FEAR OF FAILURE

Is risk aversion hindering the impact of executive education?

By Professor Bettina Büchel - May 2009

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Despite a continued corporate call for business schools to objectively prove the impact of their executive education programs, the use of activities to ensure and measure such impact remains limited. In this article, Professor Bettina Buechel explains how this failure is due to risk-averse behavior by business school Faculty and HR executives, and how to improve program impact.

Business school Faculty and company HR executives – the key actors responsible for designing and delivering executive education programs – can choose from a range of activities to measure and ensure program impact. Moreover, company boards are increasingly asking for direct and systematic evidence of such impact to justify the high cost of executive programs. Indeed, failure to provide this type of information will put business schools at a disadvantage in the competitive educational marketplace.

Nevertheless, my research indicates a lack of perceived need among Faculty and company HR executives to engage further in ensuring and measuring the impact of executive education.

The Faculty perspective

Faculty members argue that impact can't be scientifically proven. For example, client objectives do not always lend themselves to meaningful measurement; control groups are difficult to establish; and the different expectations and reactions of participants, driven by their differing backgrounds and business challenges, do not help in producing a systematic effect. There is also a perceived lack of "generalizability", with any measurement remaining at the level of a specific program. Another argument is the considerable effort, cost and time required to monitor and ensure program impact, combined with the fear that there is nothing to show as a result.

The HR perspective

Many HR executives are satisfied that impact has been achieved simply by being involved in program development and delivery. Many also argue that participant evaluations after a program demonstrate its impact. However, satisfaction questionnaires are at best moderators of impact – program effectiveness is highly dependent on how the learning is applied back in the workplace. HR executives may not be interested in pursuing this as the necessary activities are outside their control.

Measuring impact entails risk

I believe that risk-averse behavior is at the heart of this lack of willingness to invest in ensuring program impact. Any attempt to measure impact can lead to risks to Faculty members and HR executives. Accordingly, such individuals look at this risk and the personal repercussions that negative outcomes may have, which in turn conditions their choice of action.

For example, if a program is treated as a one-off delivery with limited preparation, follow-through and measurement, the chances of demonstrable personal and/or organizational impact are decreased yet the risk-exposure remains minimal. Taking on more responsibility about which activities to include before, during and after a program makes program designers more accountable for delivering impact – and so involves a higher degree of risk.

Overcoming risk-averse choices

Assessing executive program effectiveness involves not only taking immediate learning outcomes into account, but also their transfer into workplace behavior. As for organizational change, this transfer requires follow-through support over time.

Program designers therefore need to develop three types of activities – pre-program, during-program and post-program – around an executive education experience, measure their impact, and be accountable for delivering results. This clearly changes the job definition of Faculty and the role of human resources, both needing to take responsibility not previously within their domain of work. Faculty members, for instance, need to stay engaged with companies and participants over an extended period of time and be accountable to show how the learning has been transferred to the workplace.

Achieving behavioral changes and performance improvements

Fundamental to this philosophy of pre-, during- and post-program learning is the cycle of reflect, conclude, plan and act. Activities that support this cycle can improve program impact – that is, the translation of learning into behavioral changes that improve individual or company performance – through six mechanisms:

1. Generating multiple points of reflection
   Multiple points of reflection before (web portal), during (daily learning journals) and after (on-going learning) a program, allow changes in the mental frame to occur and stabilize.
2. Generating multiple points of feedback
   Multiple points of feedback before (company executives), during (peers, Faculty and/or coaches) and after (post-program coaching or support) a program, allow key insights to be reinforced and existing mental frames to be challenged before a new frame is adopted.
3. Applying the learning
   Applying program learning to a necessary organizational project allows participants to assess the usefulness of particular concepts and frameworks and thereby embed their action in the work environment. Project reviews either with or without the support of program directors further allow the learning to be systematically evaluated and generalized beyond individual projects.
4. Linking learning outcomes to internal systems
   Linking program learning outcomes to company systems like performance evaluations and reward allows executives to see consistency between company policy and program objectives. Programs where company policies reinforce the lessons learned have a higher chance of showing impact.
5. Creating a support infrastructure
   Systems and tools to facilitate learning – such as networking facilities, shared platforms or other forms of exchange, either within the company or by business schools – help foster the creation of company norms.
6. Knowledge sharing
   Sharing program learning within the wider organization forces participants to become teachers and thereby translate implicit knowledge into explicit knowledge.

Bettina Büchel is IMD Professor of Strategy and Organization. She is Co-Director of the Strategic Leadership for Women (SL) and the Orchestrating Winning Performance (OWP) programs. At this year's OWP program (June 20 – 25), executives from around the world will be able to gain the latest insights on leading in turbulent times from IMD Faculty and listen to evening keynote addresses from the likes of Nestlé CEO Paul Bulcke, Infosys Chairman Nandan Nilekani and IMD World Competitiveness Center Director Stéphane Garelli. From Crises to Business Opportunities, Global Economic Power Shifts and Mastering New Challenges are among the streams included in this year's program. Read full program schedule.

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