



HOW LEARNING AND DEVELOPMENT IMPROVES ORGANISATIONAL PERFORMANCE

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Employees are key drivers for organisational performance. Without employee learning and development (L&D) it would be very difficult to achieve business growth. This is because when employees develop their skills it manifests through their work. This is also supported by research carried out by the Association for Training and Development (ATD). It found that companies with greater expenditure on L&D achieve a 24% higher profit margin than those that do not. It also found a staggering 218% increase in income per employee.

THE 70:20:10 MODEL FOR LEARNING AND DEVELOPMENT

The 70:20:10 learning model is used by many organisations across the world. This model suggests that learning and development should be divided into three types:

- Experiential learning – 70%
- Social learning – 20%
- Formal learning – 10%

EXPERIENTIAL

Experiential involves learning while doing the job on a day-to-day basis. Employees learn through practice, repeating tasks, and trial and error.

SOCIAL

Social involves learning by collaborating with other people. When working with colleagues, more often than not we pick up things that we hadn't known before.

FORMAL

Formal involves learning skills through a training course. This can include online training, workshops and also classroom-based study. Formal learning can often result in an accredited qualification.

When learning is divided into these three types, it maximises the benefits for the organisation.

THE IMPACT OF LEARNING AND DEVELOPMENT ON ORGANISATIONAL PERFORMANCE

Learning and development can improve organisational performance in a number of ways. This includes:

- Optimises Operations
- Encourages Innovation
- Adaptability to Change
- Enhances Technological Capabilities
- Improves Communication
- Gain and Retain Top Talent

OPTIMISES OPERATIONS

The way in which employees carry out their role is largely to do with the processes in place specific to that business. However, many employees carry out tasks without ever understanding or questioning the “why” behind the actual process.

By providing formal training, employees can understand why things are done in the way that they are. It will also encourage them to consider better ways of doing things. This puts them in a better position to carry out their role as efficiently as possible. It will also improve the effectiveness of their role and lead to an increase in productivity.

ENCOURAGES INNOVATION

Learning cultivates employees’ knowledge of their roles and also the industry in which they work. It does this by presenting them with new information relevant to their field. It also exposes them to their sector’s latest trends. Employees that engage in L&D will have a better understanding of the latest developments within their field.

They will also have a wider knowledge of other industries and how they interlink. With these additional insights, employees are much better equipped to come up with modern solutions to problems. They will also be more likely to come up with innovative ideas for the benefit of the business.

THE IMPACT OF LEARNING AND DEVELOPMENT ON ORGANISATIONAL PERFORMANCE

ADAPTABILITY TO CHANGE

Change can affect a business's micro or macro environment. Micro environment changes include anything from a team member leaving to a new competitor entering the market. It can also include things such as using new software or taking out a step from a process to make it more efficient. Macro environment changes can include anything from updates in government policy to an economic crisis which causes inflation. It can also include technological innovation, environmental issues or changes in lifestyle.

Change is constant, and it's important for all employees to be able to adapt as quickly and efficiently as possible.

By keeping up to date with all of the latest trends and developments that could affect their industry, employees are better equipped to deal with changes. It also means they are likely to adapt quickly, whether the change is at a macro or a micro level.

ENHANCES TECHNOLOGICAL CAPABILITIES

Technology is always evolving. It's important for employees to understand how new technologies influence their roles as well as how best to utilise it.

Through learning and development, employees can improve their understanding as well as their technical expertise. This will lead to the ability to adopt technological advancements for the benefit of the organisation.

THE IMPACT OF LEARNING AND DEVELOPMENT ON ORGANISATIONAL PERFORMANCE

IMPROVES COMMUNICATION

Effective communication is crucial in the workplace for a number of reasons:

- Encourages creativity and problem-solving
- Supports relationship building which is important for a positive workplace culture
- Prevents confusion and uncertainty, which can reduce the time it takes to complete tasks

Because L&D increases employees' knowledge and skills, it can often make them more confident in their abilities. This confidence will lead to them being able to communicate ideas effectively. It will also support them with general, day-to-day communication.

GAIN AND RETAIN TOP TALENT

A study carried out by the University of Phoenix Career Institute found that 68% of employees would stay with their employers throughout their careers if reskilling and upskilling opportunities were available.

Therefore, it's extremely important to prioritise employee development in order to keep talented team members. Retaining team members and reducing turnover rate will also save time and resources on recruitment and training. When it does come to the time for a recruitment drive, fostering an employee-focused culture will attract top talent.

Discover how DLC Training can support your organisation's L&D programme with [online formal training courses](#). With courses available in a wide range of areas and levels, our [business team](#) will be happy to discuss individual employee requirements.

