



Measuring the value of Learning and Development activity

Should we do it? Does the measurement drive performance in any way? If so how? What works and what doesn't?

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OnTrack International

Since 1988, OnTrack have been helping some of the most successful companies in the world, stay market leaders. We believe that keeping people optimised is an ongoing requirement. That's why we build strong partnerships with our clients and develop learning solutions that work. In 2010, 100% of our clients surveyed said they planned to use our services again in 2011. It is this loyalty and the results we achieve that have helped us become the leading supplier to organisations large and small.

People make organisations. It is their creativity, capability, energy and attitude that make the difference between good and great organisations. We focus on developing skills and attitude. Attitude is as infectious as behaviour! It is therefore something that can be developed. A positive attitude brings energy. We believe this energy drives people and their organisations to achieve greatness.

Our approach is to bring not only first class people skills to our clients but also infectious energy to act as a catalyst for behavioural change.

THE RESULTS



Those reading this who already know OnTrack will be aware that driving measured value through the development of people is at the heart of what we do, as depicted by our vision above.

Within OnTrack we instinctively feel, based on our experience that measuring the impact of L&D is the right thing to do. Until now that has always been based on qualitative data drawn from the work we have done, the results achieved by working in partnership with our clients and our understanding of best practice. But we need to establish what, if any, impact this has on L&D and the business.

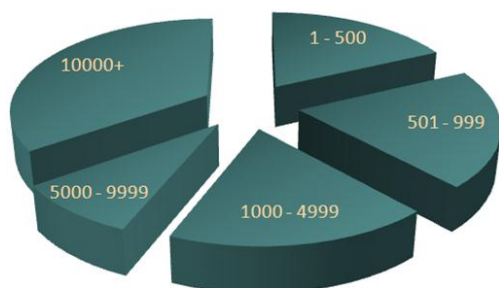
What approach did we take?

To answer the previous questions and more in a robust way we conducted our largest ever survey. We wanted to establish and report back to our clients and others in the industry on what is happening in the L&D arena and more importantly share best practice on this topic.

An online survey was sent to 5,000 L&D and HR professionals from a wide range of industries. The majority of replies were from professionals working in organisations which employ more than 1,000 people.

We asked respondents to consider their more significant L&D projects when replying to the questions we presented.

Respondents by company size



What are L&D professionals actually doing?

- Nearly all respondents (87%) are using delegate reaction questionnaires to measure level one (Kirkpatrick) results
- Only 43% are measuring the business impact of their significant L&D projects
- 16% are putting a lot of effort into evaluation although another 56% are spending at least some time and effort on the task
- A wide range of approaches are being used to conduct evaluation including discussion forums (33%), observations (57%), post training assignments (39%) and individual performance results (53%)
- Only half of respondents are having dialogue with senior management about the evaluation data they collect
- For those using some form of metrics to assess the impact of L&D the following are the most popular: staff satisfaction (51%), work quality (45%), customer service (41%) and operational efficiency (41%)
- Only 20% regularly establish business related measures of success for L&D prior to delivery
- 59% have been able to use evaluation data, at least to some extent, to improve relationships with stakeholders
- 35% have been able to use evaluation to significantly protect or create budget for L&D.

What did we learn?

Many professionals told us within the survey that measurement is an area that they want to give more focus to in the short term. Given the economic climate this is hardly surprising as discretionary L&D budgets have been reduced or in some instances withdrawn completely. The only way to successfully negotiate investment spend will be to prove that L&D can generate value.

What are the key learning points?

Virtually all respondents did some sort of evaluation but only 20% put any significant effort into the activity. The results below demonstrate how the evaluation effort can impact the L&D function.

	Evaluation effort	
	Low	High
Replies confirming the L&D budget has been given some protection	50%	75%
Senior Managers believe L&D is adding significant value to the business	30%	62%

Of those putting only a small amount of effort into their evaluation none measured the business impact of their significant L&D interventions and only a very tiny percentage thought that senior managers valued the contribution of L&D.

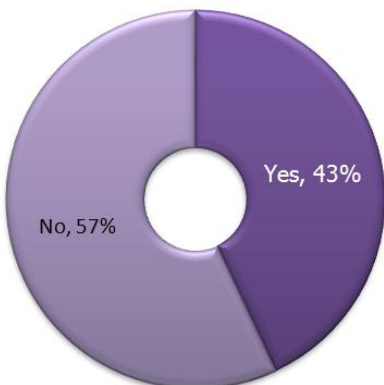
The research confirms that establishing business related measures of success prior to delivery of the L&D interventions is critical to success in a number of key areas:

<i>The evaluation has:</i>	Established measures of success prior to delivery	
	Less often	Very often
Established measured commercial value	53%	90%
Created significantly stronger alignment between L&D and the business	33%	90%
Made a significant positive impact on the reputation of L&D	23%	67%
Protected significantly or created new budget for L&D activity	18%	70%

This leads us to ask what should be measured. The survey strongly suggests that measuring the business impact has the most significant positive impact.

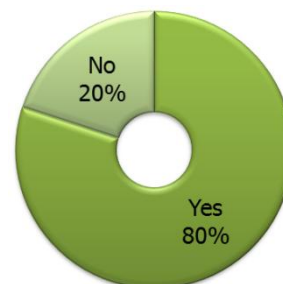
Other measures were evaluated by respondents including happy sheets, knowledge change and finally skills and behaviours. Measurement of the business impact, however, has a much more significant influence.

Business impact has been measured often;

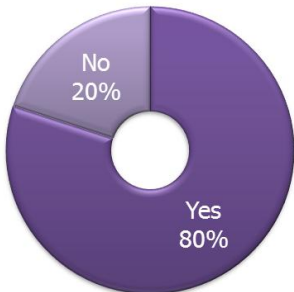


And from this 43%

Senior Managers believe L&D is adding significant value to the business



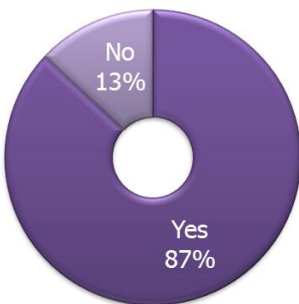
Stakeholder relationships have improved significantly



Data has driven additional commercial value



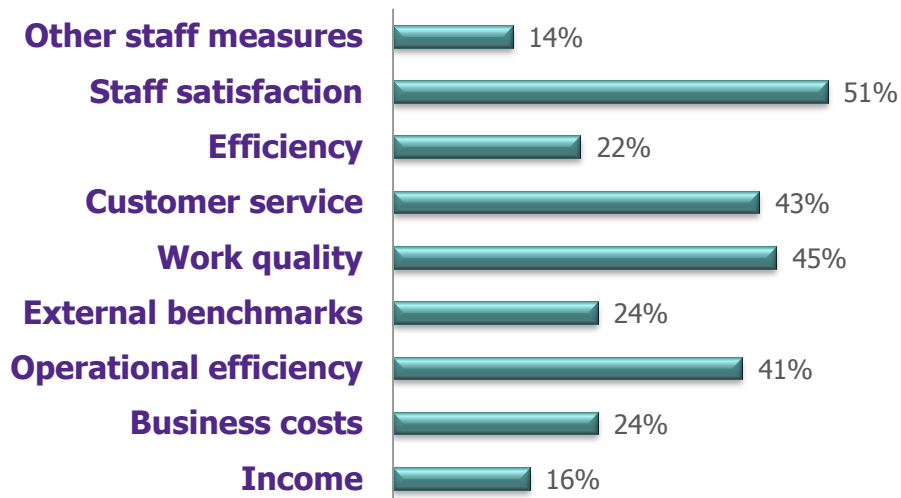
L&D efficiency has significantly improved



Data is being discussed with senior managers



Respondents measured business impact in many different ways:



What are the recommendations?

It is critical for L&D to be an enabler of performance improvement in the eyes of business leaders. That will only truly be achieved when information can be presented to those leaders, proving with business related data, that L&D has made a positive difference. Failure to do this will lead in the longer term to L&D being relegated to the sidelines. We know that when it is done well HR and L&D are engaged by the business in key strategic initiatives.

More specifically here are ten guiding principles:

- Engage the business early and work with them to establish clarity of business outcomes. In many instances these will not be clear at the start of work. It's an L&D and HR role to help develop the clarity. If you can't do it seek help. It is these outcomes that must drive the L&D activity. Remember that subsequent training objectives are merely an enabler to achieve the business outcomes.
- The business outcomes should be expressed in business language. Use this language and understand it. Any changes in scope should be assessed and discussed by reference to the impact on the business outcomes.
- Be as clear as possible about the impact L&D can make as part of any initiative. In 90% of all projects the training itself will not achieve the desired business outcome alone. Adding the most appropriate embedding activity into your design will multiply many times the ability to make a business impact. In most instances the embedding activity will need to be supported by the business. Be very clear about that up front. The winning formula is nearly always a partnership between the business and L&D.
- Be prepared to be measured on the outputs of the L&D work, not the inputs. It's not about the number of people trained, or the happy sheet scores. What will lift the justifiable perception of L&D is its contribution to business results.
- Make conscious choices about what to evaluate and what not to evaluate. Put effort into the most significant projects.
- Choose and agree which metrics to measure. Using existing metrics where data is readily available will nearly always be best. Inventing and generating new data can be time consuming and unless absolutely critical should be avoided whenever possible. Purists might suggest all L&D results should be converted into actual financial gains but if the business has identified a key business measure, most of the time it will be there because it is a key business lever.
- Build the evaluation into the project at the start and agree the approach with the business sponsors. Trying at the tail end of a project to set up tools for evaluation and then collecting data nearly always fails. Those that you need to engage for help, typically people in the business, will already have moved on to their next important project.
- Collect as much data as you can as the project is taking place. Leaving it until the end may be too late for the reasons explained previously.

- Don't create an industry out of evaluation. Keep it as simple as possible. Use a mix of quantitative and qualitative data that give strong indications about the success of the L&D activity. Seeking purist data can take forever. Instead seek strong indicative measures.
- Make sure you have the skills needed to do the above. Only a quarter of those surveyed reported having access to the right skills. Either develop the skill or buy it in and learn from the experience.

The L&D community has a responsibility to drive tangible value from learning and development on behalf of the organisations who pay for our expertise. In the UK we spend around £1,000 per capita on training and development. When multiplied by the number of people working in the UK that is a staggering amount that my calculator cannot cope with! We need to ensure we do everything to make sure this is a great investment and need to prove it.

Peter Hurst

Managing Director

OnTrack International

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For more information on how our People Development solutions can impact your organisation visit our website.

www.ontrackinternational.com

Recommend OnTrack Consultants

<http://linkd.in/OnTrackConsultants>

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Our Methods

 M-learning
  E-learning
  Vodcasts and Podcasts
  Virtual Training
  Learning Management System

 Traditional Training
  Consultancy
  Holographic Virtual learning
  Social Learning
  Coaching



Our Values

Values				
	over, above and beyond	my word is my bond	one team, one family, one OnTrack	better and better all the time

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