LANGUAGE SKILLS CRITICAL TO ACHIEVING IMPORTANT BUSINESS GOALS

Learning and development makes greatest impact on customer service

This paper examines findings on learning and development and its relationship to strategic business goals based on a survey of more than 1,000 HR leaders in domestic and global companies of all sizes. Approximately 75 percent of the respondents were involved with recommending, purchasing, or approving the purchase of learning and development programs. Areas of focus included training goals, multilingual requirements that challenge business, learning and language impact on customer service, and barriers to language learning. The study revealed that strategies of successful HR leaders include adding learning and development to the strategic planning process and aligning each training program with a specific business goal.

Learning and development leaders are strengthening their positions as strategic partners who are critical to helping their businesses pursue and realize their strategies for global growth, and language learning plays a critical role.

Rosetta Stone, in conjunction with *Workforce Management* magazine, surveyed more than 1,000 HR leaders in domestic and global companies of all sizes. Not surprisingly, well over 90 percent of respondents said they believed learning and development was critical to reaching their most important business goals.
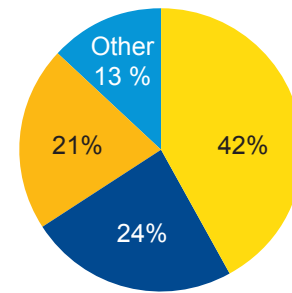
However, the survey also revealed a major weakness: They told us that they were often unable to measure or clearly justify the effects. While almost 60 percent of respondents said their learning and development plans were aligned with business goals, approximately 40 percent were neutral or disagreed. A fundamental lack of alignment weakens HR's ability to demonstrate the critical role learning plays in growth and undermines efforts to be seen as strategic contributors to the business.

A closer look at the important goals identified by survey respondents casts a light on the measurement challenges they face and also illuminates how language learning can help.

> *42 percent of survey respondents stated the most important goal was attracting, retaining, and building a skilled workforce.*

According to results, 42 percent of survey respondents stated the most important goal was attracting, retaining, and building a skilled workforce (see chart). But this goal presents a difficult measurement challenge.

Most Important Goals Addressed by Learning and Development

- **Attracting, retaining and building a skilled workforce**
- **Improving customer service satisfaction and loyalty**
- **Growing the business and increasing sales and market share at home**

Employee retention and development data can provide a superficial view of potential business impact — strong retention doesn't mean you're retaining the right employees, and improvements in workforce skills, while important, can indicate your workforce is starting from a lower baseline.

More direct, measurable, and immediate business impact comes from another of the identified goals: improving customer service satisfaction and loyalty. Focusing on this goal to justify and fund learning and development programs comes with an added benefit. It ensures alignment with critical business objectives and is in many cases already being measured, analyzed, and connected to employee performance.

To justify and fund learning and development programs, focus those programs on goals the business already is measuring and aligning with employee performance.

Learning's Impact on Customer Service

The research indicated that learning and development has the clearest and most measurable impact on customer service goals, and language skills are a critical component.

More than 60 percent of the survey respondents reported that language skills had a moderate to major effect on reaching their business goals. Those with global workforces ranked language skills even higher, with 78 percent saying they had a significant effect.

For learning leaders, improving customer service presents a golden opportunity to demonstrate employee development's impact on the bottom line. Customer service data is among the most popular and convenient to collect, which makes it easy to demonstrate the impact learning and development has on these initiatives. Depending on the business, customer service outcomes also can align very clearly with staff performance, which can connect directly to the success of learning and development programs.

Survey respondents who identified customer service as their most important goal were more confident in their ability to demonstrate a measurable impact — at about 66 percent — versus those who chose business growth or attracting and retaining staff as their most important goal.

Competing well in today's global economy demands the best possible customer service. In fact, a slight improvement in customer service can dramatically affect the bottom line. For example, a one percent reduction in customer service issues has been shown to generate up to $40 million in additional profit for a medium-sized business over five years .

Language Skills Positively Affect Business Goals (Global Workforce)

- Major Effect: **33**
- Moderate Effect: **38**
- Neutral: **22**
- Unknown or NA: **7**

That impact is echoed by business leaders in the survey. More than two-thirds of respondents said functional leaders viewed learning and development programs as useful for addressing gaps in reaching their goals — with the greatest confidence expressed by those focused on customer service (82 percent).

Speaking to customers in their native language improves retention outcomes, with a corresponding boost in profits from 25 percent to 85 percent.

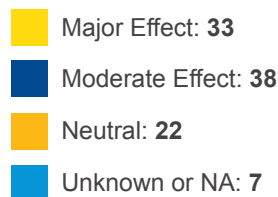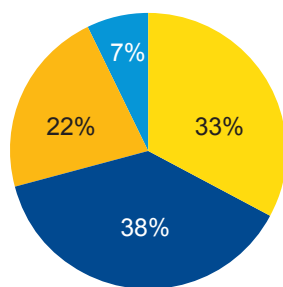## Language Learning Can Quickly Affect Service Quality

One way the learning and development group can quickly affect its company's customer service programs is through the addition of a language-training program.

More than 95 percent of the world's consumers live outside the United States, and only 5.6 percent of the world population speaks English as a primary language. What's more, today's fastest-growing markets are the emerging markets abroad and at home, which frequently speak a language other than English. Demographic trends and the globalization of business mean that organizations, no matter their home office, are serving a growing number of customers whose first language is not English.

There's a clear need for companies to engage more fluently with their customers, vendors, and suppliers. Studies have shown that speaking to customers in their native language improves retention outcomes, with a corresponding boost in profits from 25 percent to 85 percent.

Given this shift toward global markets, it is perhaps not surprising that customer service satisfaction and loyalty took the stage as the business goal most affected by language skills programs. When asked what the most important focus for learning and development should be for the customer service function, language skills ranked first.

How to Overcome Barriers to Language Learning

While business leaders admit the importance of language skills, survey respondents said they were not satisfied with their language-learning efforts. Fewer than half of the respondents said they were successful in equipping employees with the language skills they need to meet business goals, presenting at best a missed opportunity to drive higher performance and at worst an erosion of customer service scores and loyalty.

Numerous reasons were given for the difficulty in equipping their employees with language, but the most frequently cited barrier to success with language learning was employee workload. Survey respondents said employees were simply too busy to complete training, even when the need was clear. They also mentioned difficulty in securing funding and demonstrating the measurable impact of such training.

How Most Successful HR Leaders Align Training with Business Goals

TOP 4 STRATEGIES

57%
42%
34%
31%

- ■ Strategic planning incorporation
- ■ Establishing and reporting specific learning and development success measures
- ■ Publicly aligning each training program with a specific strategic business goal
- ■ Including learning and development plans and/or budgets within the business units they support

The most frequently cited barrier to success with language learning was employee workload.

One way for HR leaders to overcome these barriers is by partnering with a language-training partner. Particularly helpful in overcoming the obstacles listed above are online language-learning solutions, like Rosetta Stone.

How Rosetta Stone addresses these concerns:

1. Finding time: Unlike other training systems, Rosetta Stone programs don't require a fixed classroom setting or multiple contiguous hours of focus. Learners can access programs online via their home or work desktop, iPad® or mobile device — virtually anywhere they might like to experience them. Learners can complete them in spurts from five minutes to an hour at a time — whenever they can spare a few minutes. Plus, learning activities are available in multiple forms, from core lessons to live conversation sessions and audio reinforcement.

2. Measuring results: Rosetta Stone provides a robust management and administrative tool that enables administrators and program managers to effectively manage their implementation and maximize the company's return on its language-learning investment. The tool allows administrators to:

- Manage learners, from provisioning user access to managing roles and permissions.
- Monitor progress of individual employees, business units, or specific groups of learners using real-time, dynamic reports.
- Identify areas where employees may require additional attention.
- Quickly drill down in reports to identify a learner's strengths and weaknesses.

3. Securing funding: The measurement tools available with the Rosetta Stone® solution make it easy to build a strong business case for language learning in your organization. Unlike more ambiguous goals, procuring funding for language programs is attainable when clear, precise outcomes are identified and metrics established.

CASE: VI USES LANGUAGE LEARNING TO DRAMATICALLY IMPROVE CUSTOMER SERVICE

Vi, formerly known as Classic Residence by Hyatt, is a developer, owner, and operator of retirement communities. The company needed a solution to break down the language barriers its residents experienced with employees who were nonnative speakers of English. Vi also sought a solution for managers who wanted to better communicate with their employees.
The company's goal was to implement a solution that aligned with its culture of excellence in training, which has been recognized among the best by *Training*, *Chief Learning Officer,* and *ELearning!* magazines multiple times over the last few years.

Vi implemented the Rosetta Stone online solution through its learning management system, E-Campus. And the results were dramatic:

- Resident satisfaction increased 5.3 percent.
- Nine out of 10 residents said they were willing to recommend Vi to their family and friends.
- Vi scored 10 percent higher than its peers in employee perceptions of training and development opportunities.

Learning and Development Can Play a Strategic Role in Customer Service Improvement

Learning leaders are making progress in the ongoing effort to position themselves as strategic partners in achieving corporate objectives, but this research indicates that they still have a significant opportunity to better align with business objectives and deliver measurable results. Customer service improvements are one specific and achievable way to do that.

Competing in a world of many languages requires equipping monolingual staff with the language skills necessary to effectively communicate with and serve your customers.

Rosetta Stone can help you develop a strategic plan to equip your monolingual staff with language to improve customer service and strengthen your competitive position.

Learn more

Try our interactive demo to see our Rosetta Stone® Business solution for yourself.

▶ VIEW DEMO

rosettastone.com/business/demo

How to Align Learning and Development Plans With Business Goals

Almost 6 in 10 respondents said their learning and development plans were aligned with business goals. But about 4 in 10 were neutral or disagreed. This reflects one of the most often-expressed frustrations for learning and development professionals: Their struggle to be seen as strategic contributors to their organization's success.

So what's the secret of the leaders who are aligned, funded, and confident of their ability to affect strategic business goals directly? We looked at these survey respondents separately from those who were less confident, and they revealed their most popular approaches.

1. The first approach is to incorporate learning and development into the strategic planning process of the organization. Nearly 60 percent of the "strategically aligned" respondents cited this method. While it seems simple, organizations that have not traditionally played a significant role in the formal planning process may find that doing so presents a tall hurdle. Some ideas for getting started:

- Understand the strategic planning process in your business. When does it begin, and who has input at that stage?

- How can you be part of the annual process so that learning priorities continue to remain aligned with strategic priorities?

- Get to know the person in charge of the process. Seek to understand how it works and what inputs are needed. Can you help meet some of those needs?

- Consider working directly with individual functional leaders to develop strategic HR plans in tandem with their business plans.

2. About 40 percent of the aligned respondents said they used specific learning and development goals and measures to secure their place in the strategic planning process. Ideas:

- Based on the previous year's goals or indications for next year, approach leaders with proposals for how HR can specifically contribute to goal achievement.

- Develop and present measures showing how HR affected business goals in the previous year. Start by measuring perceptions. Gradually move into designing your programs with measurable goals for performance improvement and alignment of performance with business goals.

- Highlight links between learning and development results and customer service scores.

3. The third most popular response to this question (34 percent) was publicly aligning each training program with a specific business goal.

- What would happen if you required your clients to link each new training request to the associated business goal?

- Consider analyzing all current training programs and prioritizing them based on their measurable contribution to current business priorities.

4. Another one-third of those reporting strategic alignment said they placed learning and development plans and/or budgets directly within the business units they supported.

- Can you assign each training program or each member of your training staff to a specific business unit and program?

- How would you divide the programs that contribute to multiple functional areas?

- What are the implications for leadership and organizational design?

Methodology

Workforce Management magazine surveyed about 1,200 subscribers in February 2013. Approximately 75 percent of the respondents were involved with recommending, purchasing, or approving the purchase of learning and development programs. About one-fourth had workforces distributed around the globe, while more than a one-third had customers in multiple countries. Respondents were well-distributed among industries, with government/public sector, health care, manufacturing, and professional services representing somewhat higher proportions. Just under half of the organizations represented had 500 or fewer employees; nearly one-third had 500 to 5,000; and about one-fourth had 5,000 to 25,000.

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About Rosetta Stone

Rosetta Stone is a global leader in technology-based language learning. We offer our clients scalable solutions for a variety of needs, from individual learners to single classrooms to entire organizations.

Our solutions have been implemented in over 20,000 schools and in more than 17,000 private and public sector organizations, and they are used by millions of learners in over 150 countries throughout the world.

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