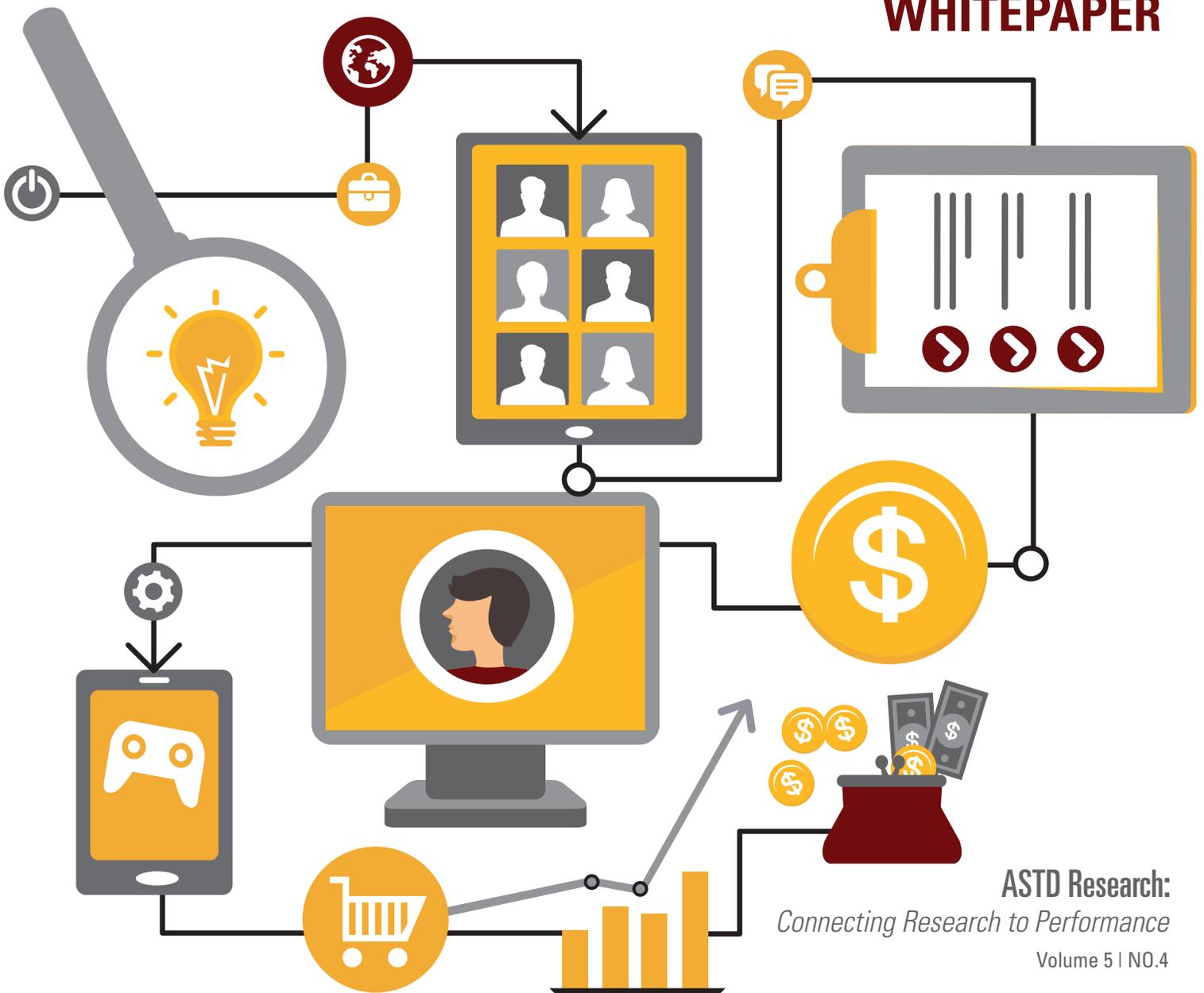


THE VALUE OF LEARNING

Gauging the Business Impact of Organizational Learning Programs

WHITEPAPER



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A NOTE FROM OUR SPONSOR



A Note From Intrepid Learning

Measures of progress are integral to the human experience. Whether you're looking at candles on a birthday cake or mile markers on a highway, even the smallest cues can remind you of where you are and help determine if you are headed in the right direction.

Organizations leverage metrics and measurement in a variety of ways to help shape strategy and course correct existing initiatives. But L&D is one area that often misses out on the benefit provided by careful measurement and analysis of the results—a puzzling fact, since it is one area of business that can make an impact on every other function it touches.

Consider the implications of basic employee onboarding. An organization that effectively helps new hires to feel competent and acclimated stands a greater chance of retaining those employees in the long term. But without objectively measuring the efficacy of the onboarding program, leaders are merely guessing at what works best—and gambling with their retention numbers in the process.

At Intrepid Learning, our mission is to imagine, create, and deliver world-class learning solutions to inspire individual performance and drive organizational success. We are excited to support ASTD in publishing this research report on the true impact of learning in business, and to share our passion for excellence in learning and human performance with the world.

About Intrepid Learning

Founded in 1999 with worldwide headquarters in Seattle, Washington, Intrepid Learning imagines, creates, and delivers world-class learning solutions to inspire individual performance and drive organizational success. Intrepid Learning fully utilizes the four branches of its business—research, consulting, technology, and outsourcing—to solve business challenges and maximize performance for blue-chip companies. Intrepid Learning's flagship technology product, Intrepid Agile™, is an informal learning solution that enables the self-directed learner to acquire knowledge naturally, easily, and continuously.

EXECUTIVE SUMMARY

In an increasingly evidence-based business world, organizational learning functions have a track record of modest success in evaluating the effectiveness of the programs and products they design and implement. The reactions of learners to live and online classes and learning materials, along with on-the-job applications of newly mastered skills, are assessed on a regular basis in the world's workplaces. But when it comes to making a case for the connection between learning programs and bottom-line business results, learning professionals face greater challenges.

Recent research conducted by ASTD and the Institute for Corporate Productivity (i4cp) found that 46 percent of surveyed learning professionals say their functions are successful to a high extent in helping meet organizational learning and development goals. But just 40 percent rate their learning organizations as highly effective in helping meet enterprise business objectives.

History may be one contributor to the situation. Learning functions have tracked effectiveness over a longer period than they have devoted to assessing the relationship between learning and business impact. Donald Kirkpatrick's work has provided a framework for evaluating effectiveness that has stood the test of time; whereas many learning professionals still struggle to define the right measures to quantify their function's bottom-line business results.

A realistic assessment of their own capabilities may also stymie learning professionals. The ASTD/i4cp research found that half of survey respondents claim their learning goals are highly aligned with organizational business goals. At the same time, only about two-thirds of that group reported that they used specific business outcomes to inform the development of their learning strategy. Further, 40 percent of respondents said they didn't measure the return-on-investments made in their learning programs.

In this atmosphere of uncertain measurement practices and processes, ASTD and i4cp set out to uncover the approaches learning functions are using to gauge and convey the value their programs contribute to the business. In addition, this research sought to answer key questions related to learning measurement: What metrics do learning professionals track? What percentage of their programs do they examine for effectiveness? For business impact? What are the obstacles preventing that 40 percent of learning functions effective at meeting business goals from growing to 50 percent, 60 percent, or more?

WHITEPAPER

The Value of Learning: Gauging the Business Impact of Organizational Learning Programs (hereafter the Study) combines the insights that derive from a blended research approach.

Quantitative data for the Study derives from a survey fielded in September and October 2013. The 431 respondents, most with primary responsibility for organizational learning, represented organizations across all sectors and of varying sizes and geographic locations.

Interviews with learning leaders provided the qualitative input to supplement and illuminate survey findings.

More than half a century after Donald Kirkpatrick's first work toward measuring the effectiveness of organizational learning was published in the journal that would later evolve into ASTD's *T+D* magazine, learning leaders continue the quest to meaningfully document the results their function produces. Today, the levels that Kirkpatrick initially characterized as steps are widely used—at least some of them—to gauge the learning process and its effects on learners' skills and capabilities.

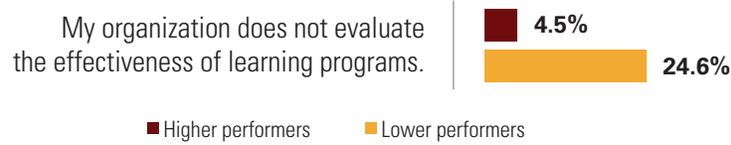
At the same time, the relentless focus on organizational efficiency and cost savings that epitomizes the post-recession business world has increased pressure on learning functions to demonstrate that their programs and investments directly align with and help to support enterprise strategies and goals. When it comes to this imperative, many learning leaders are still searching for the right approaches.

Gauging Effectiveness May Bode Well for Organizational Performance

Maybe because Kirkpatrick's levels have been around for decades and provide a comfortable and familiar framework, effectiveness of learning programs is tracked by most organizations. About 88 percent of Study participants confirmed that their organizational learning functions evaluate learning programs' effectiveness, and nearly one-third said they do so to a high extent. The latter figure rose to almost 40 percent among high-performance organizations.

Those learning functions that take the time to gauge effectiveness might be on the right track to positively affect organizational outcomes. Analysis of survey results revealed a high correlation with market performance. Although correlations don't imply cause and effect, they do signal the presence of a strong relationship. In other words, organizations that evaluate their learning programs' effectiveness also are likely to rate their market performance highly. Figure 1 provides a telling visual depicting the contrast between higher-performing and lower-performing organizations on the question of whether they gauge learning effectiveness.

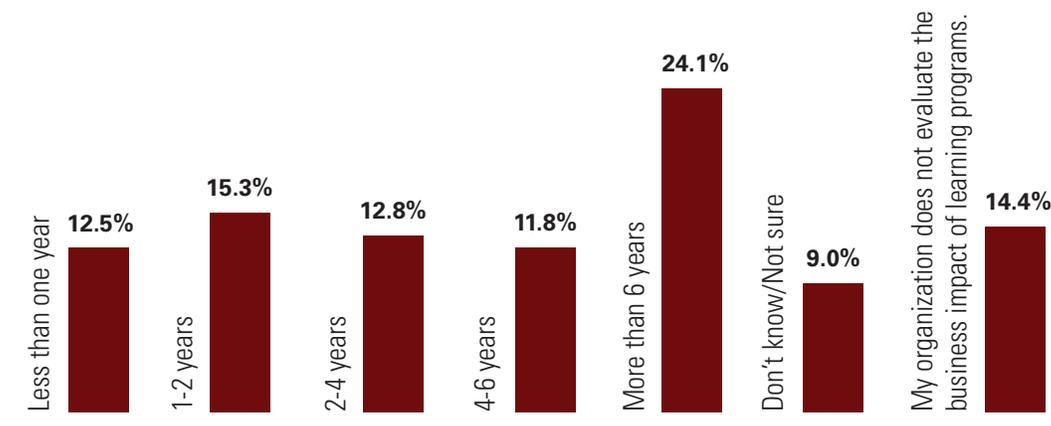
FIGURE 1: LOWER PERFORMERS: NEARLY SIX TIMES MORE LIKELY NOT TO TRACK LEARNING EFFECTIVENESS



Many business efforts require a long-term commitment to produce the greatest returns. As Figure 2 confirms, half of respondents said they have been measuring the effectiveness of organizational learning for six years or less, while half that percentage—the largest single response group for this question—reported their effectiveness measurement exceeded six years' time.

FIGURE 2: EFFECTIVENESS MEASUREMENT IS FIRMLY ESTABLISHED

How long has your organization been evaluating the effectiveness of its learning programs?



Business Outcomes Must Drive Learning Strategy

Just as learning goals must mesh with business objectives if success is to be achieved (and measured), learning leaders must formulate organizational learning strategy with specific business outcomes in mind.

Using an organization's desired business outcomes as drivers to shape learning strategy seems logical only if learning professionals expect their programs to positively affect business results.

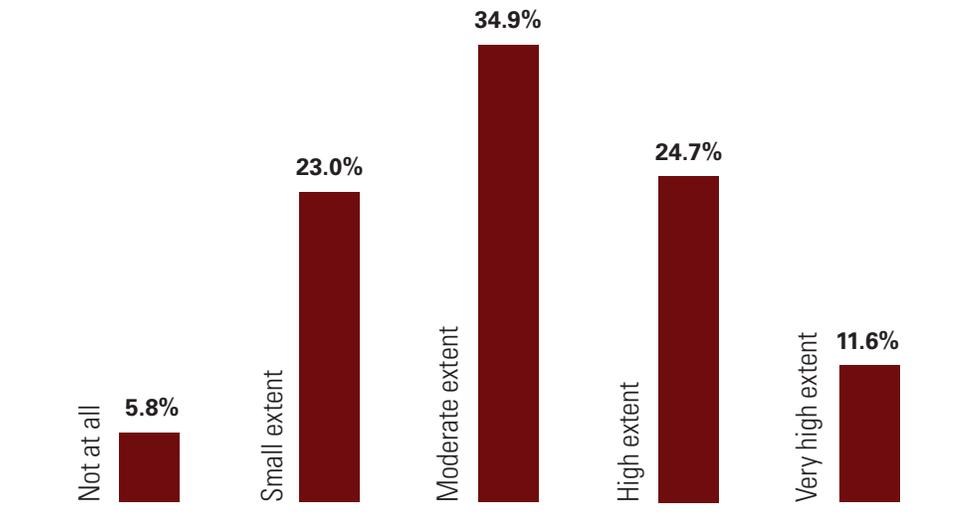
At Accenture, a management consulting, technology services, and outsourcing firm, the learning leaders are “very interested in supporting business outcomes as part of our learning strategy,” says Daniel Bielenberg, director of capability development strategy. Development of that learning strategy starts with an understanding of the business strategy, he notes. “Accenture’s a big, complex company, so we have strategies at multiple levels. Many of our business outcomes are articulated more at what we call the entity, or business unit, level. That’s where we’ve absolutely got strategies for each one of our business units, and those strategies have business outcomes. We tie program development, throughput, attendance, and usage to those business outcomes. And we track that.”

Using an organization’s desired business outcomes as drivers to shape learning strategy seems logical only if learning professionals expect their programs to positively affect business results. However, the approach Bielenberg describes at Accenture is one taken to a high extent by just over one-third of respondents. Figure 3 shows that although few respondents (6 percent) said business drivers were unknown or never mentioned during learning strategy development, that left more than half admitting that outcomes were considered only moderately or minimally.

FIGURE 3:

BUSINESS OUTCOMES AS DRIVERS OF LEARNING STRATEGY

To what extent are specific business outcomes included as drivers in the development of your organization's learning strategy?



If learning activities are to positively affect organizational bottom lines, or even achieve high effectiveness, the strategies underlying them must tie to the specific results (outcomes) the organization seeks to achieve. Learning leaders in high-performance organizations have a better understanding of that, evidenced by the fact that 44 percent of respondents representing those firms confirmed their use of business outcomes to drive learning strategy. Further, analysis of survey results found strong correlations with both the MPI and the LEI.

CONCLUSION

In 2012, ASTD and i4cp teamed for the study, *Developing Results: Aligning Learning's Goals and Outcomes With Business Performance Measures*. Building on that effort, the current Study found little growth in learning functions' ratings of their effectiveness in meeting learning and development goals, supporting organizational business goals, and in measuring their overall capabilities.

Despite this, the Study highlights the optimism that underlies both attention and effort. Survey results and interviews with learning leaders confirm that measurement, of both learning effectiveness and learning programs' impact on business outcomes, is on the minds of learning professionals and is in standard practice—albeit to varied degrees—in most organizations.

Learning professionals already know that programs capable of positively affecting business outcomes demand thoughtful, relevant, and interesting content, and knowledgeable design and delivery; and they must be evaluated for effectiveness and revised as needed to ensure continued success.

Perhaps because of the long-established and familiar Kirkpatrick levels, learning functions are better at gauging program effectiveness than they are at connecting learning to business results. Nonetheless, many learning functions aspire to reach the upper levels of Kirkpatrick and Phillips where bottom-line results are the order of the day. Those looking to other measures to satisfy their quest are just as determined to find constructive ways to link learning programs to business results.

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ABOUT THE AUTHORS AND CONTRIBUTORS



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APPENDIX: VALUE OF LEARNING SURVEY OVERVIEW

Target Survey Population

The target survey population of the Value of Learning Study were learning and business leaders from organizations of various sizes and industries. Overall, 431 people responded to the survey.

Survey Instrument

In this survey, multiple questions used the customary 1-5 Likert-type scale, with a 1 rating generally indicating a “not at all” response and a 5 rating indicating a response of “to a very high extent.” The survey was comprised of a total of 32 questions, including those geared toward the demographics of respondents.

Procedure

A link to an online survey was e-mailed to the target population in September 2013 and closed in October. Telephone interviews were also conducted in October 2013.

Note: The full appendix for this report is available by request. Contact ASTD Research at astdresearch@astd.org or by calling 800.628.2783 or 703.683.8100.

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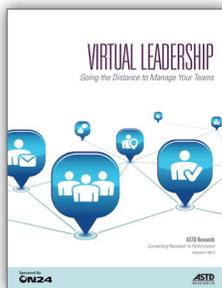
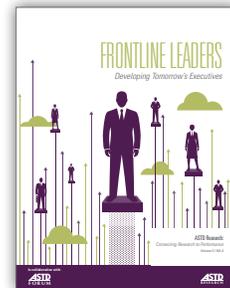


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Virtual Leadership: Going the Distance to Manage Your Teams

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