



The Astounding Value of Learning Brand

Learning Brand is the Learning Organization's Most Valuable Intangible Asset

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*“A brand is a living entity – and it is enriched or undermined cumulatively over time, the product of a thousand small gestures.”
- Michael Eisner, CEO Disney*

Everything has a brand, and the learning organization¹ is no exception. This is because brand is made up of opinions, and it is impossible to prevent people from having opinions. If a learning leader stopped employees, managers, or senior executives in the hallway and asked them their opinion of the learning organization, there is no doubt that they would have one.

The aggregate of those opinions about the learning organization and its products and services is the organization's “Learning Brand.” The perceptions or opinions that make up the Learning Brand are formed as a result of the combination of a promise of expectations regarding the learning organization, marketing about the learning organization's promise, and most importantly, the experience customers have with the learning organization's products and services. This cumulative customer opinion influences behavior, and thus can bring significant, measureable value to a company by way of increased revenue, profit, and growth.

¹ Throughout this paper, “learning organization” refers to the group that is responsible for training and development, regardless of whether it is called a corporate university, L&D group, or training department.

Because of this, in the corporate world, a company's "brand" has come to be known as its most valuable intangible asset¹ and a critical source of competitive advantage. The same can be said for a learning organization and its Learning Brand.

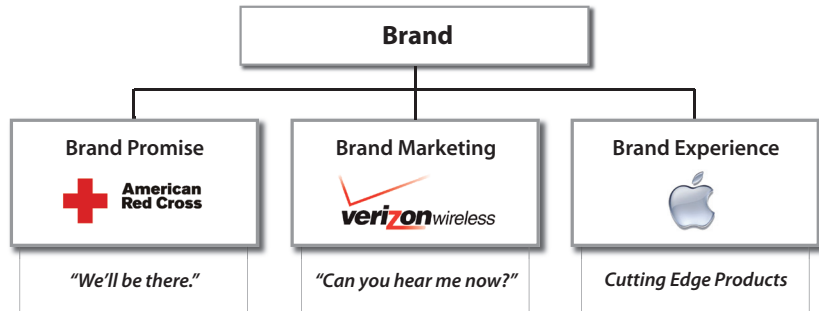
Because people within the company will have opinions about the learning organization, it is imperative to carefully manage the strategies that the learning organization adopts in order to influence those opinions. As Michael Eisner of Disney said, "A brand is a living entity – and it is enriched or undermined cumulatively over time, the product of a thousand small gestures."

Many learning leaders are not even aware that their organization has a unique Learning Brand. When they hear the word "brand," the traditional paradigm of "brand = marketing" kicks in, and they do not think beyond it. However, it is critical, especially in times when companies are expecting every corporate function to add value and contribute to the achievement of business challenges, for learning leaders to spend time and resources building and maintaining a strong Learning Brand. There are four key reasons why building a strong Learning Brand matters:

- Brand happens and should never be left to chance
- Learning Brand is a holistic, voice-of-the-customer metric of the value of L&D
- Learning Brand directly influences employee engagement, which impacts the Learning Profit Chain
- Learning Brand ensures sustainability in tough economic times, which is important to long-term success

Brand Happens

Brand is simply the sum of the perceptions that people have about...well, everything. It is not just about the products people buy. Organizations, companies, and people all have brands.



Brand is comprised of the three essential elements shown above: Brand Promise, Brand Marketing, and Brand Experience.

Brand Promise is the expectation created about the product, organization, or person. The motto of the American Red Cross, "We'll be there", is an example of a powerful brand promise. It sets a standard by which the public can judge the effectiveness and worth of this charitable organization. Staples "EASY" button is another example of a company's promise.

Brand Marketing isn't brand, but it is a critical component of it. Verizon's "Can you hear me now?" campaign has been successful as a way to highlight the company's promise of wireless coverage. Harley-Davidson motorcycle has developed a strong brand through the power of strong, recognizable images, and by creating a sense of shared experience and community among its devotees that influences even the way non-riders think about the company.

Brand Experience is the third element of a brand. It is what actually happens when we use a product, watch a performance or a sports event, or are served by a company. Apple is known for its cutting edge products. It's not just what people expect, it's what they actually experience. Tide detergent gets clothes clean; Tiger Woods gives his best effort on the golf course.

Promise, Marketing, and Experience have to work together to create a strong brand, and if they don't match, the brand suffers. If the Red Cross didn't show up when they were needed or if Verizon Wireless didn't actually have exceptional coverage, all the promises and marketing wouldn't matter. On the other hand, Apple's cutting edge products wouldn't have the market share they do without the exceptional work that has been done over the years to explain their goals and deliver the messages around their products.

Coca Cola is the most valuable brand in the world, according to the latest *Business Week* magazine rankings. Its Brand Promise is embodied in the first statement of its mission statement: To refresh the world in body, mind, and spirit. Their marketing has delivered such memorable images as the soda-drinking polar bear and children singing about "teaching the world to sing in perfect harmony." The Coke loyalists in the world wouldn't drink anything else.

Learning has a brand as well. Like all of the brands discussed here, that brand is a combination of what is promised, how it is marketed, and the experience people have with it. The Learning Brand needs to be measured and managed, much like any other aspect of learning to assure the continued success of the learning organization in its mission of helping the business meet its goals.

The Learning Brand Model

The sidebar, *Brand Happens* (page 2), describes the three components of brand: Brand Promise, Brand Marketing, and Brand Experience. In the CorpU Learning Brand Model (Figure 1), we show how these three components combine to influence the perception of the Learning Brand, as well as the consequences that occur when the learning organization has a strong brand. It is extremely important that learning leaders ensure that their Brand Promise, Brand Marketing, and Brand Experience are consistent with each other, and that the Experience either meets or exceeds the expectations they have based on the promise that has been made. A strong Learning Brand only becomes a reality when the Learning Brand Promise comes to life consistently for every customer through valuable Learning Brand Experiences.ⁱⁱ Although many learning leaders equate their Learning Brand with marketing, the Brand Marketing is just a vehicle to connect customers with the Learning Brand Promise and Experience.

Brand Perception, what employees, managers, and senior leaders think about their learning experiences within the company, can affect the opinion of a particular learning organization and the opportunities offered for learning by the company as a whole. The latter opinion may be based on programs and practices that are not within the realm of the learning organization's responsibility (e.g., orientation, career planning, advancement, coaching, manager support, tuition reimbursement, etc.). The range of responsibilities that each learning organization has within the company is unique, so it is important to emphasize that Learning Brand, as defined here, refers to opinions that people have about the services and products that are within the scope of the learning organization's responsibility.

CorpU Learning Brand Model

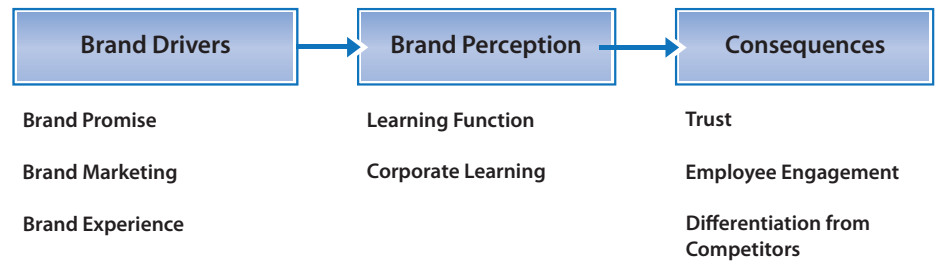


Figure 1: Learning Brand ultimately has consequences that affect business results.

The cumulative opinion of each customer group within an organization has consequences. For example, a consequence of positive employee opinion is employee engagement, while for managers a positive opinion could lead to partnering with the learning organization to resolve performance problems. When learning professionals believe in their learning organization, it is reflected in high quality delivery of the learning organization's products and services. Most important, as will be seen later, the result of positive senior leader perception is trust that the learning organization will ensure the performance needed to meet strategic goals. In addition, a strong collective opinion about the learning organization will make that organization the first choice to solve performance problems, rather than going to external vendors or considering other options.

Determining Learning Brand is critical because the potential detrimental consequences of not knowing customer opinions – particularly those of senior leaders – are too important to ignore.

Learning Brand is a Critical Measure of the Value of L&D

The Corporate University Xchange white paper, *The Learning Profit Chain: Connecting Learning Investments to Financial Performance* (Spring 2009), detailed the fundamental challenges of applying traditional measures of the impact of learning such as Kirkpatrick and Phillips ROI to the overall effectiveness and efficiency of the learning organization. In a similar fashion, these are not the best methods to assess what stakeholders think about learning. Kirkpatrick and Phillips ROI only address opinion about and impact of specific individual courses and programs. While this certainly helps to determine the value of individual courses or programs, it does not address the perception of the value of the learning organization as a whole.

Another way to think about this is that Kirkpatrick and Phillips are bottom-up approaches that start with participant reaction and individual program impact to generalize the data to reflect overall company impact. Learning Brand is different. It is a top-down approach that starts by gathering the opinion of all customer groups and combining them to build a big-picture view of the company perception of the learning organization as a whole. That data can then be broken down to compare and contrast opinions between stakeholder groups, business units, geographic locations, etc.

It is crucial to remember that, no matter how convinced learning leaders are that they are delivering value to the various stakeholders within their company, if the customers don't agree, then either the value of learning is not being delivered, was misidentified in the first place, or is not being perceived by the customers. For example, many learning leaders are convinced that program-specific metrics and data demonstrate to senior leaders that their learning programs are effective. However, CorpU's benchmarking research has shown that senior leaders often do not believe or care about the traditional metrics that are provided by the learning organization through Kirkpatrick and Phillips ROI for a variety of reasons.ⁱⁱⁱ Therefore, identifying the opinions of all customer groups through a holistic, voice-of-the-customer assessment pinpoints whether the learning organization is or is not delivering value to stakeholders. The end point of this kind of assessment is Learning Brand.

Some companies try to determine the voice-of-the-customer opinion of learning through annual company employee satisfaction or engagement surveys. Unfortunately, employee engagement/satisfaction surveys typically ask only one or two questions about learning experiences, or ask only about learning or development in general, not specifically about the learning organization. A thorough, but streamlined, assessment of the opinions of all major customer groups, asked in a way that can be broken down by internal demographics (such as geography, business unit, years with the company, etc.), will provide data necessary to determine exactly where and how the learning organization is being effective...or not.

No matter how convinced learning leaders are that they are delivering value to the various stakeholders within their company, if the customers do not think so, then they're not.

A New Way to Ask the Question

There is no way to know what customers actually think about the learning organization without asking them, so learning leaders need a structured way to uncover their stakeholders' opinions. In response to this need, CorpU has developed an analytic and diagnostic tool that will capture the opinions of employees, managers, senior leaders, and learning professionals about the learning organization. In other words, it measures Learning Brand (Figure 2). Through this tool, learning leaders will be able to tell

if the opinions between customer groups are consistent; compare these opinions based on demographic filters like business unit, geographical location and years of employment; and learn where the strengths and weaknesses are within specific groups and throughout the company. Determining this information is critical, because the potential detrimental consequences of ignoring customer opinions – particularly those of senior leaders – are too important to ignore.

The Learning Brand survey tool will determine how the learning organization is perceived by each of the stakeholder groups about each of the three Learning Brand Drivers: Brand Promise, Brand Marketing, and Brand Experience. The perceptions will be compared to the key strategies that a learning organization employs to impact the elements of Learning Brand in order to determine which strategies would be best leveraged within and across specific customer groups. This data is the foundation for building an action plan to address Learning Brand weaknesses and maximizing Learning Brand strengths.

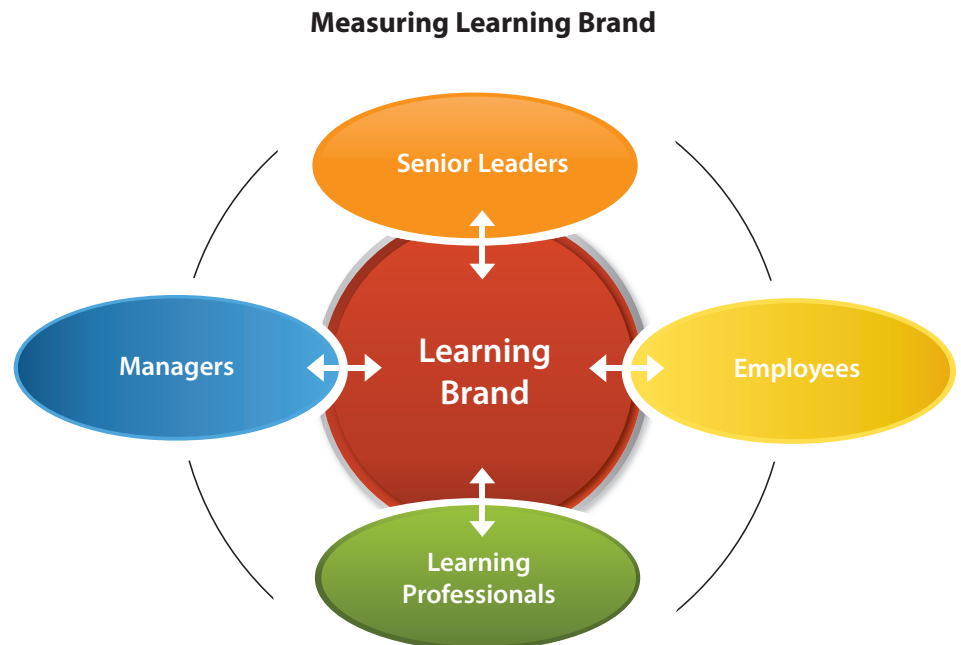


Figure 2: Learning Brand is the sum of all stakeholder perceptions of the learning organization.

Learning Brand Impacts Business Results

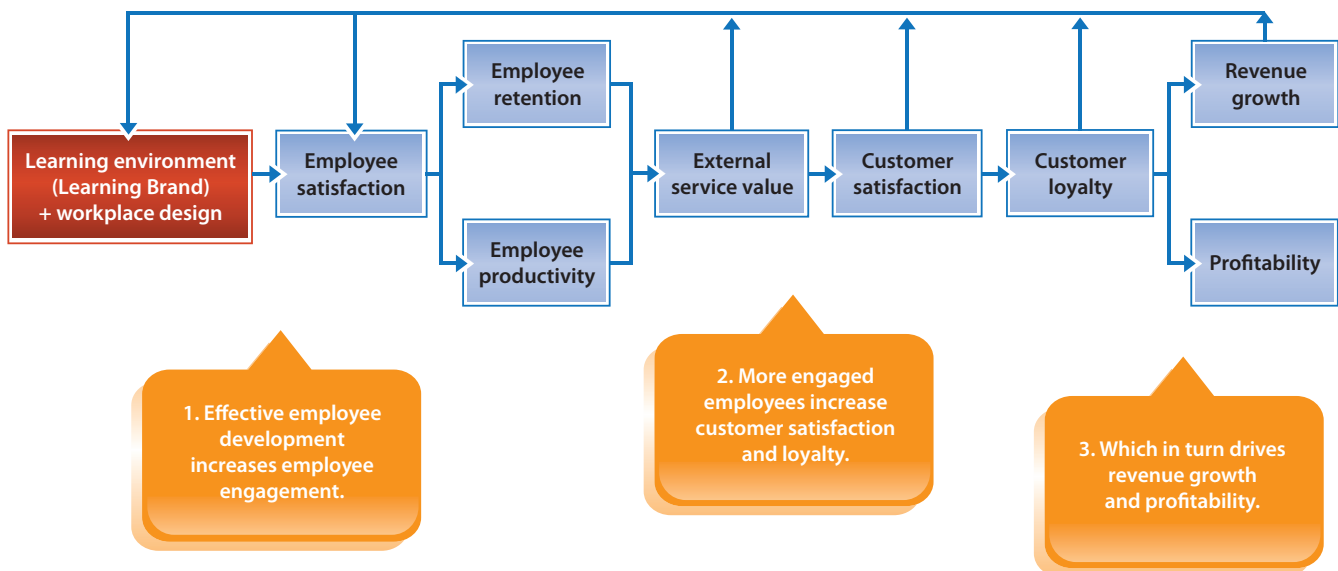
The primary goal of any learning organization should be to positively impact business results (e.g., revenue, profit, and/or growth). To accomplish this, learning organizations typically focus on developing and implementing learning interventions that will improve knowledge and skills of specific groups or sub-groups of internal stakeholders, ultimately to increase individual and group productivity. While this may achieve success within those groups or sub-groups, it is difficult to correlate individual program accomplishments to overall business results. Instead, learning leaders should refocus their time and resources on the learning environment within the company, which is the first step of the Learning Profit Chain.

The Learning Profit Chain

In order to explain the Learning Profit Chain, we must first describe the Service Profit Chain, a model of relationships between nine different business outcomes (Figure 3). Research has well established that, by following this model and tracking the related business metrics at each stage, companies are able to make the connection between the quality of service – both internal and external – and company profit.

As is the case with most processes, the best way to think about the links in the chain is from right to left, starting with the final goals which, in this case, are Profitability and Revenue Growth. Continuing across the chain, Company Revenue, Growth, and Profitability are an outgrowth of Customer Loyalty, which is influenced by Customer Satisfaction. In turn, Customer Satisfaction is impacted by the value of the services as perceived by the customers (External Service Value). This value is maximized by

The Connection Between Employee Development, Growth, and Profitability



Source: Based on "The Links in the Service-Profit Chain" in Harvard Business Review Article, "Putting the Service-Profit Chain to Work," Harvard Business Review, July – August 2008.

Figure 3: Learning Brand, and its impact on the learning environment, is the start of the Learning Profit Chain.

the levels of Employee Retention and Productivity, which are the direct results of the level of Employee Satisfaction. Going further, Employee Satisfaction is impacted by the company's Internal Service Quality (which can be thought of as "quality of work life," and is a measure of how employees feel about their jobs, co-workers and their company).

Recent research is beginning to show that employee development is a significant driver of employee engagement. Leigh Branham found in his multi-year study that two of the seven reasons employees leave their employers relate specifically to learning organization roles: too little coaching and feedback and too few growth and advancement opportunities.^{iv} In addition, another recent study found that, of 750 respondents, 100% ranked the quality of workplace learning opportunities as first among several factors that influence engagement in their organizations, and most of the executives who responded indicated that they rely on workplace learning opportunities to drive employee engagement.^v Evidence such as this, which demonstrates a clear correlation between learning experiences and employee engagement, is why we believe that the learning organization must take a leading role in ensuring Internal Service Quality, with the entire learning environment – not just individual training programs – being the primary focus. CorpU refers to this expanded process, which includes the addition of Learning Brand to the front of the Service Profit Chain expanded process, as the Learning Profit Chain.

The Learning Profit Chain and Learning Brand

Although there are many different definitions of employee engagement, they all boil down to one concept: engaged employees have a positive opinion of the company, its mission, product and/or service, which is demonstrated by above-average productivity. There are many different drivers of employee engagement, but the concept of capacity, or the combination of knowledge, skills and tools to do one's job, is found

consistently throughout the literature as one of the significant drivers. If the workplace learning environment has a significant impact on employee engagement as research suggests, and if employee engagement is a combination of beliefs and feelings about an employer (satisfaction), which then impacts behavior (retention and productivity), then it is logical to conclude that the beliefs and feelings about the workplace learning environment (Learning Brand) impacts behavior (retention and productivity).^{vi} When this logic is taken to the level of an entire workforce, the power of the Learning Brand and its potential influence on overall workforce productivity – and eventually business profitability, revenue and growth – is clear.

In addition, when a company starts to become known externally as an organization with great learning and growth opportunities, then people who value the culture of respect that this reputation implies, will be more likely to apply for jobs at that company. By helping the company become an employer of choice, the learning organization contributes to an increasing pool of appropriate applicants and the hiring of individuals who are self-motivated by learning and who will appreciate and thrive in a positive and pervasive learning culture.

Learning Brand and Sustainability

The perception of the learning organization held by senior leaders is a key factor in assuring the success of that organization, especially in today's challenging economic climate. Executives have to trust that the learning organization occupies a central and valuable place in meeting the strategic business challenges of the company so that they will continue to give it their support.

The beliefs and feelings an employee has about the employer's learning environment (Learning Brand) impacts individual behavior and is seen through retention and productivity. Taken to the level of the entire workforce, the power of the Learning Brand and its potential influence on overall workforce productivity – and eventually business profitability, revenue and growth – is clear.

This cycle, shown in Figure 4, begins with Learning Brand Driver Strategies and ends with the capital, scope, and influence necessary to continue adding to and refining the Learning Brand Driver strategies. The first stage of the Learning Brand Sustainability Cycle is the selection and implementation of learning organization strategies specific to leveraging the Brand Promise, Brand Experience, and Brand Marketing. In order to build a strong Learning Brand, the learning organization must implement strategies that create a clearly defined Brand Promise, design and implement Brand Experiences that are valuable to customers, and develop Brand Marketing that delivers compelling messages about the Brand Promise and Brand Experiences. Ultimately, the customers' interactions with the Learning Brand Promise, Experiences, and Marketing influence their opinions about the learning organization, which is the second stage of the Sustainability Cycle.

The most important consequence of a strong Learning Brand is the third stage of the Learning Brand Sustainability Cycle: senior leader trust. Those leaders who think highly of the learning organization will have greater trust in the learning organization.^{vii} Research demonstrates that strong brands are trusted authorities, particularly when decisions are complex and information is imperfect.^{viii} Because of this, senior leaders will be much more likely to provide the capital needed for the learning organization to continue its work (remember that a brand is worth nothing if people are not willing to pay for it.)^x Senior leaders who trust the learning organization are also more likely to support a greater reach throughout the company so that the learning organization's ability to meet the needs of the business is enhanced. Finally, senior leaders who trust the learning organization are more likely to invite learning leaders to have real influence on business strategy. These indicators of senior leader trust enable the learning organization to continue impacting the learning environment, as well as employee engagement, retention, and productivity.

Summary

Just as companies with well-known and recognized brands view those brands as precious assets and treat them as such,^x learning leaders need to do the same. Managing the Learning Brand ultimately affects the ability of the learning organization to be a strategic partner to the business. It is especially important in the current economic climate for a learning organization to know what people think, and to have a strategy that combines the key elements of Brand Promise, Brand Marketing, and Brand Experience into the strongest Learning Brand possible. By thoughtfully managing its Learning Brand, the learning organization will increase its brands sustainability, which will continue to impact the Learning Profit Chain towards the ultimate goal of business success.

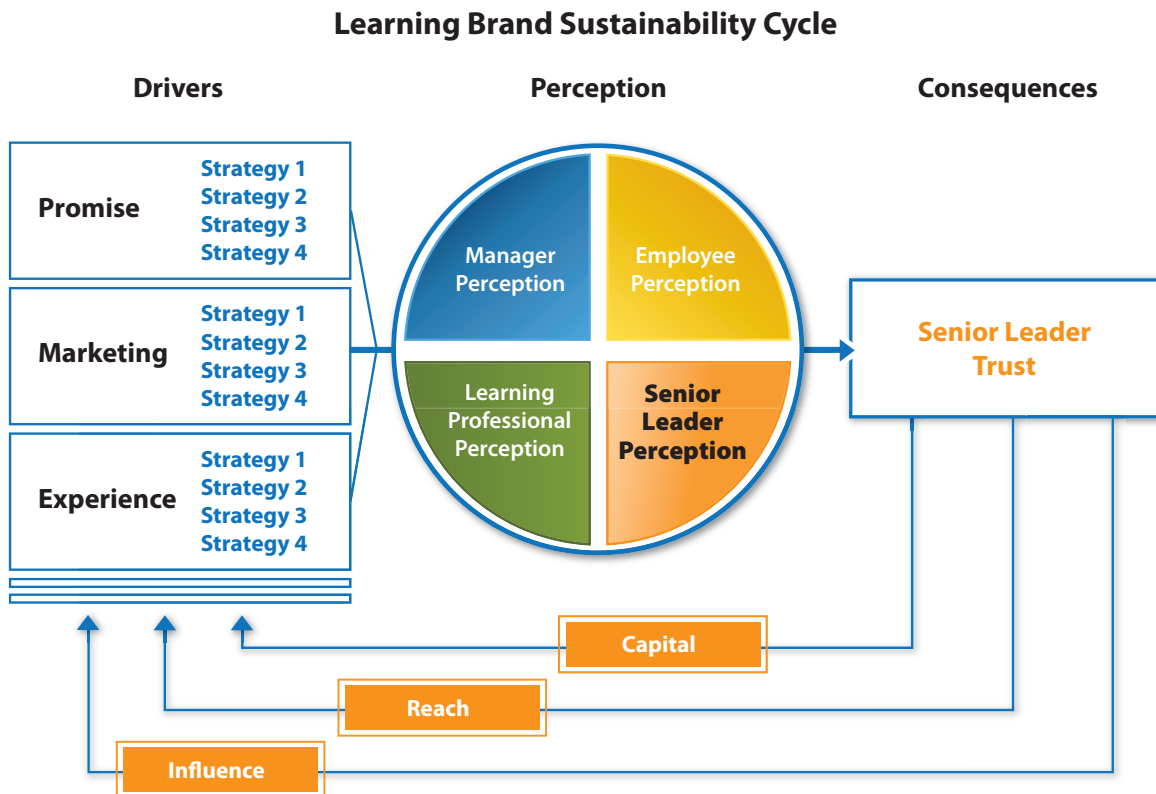


Figure 4: A strong Learning Brand positively impacts the sustainability of the learning organization, leading to its long-term influence on the Learning Profit Chain, and therefore business success.

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