

CDSM INTERACTIVE SOLUTIONS

How to Measure and Maximise Return on Investment from Learning & Development

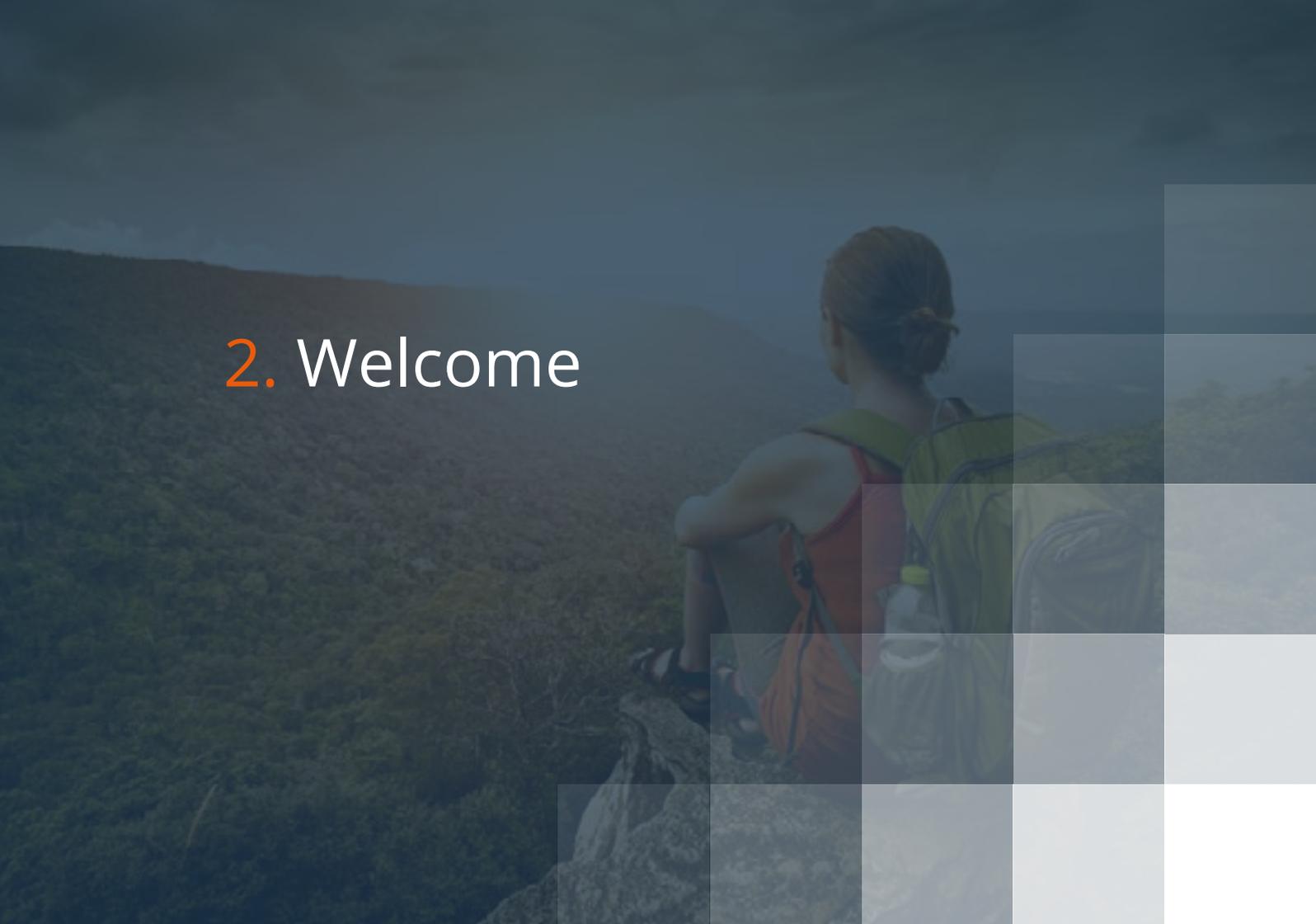


Expert Guide

Thinqi: The Nation's #1 Blended
Learning Platform

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A person with a backpack is sitting on a rock, looking out over a vast, hazy valley. The person is wearing a red tank top and a green backpack. The background is a soft, blue-toned landscape with rolling hills and a valley filled with trees. The overall mood is serene and contemplative.

2. Welcome

This expert guide explores how to evaluate the impact of broader Learning & Development (L&D) activity in your organisation beyond just the bottom line figures.

It also looks at ways in which you can maximize your existing assets to get further value from them.



3. Learning Outcomes

Any good learning activity should have clear learning objectives. Here's an outline of what you should come away with from this guide.

1. IDENTIFY

Steps needed before you can measure ROI of learning activity in your organisation

2. OUTLINE

A method to calculate ROI of learning activity in your organisation

3. MEASURE

The effectiveness of learning activity in your organisation

4. IDENTIFY

Tactics to maximise ROI of learning activity in your organisation



4. What is ROI?

ROI is the return on investment – in this case, the measurable return on the financial investment made towards learning and training activities in our organisations.

You're reading this because you've been asked to demonstrate the ROI of your training budgets to justify your existence, the strategies you design and the choices you make.

Like any other cost centre in the company, the L&D department must show that it delivers tangible benefits to the organization. If it can't demonstrate such value, then it is unlikely to get support within the company.

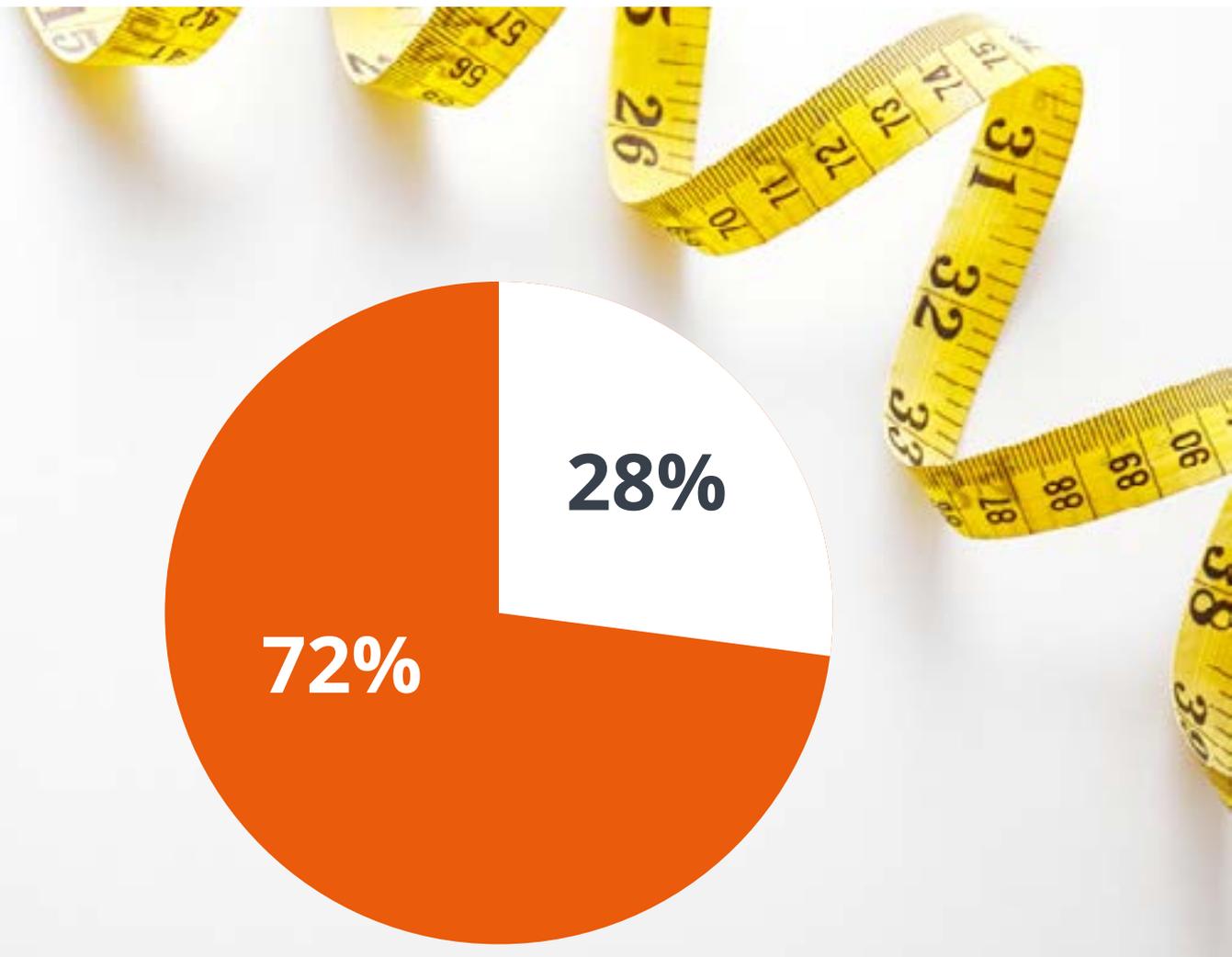
Most decisions are based on cost and learner feedback because the return on investment of the training isn't worked out and there aren't processes in place to include the measurement of effectiveness.

You may have had the conversation where you've either implemented a new curriculum, or rolled out a programme and then been asked what return can be expected or what the business impact is.

You may have been planning to implement a digital learning strategy and you've been asked to measure how much money it will save on traditional training.

The truth is that very few organisations measure the return on investment of their training budget.

A recent survey from over 500 senior learning professionals found that only 28% of those surveyed measure training against business KPIs and the most common form of training evaluation is 'happy sheets' or the simple learner evaluation.



Why are so few organisations measuring ROI of learning and training?

Here are some familiar reasons:



THERE ARE TOO MANY OUTSIDE
FACTORS TO BE ABLE TO MEASURE
THE EFFECTIVENESS OF TRAINING.



NOBODY ASKS FOR IT – WE JUST DO
THINGS HOW WE’VE ALWAYS DONE
THEM AND IT SEEMS TO WORK



WE WOULDN'T KNOW WHAT TO
COMPARE IT TO



WE'RE ONLY ACCOUNTING FOR
COSTS – SUCCESS IS IF WE STAY IN
BUDGET

Let's be brutally honest...

You must be accountable for ROI. Nobody else is going to take ownership of this important task in your business. It's the L&D Managers and the Training Managers who are responsible for measuring ROI of learning and training.

But don't worry because this guide will empower you with easy to use tools, show you examples and help you to navigate some of the roadblocks you may face.

Meet Bob.

Bob is one of my clients, an L&D Manager at a well-known global brand. Bob's organisation had made the decision to switch from classroom training to e-learning. They spearheaded this with the rollout of a programme of compliance modules covering newly introduced business processes.

The imperative from leadership was that the modules had to be completed by a specific date. Several tactics were used to maximise engagement and ensure that learners started and completed each of the modules.

The rollout was a success. Take up of the modules and response from the users was excellent, beyond expectation. Completion rates were high and all boxes were ticked...it seemed.

Upon presenting the success statistics to his Manager, Bob was then asked how he could prove the ROI of this programme.





5. Conditions We Need Before We Can Measure Return

To perform any scientific experiment, you need to establish some conditions.

Accurate measurement can only take place when at least the following three activities have taken place, ideally before the implementation of the training intervention. Without these, there isn't a framework to measure ROI effectively and any attempt would prove inconclusive.

Retrospectively establishing this information is difficult. As with any scientific experiment, you need to establish conditions and hypotheses which can then be proved or disproved. **The three key conditions are detailed below.**

We need to:

1. Identify business challenge(s)

2. Set criterion for measurement

3. Baseline data to measure impact

cdsm   think

1. Identify business challenge(s)

First isolate the business issue or challenge.

Consider what issues you trying to resolve with the learning programme or training intervention?

To initiate the programme and get support from the business, there must be problems that need fixing. It helps if they have a cost, as it's much more likely for the business to support a resolution.

Plus, it's much easier to measure the resolution.

Another example; a valued customer was losing over £8 million per annum due to technical issues. The hypothesis was that this could be largely resolved with a focused training & mentoring programme.

You should create a scientific measurement environment to demonstrate progress to the business in terms of reduction of the financial loss. This will be well received.

We need to:

1. *Identify business challenge(s)*
- 2. Set criterion for measurement**
3. *Baseline data to measure impact*

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2. Set criterion for measurement

After identifying the business challenge, you need to understand exactly what you are measuring. Such as:

- Cost?
- Revenue?
- Attainment?

What do you class as a return? It's not always about just the money, there are several other critical measures for success.



We need to:

1. *Identify business challenge(s)*
2. *Set criterion for measurement*
3. **Baseline data to measure impact**

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3. Baseline Data to Measure Impact

Then, lastly, to measure the impact of your specific learning programme or training intervention, you must baseline the data.

Identify your criteria for success and get a measure on where the business currently is so you compare results, both before and after. It helps if you minimise the variables in the experiment so the results can be accurately attributed to your learning or training programme.

Big wins can be found in using A/B testing – where two control groups are measured, one with the learning programme and one without. This allows you to measure the experiment in a normalised and measured environment.

This a very effective method of measurement but it is not always practical.



6. ROI - What Can Be Measured?

Okay, it's time to roll your sleeves up and get scientific.

Trust me, this is the fun bit.

It's been established that most organisations don't measure ROI and that if they do it is simple things like cost saving, compliance or user satisfaction. What other recognised criteria for the effectiveness of L&D are there and how can we measure them?

There are several models out there but the most popular one is the Kirkpatrick-Phillips model. Kirkpatrick defined satisfaction up to results, then Phillips added the ROI cherry on the top.

This model is your shield and your sword when you go into battle to prove the effectiveness of what you're doing.

If anyone ever questions what you are doing, or has some subjective view that in any way challenges what your trying to achieve, just use the information below and **"Kirkpatrick the hell out of them"**.

Level 1 'Satisfaction' describes the learner's immediate reaction to the learning program.

- Did they find it useful?
- Was it practical?
- Was it relevant?
- Would they recommend it?

These are the questions you would usually find in your feedback 'happy sheet'. They are of great value because they determine how well-received your learning programme was. Getting a positive response at this level is critical in enabling subsequent levels to occur.

Kirkpatrick-Phillips Model



1. Learner feedback

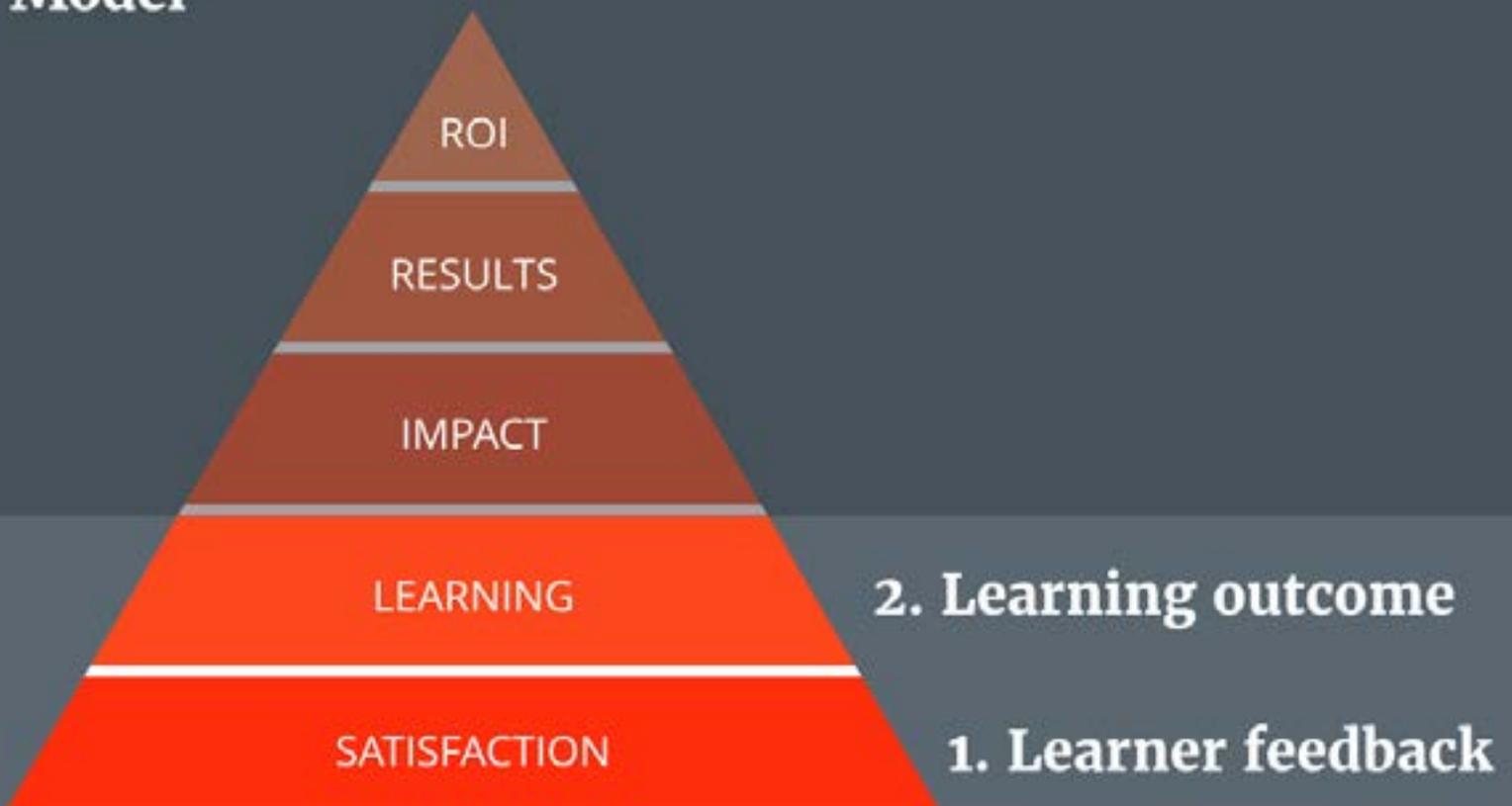
For Level 2 'Learning' we want to measure the learning outcome.

This can be done through assessments, skills practices, performance demonstrations and simulations. This is typically measured before, during and after the learning activity to ensure the learning outcome has been retained and the learning has become embedded.

But to measure our learning outcomes, we really must define what those outcomes actually are.

What do we want the learner to be able to do as a result of our learning programme?

Kirkpatrick-Phillips Model



Time to refer to Bloom's taxonomy.

Time to refer to Bloom's taxonomy. This was created in 1956 in order to promote higher forms of thinking in education, such as analysing and evaluating concepts, rather than just remembering facts (rote learning). It is most often used when designing educational, training, and learning processes.

Bloom's taxonomy describe 3 domains:

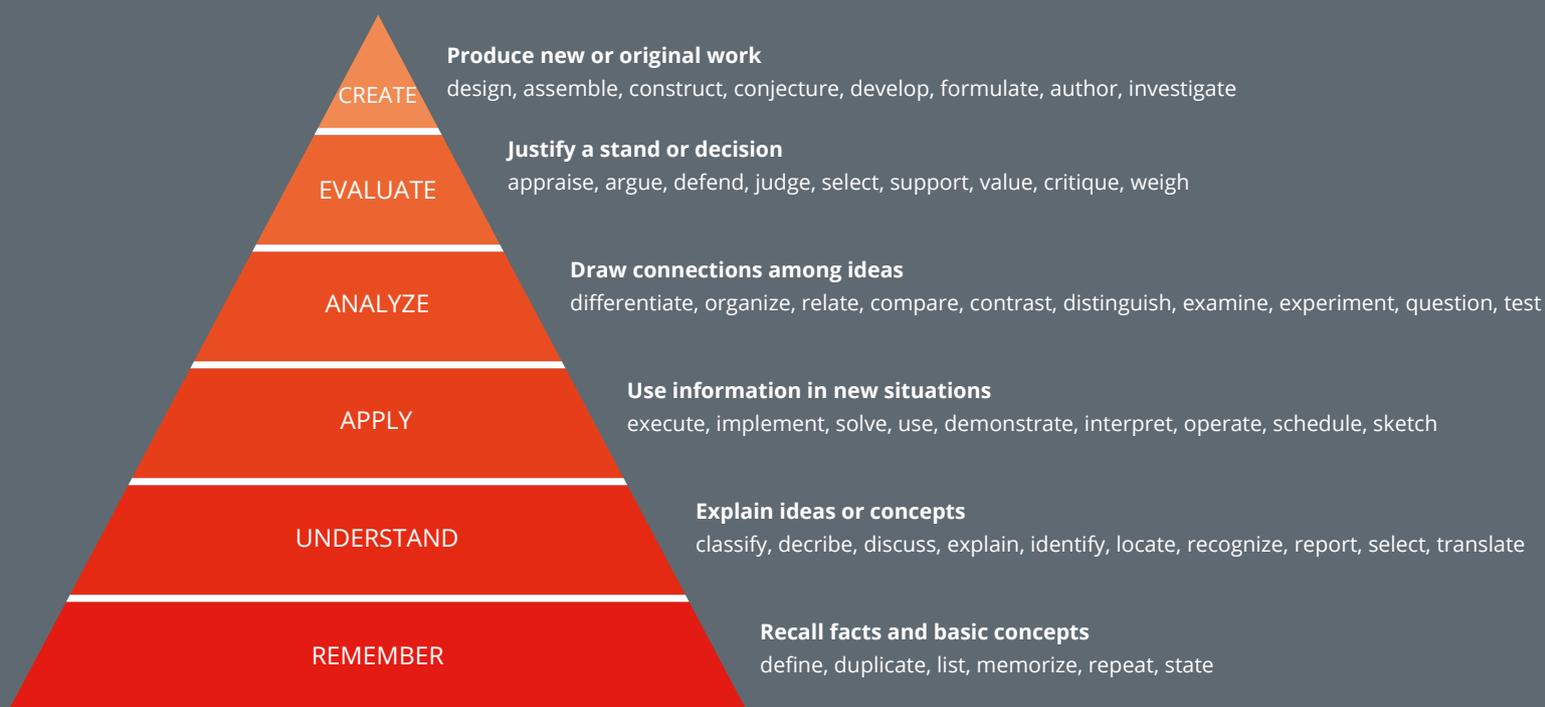
- **Cognitive (Knowledge)** – Which is the pyramid we're looking at here.
- **Affective (Attitude or self)**
- **Psychomotor (Skills)**

Different modes of learning lend themselves to different levels of Bloom's.

For example:

- **e-learning** generally explores the cognitive domain. Of course there are ways to take it further but typically this is the boundary.
- **In a classroom or workshop**, we can take it further and explore the affective and psychomotor domains, and see a demonstration of behaviour, attitudes and skills.

Bloom's taxonomy



Why do we need to use something like this? Our learning outcomes – or specific objectives of the learning activity – need to be mapped to a recognised standard for consistency and clarity in both the learning design and measurement of outcome.

So back to Kirkpatrick.

For Level 3 'Impact' we want to measure the behaviour change of the learner to ensure that they can apply what they've learned in the workplace.

Measurement for this can be done through observation in the workplace such as coaching, job shadowing, self appraisals, 360 appraisals, and mystery shopping.

Success at this level is dependent on several factors including design of the learning around job requirements, length of time between learning and actual application, the support the learner gets from management and the environment they work in.

Kirkpatrick-Phillips Model



For Level 4 'Results' we want to measure the impact of the learner's behaviour on the organisation.

What measurable improvements to the business are taking place?

This can include KPI figures, turnover figures, efficiency, employee satisfaction and even customer satisfaction.

Kirkpatrick-Phillips Model



Level 5, 'ROI' - what are the benefits of the learning programme on a monetary level?

Can we calculate that the learning programme has made more money for the organisation than has been spent on it?

If we've followed the rules discussed so far and 'Kirkpatricked the hell out of it' then we should be able to generate these figures.

Kirkpatrick-Phillips Model





7. ROI - For Who?

Who is this information for? Who are the stakeholders?

This isn't a hard and fast rule, but typically, you'd see the following:

Level 1 - Satisfaction

This is useful for the learners and the designers or authors of the learning.

Level 2 - Learning

The L&D Managers and Human Resources (HR) want to know that learning which has taken place has been successful.

Level 3 - Impact

The Managers want to see a positive impact on the learner's behaviour in the working environment.

Level 4 - Results

Senior Management want to see positive business results from L&D activity.

Level 5 - ROI

Leadership generally just want to know bottom line ROI figures to determine if the programme is worth investing in any further.

Stakeholders



Armed with this Bob went back to his boss and presented a response to each of the Kirkpatrick-Phillips levels to show how successful the e-learning programme had been.

His boss was delighted. The thoroughness of the study demonstrated value of the programme across a range of criteria and for different stakeholders.

He Kirkpatricked the hell out of it.

Then came the question... **“So where do we go next then?”**

The data returned from a Kirkpatrick analysis should give a good baseline measure across the board for your learning programme.

So how do you actually improve results?



8. Blended Learning

Now is a good time to introduce blended learning.

Blended learning is the most effective way to learn. Whether its **70:20:10**, **or 80:20 or 33:33:34**, evidence shows that giving people access to as many different modes of learning as your environment and constraints allow can significantly reduce time to competence and capability.

Organisations that implement a blended learning programme see happier, more engaged staff. This drives greater staff retention and loyalty and in turn has a positive impact on customer satisfaction.

Ultimately this provides a greater return on investment.

See the [Towards Maturity](#) study for more details

Of course, there's more to the blended learning ecosystem than just e-learning and classroom training.

Learner-led Informal Learning

Where learning resources are made available for the learner to browse and complete at their own pace.

Social Learning

That good stuff that happens when people get together and share experiences. This can now be achieved remotely with digital tools.

In-house Workshops

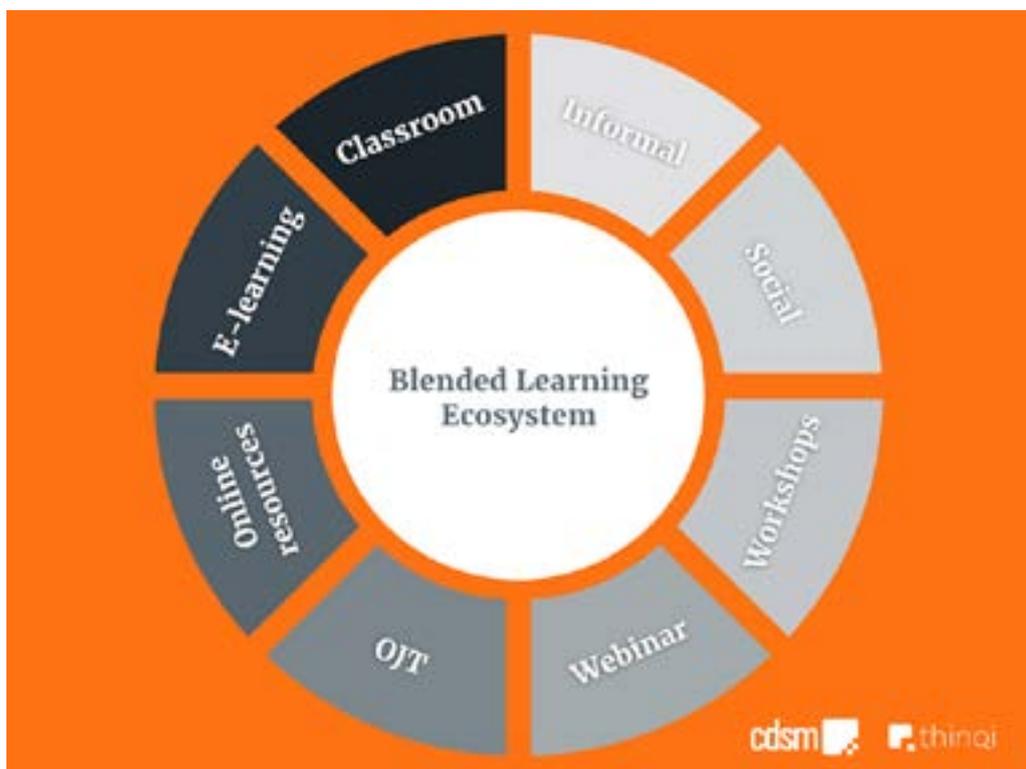
Which can be focused on specific competencies or capabilities, preventing the need to pack your staff off to a training centre miles away.

Webinars, On The Job Training, Online Resource Libraries

To support informal learning and more.

The impact of each of these modes can be measured - tangibles and intangibles – but making as many modes available as possible will suit different learning styles and provide an overall impact that is more than the sum of its parts.

Your Kirkpatrick evaluation will provide insights as to the potential gaps in your learning provision and importantly which specific mode of learning can be applied to resolve a learning challenge in your organisation.





9. Maximising ROI

So, how can you maximise the ROI from your existing learning programmes - and apply this to future programmes?

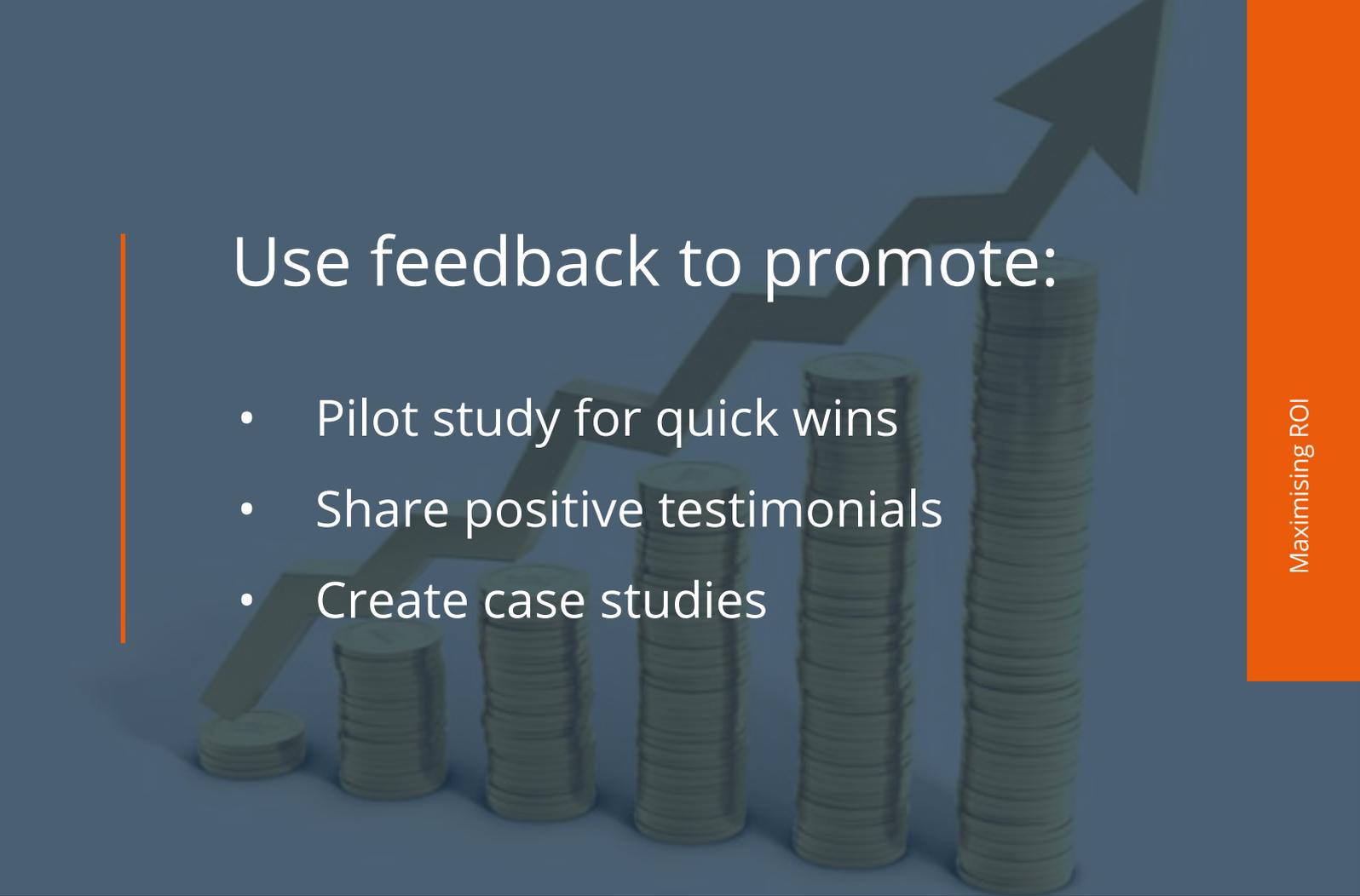
Some of these are things you may already be doing but what methods and tactics can you apply to your current schemes to get the most out of them?

Check quality:

- Align outcome to business challenge
- Design effective content
- Align assessment to cognition level

Check the quality of your programme:

- Align learning outcomes to a business challenge – perform a learning needs analysis and apply Bloom’s Taxonomy to make your learning programme focussed
- Make sure your content is designed effectively – whether it’s classroom, workshop or e-learning -you’ll need a strong instructional design mapped to the learning outcomes
- Make sure your assessment is appropriate to the cognition level expected from your learning outcomes - check against Bloom’s Taxonomy



Use feedback to promote:

- Pilot study for quick wins
- Share positive testimonials
- Create case studies

Use your feedback and data to promote and revise your programme:

- Pilot study your hypothesis on sample groups, get quick wins and use the feedback and results to gather support from stakeholders
- Send the positive feedback into the community - people buy from people, positive testimonials are effective
- Create case studies of your wins and share this information with stakeholders

Repurpose, reuse:

- Use classroom materials for e-learning
- Break up e-learning into bite-size
- Break up assessment into microassessment

Re-purpose, reuse

- Repurpose, disaggregate, reaggregate and reuse your content
- Turn your presentations into learning material. Dissect the primary underpinning knowledge of your work and present it as e-learning. Encourage learners to complete it before classroom sessions so knowledge can be baselined and skills can be refined in the classroom
- Break these up into bite size learning modules for each topic (around 5-10min)
- Break up assessment questions into topic-based micro assessment to check competency and retention on a regular basis. This will help identify learning needs early and often

Informal learning:

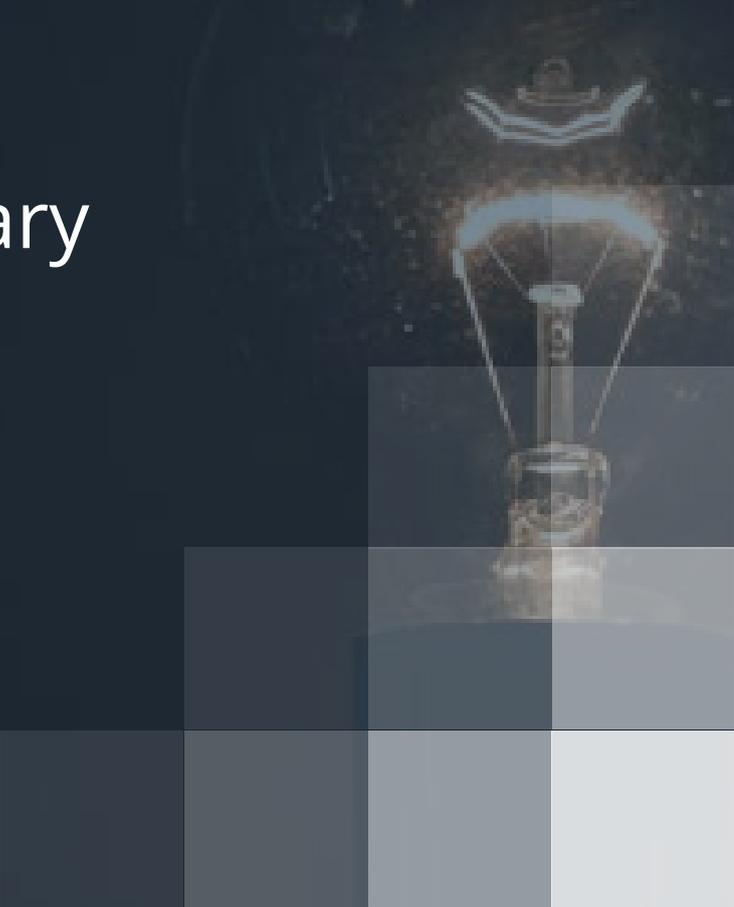
- Use bite-size content
- Capture video
- Devolve creation of content to SMEs
- Embrace digital

Informal learning

- Create an informal learning library that you can start populating with existing content.
- Curate the content and let learners access this in an easy location
- Use your bite size content
- Capture video - watercooler chats, people doing stuff - like Youtube but with learning resources curated by subject matter experts in your organisation
- Devolve this creation of content to subject matter experts so knowledge capture and share isn't just the responsibility of your L&D staff

We're all aiming to be 21st Century learning organisations - where digital is the new currency - embrace it because its value is only getting stronger.

10. Summary



That's a lot to take in, so, here's a quick summary of what's been covered:

1. **Target your business challenges** - go for quick wins first, gather trust and support then scale up
2. **Baseline your data and stats** - to ensure your improvements can be measured
3. **Apply recognised scientific methods and tools to design and measure outcomes** - they are your strongest ally against subjective opinion
4. **Explore blended learning** - find your own blend as your roadmap to success will be bespoke to your business and your challenges
5. **Re-purpose existing content** - make the most of what you have! Reuse, disaggregate & re-aggregate

And remember...



kirkpatrickthehelloutofit



11. Contact Details

Visit our website

www.cdsm.co.uk

Read our blogs

For useful articles around blended learning... www.cdsm.co.uk/blog

Check our blended learning platform thingi and achieve all of the above with ease.

<https://www.cdsm.co.uk/solutions/learning-management-system/>

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