



# Measuring and Proving the Value of Learning

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## "Learning Scorecard" Collaborative Project

- ▶ eLearnity collaborative research project
  - Sept – Dec 03
  - B&Q, BP, BT, Coca-Cola, HSBC, Marks & Spencer, Vodafone
  
- ▶ Structure
  - Independent profiling
  - Best practice research
  - 3 Workshops
    - Internal practice, External best practice, Solution synthesis

- ▶ Fundamentals
- ▶ Thinkers
- ▶ Realities
- ▶ Critique
- ▶ Answers?

## ▶ Original Kirkpatrick Model (1959)

- Level 1: Reaction
- Level 2: Learning
- Level 3: Behaviour
- Level 4: Performance

## ▶ ROI

- $\text{Net Benefits} / \text{Total Costs} * 100$
- Expressed as a percentage

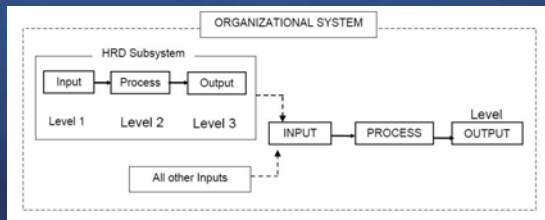
**Everyone should already know this!**

## ▶ Simple Addition

- Level 0: Activity
  - were they there?
  - did they do it?
  - did they complete it?

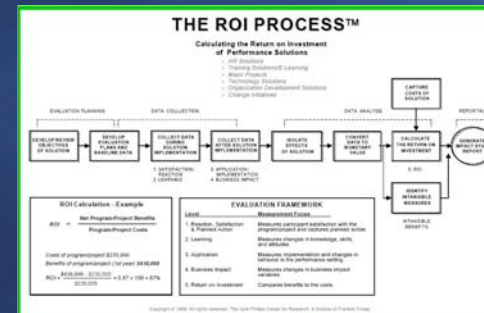
## ▶ Jack Phillips

- ROI = Level 5 of evaluation
- Graded application
- High profile in US



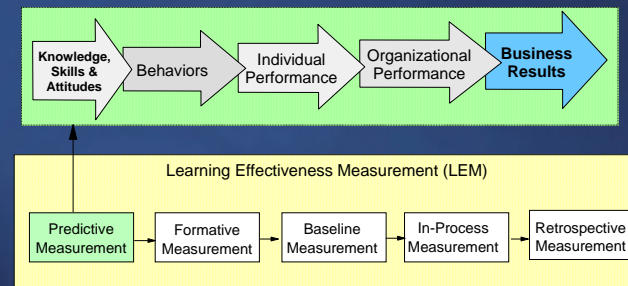
## ▶ Dean Spitzer (IBM)

- Learning Effectiveness Measurement
- Predictive Focus / Causal Chain



## ▶ Greg Wang

- Runs ROI.net
- Metrics-based approach



### ▶ Typical Corporate Profile

- |                         |                               |
|-------------------------|-------------------------------|
| • Level 1 : Reaction    | Generally significant         |
| • Level 2 : Learning    | Sporadic, specific programmes |
| • Level 3 : Application | Rare, one or two programmes   |
| • Level 4 : Impact      | Almost none, some pilots      |

### ▶ Variations

- A couple of organisations had very little focus on L1
- One organisation was primarily focused on L2 assessment
- L3 evaluation is primarily performed through FTF reviews

### ▶ L1 assessment

- Typically applied by training function or external providers
- More comprehensive with LMS automation
- Largely serving tactical training(er) management needs
- Generally reported to the business

### ▶ BUT

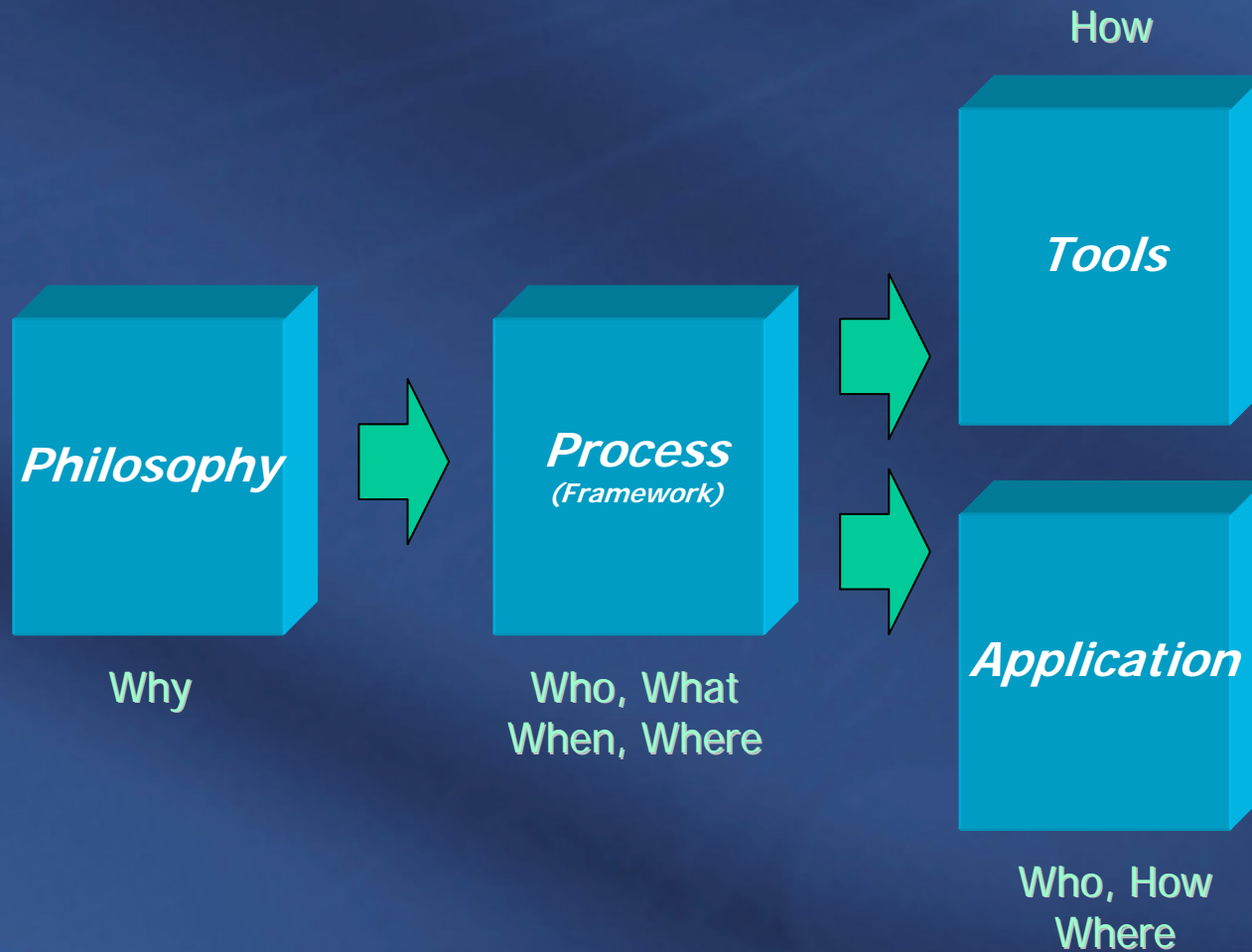
- Resource intensive if paper-based
- Only a partial picture
  - Not aggregated with external data, not used by non-training functions, only classroom events, multiple LMS's ...
- No impact on business thinking
- Blindly applied in scale

- ▶ Most public discussion of evaluation and measurement is superficial and defensive
- ▶ Many case studies are problematic, at both ends of the spectrum:
  - too simplistic, naive, or
  - too complex, highly statistical, very expensive
- ▶ ... and Kirkpatrick model, mmmmmmmm ...

- ▶ Kirkpatrick model is not a good starting point
  - Missing pieces, implication of false causality, tendency to focus on L1
  
- ▶ But is probably too ingrained to change
- ▶ At best it's a training industry communication model

- ▶ ROI is not another level, it is a way of presenting business information
- ▶ The ROI equation is simple, it's the data that isn't
- ▶ Phillips ROI Methodology
  - Best known, high ASTD profile
  - Most complete / systemic approach
  - Now supported by on-line tools (e.g. Metrics that Matter)
- ▶ BUT
  - Based on estimated benefit and applied confidence
  - Rather than really measuring actual business benefit
  - Easier to apply, but questionable in veracity
  - What's my confidence in the confidence of the learner in their estimate of the value of the training?

- ▶ ROI is the central focus
  - It's his business!
    - Become a licensed Phillips ROI Practitioner
  - What happens if this is not the real focus, just a potential outcome
- ▶ Many disagree that ROI is a fifth level
  - Agree with Wang, Spitzer et al.
    - ROI is a way of presenting business impact and therefore level 4
- ▶ Strong systemic approach
  - With supporting tools now available
  - See Metrics that Matter presentation later
- ▶ Methodology predicated on applying confidence to estimates from learners and management
  - Rather than really measuring actual business benefit
  - Easier to apply, but questionable in veracity
  - What's my confidence in the confidence of the learner in their estimate of the value of the training?





We evaluate learning so that

- ▶ Learning can be run as a professional business function
  - Understand the impact it has on the business
  - Focus on business priorities and added value
  - Improve the efficiency and effectiveness of learning processes and delivery
- ▶ Not to justify the L&D department
  - But that may be a by-product

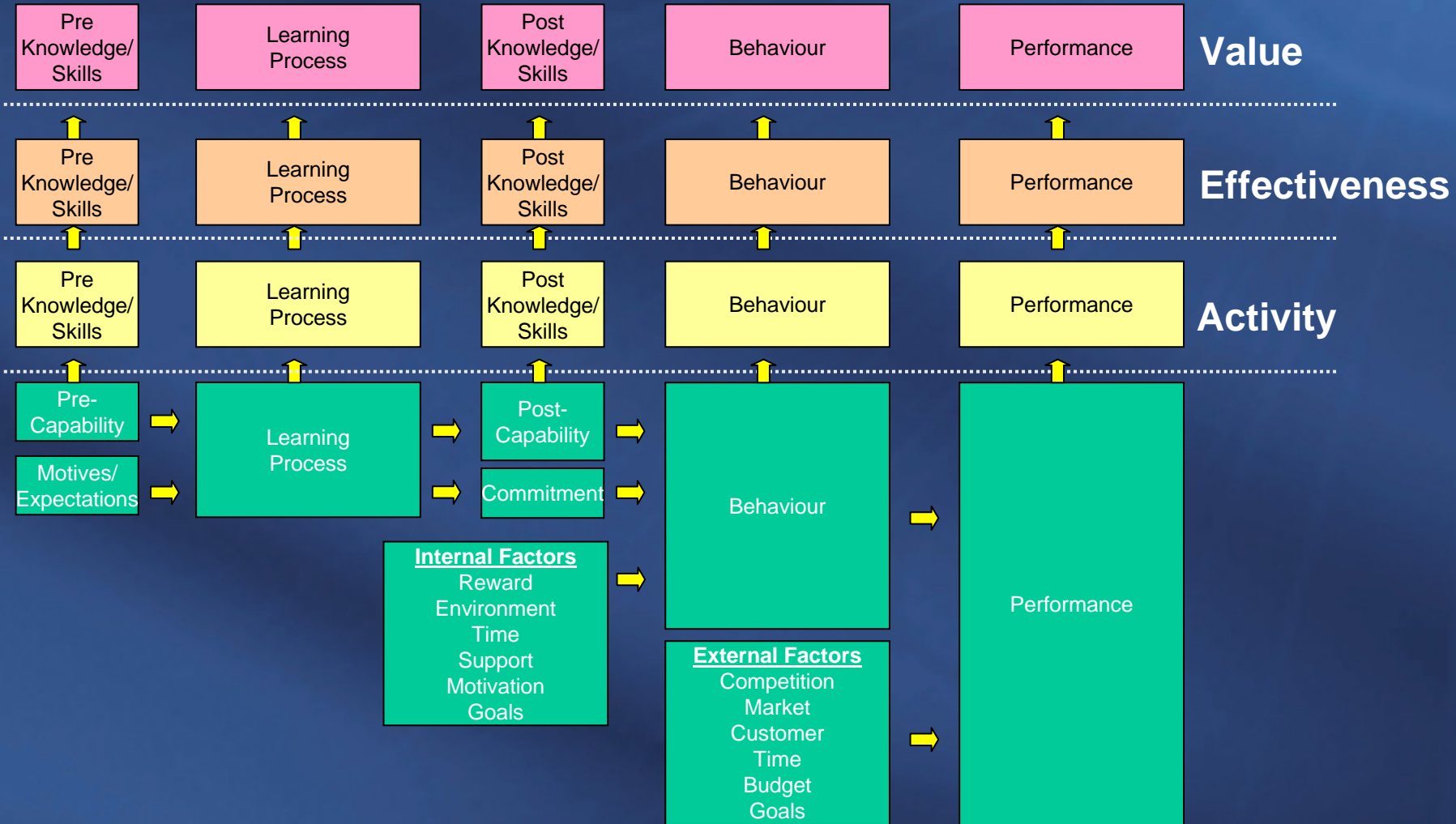
- ▶ Must align with the business
  - Performance metrics
  - Scorecard
- ▶ Must be business credible
  - Organisationally, financially
- ▶ Must be viable
  - Resource efficient, discretionary
  - What's the ROI of working out the ROI?

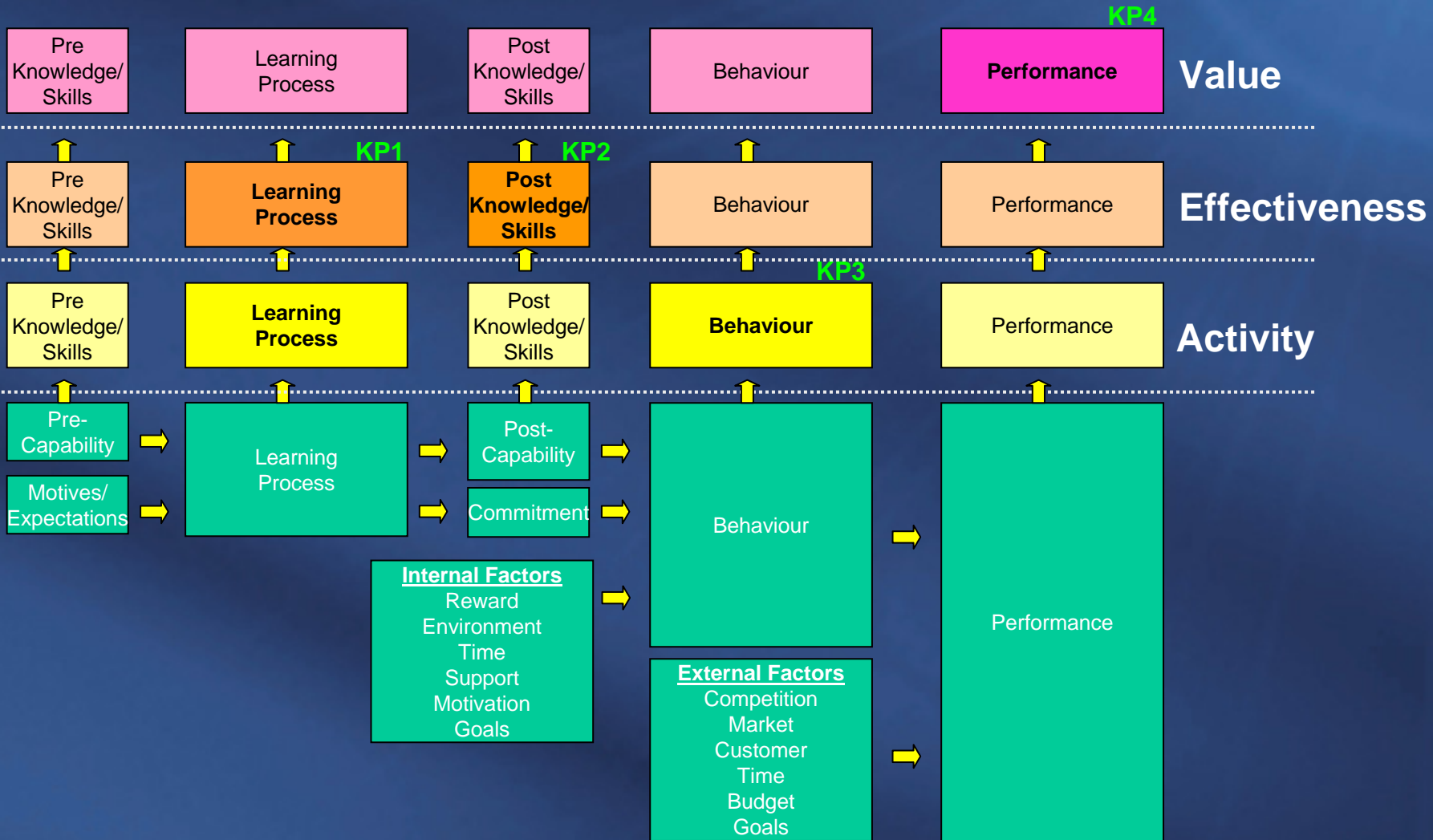
- ▶ Need to deal with the **specific** and the **general**
  - Across the **Learning Portfolio**
    - Core Competency, On Demand and Project-Driven
- ▶ Must be capable of **aggregation**
  - Executive reporting and analysis
  - Aggregated across Portfolio
  - Many projects / interventions
  - Specific highlights

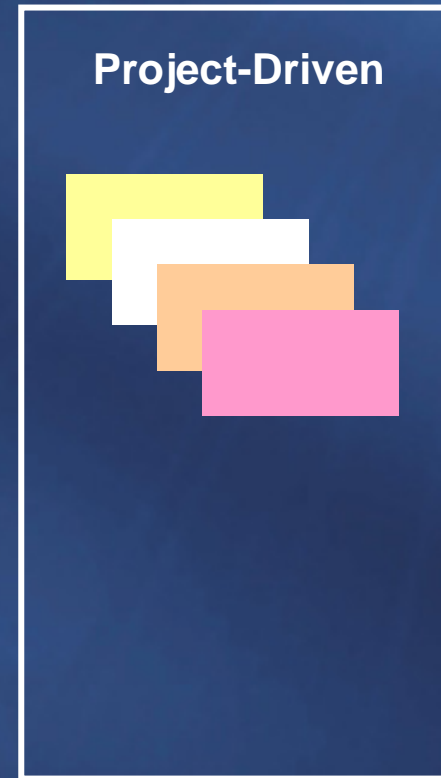
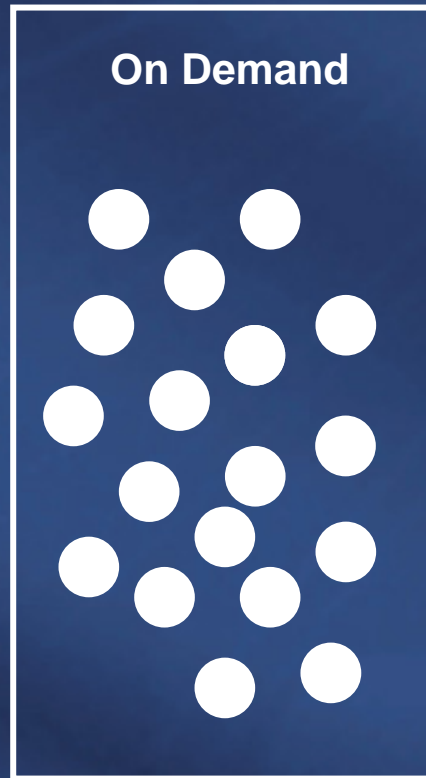
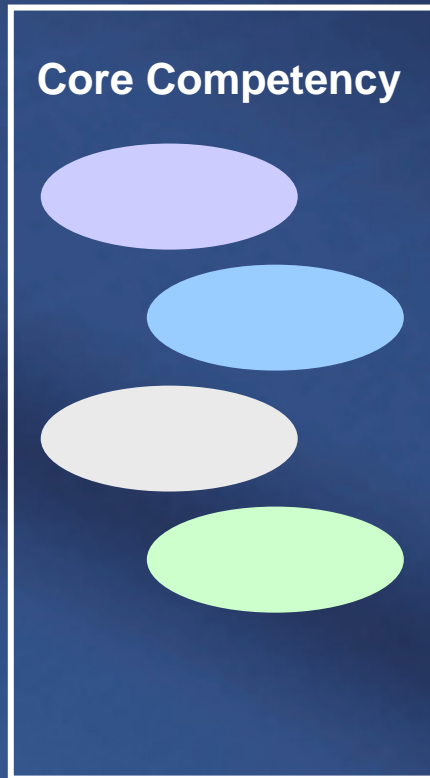
- ▶ Value can be assessed at all levels
  - As can ROI
  - Don't need always to get to KP4

- ▶ Predictive evaluation changes what we do in future and how we do it
  - Definitive statements
    - *this will impact what specifically*
  - Cause and effect
  - Challenge the learning design process
- ▶ Retrospective validates what we said would happen and provides feedback for tuning
  - Did we achieve the results we predicted?
  - How efficient was it?
- ▶ Much greater emphasis should be on PREDICTIVE

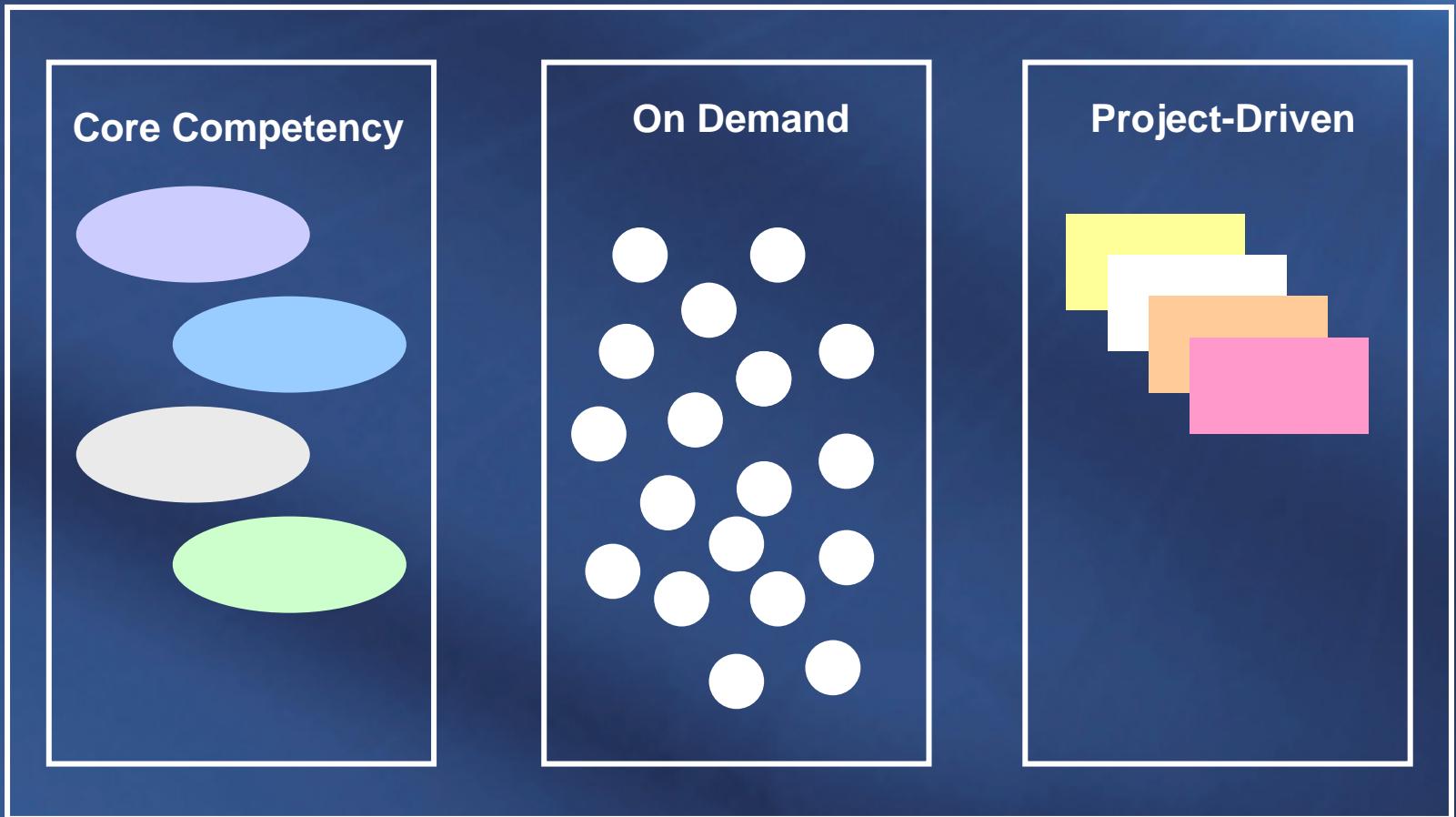
- ▶ Level 1 (Reaction) is not a measure of value
  - Feedback on the learning process only
  - Some use for learners = opportunity for constructive feedback
  - And learning management = opportunity to tune learning process
  - Should be a background process
- ▶ Not a primary focus for valuable resources unless
  - Specifically demanded by the intervention
    - E.g. pilots, high cost, high sensitivity
  - Sampled in scale
- ▶ Recommend
  - Capture Activity information and focusing on the other levels!







## Aggregated Learning Evaluation Framework



<b>Learning Scorecard</b>	<b>Core Competencies</b>	<b>On Demand Learning</b>	<b>Project-Driven Learning</b>
<b>Value</b>			
<b>Effectiveness</b>			
<b>Activity</b>			

	Core Competency	On Demand	Project-Driven
Driver	Organisation	Individual	The Business Project
Success	Application of learning successfully	Addressed specific need	Meeting project goals
Evaluation Level	Effectiveness*	Effectiveness**	Project dependent, usually Value

\* The Business itself owns the responsibility for converting Effectiveness to Value

\*\* The Individual owns the responsibility for converting Effectiveness to Value

	Core Competency	On Demand	Project
Level 0 - Activity	✓	✓	✓
Level 1 - Reaction	✓	✓	✓
Level 2 - Learning	✓	✓	✓
Level 3 - Application	✓		✓
Level 4 - Impact			✓

## ▶ On Demand

- Providing people with self or manager selected learning. Provided as a cost of doing business.
  - Justified at an overall corporate level and not on an event by event or student by student basis.
  - Justified by industry benchmark data (next slide)
  - Evaluated by:
    - level of activity (0)
    - assessed learning (2)
    - cycle time (need identification to fulfilment)
    - efficiency (benchmarked cost per hour)
- The question being asked is not whether it should be provided at all but whether, compared with alternative ways of getting the same job done, it is as effective and efficient as it can be.

- ▶ Studies over several cycles show that companies that are in the top 50% of investors per head in training have a mean Total Shareholder Return (TSR) of 36.9%, compared with 19.8% for those in the bottom half.
  - Profiting from Learning (Saba/ASTD), 2000
  - TSR = change in share price plus dividends
  - Warning – this data reflects the period of high stock market growth, none the less the figures can be represented as relative.

## ► Core Competency

- Providing people with a series of learning & developmental activities designed to enhance their professional, technical or functional skills.
  - From the individual perspective seen as career development
  - From a corporate perspective seen as workforce development
- Justified by reference to the business sponsors assessment of the benefits to the business of enhanced levels of skill in that function or profession.
  - Evaluated by:
    - Levels of activity (0)
    - Achievement of assessed certification levels (2)
      - » which can include mandatory, regulatory
    - Surveyed assessment of increased contribution (3)
    - Time to competence and retention levels
    - Sampling of financial impact of some Core Programmes (4)
      - » costs of delivery versus benefits such as additional contribution, retention, recruitment avoidance

## ▶ Projects

- A learning intervention designed to address a specific business issue and targeted at a known audience
- Justified in two stages:
  - 1. by reference to the business sponsors assessment of the likely benefit
  - 2. by reference to the estimated benefit compared with the estimated cost
- Evaluated by:
  - Levels of activity (0)
  - Assessed levels of learning, including certification (2)
  - Metrics of impact on predicted Evaluation Factors (3)
  - Financial impact through converting Factors via Exchange Rates (4)