Strategic Measurement: How to Ensure Learning has a Positive Impact on Performance

Research Brief

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TABLE OF CONTENTS

Introduction

Very often in organizations, the learning function begins to lose sight of its original purpose of developing employees to help them and the business perform better. The focus becomes more inward and learning begins to operate in a vacuum, where the only outcome is learning itself — essentially learning for learning's sake. The measure of how well learning is doing begins and ends with the consumption and completion of courses. Without proper measurement, it can be nearly impossible to know what impact learning is having on individuals or the organization as a whole.

One of the reasons learning begins to disconnect from the business is that the business is often not asking for any sort of metrics. In fact, in nearly half of companies, the drive to collect metrics comes from the learning function itself.

Figure 1	**Drivers for Measurement**

Source: 2016 Brandon Hall Group Learning Measurement Study (n=367)

NOTABLE INSIGHT

Only 43% of companies overall say their learning strategy is even somewhat linked to the business strategy. ... High-performing organizations -- those with year-over-year improvement in KPIs -- are more dedicated to ensuring learning is having an impact on performance.

Between both business leaders and the executive suite, only about one-third of companies say that an internal entity other than Learning is leading the charge for learning measurement. The disconnect becomes quite stark when you combine that with the fact that Brandon Hall Group's 2016 State of Learning Study found that only 43% of companies say that their learning strategy is even somewhat linked to the business strategy.

This all has created an atmosphere where learning isn't measured because it isn't linked to the business, and learning isn't linked to the business because it isn't being measured. It isn't about accounting for every penny spent on learning as an exercise in ROI, but rather finding ways to identify learning's impact on individual and business performance. As our 2016 Learning Measurement Study found, organizations have a long way to go to get more strategic with their measurement.
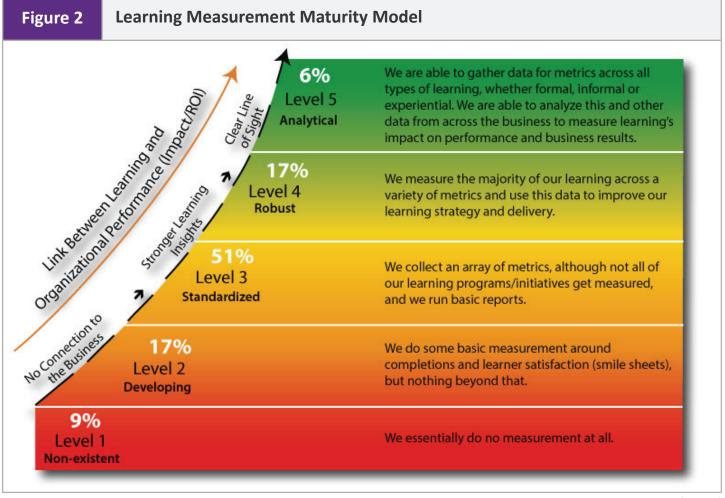
Beyond identifying the room for improvement, however, we want to use the data to guide organizations toward better measurement strategies. High-performing organizations take a much more strategic view of measurement and are more dedicated to ensuring learning is having an impact on performance. By looking at the approaches these organizations take, companies can begin to develop their own measurement strategies that are focused on outcomes and will ultimately improve learning's effectiveness, employee performance and the performance of the business itself.

Taking Stock

For further evidence of the disconnect between learning and performance, we have Brandon Hall Group's Learning Measurement Maturity Model (next page). Only 23% of companies fall into Levels 4 and 5, where organizations
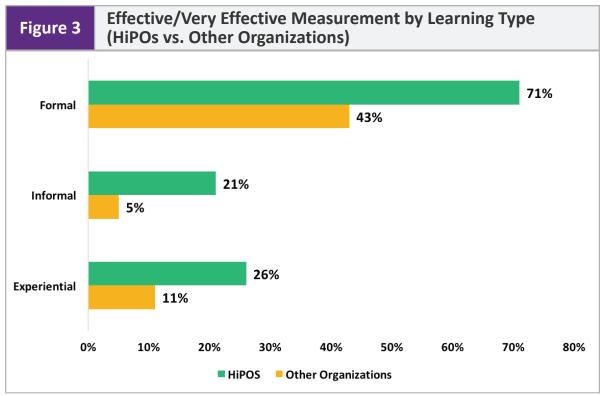
measure multiple metrics and are able to link them to business results. Everyone else is still doing just basic measurement – if they are measuring at all.

Figure 2	Learning Measurement Maturity Model

6% Level 5 Analytical — 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 on performance and business results.

17% Level 4 Robust — We measure the majority of our learning across a variety of metrics and use this data to improve our learning strategy and delivery.

51% Level 3 Standardized — We collect an array of metrics, although not all of our learning programs/initiatives get measured, and we run basic reports.

17% Level 2 Developing — We do some basic measurement around completions and learner satisfaction (smile sheets), but nothing beyond that.

9% Level 1 Non-existent — We essentially do no measurement at all.

Link Between Learning and Organizational Performance (Impact/ROI) · Clear Line of Sight · Stronger Learning Insights · No Connection to the Business

Source: 2016 Brandon Hall Group Learning Measurement Study (n=367)

Different Learning Types

One of the challenges companies face is the increased use of different learning technologies and modalities. When everything was done within a course or a classroom, it was much easier to measure. But as the blended learning ecosystem continues to expand to include more informal and experiential types of learning, measurement becomes more difficult. Our measurement research found,

however, that high-performing organizations are far more likely than other organizations to say that they are effective at measuring all learning types. High-performing organizations (HiPOs) are companies that are identified through our survey to have annually improving KPIs (revenue, market share, profitability, engagement, etc.).

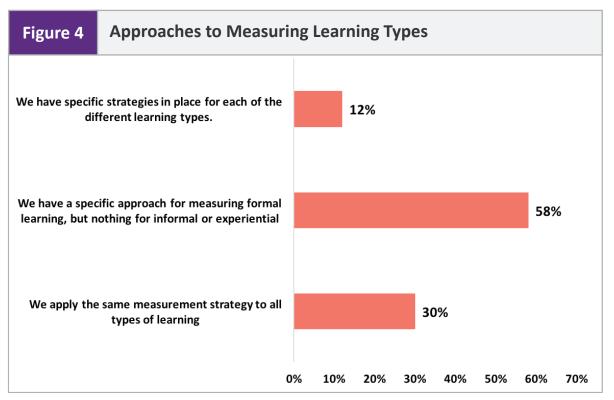| Figure 3 | Effective/Very Effective Measurement by Learning Type (HiPOs vs. Other Organizations) |

Source: 2016 Brandon Hall Group Learning Measurement Study (n=367)

In general, companies don't believe they are all that effective when it comes to measuring any type of learning, even formal. Overall, only 54% of organizations say they are effective or highly effective at measuring formal learning. However, 71% of high performers say the same thing. There is a strong correlation between effective measurement and high performance, even with informal and experiential learning, where the numbers are much lower.

It is not surprising that measurement effectiveness is so low for non-formal learning types when you consider that

58% of companies have no strategy in place for this type of measurement. 30% apply the same strategy for informal and experiential learning as they do for formal learning, and 12% have specific strategies for each.

Figure 4	Approaches to Measuring Learning Types

We have specific strategies in place for each of the different learning types. — 12%

We have a specific approach for measuring formal learning, but nothing for informal or experiential — 58%

We apply the same measurement strategy to all types of learning — 30%

Source: 2016 Brandon Hall Group Learning Measurement Study (n=367)

This data exposes what may be the biggest current challenge to learning measurement. If there is a strategy in place for measuring formal learning, why not apply it to all learning types? The same principles apply, so start with the existing measurement strategy, rather than worry about developing new, separate strategies for informal and experiential learning. When all is said and done, the outcome of learning should be some type of performance change or improvement, regardless of how that learning is delivered. But the reality is that most organizations are simply measuring enrollments, completions, and grades – none of which have much relevance in an informal or experiential setting. The evidence of shallow, short-sighted

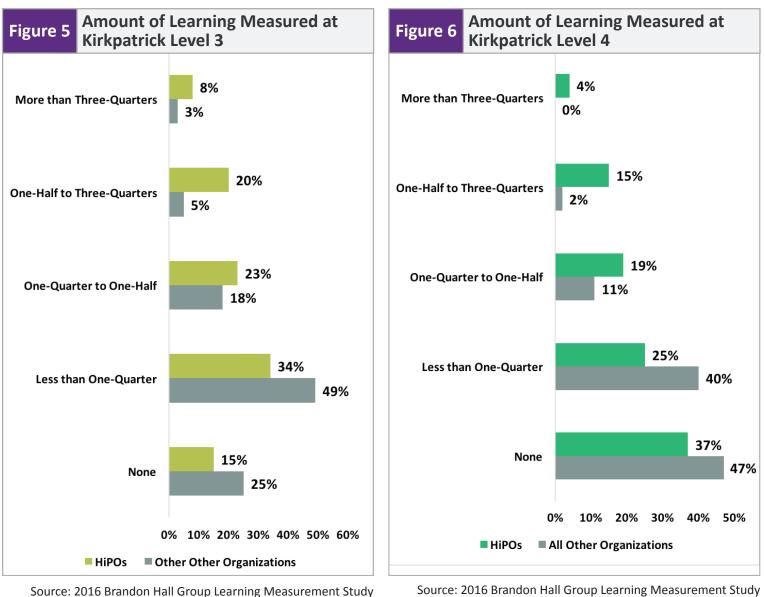measurement continues when we look at how companies employ measurement models.

Measurement Models

The most commonly used measurement model is the Kirkpatrick Model, employed by more than 80% of the organizations in the study. The model provides a framework or focusing in specific areas for measuring learning:

- **Level 1** - The degree to which participants react favorably to the training

- **Level 2** - The degree to which participants acquire the intended knowledge, skills, attitudes, confidence, and commitment based on their participation in a training event

- **Level 3** - The degree to which participants apply what they learned during training when they are back on the job

- **Level 4** - The degree to which targeted outcomes occur as a result of the training event and subsequent reinforcement

Although adoption is relatively high, organizations are not using the Kirkpatrick Model as effectively as they could. In fact, many abandon the model after Level 2, measuring next to nothing at Levels 3 or 4. The tables on page 9 show the percentage of learning programs being measured at each of the four levels. A pattern becomes clear: high-performers do much more measurement at Levels 3 and 4.

Figure 5	Amount of Learning Measured at Kirkpatrick Level 3

Source: 2016 Brandon Hall Group Learning Measurement Study (n=367)
(Level 3= The degree to which participants acquire the intended knowledge, skills, attitudes, confidence and commitment based on their participation training)

Figure 6	Amount of Learning Measured at Kirkpatrick Level 4

Source: 2016 Brandon Hall Group Learning Measurement Study (n=367)
(Level 4= The degree to which participants acquire the intended knowledge, skills, attitudes, confidence and commitment based on their participation training)

For all companies, Level 1 is where the majority of measurement takes place. It is the easiest level to measure, relying mostly on "smile sheets" and the like. At this level, companies are just trying to find out if learners liked the learning experience. But when we get to more strategic measurement that can really identify the impact the learning is having, not much is being done, especially

among organizations other than HiPOs. Kirkpatrick's own recommendations don't suggest that companies measure 100% of their programs at levels 3 and 4, but 25% of Non-HiPOs don't measure anything at Level 3, and 47% don't measure anything at Level 4.

It is not as though companies don't think they should be doing this kind of measurement. When asked why they don't do it, only 3% say they do not see a need. Everyone else cites a lack of time or staff, a lack of proper metrics, or the fact that it is just too difficult to do.

What to Measure

It's that "lack of metrics" issue that really seems to trip-up organizations. They can't think of what to measure or how to tie learning to performance, so they default to measuring completion rates and course grades. According to our survey, the top three metrics used by organizations are as follows:
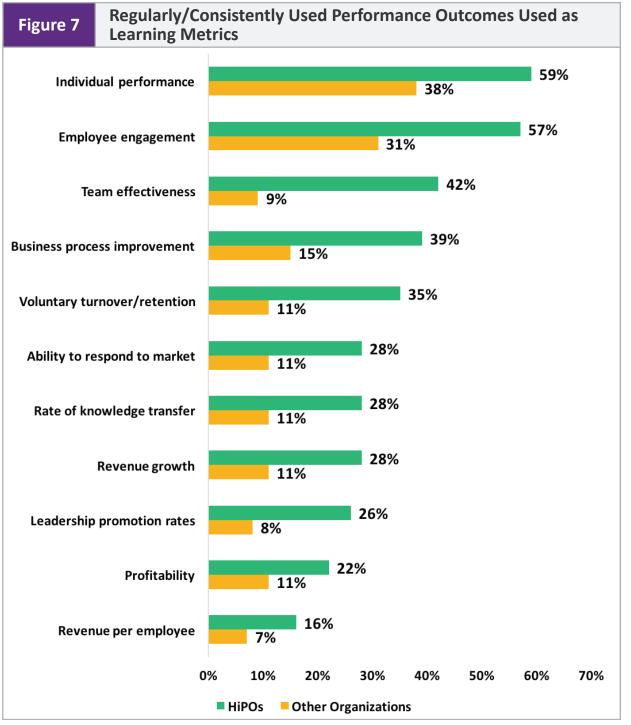
1. Completion of courses

2. Results from post-course questionnaires

3. Employee satisfaction survey results

The last two at least cover Kirkpatrick Levels 1 and 2, determining whether learners liked the program and whether or not they acquired the intended knowledge. But the number one metric, course completion, doesn't even meet any of that criteria. It is simply a reporting of a data point.

In order to truly measure learning, a company must understand the individual and organizational performance challenges they are trying to solve and the role learning can play in addressing them. By looking at where they are prior to learning and then against where they are after the learning program – that is true measurement. This is

something high-performing organizations seem to understand far better other organizations. HiPOs are far more likely to use performance-based outcomes regularly or consistently to measure their learning efforts.

| Figure 7 | Regularly/Consistently Used Performance Outcomes Used as Learning Metrics |

Individual performance — HiPOs: 59%, Other Organizations: 38%
Employee engagement — HiPOs: 57%, Other Organizations: 31%
Team effectiveness — HiPOs: 42%, Other Organizations: 9%
Business process improvement — HiPOs: 39%, Other Organizations: 15%
Voluntary turnover/retention — HiPOs: 35%, Other Organizations: 11%
Ability to respond to market — HiPOs: 28%, Other Organizations: 11%
Rate of knowledge transfer — HiPOs: 28%, Other Organizations: 11%
Revenue growth — HiPOs: 28%, Other Organizations: 11%
Leadership promotion rates — HiPOs: 26%, Other Organizations: 8%
Profitability — HiPOs: 22%, Other Organizations: 11%
Revenue per employee — HiPOs: 16%, Other Organizations: 7%

■ HiPOs ■ Other Organizations

Source: 2016 Brandon Hall Group Learning Measurement Study (n=367)

NOTABLE INSIGHT

What most organizations are doing around learning measurement is not actually measurement – it's reporting. It's critical for organizations to understand the difference. Simply looking at data points generated by the LMS is not a form of measurement.

For every single outcome listed, HiPOs are using them more regularly – often twice as likely or more. A great example is team effectiveness. 42% of HiPOs regularly or consistently use this as a measurement of learning, while only 9% of other organizations do the same. Four times as many HiPOS are looking at how well teams perform in the organization, applying learning to improve that performance, and then measuring how well the teams perform after the learning. And for those organizations that say it is too difficult to measure these things or to determine metrics – how are they measuring team effectiveness in general, outside of learning? Chances are they don't have a good handle on any of the outcomes listed above and that is what prevents them from using them to measure the effectiveness of their learning.

Getting it Right

The fact of the matter is that what most organizations are doing around learning measurement is not actually measurement – it's reporting. It's critical for organizations to understand the difference. Simply looking at data points generated by the LMS is not a form of measurement. It's like looking at a pile of wood and announcing there are 25 pieces in the pile. Tell me the exact shape and size of each piece – that's measurement. Tell me how I can put them together to make a table – that's analytics. If organizations are measuring organizational or individual performance at all, those metrics can be applied to learning programs to see if they are having an impact. Here are some key considerations:

- **The measurement strategy should be an extension of a learning strategy focused on performance as an outcome.** The strategy the organization has developed for learning is hopefully focused on using learning and

NOTABLE INSIGHT

Many organizations get hung up on how to measure newer, non-traditional methods of learning. The reality is that regardless of the way in which the learning is delivered, it was designed with some outcome in mind. This is what needs to be measured.

development to engage employees, improve their performance, and help the organization meet its objectives. To that end, this is what measurement should be focused on: how well learning in execution is achieving these goals.

- **Measuring non-formal learning is not that different than measuring more traditional types of learning.** Many organizations get hung up on how to measure newer, non-traditional methods of learning. The reality is that, regardless of the way in which the learning is delivered, it was designed with some outcome in mind. This is what needs to be measured. Traditional measurements still work – learner satisfaction, assessments, individual performance, business outcomes, etc. But they do open up new opportunities for measurement as well. Social and collaborative learning experiences can identify knowledge hubs within the organization, as well as which content is resonating with learners. Beyond simple satisfaction, companies can identify, through commentary, the specific parts of programs and courses that are working or not working.

- **Kirkpatrick Level 1 and Level 2 data is not truly meaningful unless it is used in conjunction with other data points.** If a program is measured at Level 1 and it turns out people love it, what does that really mean? Maybe they liked it because it was really easy, but it isn't getting people do anything differently. Many companies will pull a program because it scores poorly at Level 1. But what if it is achieving true behavior change and improving performance? So, while Level 1 and Level 2 data may not be strategic on their own, they can be used with multiple other data points to clearly illustrate how effective the learning is.

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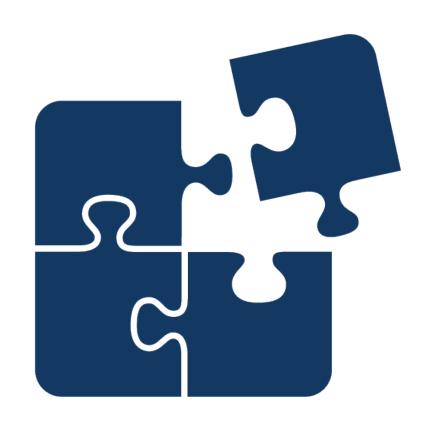- Maturity Model
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