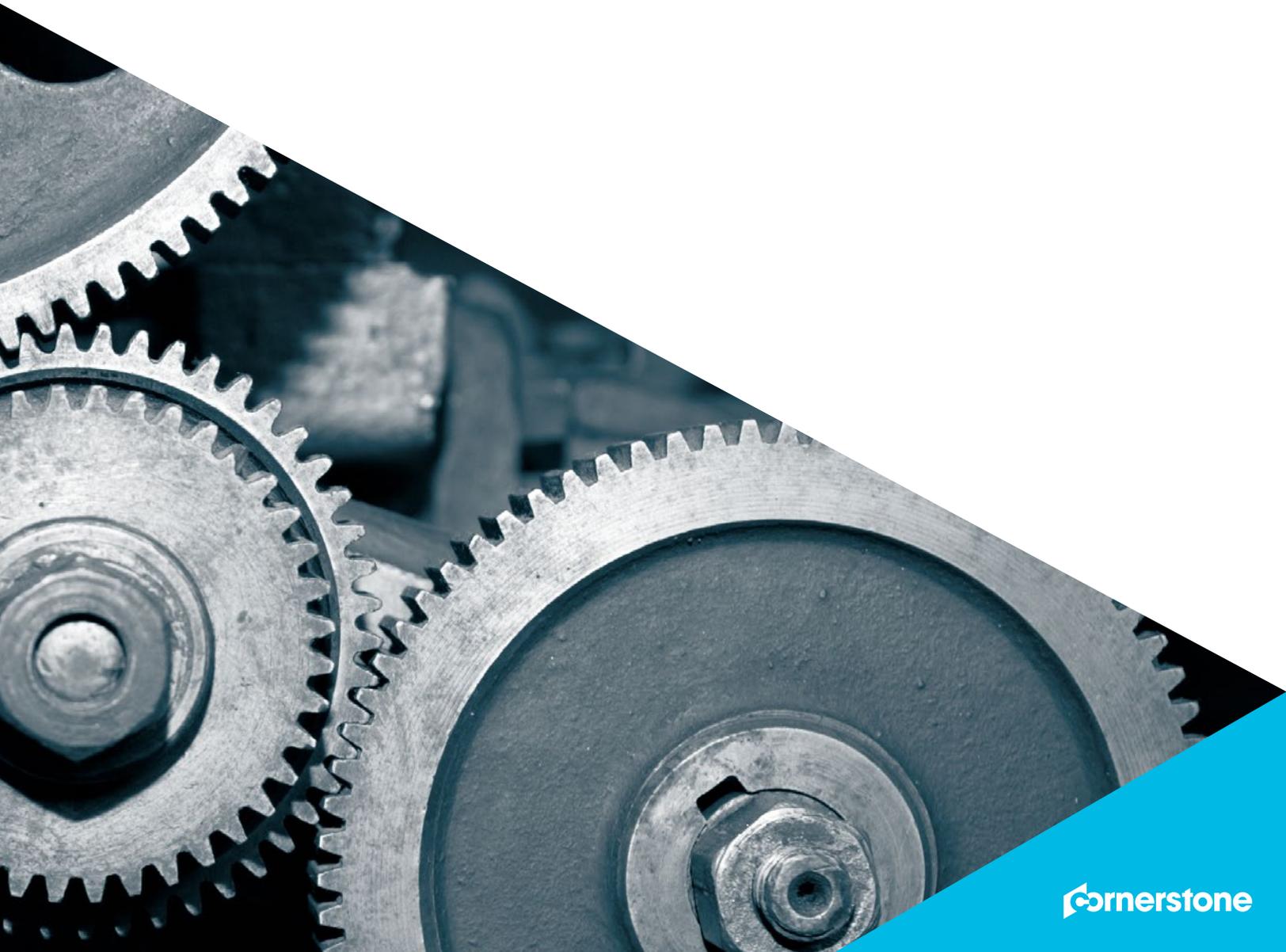
Staying competitive in today's rapidly changing marketplace doesn't just require a great product; it requires great people. After all, it's human capital that enables a company to adjust quickly to new priorities, meet customer demand, and turn on a dime when the economy—or the competition—changes.

As strategic partners invested in the company's long-term success, HR is tasked with not only finding the right talent but proactively shaping that talent into the workforce the company needs to achieve its goals. And because a company continually evolves, HR must also be able to quickly reshape the workforce to ensure continual alignment. How? By thinking strategically—and acting holistically.



The Whole Is Greater Than the Sum of Its Parts

When the whole is greater than the sum of its parts, we call it synergy. It happens in music, when individual instruments come together to create a stunning symphony. It happens in business, when companies merge to reach new markets. And for organizations and HR, synergy happens when learning and performance management are unified to more effectively drive engagement, productivity, and profits.



The benefits are both tangible and profound. Research shows that companies that unify learning and performance are:

36% more likely to have levels of engagement above industry norms

56% more likely to have higher productivity levels than others in their industry

96% more likely to have turnover that is below the industry average¹

Yet for many companies, learning and performance management are still treated as standalone components, related yet forever discrete. This happens even though we know that performance reviews are meaningless without the opportunity to improve existing skills and learn new ones. We also know that development assignments lose their relevance (and skills are quickly forgotten) if they're not tethered to performance goals.



What happens when learning and performance begin to function holistically?

Unifying development and performance management finally illuminates a clear path for employees to achieve personal and department goals, learn critical skills, and grow into new roles. On an organizational level, unification helps companies quickly identify and fill skill gaps, work more efficiently toward goals, and pinpoint which learning initiatives directly affect productivity. And by insisting learning and performance management work together, HR teams can create what Harvard Business Review calls “flow,”¹ the state where HR begins to act strategically to help individuals, teams, and the company achieve goals.



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How Unifying Learning and Performance Management Benefits Employees and Organizations

What tangible, near-term benefits can organizations expect to see by unifying learning and performance management?

- 1 Improved employee engagement and motivation.
- 2 Increased productivity.
- 3 Stronger organizational performance and better business results over time.





Improved employee engagement and motivation

When learning opportunities and performance management are unified, it's not just reviews that become more meaningful. Jobs also increase in meaning and value, as employees begin to see how their performance directly affects personal and company goals. Meaningful work, in turn, increases engagement—and per research by Gallup, companies with “highly engaged workforces outperform their peers by 147% in earnings per share.”⁴

For employees directly, linking learning and performance creates:

A clear pathway to goals. During a performance review, it's not enough to just set goals. Employees also need to be provided pathways to achieve those goals and an understanding of why those goals have purpose. The unification of learning and performance enables courses to be interwoven with goals and objectives. Employees can track their own progress and increase ownership of initiatives.

Ongoing rewards. Setting small milestones in the form of learning opportunities, tied to a goal, also creates an ongoing reward system. Instead of recognizing achievement once a year, employees can have a continual sense of accomplishment as training “bites” are completed in fulfillment of smaller performance goals.

Increased satisfaction. Employees who are continually accomplishing milestones are also more satisfied with their work. Every company wants to increase retention; research shows that organizations that link learning and performance are 96% more likely to have turnover below their industry's average.⁵ Turnover doesn't just result in costly rehiring; it also has a profound, and primarily negative, impact on remaining employees. Companies that insist that development and performance work in tandem are 25% less likely to cite a negative impact on engagement and morale due to turnover.⁶

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Increased Productivity

Waiting to improve an employee's skills once a year, as informed by the annual performance review, translates to a loss of 364 other days that could have been used to increase knowledge and improve productivity. The alternative? When performance feedback is immediately followed by relevant learning solutions, employees make faster progress and on-the-job performance improvement is ongoing. The potential increase in productivity is nothing to sneeze at: research shows that organizations that use performance management and learning together are 56% more likely to have higher levels of productivity than others in their industry.⁷

The ability to give employees the learning they need in the moment of need also enables poor performance to be mitigated as it's occurring, instead of months from now during the annual review. Because learning isn't assigned in a vacuum, but instead tied directly to a performance record, the employee is held accountable and expected to make the effort to change weekly, not yearly.



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Stronger organizational performance and better business results over time.

Unifying learning and performance doesn't just improve retention and productivity. It also helps drive overall business results, including:

More efficient use of resources. Treating learning and performance as separate activities requires separate databases. As such, reporting requires intensive data manipulation by IT teams. (And if for those still using spreadsheets, it's no less onerous and decidedly more manual to get the big picture of learning and performance.) From a time perspective, unifying performance and learning delivers money and labor savings. By using a single database for both crucial activities, HR, administrators, and managers can spend less time wrangling information and more time doing what really matters: creating and deploying a long-term strategy to shape a workforce that can most effectively meet the company's goals.

Increased visibility. Unifying learning and performance management also increases visibility, both of individual employees and the workforce as a whole. This gives leadership the information to determine which learning and performance initiatives are working most effectively—and which need retooling or elimination.

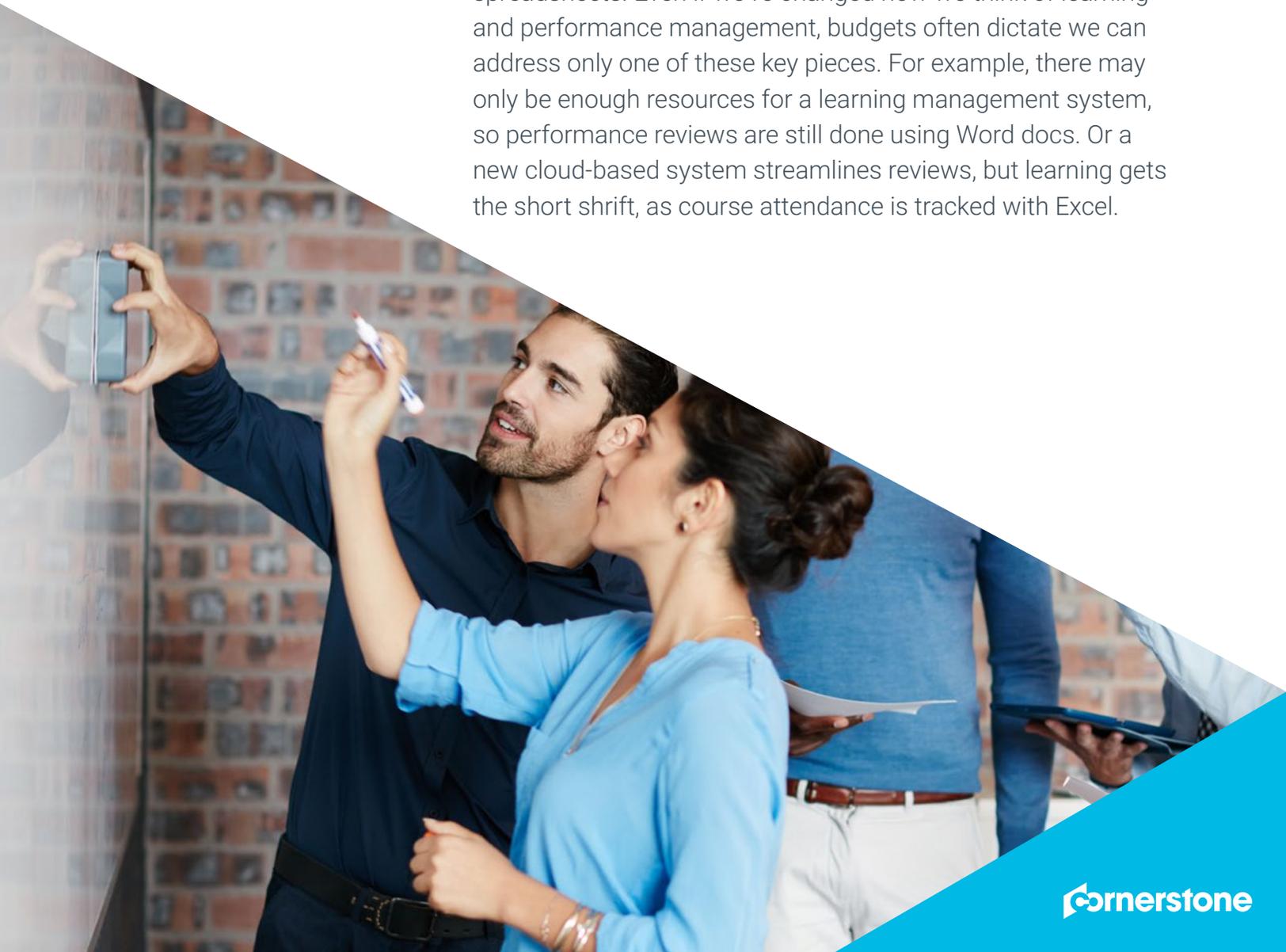
Improved succession planning. More insight into an employee's performance and learning initiative over time also benefits succession planning. Instead of combing through files to identify candidates, employees who are ready for new roles are highly visible from the very beginning. Those candidates can be groomed over time to meet the expectations for new roles, thereby reducing the time needed for onboarding.

Unification in Theory and Practice

Learning and performance are most effective when they function not as solo acts but as a duet.

Unification creates a more agile, flexible, engaged, and internally motivated workforce. Yet if the benefits are so profound, why haven't we effectively unified learning and performance management?

For HR, unification is hindered not by a dearth of knowledge but a dearth of the right tools. Even today, we're still hamstrung by a reliance on multiple databases, or worse, hundreds of spreadsheets. Even if we've changed how we think of learning and performance management, budgets often dictate we can address only one of these key pieces. For example, there may only be enough resources for a learning management system, so performance reviews are still done using Word docs. Or a new cloud-based system streamlines reviews, but learning gets the short shrift, as course attendance is tracked with Excel.



Reaping the benefits of unified learning and performance management is only truly possible when unification happens in both theory and practice. It's not enough to think of learning and performance management holistically; the tools we use to manage our talent also need to reflect that unification. When learning and performance data is stored in a single database, HR benefits from increased visibility, reduced administrative time, and the ability to immediately correlate learning activities with changes in performance. For organizations looking to proactively shape the workforce of the future—not merely accept the one that was hired— a human capital management platform can help cost-effectively unify both learning and performance management.



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Ready to learn more about building your learning and performance strategy and how it can benefit your organization?

Let's Talk



Used by more than 1800 companies worldwide, Cornerstone OnDemand is the only truly unified system designed to enable comprehensive talent management, from one platform, with one login.

As a result, organizations can place more focus on engaging every employee while spending less time managing multiple systems. Cornerstone helps organizations improve productivity and profitability by delivering key insight into the entire employee lifecycle.

Sources

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