

LEO



Stepping Beyond the Status Quo:

Measuring the Business Impact of Learning in 2020

Big data and impact measurement have never been more important for workplace learning. However, this year's 'Measuring the Business Impact of Learning' report reveals most organizations are making only modest progress beyond basic measurements.

This report provides commentary from survey respondents and collects useful lessons from across our client base in order to offer advice on breaking down some common barriers to learning measurement.

By Piers Lea and Tim Dickinson



Introduction and Thanks

Our 'Measuring the Business Impact of Learning' survey is now in its fourth year. We are committed to providing an evolving picture of L&D's relationship with measurement, a theme that has been widely championed yet curiously unexamined up to now.

Once again, everyone in the corporate world continues to express the desire to measure the impact of their L&D Investment. In corporate learning circles, we tend to dream big about the possibilities of the technology at our disposal. However, there can sometimes be a lack of real-world examples to back this up.

Therefore, we have taken a slightly different approach this year. Rather than focusing solely on the results, we're also taking a closer look at some key issues that are keeping organizations from taking action. For each issue, we have highlighted an example of an organization that addresses it. We're not all going to change our measurement practices overnight, but we hope to see these example approaches joined by many more organizations in the coming years.

Over the last four years, our survey's total sample size has grown to more than 1,300 participants. The project has also grown to encompass a series of webinars and a number of collaborative workshop-style sessions at the Royal Institution in London. These events have provided a venue for us to work with and learn from around 150 organizations on the topic of learning measurement. Insights from these events have been woven throughout this year's report.

As always, we would like to express our gratitude to the many global organizations that have contributed to the survey at various times during the past four years, including individuals at:

Apple, Deloitte, DHL Global Forwarding, Fidelity International, G4S, Hansgrohe, Hitachi Rail, IBM, Jaguar Land Rover, Linklaters, PwC, Royal College of Surgeons, Royal Mail, Shell UK, Specsavers, T-Mobile, Tesco, Three, Valvoline, Verizon, Virgin Atlantic, Virgin Media, Volkswagen Group UK and Xerox.

'Measuring the Business Impact of Learning' is a joint project between [LEO Learning](#) and our sister company within Learning Technologies Group plc (LTG), [Watershed](#).

“Rather than focusing solely on the results, we're also taking a closer look at some key issues that are keeping organizations from taking action.”

The Headline Results

In 2020, L&D professionals are acutely aware of the importance of measuring learning's impact on the wider business. Results show that 90% want to measure the business impact of learning programs, and 90% believe it is possible to demonstrate learning's impact through measurement and analytics. They nonetheless face significant (though familiar) barriers to implementing the measurement regimes they desire and require.

These findings are consistent across our quantitative data, as well as responses to qualitative questions in the survey and accounts from attendees at our measurement-focused events. Typical respondent insights mention how stakeholders sometimes "don't want to provide answers" or "[do] not see measuring the impact of learning as a priority."

The importance and availability of data is another interesting flashpoint. This year, 91% of respondents *agreed or strongly agreed* with the statement 'Big data has a significant impact on my organization.' However, responses indicate that even when data is available, L&D can struggle with "poor data extraction" and "merging data from multiple sources in a cohesive way."

Despite these obstacles, we have several compelling accounts of industry-leading L&D departments that are successfully grappling with measurement (also see our webinar, '[Measuring the Business Impact of Learning: What We've Learned](#)'). These teams are delivering interesting results in small areas, and are now iterating their approaches on a greater scale.

[See Appendix on page 10 for the full results.](#)

The Key Takeaway: It's Time to Talk

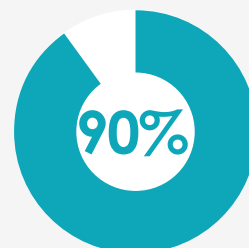
"We still have the age-old problem of execs not fully aware of learning impact, due, in part, to L&D not effectively challenging the status quo. And we still measure Delegate Satisfaction and Utilization rather than looking at true business impact!"—2020 survey respondent

While all sides need to recognize that the status quo isn't sustainable, it will be L&D professionals who have to lead the charge. Thankfully, we've seen plenty of examples of organizations overcoming the barriers and building the business case for L&D—and there is plenty to learn from their efforts.

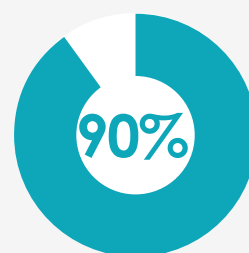
That said, we've consistently seen three main challenges emerge from our surveys and ongoing work:

1. **Getting Started**
2. **Getting Buy-in**
3. **Getting Data**

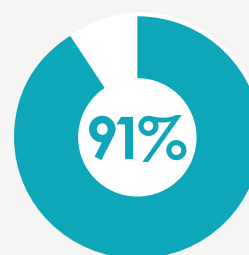
Each of these problems has a solution, as demonstrated by organizations already taking bold steps into their own measurement projects.



90% want to measure the business impact of learning programs.



90% believe it is possible to demonstrate learning's impact.



91% agree that big data has a significant impact on their organization.

Problem: Big Data Has a Business-Wide Impact, but L&D Is Having Difficulty Using It

The existence of large and complex datasets—big data—has been a reality in most industries for at least a decade. Naturally, the complexity of such datasets has meant slow progress towards exploiting them. Regardless, our survey indicates that big data has ‘arrived’ for most organizations.

Almost all of the respondents to this year's survey say that they *agree* or *strongly agree* with the statement “big data has a significant impact on my organization” (91%, up from 83% two years ago). This suggests that big data is an everyday tool for the vast majority of organizations. It is not, however, a tool that L&D departments are likely to be benefitting from—yet.

While 90% of respondents *agree* or *strongly agree* that they want to measure the business impact of learning programs, strength of agreement took a hit this year—just 58% said they *strongly agree*, down from 72% last year.

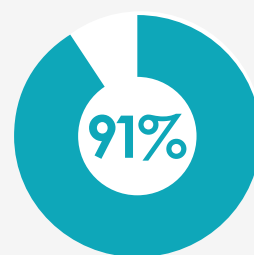
This perhaps indicates that executives recognize that even if the data is there, it's more difficult and time-consuming to get the engine itself running. The message is (or should be) instead: “Focus on the urgent priorities, keep giving us the basic reporting we're used to, and fit in improved measurement where you can.”

This holding pattern may suit L&D departments that say that their biggest challenge is not knowing where to start (15%). While this percentage has fallen year on year, it has seemingly been replaced with those who say that measuring the impact of learning is simply too hard (14%, up from 5% in 2019). Our concern here is that respondents are learning about ‘where to start’ and giving up too quickly.

Potentially, they have settled on the wrong place to start: **trying to do too much, too soon.**

“Our Commercial L&D group is committed to building this capability, although we are learning as we go!”

- 2020 survey respondent.



91% agree that big data has a significant impact on their organization.



While 90% want to measure the business impact of learning programs, only 58% said they strongly agree, down from 72% last year.

Solution: Get Started by Starting Small

Your first step in your measurement journey should be to understand where you are starting from. This involves mapping out your learning ecosystem, a simple three-step process:

1. Identify your current tools and resources.

Do this in simple terms. There is no need to go into technical architecture.

2. Question your current learning ecosystem.

Does it meet the needs of all stakeholders? Does it generate the data I need to generate?

3. Choose an area to test your new measurement.

Start small and iterate.

As for what you should measure, start by looking at your KPIs and working out the best way to measure them. Make an honest assessment of your business objective(s). Identify the behaviors that drive the outcome you want to see, and then design learning that teaches those behaviors.

We regularly see great examples of proof-of-concept learning produced by small and resourceful teams. For example, without access to an LMS, employees at [The Behr Paint Company](#) produced a mobile app that provided product information for training and sales enablement purposes. This app was capable of generating xAPI data that was stored in a Learning Record Store (LRS). Behr was able to iterate its approach and to segment out frequent repeat users—likely for sales enablement—and relate this to a favorable increase in sales among this group.

As we've found in our webinars and workshops, it's not unusual to find L&D teams that are not entirely confident with statistical analysis. This may be considered a barrier to beginning measurement. There's undoubtedly work to be done to upskill L&D professionals. However, there are already a large number of analysts in other areas of the business that L&D teams should be approaching for assistance. If the analysis they can perform is ultimately helpful for the business, they're often only too glad to help.

Getting L&D to talk with the rest of the business about business issues is at the core of the issue. Many know that they have a tremendous amount of value to add to the organization. Getting started is not an insignificant challenge. Nonetheless, it is imperative that you start.

“There are already a large number of analysts in other areas of the business that L&D teams should be approaching for assistance.”

Problem: L&D Knows It Must Measure, But It Needs to Secure Buy-In

The desire to measure and the understanding that it is important to measure have remained consistently strong since [year two](#) of the survey. This year, 90% of respondents say that they both want to measure, and that they believe it is possible to demonstrate the business impact of learning programs. However, the survey offers little evidence that measurement is being pushed up the agenda.

For example, we see that around half of respondent departments continue to be subject to no measurement, or basic measurements such as content utilization and learner satisfaction. We have also seen very little change in what departments state is their biggest challenge. 'Competing priorities' has always topped the responses to this question (stated by 31% of respondents this year).

The pressure to roll out the next program is always greater than the pressure to go back and measure existing initiatives—and this pressure should be resisted. As one respondent remarks: "We are very reactive and do not make learning decisions based on analysis of data." Similarly, departments aren't looking into (or aren't being allowed to look into) personalized learning. As last year, 39% either don't know what tools and systems they need or don't know where to start.

Respondents were keen to sound off about their frustrations in expanded answers. One remarked: "We still have the age-old problem of execs not fully aware of learning impact, due, in part, to L&D not effectively challenging the status quo." Another lamented about their current tools: "L&D does not figure highly and we're not given the tools or budgets to provide a decent LMS. Our [current solution] is horrific, complex, ineffectual and unable to pull out data we require."

This year, 63% of respondents *agreed or strongly agreed* that they feel executive pressure to measure learning's impact. While this is an increase over the 35% who said the same in 2017's survey, this figure is actually down year on year (it was 67% in 2019). The expectation that pressure would continue to increase hasn't been met: leadership still either doesn't realize what is possible, or it isn't as concerned as it should be.

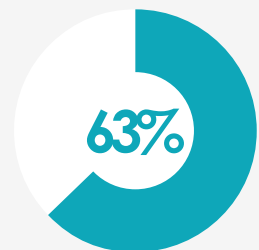
If leadership isn't demanding measurement that matches business impact to learning, it likely isn't funding it either. This is a big problem in a world where L&D professionals nearly universally see big data as important to their organizations. This disconnect between L&D and the wider business context risks leaving leaders uninformed about the effectiveness of the programs and L&D unable to justify budgets.

The sooner we correct this as an industry the sooner we will be able to arrest L&D's evident decline on the boardroom agenda. There are seismic forces at play—forces we discuss in the LTG whitepaper [A Human Framework for Reskilling](#). As an industry we need to make sure that the people agenda is going up the list of board priorities—not down.

“ Our organization does not see measuring impact of learning as a priority currently which is a real shame. We are very reactive and do not make learning decisions based on analysis of data.



53% of L&D departments are subject to either no or basic measurement.



63% agree or strongly agree that they feel executive pressure to measure learning's impact, up from 35% four years ago.

Solution: Up Your Odds With a Multi-Pronged Approach to Buy-In

What do you do when the rest of the business is reluctant to listen? The case for measurement is undermined on two fronts. Firstly, the rest of the business usually fails to understand what impact measurement looks like until you show it to them. Secondly, there's often a lack of a long-term strategy for measurement. Or this strategy isn't well communicated to the rest of the business

We see 10 key components to a measurement strategy that secures buy-in:

1. **Collaborate across the organization:** getting other areas of the business to directly contribute is a shortcut to getting them invested in a project's success.
2. **Understand wider business drivers:** consider what you would like to say to the business in three years' time.
3. **Map out your stakeholders:** who needs to be convinced and who needs to contribute? Work out how and when you will approach them.
4. **Document chain of evidence:** the chain of evidence includes delivery of the learning, the learner change and performance this results in, and the business impact that follows.
5. **Identify data types and sources:** with an understanding of what behaviors you want to change for the desired outcome, locate the data points available to you that can be meaningfully used as proof.
6. **Explore the technical requirements:** map your current tools and resources and how they compare to the demands of your strategy.
7. **Pilot the solution:** create a small test and grow it.
8. **Document strategy and business case:** write everything down and keep track of what has been signed off.
9. **Define the change program:** consider how you and your team are going to have to change how they work.
10. **Measure impact:** and be prepared to live in perpetual beta—feed your findings back into improvements.

When Visa embarked on its ['Visa University' initiative](#), learning was siloed and primarily compliance-driven. The size of the organization and the number of platforms that were already collecting useful data presented a significant challenge. Its L&D team wanted to align with business goals, so the team identified leadership skills as an area that needed a chain of evidence.

By mapping out their ecosystem, the team discovered the need for xAPI and an LRS. Furthermore, by building custom connectors that filter and format incoming data from the platforms that users work in, Visa has since been able to easily 'plug-and-play' new platforms into the ecosystem. Their command of long-term strategy ensured buy-in across the business—just six months in, 80% of the company had interacted with the digital campus.

“There's often a lack of a long-term strategy for measurement.”

Problem: Data Is Valuable but Elusive

Every year, the survey asks respondents what they think is the biggest challenge of measuring the impact of learning in their organization and, for four years, we've found that 'no access to the data' is a top-three answer.

Furthermore, digging into extended answers to this question, we find several other common complaints from L&D:



Problems with quality of data



Inability to define causality for data points



Barriers to access from systems and stakeholders



Data complexity

These reactions are not a surprise. It seems likely that as long as big data exists, exploiting it will never be a small task. However, when the perceived importance of big data to organizations is so high, the survey speaks to a degree of frustration that needs to be addressed.

Internal barriers are one area that L&D needs to start addressing. We received accounts of "Business stakeholders [who] don't want to provide answers" and systems "rely on programmers to create reports from LMS." These are teams that need to work on securing advocates with convincing demos that illustrate what could be achieved. They also need to talk, collaborate, and align with their vendors—and be prepared to demonstrate to management where vendors are failing to uphold their side of the partnership.

“ We have the tools and systems in place but not the manpower and the right mindset of management.”

- 2020 survey respondent.

“ L&D does not figure highly and we're not given the tools or budgets to provide a decent LMS. Our [current solution] is horrific, complex, ineffectual and unable to pull out data we require.”

- 2020 survey respondent.

Solution: Data Is the Spine of Your Measurement Program, so Get Aligned.

Having a plan for where to find data and where to push it is critical. Securing the right internal and external relationships is the next step and should be considered early in the project.

Internally, you will find that people are protective of their data—building alliances takes time, and your project can easily be derailed if you take data access for granted. Additionally, the earlier you get the word out about your plan, the wider the potential pool for your ideal cross-department team. You may even discover that analysts and other colleagues have laid the important groundwork that ensures that you don't need to start from scratch.

Externally, you need to align with your vendors on your requirements. Let them know your vision and where they fit into that. Build a partnership based on collaboration. Validate interoperability as part of your purchasing process—look elsewhere if you aren't convinced that your vendor buys into your vision, or if they aren't prepared to work with other vendors.

Machinery giant Caterpillar provides a [good example](#) of this vetting process in action. With a huge global dealer network, L&D experiences high barriers to data access and unique training challenges. Caterpillar prioritized building a learning ecosystem that was structurally simple, and selected vendors that were willing to work collaboratively with each other.

This meant working with an xAPI-compatible dealer LMS, content distribution, content authoring, assessment management, and enterprise video hosting/delivery platforms. If a vendor wasn't prepared to meet Caterpillar's data format requirements for sending data to its learning analytics platform, they were disqualified. Caterpillar estimates that standardizing the customer experience across its dealer network could increase annual revenue by \$20 billion USD.

“ Look elsewhere if you aren't convinced that your vendor buys into your vision, or if they aren't prepared to work with other

Conclusion: Working With—and Like—the Wider Organization

While data complexity, data quality, and buy-in from the rest of the business are undeniably going to remain issues, they aren't excuses. Teams need to start with what they can control, start simple, prove themselves and evolve their approach from there.

One specific data concern shared by a number of respondents in this year's survey deserves calling out. Beyond the challenges we've already highlighted, there is a perception that attributing causality may undermine measurement efforts. One respondent remarked that it was "difficult to assign an individual's growth to learning when so many other factors are in play." Another called out the lack of "clear 1:1 correlation between learning activities completed and business goals achieved."

Looking for unquestionable proof of causality is certainly laudable. However, our opinion is that the L&D profession needs to become more comfortable with fuzzy causality. In our experience, the best thing to do is to present the correlation and let leadership draw its own conclusions.

This may seem a somewhat blasé perspective, but this is also almost certainly how other areas of your organization operate. Marketing departments regularly present similar data and will request budgets and investments without worrying about 1:1 correlation. Sales could be up because the weather was good, or because people loved the product.

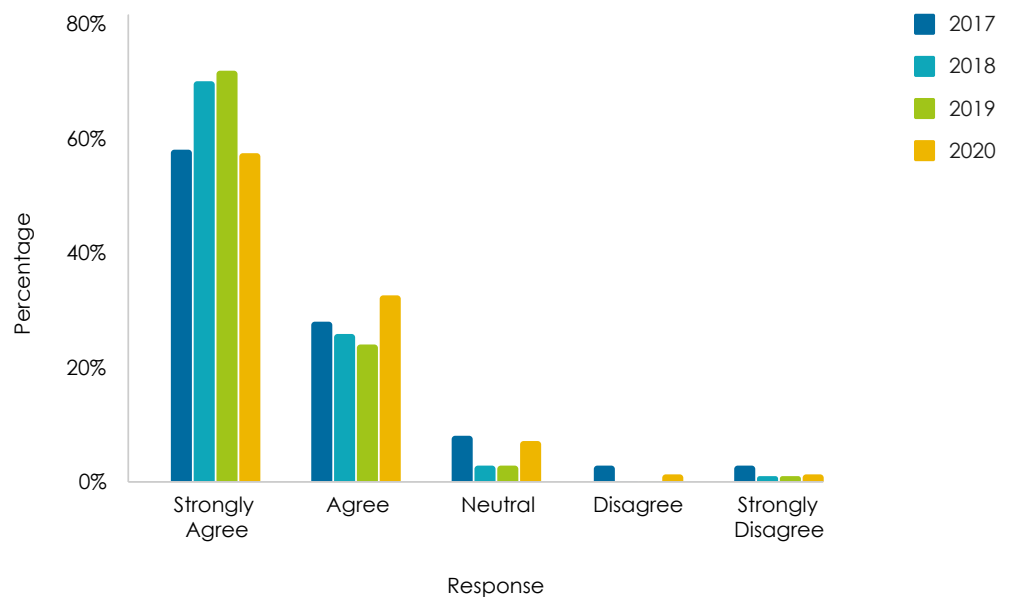
So while encouraging L&D professionals to work together with other departments, we also encourage them to start thinking like other departments. Just as new data approaches require L&D to think more like data analysts, L&D would benefit from thinking more like marketing when it comes to presenting that data. Otherwise, it risks losing out whenever boom turns to bust and budgets get slashed.

“The best thing to do is to present the correlation and let leadership draw its own conclusions.”

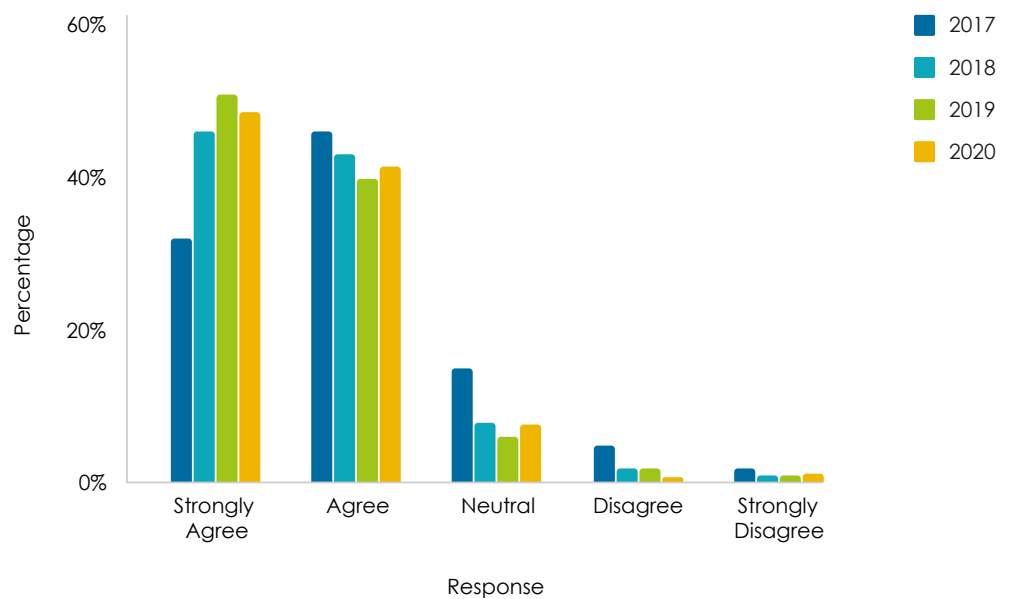
Appendix

Measuring the Business Impact of Learning: 2017-2020 Survey Results

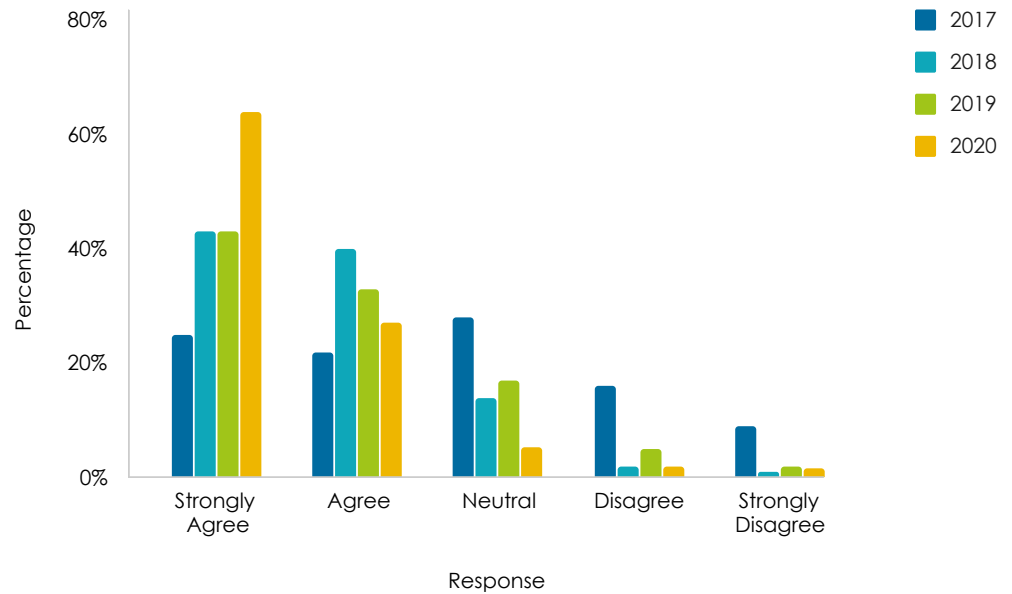
I Want to Measure the Business Impact of Learning Programs



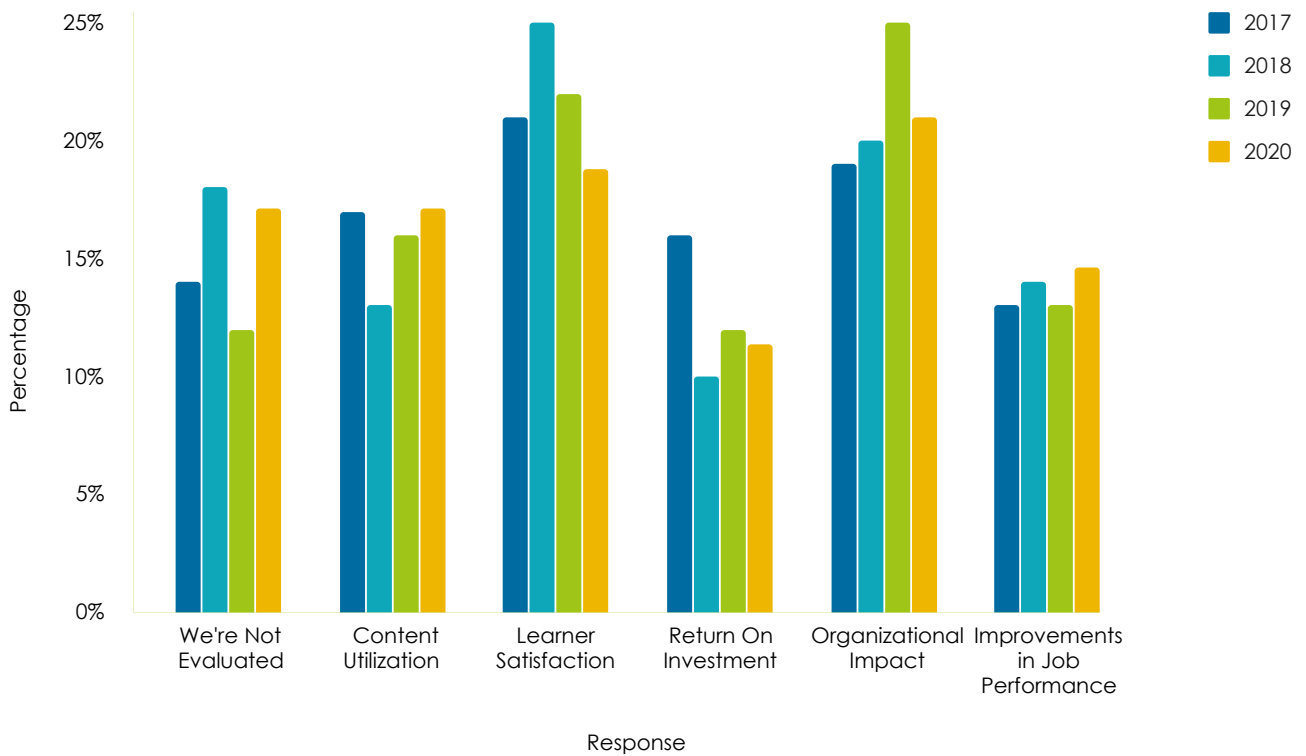
I Believe It's Possible to Demonstrate Learning's Impact



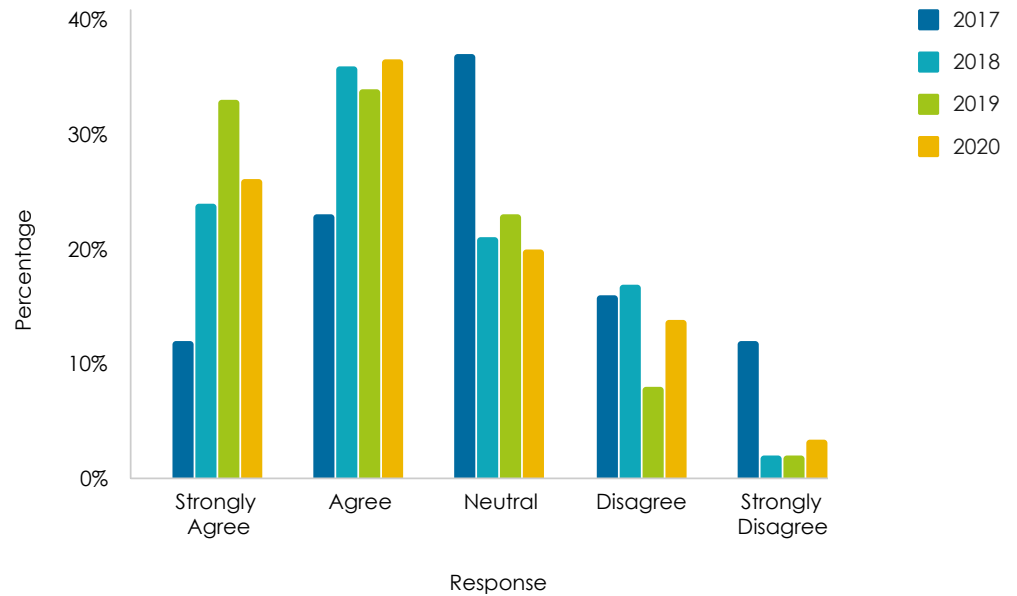
Big Data Has a Significant Impact on My Organization



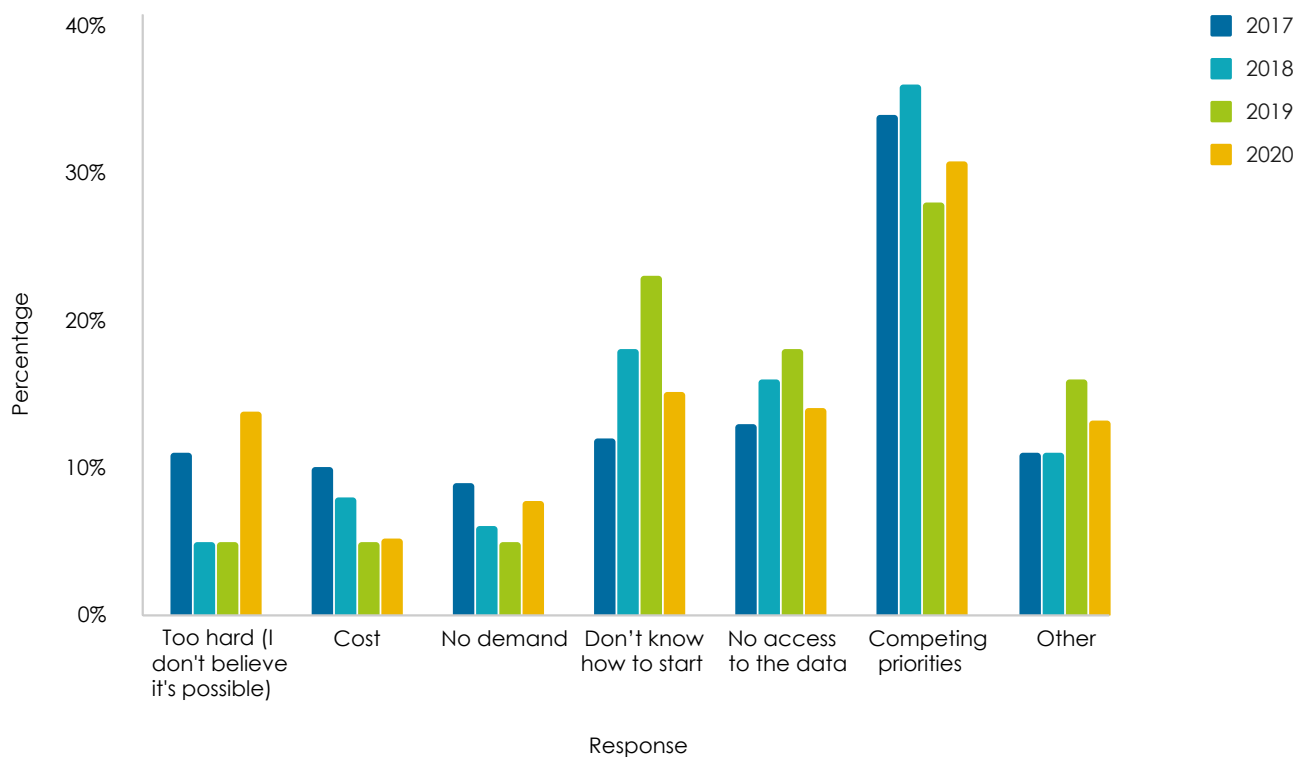
The Success of My Department Is Evaluated By:



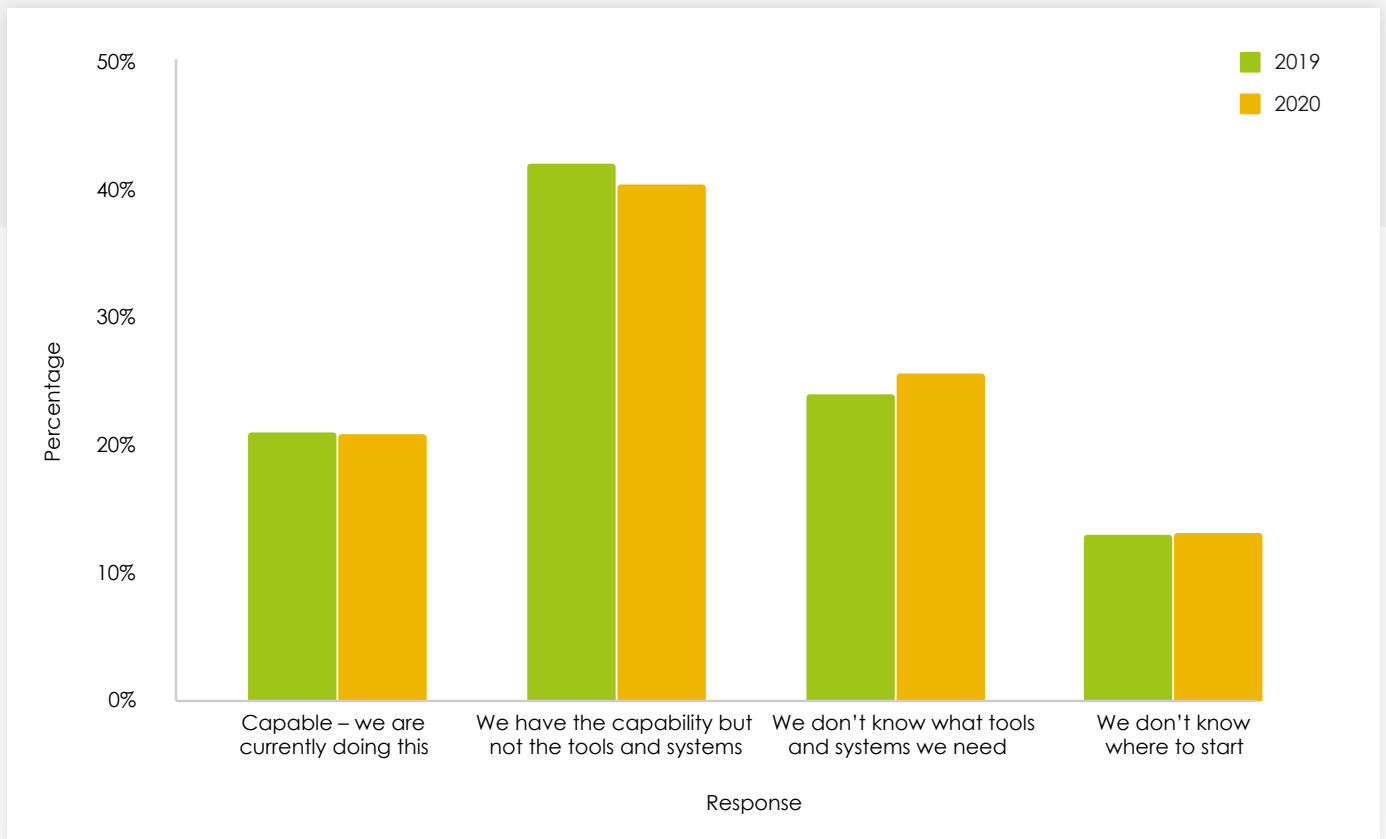
I Feel Executive Pressure to Measure Learning's Impact



The Biggest Challenge of Measuring the Impact of Learning in My Organization Is:



Our Capability to Deliver Effective Personalized Learning Using Learning Data Is:



About LEO Learning

LEO Learning believes that technology-enabled learning innovation has the power to deliver transformational results. Our purpose is to help clients deploy learning technology to deliver outcomes precisely aligned to their business goals. Backed by more than 30 years of experience, we design engaging learning architectures that fit seamlessly into businesses and improve performance throughout the entire organization.

LEO Learning has the deep understanding of learning design and technology, and pioneering creative approach, necessary to drive learning transformation.

LEO Learning's expanding global customer base includes organizations such as the NHS, Civil Service Learning, Jaguar Land Rover, Volvo, Suncorp, Fidelity, Virgin Atlantic, Novartis, Godiva, Volkswagen, Dunhill, KPMG, Roche, and Mars.

LEO Learning is part of [Learning Technologies Group plc's](#) award-winning group of specialist learning technology businesses.

For more, visit leolearning.com

About Watershed

Founded in Nashville, Tenn., in 2016, Watershed is dedicated to changing the world of learning by helping corporate L&D departments get more from their initiatives. This includes a customizable SaaS-based learning analytics platform that assesses the impact and effectiveness of corporate learning programs and helps maximize investments in learning.

Made possible by xAPI, Watershed enables users to explore their learning data in one place and measure how L&D programs impact their organizations. Since its founding, this high-growth organization has developed a portfolio of Fortune 500 global clients—such as Visa, Verizon, PwC, Caterpillar, and more.

Watershed is part of [Learning Technologies Group plc's](#) award-winning group of specialist learning technology businesses.

To learn more, visit watershedlrs.com

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