

**ABA Chief Learning Officer Summit**

**ABA Professional Development Solutions**

**Investing in Training and  
Development: Dollars and Sense**

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# **ABA Chief Learning Officer Summit**

## **ABA Professional Development Solutions**

# **Investing in Training and Development: Dollars and Sense**

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# Investing in Training and Development: Dollars and Sense

## American Bankers Association White Paper

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*Chief Learning Officers from the nation's leading banks participated in a forum exploring the impact of the professional development investment on the financial performance of their institutions.*

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### Introduction

The American Bankers Association convened its first Chief Learning Officer Summit in February 2004. Chief Learning Officers (CLOs) representing some of the nation's leading banks were invited to participate in the forum, which was designed to explore the impact of the professional development investment on the performance of financial institutions and to address current best practices and emerging trends in training and development.

At the Summit, CLOs also had an opportunity to exchange information on current, shared bank practices and offer recommendations to ensure investments in employees are made prudently and effectively. Opportunities to network and discuss trends unique to the bank training industry provided further value to the participants.

In preparation for the Summit, each participating financial institution was asked to provide data for a benchmarking study on a variety of aspects of its practices, systems, and resources for developing and managing employees. Their information was compiled, analyzed, and summarized in the *ABA Human Capital Benchmarking Report*. Each participant was also provided with a customized version of the report, which compared their organization's responses to those of the other respondents. The general benchmarking findings were then presented to the group, followed by a summary of the analysis used to link the reported human capital factors to the participating banks' financial performance.

In their discussions, the participants focused on the overriding finding of the study, namely: *those institutions that demonstrate the greatest commitment to human capital enjoy the greatest financial returns*. Participants shared many of their institutions' approaches to developing and managing their people in ways that contribute to the enhanced performance of individuals, business units, and the overall organization. The CLOs also pointed to shortcomings in their current systems and practices as well as recommended alternative approaches.

A summary of the general findings of the benchmarking study is included in this paper. In addition, many of the CLO recommendations and best practices, which were addressed at the Summit, are summarized.

As a result of the success of this Chief Learning Officer Summit, the ABA is actively exploring other avenues to advance further the concept of workforce learning as a key contributor to the financial performance of banks. A subsequent CLO Summit as well as other learning and development initiatives are being considered along with the creation of an advisory committee of bankers to assist in this effort.

## Background

Long an advocate of workforce learning, ABA led a recent effort to provide further clarification to an important, yet under-exploited, business strategy, namely: sound investment decisions in the training and development of employees can lead to significant improvement in both business results and market value.

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*For over a century, the American Bankers Association has believed in the value of training to business success.*

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For over a century, ABA has believed in the value of training to business success.

As long ago as 1899, in a prophetic report to the industry, the ABA Committee on Education observed:

*As never before there is required in every branch of business the most thorough training, scientific and technical, for the attainment of success under the intense competition that prevails. In no business is this truer, perhaps than the business of banking in this country.<sup>1</sup>*

For many years, the industry's banks responded to this message by encouraging employees to take full advantage of the many ABA-sponsored education and training opportunities, including those offered through ABA's American Institute of Banking (AIB). As a result, the banking industry, among critical American industries, became known widely as a leader in workforce development.

However, in recent years, the very nature of the workforce has changed. In many organizations, the employer-employee loyalty equation seldom applies. New employees are less likely to see banking as a lifelong career. Many enter the industry with broader and more versatile credentials, such as MBAs and other business-related degrees, and view banking as only one step along an indeterminate career path. At the same time, many others enter the industry without key workplace competencies. Still others may be part-time or temporary employees, with no designs on banking as a long-term career commitment.

At the same time, the industry has undergone significant change—the result of deregulation and re-regulation, fierce competition, merger and acquisition activities, and many other developments. These factors, among many others, have changed the very nature of the people development function in the banking industry.

While many executives indicate that people are their banks' most important asset, training and development expenses are more often considered a cost of doing business rather than an investment. Short-term measures to generate increases in quarterly earnings, more often than not, take priority over long-term investment strategies, such as people development. As a result, in most banks, training and development budgets are always at risk.<sup>2</sup>

According to empirical evidence, compiled over time by McBassi & Company, a research-benchmarking company committed exclusively to the independent analysis of human capital capability, the few firms that resist Wall Street's pressure to cut staff "costs" have outperformed their peers financially and on the stock market, thereby reaping the benefits of fully investing in their people.<sup>3</sup> Similarly, in its *2003 State of the Industry*, the American Society for Training & Development, Inc. (ASTD) reported that "organizations' revenues and overall profitability in 2002 were positively correlated with training expenditure, regardless of how expenditure was measured (per employee or as a percentage of payroll), and regardless of whether performance was compared to performance in 2001 or to other organizations in 2002."<sup>4</sup>

In another study of 575 publicly traded companies, ASTD found that for every increase of approximately \$700 in per employee training, there was a six percent improvement in total shareholder return in the following year.<sup>5</sup>

A number of other studies point to equally impressive conclusions. For example, the investment in training and development has been shown to be a key driver of employee retention, which in turn has been linked to improved customer retention, leading to enhanced sales and ultimately overall profitability.<sup>6</sup> Also, organizations that score highest in innovation spend significantly more on education and workplace learning per employee than do less-innovative firms.<sup>7</sup> In addition, there is ample empirical evidence to show that employee training can reduce attrition and increase recruitment success.<sup>8</sup> Nonetheless, despite a growing body of evidence supporting employee development, there is a decided under-investment in this strategic area, within the banking industry and across industries.

Not surprising, ABA has long advocated and advanced a position that suggests harnessing intellectual assets is not only a source of organizational innovation and renewal, but is also key to banks' financial performance. Over the years, that assertion has been reinforced in conversations with many of the banks with which ABA has partnered on various learning initiatives. But, up until recently, it was difficult to support such anecdotal claims with hard evidence specific to banking and the financial services industry in general.

In late 2003, ABA opened a dialogue with McBassi & Company. That dialogue focused on a process that could generate empirical evidence statistically linking key measures of the management and development of bank employees to their organizations' future business outcomes. Those discussions ultimately led to the creation of a benchmarking study and the ABA Chief Learning Officer Summit.

## Methodology

*ABA's Human Capital Benchmarking Report*, which was shared with participants at the Chief Learning Officer Summit, was based on a proprietary methodology, the Human Capital Capability Scorecard™ (HCCS), developed by ABA's learning partner McBassi & Company. The HCCS is used to predict an organization's ability to achieve future business results by analyzing data on an array of human capital indicators.

A modified version of the HCCS was created with the goal of the Chief Learning Officer Summit in mind—namely, to provide participants with an inter-organizational comparison of major learning-related factors that have proven to be linked to organizational performance. In developing the modified instrument, McBassi and ABA staff reviewed the basic definitions underlying a full range of human capital factors and, through that analysis, identified variables that would yield insights into two critical indices of organizational effectiveness (from the CLO perspective): *Workforce Optimization* and *Learning Capacity*. These measures are based on those factors that have been identified in the literature as best practices and leading indicators of business outcomes.

Each benchmarking report compared data on approximately 25 different human capital elements, identifying the individual bank's responses and comparing those responses to averages for relevant comparison groups (e.g., banks of similar size). The report also addressed the relationship between human capital factors and financial outcomes, as measured by common indicators of bank performance, such as return on assets (ROA).

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The HCCS is based on the premise that specific human-capital factors are important determinants of employees' ability to work efficiently and effectively, and, therefore, are predictors of overall organizational performance. Once measured, the factors collapse into human capital indices, proven to link to organizational outcomes, present and future. (Two of the five HCCS indices—*Learning Capacity* and *Workforce Optimization*—were specifically addressed in this study.)

To assess the organizations' monetary investment in employee development and their use of staff for the purposes of training and development, key statistical information was asked for regarding training and development expenditures. Also, descriptive information on the participating organizations (e.g., number of employees, asset size, etc.) was requested along with the identification of the reporting entity (i.e., holding company, bank, or division within the bank).

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*Key statistical information was gathered to examine the relationship between financial performance and an array of human capital indicators.*

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Additional information was gathered on the institutions participating in the study in order to examine the statistical relationship between summary human capital measures and financial performance. The five financial statistics determined for each institution included: return on assets (ROA); return on equity (ROE); net income per employee FTE; total assets per employee FTE; and total stock market return over the most recent 12 months (for publicly traded organizations).

The modified HCCS instrument (*American Bankers Association CLO Benchmarking Tool*) was developed and then made available online to participating banks during mid-January 2004.

The ABA Chief Learning Officer Summit was held in Washington, DC on February 25 and 26, 2004. Dr. Laurie Bassi, CEO of McBassi & Company, presented the benchmarking findings and the analysis that tied human capital measurement to business results. Executive coach Grant P. Thomson served as Summit facilitator.

Through a series of small- and large-group discussions, the participants addressed underlying issues facing senior training and development executives in financial services, specifically as those issues have an impact on the learning investments made by their banks. The group also surfaced best practices that support the training and development investments made by their bank.

This report highlights the results of the benchmarking study. It also summarizes the follow-up discussions at the CLO Summit, which help to describe and clarify approaches that ensure the learning investment will have the desired impact.

## General Findings of the Benchmarking Study

### Profile of Participants

Of the 17 financial institutions participating in the study, eight provided data for their holding company, eight provided data for an individual bank, and one provided data for a division within a bank. Eight of the reporting organizations have more than 10,000 employees (large banks), with an average of 16,069 employees. The average number of employees among the nine institutions with fewer than 10,000 employees (mid-sized banks) is 2,122.

Summary statistics are presented in the following table.

#### Summary Statistics

Measure	Average (Mean)	Range
Employee FTEs	8,050	674 to 26,144
Total Assets	\$30.3 billion	\$2.9 billion to \$125 billion
Assets Per Employee FTE	\$3.4 million	\$1.4 million to \$4.7 million
Stock Market Capitalization	\$11.3 billion	\$800 million to \$50 billion
1-Year Stock Market Return	36.9%	7.3% to 88.4%
Net Income	\$439 million	\$32.3 million to \$1.7 billion
Return on Assets	1.4%	0.6% to 2.5%
Return on Equity	16.2%	5.5% to 24.8%

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*Eight of the reporting organizations were large banks with an average of 16,069 employees. Nine of the reporting organizations were mid-sized banks averaging approximately 2,100 employees.*

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### Resources Devoted to Employee Development

Resources represent an organization's monetary commitment to employee development and its use of staff for purposes of training and development. Resources are key to an organization's learning effectiveness and workforce optimization.

With respect to the following table, budget stability reflects the organization's commitment to the budget for employee development and learning. A rating of approximately 2 (on a scale of 1 to 5) indicates the budget is always at risk. The other items report actual expenditures or percentages, based on data provided by the 17 participating organizations.

#### Resources Devoted to Employee Development

Resources	Mid-Sized Banks	Large Banks	All Banks
Budget Stability	2.1	2.1	2.1
Training and Development (T&D) Expenditures per Employee FTE (\$)	700	746	720
1-Year % Change in T&D Expenditure per Employee FTE	13	1	7
Employee FTEs per Training Staff FTE (median)	180	146	151
% of T&D Expenditures on Wages/Salaries of Training Staff	39	52	45
% of T&D Expenditures on Payments to Outside Trainers	18	21	19
% of T&D Expenditures on Tuition Reimbursement	16	11	14
% of T&D Expenditures on Other Expenses	25	16	22

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*The average level of expenditure on employee education and training was \$720—ranging from a low of \$224 to a high of \$1426.*

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The average (mean) level of expenditure on employee education and training was \$720—ranging from a low of \$223 to a high of \$1426. The investment varied only slightly between holding companies (\$686) and banks (\$747), and between large institutions (\$746) and mid-sized institutions (\$700).

The average (mean) number of employees per full-time-equivalent training staff member was 252—ranging from 86 to 1,725. (The median is reported in the table above.)

On average, respondents reported that “per-employee” training and development expenditures increased by 7 percent from 2002 to 2003 – ranging from a decrease of 17 percent to an increase of 43 percent.

The vast majority of institutions (13 of 16) reported that their training budgets are always at risk. The consistency of responses to this question was notable.

### Systems Maturity

Each of the 17 participating organizations responded to a series of questions related to five systems used by organizations in managing and developing people. The five systems, as identified by McBassi & Company, are described in the following table.

**Types of Management and Development Systems**

Performance Management System	Enables an organization to manage employee’s performance and helps develop their talent.
Learning Management System	Typically, software that automates the administrative of training/learning events—from managing the registration of users to providing reports to management.
Knowledge Management System	A software application that collects, stores, and makes information available among individuals in the organization.
Succession Planning System	Ensures leadership continuity by addressing proficiency and “promotability.”
Talent Retention System	Helps the organization retain good performers and improve employee loyalty through initiatives that support employee satisfaction or engagement.

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*Each organization responded to a series of questions related to five systems used to manage and develop employees. Scores were relatively low, based in part by results in the areas of talent retention and knowledge management.*

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Scores in this area used a 1-to-5 point scale, with 1 corresponding to a low level of systems maturity and 5 corresponding to a high level of maturity. Overall, the average maturity level for the five areas was 2.1, a relatively low value, dampened by low maturity scores in the areas of talent retention and knowledge management. (According to research conducted by McBassi & Company, low scores in these two areas are not uncommon.)

**Systems Maturity**

System	Average (Mean Maturity)	Maturity Range
Overall Average	2.1	1.2 to 3.0
Performance Management	3.2	2 to 5
Succession Planning	2.8	1 to 5
Learning Management	2.1	1 to 4
Talent Retention	1.5	1 to 4
Knowledge Management	1.1	1 to 2

## Human Capital Indices

Data gathered using a full implementation of McBassi & Company's Human Capital Capability Scorecard™ (HCCS) are collapsed into five human capital indices proven to link directly to organizational outcomes, present and future. These indices include *Learning Capacity*, *Leadership/Managerial Effectiveness*, *Workforce Optimization*, *Knowledge Optimization*, and *Talent Retention*.

In the modified methodology employed in the ABA benchmarking study, data were generated to provide partial measures on two of the five indices, namely: *Learning Capacity* and *Workforce Optimization*. McBassi & Company's definitions of these indices appear in the following table.

### ***Learning Capacity and Workforce Optimization***

	<b>Definition</b>	<b>High Scores Indicate</b>	<b>Low Scores Indicate</b>
<b>Learning Capacity</b>	The organization's overall ability to learn, change, and continually improve.	Resources and time devoted to learning activities and events are effective in achieving desired outcomes of better performance and ongoing improvement.	Issues and factors are inhibiting the organization's ability to achieve desired outcomes from its investments in learning.
<b>Workforce Optimization</b>	The organization's success in optimizing the performance of its workforce by means of developing and sustaining talent (skills, competencies, abilities, etc.) and guiding and managing its application on the job.	Skills and proficiencies required to achieve performance goals are being acquired and developed successfully, thus leading to effective next-generation leadership and performance management.	Activities and initiatives should be pursued to develop an effective talent management system.

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*Participants were asked a series of questions regarding learning capacity and workforce optimization. Scores were slightly higher than average.*

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## Learning Capacity Measures

Summit participants were asked a series of questions with respect to certain aspects of "learning culture" that have been demonstrated as best practices in the research literature. These questions, and the average score for each, are summarized in the following table (using the same 1-to-5 scale). Average scores in this area are slightly higher than results typically seen in HCCS statistics, presumably because the benchmarking instrument was completed by CLOs, who, by virtue of their positions, have a unique perspective on the learning capacity measures.

### ***Learning Capacity***

<b>Learning Capacity Item</b>	<b>Average (Mean)</b>	<b>Range of Scores</b>
Organization's culture values and support for learning	3.9	2 to 5
Senior leaders demonstrate support for learning as a strategic investment	3.8	2 to 5
Senior management involved with learning/development	3.6	2 to 5
Managers encourage professional development	3.5	3 to 5
Training used to help employees achieve career goals	3.4	3 to 5
Employees have formal training or learning plans	3.2	2 to 4

## Workforce Optimization Measures

Participating institutions responded to a series of questions related to various aspects of “workforce optimization” that also have been demonstrated as best practices in the research literature. These questions, and the average score (on the 1-to-5 scale) for each, are summarized below. Similar to the *Learning Capacity* measures, average scores are higher than expected.

### Workforce Optimization Measures

Workforce Optimization Items	Average (Mean)	Range of Scores
Extent open positions are filled with qualified internal candidates	3.9	3 to 5
How top performers are identified and tracked	3.8	2 to 5
Extent leadership talent is identified and managed	3.2	1 to 5
Extent of analysis on why good performers leave	3.1	1 to 5
Extent employees are rewarded for developing skills to meet organization goals	3.0	1 to 5

## Analysis of Financial Outcomes

After benchmarking data were compiled, a statistical relationship was investigated between five summary human capital measures (capturing human capital practices, systems, and investments) and five measures of financial outcomes across the 17 banking institutions for which human capital (HC) data were determined. The following five measures were used as summary human capital statistics:

- Average systems maturity score (using all five systems)
- Total training and development expenditures per employee FTE
- Number of employees (FTEs) for each training/learning employee (FTE)
- Average responses to all Learning Capacity questions
- Average responses to all Workforce Optimization questions

The following five financial outcomes were examined in the analysis:

- Return on assets (ROA)
- Return on equity (ROE)
- Net income per employee FTE
- Total assets per employee FTE
- Total stock market return (for publicly-traded institutions)

The analysis found that, for each separate human capital statistic, the group of institutions that reported data in the top half (top 50 percent) among all institutions also have, for the vast majority of the comparisons, better measures of financial outcomes than the group comprising the bottom half of participating institutions. (For purposes of the analysis, *median* financial outcomes for each group were compared.)

The overall pattern of comparisons pointed to a strong positive relationship between the human capital variables and the institutions’ financial performance. Nineteen of the 25 comparisons of medians (76 percent) showed that institutions that make a greater commitment to human capital also perform better financially.

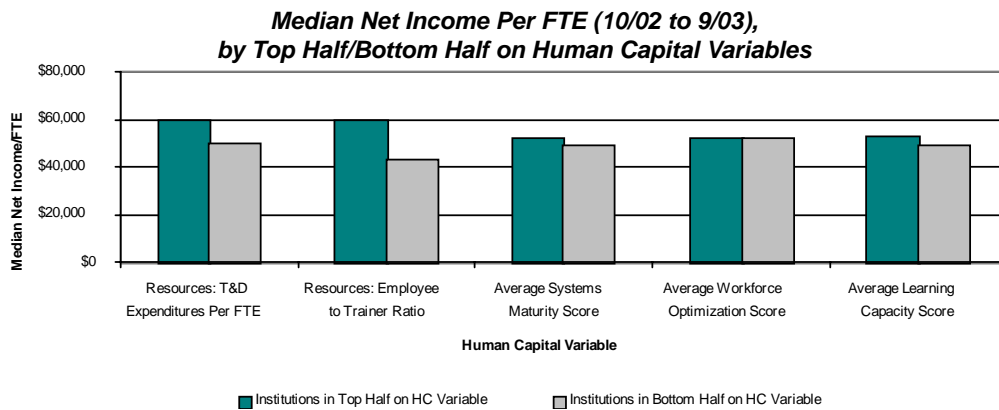
Among the human capital measures, the strongest evidence for this overall relationship was seen in the analysis involving the variable measuring total training and development expenditures per employee FTE. This variable saw a positive relationship for each of the five financial outcome measures: ROA, ROE, net income per employee FTE, total assets per employee FTE, and total stock market return (for publicly-traded institutions).

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Overall, for each separate human capital statistic, the group of institutions that reported data in the top 50 percent performed better financially.

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Among the financial outcomes, the strongest set of relationships was observed for net income per employee FTE. This outcome measure was positively related to all five human capital measures as described in the figure below.



## Conclusions of Benchmarking Study

Although definitive conclusions about the nature of the relationship between the human capital measures outlined above and financial performance must await the passage of time (in particular, for 2003 year-end and 2004 financial outcomes to become available), some preliminary findings had been determined in February 2004.\*

- The preponderance of the evidence clearly points to a positive relationship between human capital practices/investments and financial returns. As a group, those institutions that demonstrate the greatest commitment to human capital enjoy the greatest financial returns.
- This relationship is most consistent and pronounced for the human capital measure that captures training and development expenditures per employee.
- The financial outcome most consistently associated with an array of human capital measures is net income per employee.

Overall, the results are strongly suggestive: there is every reason to believe that an institution's increased focus on and commitment to human capital factors should be expected to improve its financial performance in the future.

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\* The analysis conducted for ABA's Human Capital Benchmarking Report was replicated in April 2004 after 2003 fourth-quarter financial results were available. For stock market results, the period of March 31, 2003 to March 31, 2004 was used.

The pattern of results for the updated financial data was almost identical to the pattern observed in the original February report. That is, the group of institutions that reported data in the top half (top 50 percent) among all institutions also have, for the vast majority of the comparisons (19 of the 25 relationships), better measures of financial outcomes than the group comprising the bottom half of participating institutions. The strongest relationship remained for the human capital variable that captures training and development expenditures per employee. (All five financial variables ranked higher for the top half of banks in terms of training and development expenditures per employee.) Similarly, the financial outcome most consistently associated with an array of human capital measures is net income per employee.

The conclusion from the April 2004 findings remain the same: those financial institutions that demonstrate the greatest commitment to human capital enjoy the greatest financial returns.

## CLO Summit Proceedings: Implications and Best Practices

This section of the report summarizes the follow-up discussions at the CLO Summit. Participant observations have been summarized in four key areas: Workplace Learning, The Business Case, Managing Resources, and Leadership.

### Workplace Learning

The training and development function in banks is transforming in several fundamental ways. First, as training and development budgets come under increased scrutiny, much of the responsibility for improving job performance and enhancing career potential rests with the employee and not the training organization. The one-time practice of the bank accepting full responsibility for the long-term development of employees is rapidly disappearing. That trend is expected to continue until employers fully understand the important linkage between the training and development investment and business performance.

*Business unit managers who view workplace learning as key to employee performance will support programs that promise measurable results. Therefore, more and more learning programs are linked to measurable performance outcomes—for a position, a business unit, or the overall organization.*

At the same time, training departments are being assigned greater responsibility for helping business units achieve performance objectives and business results through various learning strategies. To support the learning needs of employees and their sponsoring business units, training professionals are assuming the roles of learning and performance consultants and are spending relatively less time as classroom training presenters.

In these new roles, training professionals are becoming much more concerned about the accessibility of the appropriate mix of learning resources for employees who are assuming greater personal responsibility for their own professional development. Increasingly, superior performing employees are also active learners and, in many cases, self-directed learners. To a large degree, the emergence of the self-directed learner in banking has been driven by the widespread adoption of online learning technologies, which accommodate employees' personal and professional schedules as well as their learning needs and preferences.

### The Business Case

Because the value of the workplace learning investment to business performance is not completely understood, training budgets are often at risk, especially when the underlying business case for the learning activity is not a clear and compelling one. That is, without a sound business rationale, there is no way to determine how a specific program supports business strategy and goals, its priority relative to other such initiatives, or its intended business impact. As a result, the learning activity is often seen as an isolated, unjustified expense. To connect with the ultimate economic decision-maker, the business rationale must reflect the strategy and goals (as well as language) of the business unit or overall organization.

The key to building a business case begins with empirical evidence that identifies gaps in the current state of performance (relative to the desired state) with respect to a specific job, a group of employees, certain critical processes, or some other business situation. Moreover, a business case without the appropriate quantitative analysis is not credible. A cost/benefit analysis is essential, and a formal evaluation should be planned that attempts to assess learning gains, performance outcomes, and ultimately, business impact.

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## Managing Resources

A growing body of evidence (McBassi et al.) suggests that if firms invest optimally in people, then the return on that investment would rival the returns on other forms of investments. But such investments must be made wisely—in line with business objectives and in ways that increase the amount of relevant training employees receive for the dollars invested.

Investing sensibly also means accessing learning resources that generate the greatest possible return for the bank. Often, this is accomplished by leveraging learning technologies. For example, the scalability of online courses presents significant cost advantages in providing learning opportunities to large numbers of employees in comparison to sending relatively fewer individuals to higher-priced programs.

Virtually all banks “outsource” part of their training and development effort as a complement to what can be (or should be) done internally. The decision to outsource is not always a simple one. It is based on a number of considerations, such as business priorities, corporate culture considerations, costs and budgetary considerations, internal training capabilities, the timing or urgency of the training, and the magnitude of the training initiative itself.

Outsourcing aspects of the training and development function typically enables the organization to manage costs more effectively, allows for faster turnaround of training, and stabilizes staff resources. Often, based on the reputation of the vendor, outsourcing a program may also add significant credibility to a training offering.

However, outsourcing costs need to be managed carefully. When outsourcing, the financial stability of the vendor must be considered. This is especially true for relationships with e-learning providers, because online technology is evolving, particularly with respect to learning management systems.

## Leadership

As the transition continues from organization-directed training to employee-centric learning, business practices and cultures are evolving to keep pace. This requires a leadership commitment at the highest levels of the organization.

Leadership plays an essential role in transforming learning into performance—motivating, inspiring, and enabling others to learn and perform as expected. Because of their formal leadership responsibility, the CEO and other bank executives must clearly demonstrate their ongoing support for the learning activities of self-directed learners and the organization in general.

For more formal training programs, bank executives need to reinforce key elements of the business case: the purpose of the learning initiative, what is expected to be accomplished, the business rationale, and the overall benefits to the individual, business unit, and organization. In turn, business-line managers and supervisors should reinforce those messages with employees. This is especially important during implementation of major learning initiatives, such as the launch of e-learning within the bank.

Just as the training function is evolving, so has the composition of the team responsible for employee learning and development. No longer is workplace learning the sole responsibility of the training department. Instead, a broader support team, including training and development personnel, executive staff, managers, and even the outside learning partners, shares responsibility for effective workplace learning.

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*Managers and supervisors need to reinforce to their employees the purpose of the learning initiative, what is expected to be accomplished, the business rationale, and the overall benefits to the individual, business unit, and organization.*

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*Managers need to work closely with learning consultants to ensure that business objectives are aligned with specific learning activities.*

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Managers need to work closely with training professionals (learning consultants) to ensure that business objectives are aligned with specific learning activities. Furthermore, managers and learning professionals should share responsibility and accountability for the performance results expected through the learning intervention.

Managers may have their greatest impact on the learning process as coaches. Coaching is critical in helping employees apply newly acquired knowledge and skills to the job and in reinforcing desired behavior (i.e., performance).

With the significant increase in outsourcing and other business arrangements occurring today in workplace learning, vendors are playing an even more significant role. Training personnel should work closely with vendors not only to ensure that learning objectives are adequately addressed, but also, for business and culture reasons, to integrate bank brands, practices, and approaches into vendors' programs.

In addition to collaborating with CEOs, other executives, managers, and outside learning partners, chief learning officers need to influence others in the organization to support the values of a learning organization. For example, CLOs must help HR personnel understand that learning effectiveness begins with having the right person in the right position, supported by a capable manager-coach, and provided with the right mix of incentives that will drive learning and ultimately personal and organizational performance.

### **Conclusions of Summit Proceedings**

More than others, chief learning officers understand that investments in employee learning and development lead to improved financial performance of banks through gains in quality, productivity, and customer satisfaction among other underlying business drivers. But to ensure that happens, CLOs have a significant leadership responsibility (and opportunity) to see that workplace learning and development dollars are spent in ways that support business goals and yield the greatest return to the organization, while allowing the employee to take advantage of an array of learning resources to improve individual performance and grow professionally.

CLOs understand how to unleash employee capabilities and achieve business objectives through learning. Through their deliberations at the ABA Chief Learning Officer Summit, they have shared their unique perspectives with the rest of the industry, which should help banks leverage the workforce of today in securing a profitable and successful tomorrow.

For questions or comments regarding this white paper, contact Peter Carlivati. Dr. Carlivati may be reached at the American Bankers Association ([pcarliva@aba.com](mailto:pcarliva@aba.com), 202-663-5382).

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*Through their deliberations at the Summit, CLOs have shared their unique perspectives with the rest of the industry, which should help banks leverage the workforce of today in securing a profitable and successful tomorrow.*

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### **About the ABA Professional Development Group**

The mission of the Professional Development Group is to enhance the role of ABA members as the leading providers of personal financial services. In support of that mission, the Group educates, trains, informs, and supports members who provide the full range of financial products and services to individual consumers and small businesses. Supported by world-class market intelligence, the Professional Development Group leads in identifying critical industry issues and trends that affect professional and organizational performance in the personal financial services sector and translates that intelligence into state-of-the-art products and services.

### **About American Bankers Association**

The ABA brings together all categories of banking institutions to best represent the interests of this rapidly changing industry. Its membership—which includes community, regional, and money center banks and holding companies, as well as savings associations, trust companies, and savings banks—makes ABA the largest banking trade association in the country.

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#### Endnotes

- <sup>1</sup> American Institute of Banking of the American Banker Association. *Fifty Years of Banking Education*. New York: 1950, p. 10.
- <sup>2</sup> American Bankers Association, *ABA's Human Capital Benchmarking Study*. Washington, DC: 2004.
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