Learning Measurement

2021

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Introduction

2020 dramatically changed how organizations approach learning, with new strategies, new modalities and new technologies. Going forward, companies must adjust their thinking about learning measurement as well. Traditional measurement models — which weren't worki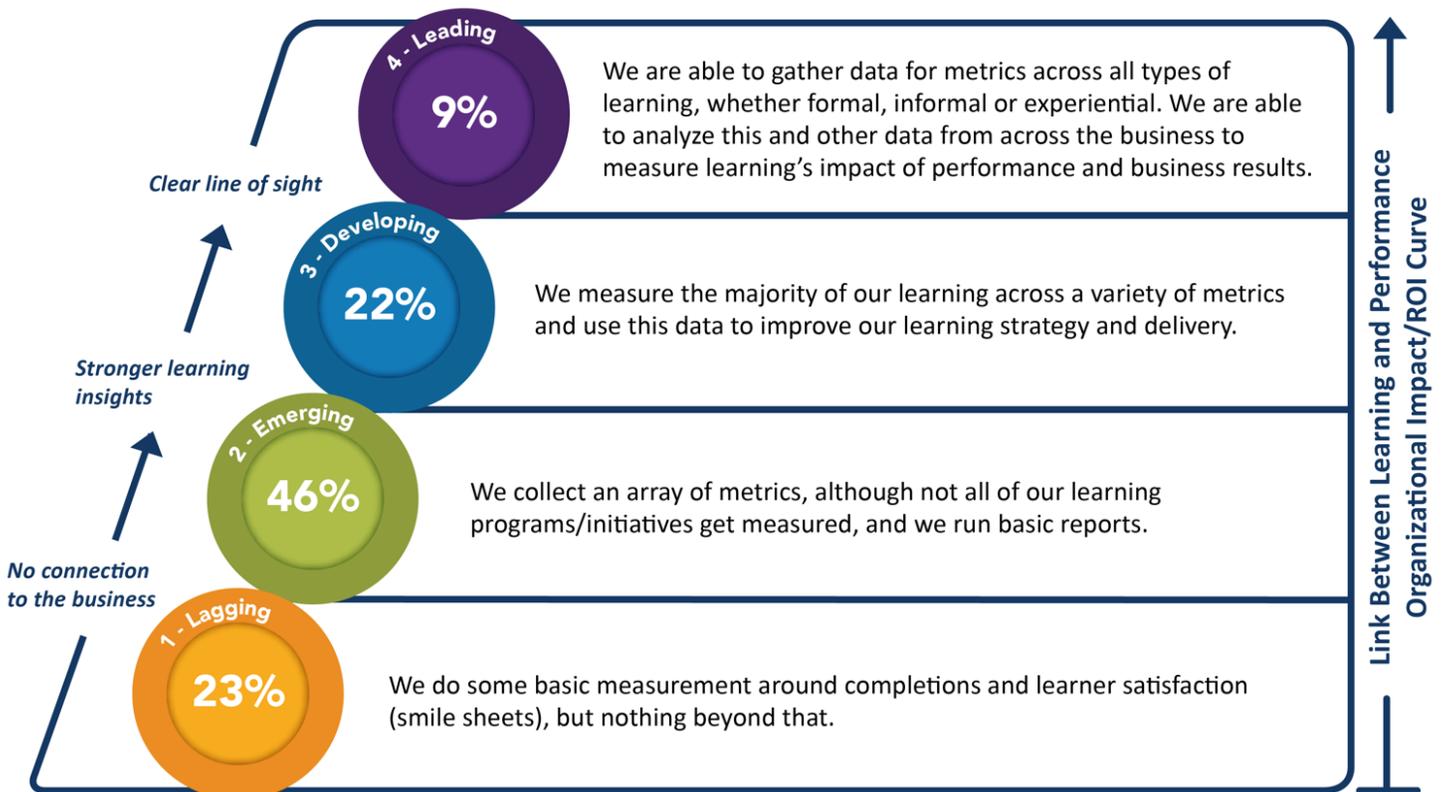ng well, anyway — must be jettisoned in favor of a strategy that captures how people interact with learning and its impact on their behavior and performance. As evidence, Brandon Hall Group's Learning Strategy Study found that 59% of companies say their inability to measure learning's impact keeps them from achieving critical learning outcomes.

59%

Source: Brandon Hall Group Learning Strategy Survey

Nearly 60% of companies say that an inability to measure learning's impact represents a challenge to achieving critical learning outcomes

Measurement Maturity Model

4 - Leading

9%

We are able to gather data for metrics across all types of learning, whether formal, informal or experiential. We are able to analyze this and other data from across the business to measure learning's impact of performance and business results.

Clear line of sight

3 - Developing

22%

We measure the majority of our learning across a variety of metrics and use this data to improve our learning strategy and delivery.

Stronger learning insights

2 - Emerging

46%

We collect an array of metrics, although not all of our learning programs/initiatives get measured, and we run basic reports.

No connection to the business

1 - Lagging

23%

We do some basic measurement around completions and learner satisfaction (smile sheets), but nothing beyond that.

Link Between Learning and Performance
Organizational Impact/ROI Curve

Source: Brandon Hall Group

Organizations are just not that mature in dealing with learning measurement. Most are heavily focused on completion rates and smile sheets, which are not providing them with enough insight into how learning improves the business or helps it achieve its goals. In fact, only 27% of companies say their learning strategy includes a framework to measure success. However, when we look at companies with high-performing KPIs such as revenue and customer satisfaction, they are much more likely to have such a framework than their lower-performing counterparts.
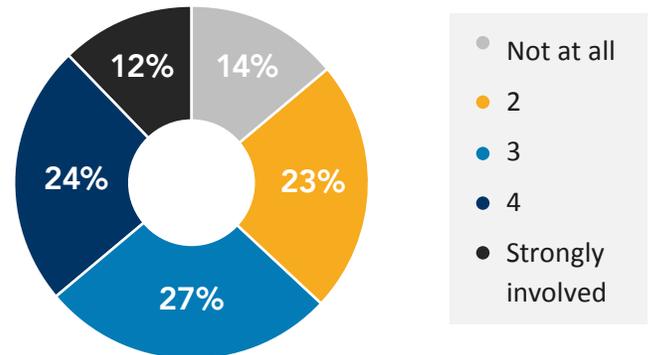
Does your Learning Strategy include a framework to measure success?

Others 18%

HiPOs 40%
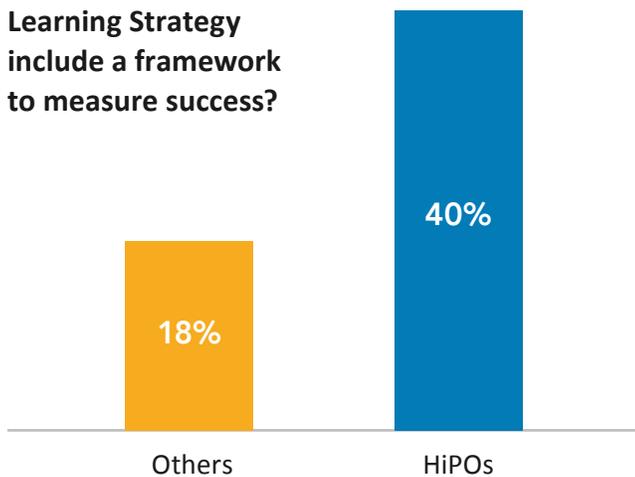
Source: Brandon Hall Group
Learning Strategy Survey

Things are looking up, however. There is a notable improvement in how L&D approaches measurement and learning's connection to the business. In late 2020, a joint research effort by Brandon Hall Group and SAP Litmos uncovered rays of hope for learning measurement. For instance, L&D is taking a bigger role in the development of business objectives, with more than one-third saying L&D is highly involved in the process and only 14% saying L&D has no role.
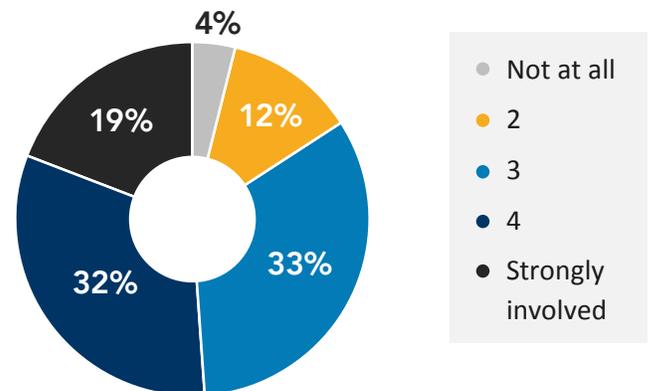
L&D's Role in Setting Business Objectives

- 12% — Strongly involved
- 14% — Not at all
- 23% — 2
- 27% — 3
- 24% — 4

Legend:
- Not at all
- 2
- 3
- 4
- Strongly involved

Source: Brandon Hall Group
Learning Strategy Survey

Additionally, a majority of companies say that their L&D objectives are at least moderately linked to business objectives, with just 4% saying there is no link at all.

L&D's Objectives Linked to Business Objectives

- 4% — Not at all
- 12% — 2
- 33% — 3
- 32% — 4
- 19% — Strongly involved

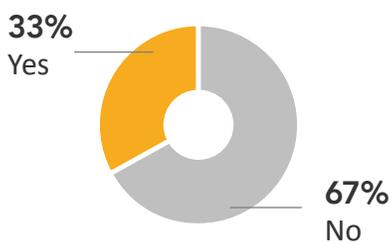Legend:
- Not at all
- 2
- 3
- 4
- Strongly involved

Source: Brandon Hall Group
Learning Strategy Survey

This shows considerable momentum in an area where L&D typically had major challenges. The alignment with and input from leaders on business objectives is critical to learning's effectiveness and represents an opportunity to move beyond completion reports to demonstrate learning's value to the business.

Calculating ROI

With this focus on the business, learning is in a much better position to demonstrate its return on investment. Many companies abandoned the idea of determining the ROI of learning because it was too difficult to measure and there were too many other variables. By taking a more strategic approach and working with key business stakeholders to determine outcomes and metrics, the learning function is in a much better position to demonstrate its ROI.

One-third of companies in the study say they calculate Learning's ROI as it relates to specific business objectives. While this is a small percentage, it has traditionally been much worse. To better understand how companies calculate ROI, it is important to look at their methods. For instance, here are the outcomes these companies use most frequently in the ROI calculations:

Does L&D calculate ROI as it relates to meeting specific business objectives?

33%
Yes

67%
No

Source: Brandon Hall Group
Learning Strategy Survey

- Employee engagement
- Customer experience ratings/reviews
- Customer satisfaction scores
- Leadership effectiveness ratings/reviews
- Cost reduction
- Turnover reduction
- Revenue growth
- Profitability growth
- Time to onboarding new employees
- Risk mitigation
- Customer NPS
- Promotion rates
- Time to proficiency or effectiveness
- Lost or unproductive work time reduction

Calculating ROI is not just about outcomes or the return. Companies also have to consider their investment. Once again, we look to the companies that determine ROI as it relates to business outcomes to see the costs they include in their calculations. Here are the most common:

- Cost per-hour for instructor to deliver training

- Technology cost per-user (e.g., authoring tools, LMS, etc.)

- Cost to develop a curriculum of courses

- Opportunity cost for learners to participate in learning and training

- Cost per-hour for instructional designer to build learning and training

- Cost to develop a course by type of course (e.g., SCORM, gaming, simulation, VR, ILT, etc.)

- Cost per-hour for subject matter experts to build learning and training

Challenges to Overcome

There are many reasons companies are unable to measure learning at this strategic level. Surrender is not an option nor is ignoring them and hoping they will go away. Organizations must identify their challenges and try to overcome them.

Why Aren't We Measuring Behaviors and Impact

47%
We don't have the time/staff

41%
We don't have the proper metrics

39%
We don't have the technology to support

33%
It's too difficult to link learning to outcomes

29%
It is too difficult to assess
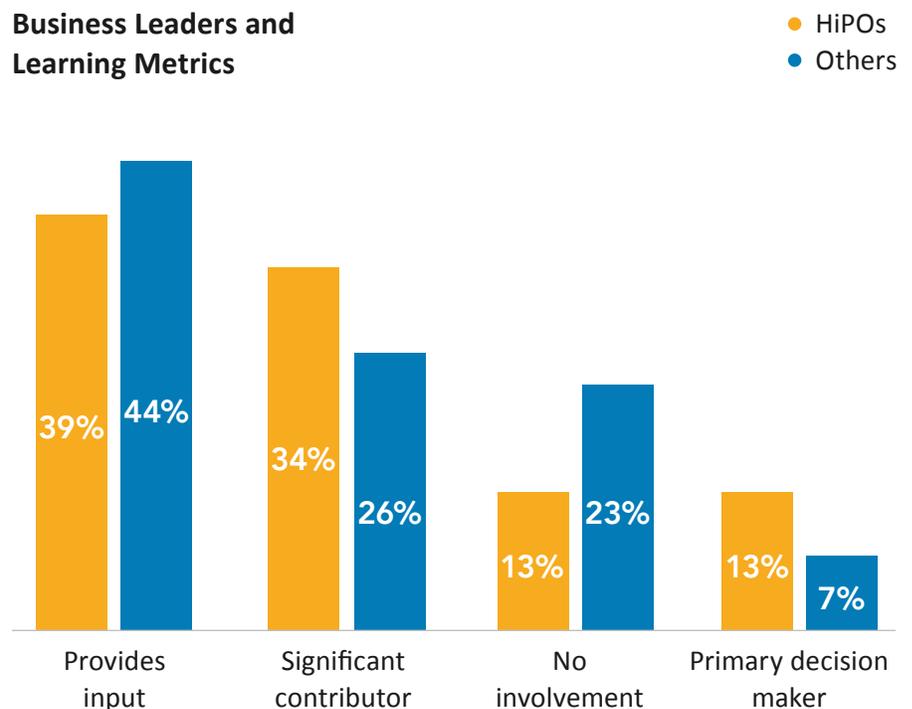
4%
We don't see a need

Source: Brandon Hall Group Learning Measurement Survey

The good news is that only 4% of companies do not see a need to measure learning's impact on behavior or business outcome, which means the rest are hamstrung by other challenges. The most common is a lack of time and/or staff to get the measurement done. These challenges are addressable, however, and by determining the right metrics, linking learning programs to specific outcomes and using the appropriate technology, lack of time and staff becomes less of an issue.

An important step to mitigating these challenges is for learning to ensure business stakeholders are involved in determining the proper metrics for learning. High-performing organizations are more likely to say that business leaders play a significant role in determining learning metrics, while lower performers are more likely to say they play no role at all.

Business Leaders and Learning Metrics

● HiPOs
● Others

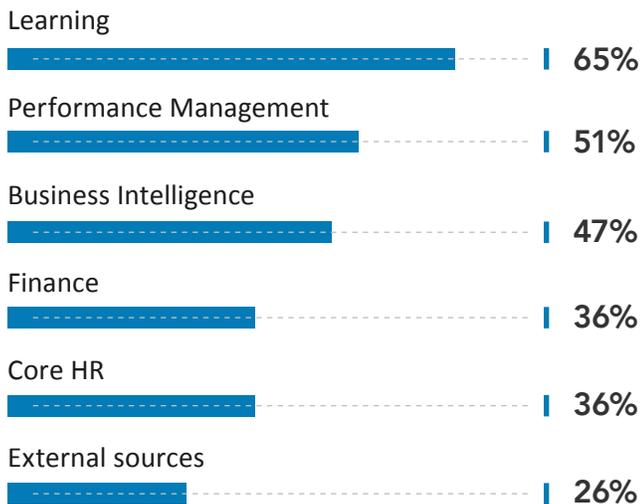|	Provides input	Significant contributor	No involvement	Primary decision maker
HiPOs	39%	34%	13%	13%
Others	44%	26%	23%	7%

Source: Brandon Hall Group Learning Measurement Survey

Another measurement hurdle facing most companies is data. The only thing they can agree on is that there is a lot of it. But it can be difficult to know what data is relevant and even harder to gain access to data from other parts of the business. Because companies do not often allow for much cross-functional insight into data, there is a perception that a lot of the available data is inaccurate.

Perceived Data Accuracy

Learning
65%

Performance Management
51%

Business Intelligence
47%

Finance
36%

Core HR
36%

External sources
26%

Source: Brandon Hall Group
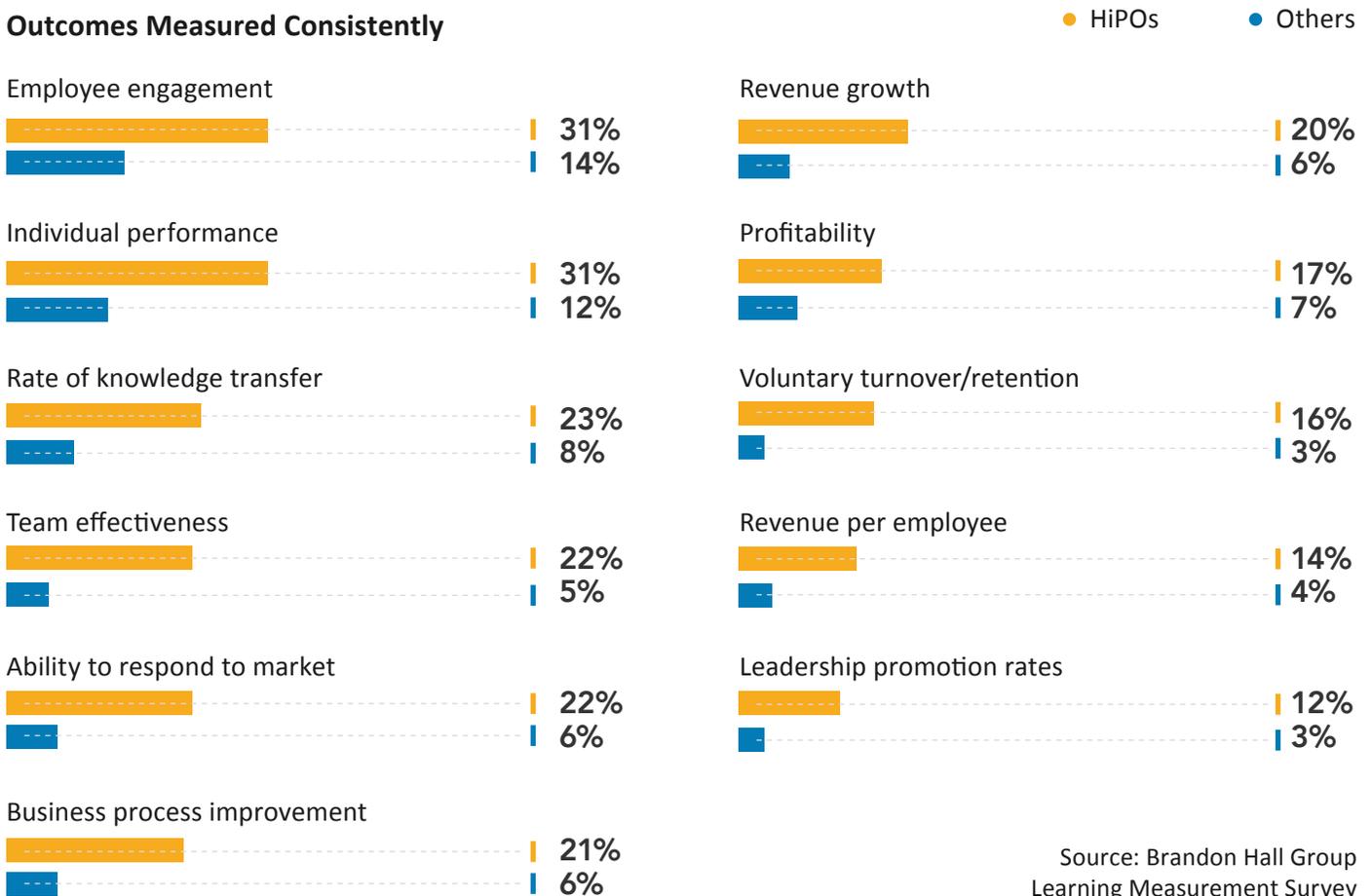Learning Measurement Survey

But it the L&D function can establish a strategic relationship with key stakeholders around learning metrics that will help dispel some of the mystery around the available data, how accurate it is and how it can be used.

Previously, we saw the outcomes most often used by companies calculating ROI based on business outcomes. Focusing on these outcomes helps mitigate the challenge of determining metrics. High-performing organizations are far more likely to use outcomes like these when measuring their learning programs.

Ultimately, it is about shifting the focus of learning measurement from efficiency — enrollments, completions, grades, etc. — to efficacy. Measuring how many people finished a course is meaningless unless you can show that those people are behaving or performing differently than those who did not. The outcome of learning cannot simply be that learning occurred. It must be behaviors that drive performance.

Outcomes Measured Consistently   ● HiPOs   ● Others

Employee engagement
- 31%
- 14%

Individual performance
- 31%
- 12%

Rate of knowledge transfer
- 23%
- 8%

Team effectiveness
- 22%
- 5%

Ability to respond to market
- 22%
- 6%

Business process improvement
- 21%
- 6%

Revenue growth
- 20%
- 6%

Profitability
- 17%
- 7%

Voluntary turnover/retention
- 16%
- 3%

Revenue per employee
- 14%
- 4%

Leadership promotion rates
- 12%
- 3%

Source: Brandon Hall Group
Learning Measurement Survey

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