

HOW PEOPLE ANALYTICS DRIVES LEARNING AND DEVELOPMENT

Using analytics effectively
to boost the impact of your
learning and development
(L&D) initiatives

A recent study showed that few organizations were taking the time to properly evaluate their learning programs and the effect those programs had on business performance and outcomes.¹ Top C-suite executives want their programs evaluated for impact; a LinkedIn survey found that the top measures desired by the C-suite were business impact and ROI – and at the same time, only 8 percent of executives saw the business impact of L&D on their organizations, while only 4 percent saw the ROI of L&D.²

Evaluation shouldn't be an afterthought; it should be carefully built into any new initiative. How else will organizations know if their L&D initiatives succeed at improving employee performance?

Having metrics in place that demonstrate the ROI of learning is one way to ensure that L&D programs contribute to organizational success. However, survey respondents on the *2017 CLO State of the Industry* survey identified capability gaps at their organizations regarding measurement and metrics. For example, half of all organizations don't measure the impact of their L&D initiatives on business performance, and the ones that do aren't entirely happy with their outcomes. Less than half (45 percent) of HR professionals are satisfied with their organization's current measurement efforts.

There are several reasons that may explain why organizations either don't measure L&D success or aren't satisfied with their measurement efforts. There might not be available data or advanced metrics to assess. Data might not be in an easily digestible form. Without relevant, digestible data, it's difficult to communicate those successes to senior executives.

Learning leaders must understand the impact and value of their initiatives and how their programs affect business goals. Embracing analytics can help an organization move beyond a one-size-fits-all approach to training by identifying the components that directly contribute to organizational value. By identifying advanced metrics and building measurement into programs before implementation, L&D will have the data they need to demonstrate to the C-suite the organizational value of L&D.

¹Monticelli, E. (2017). "Evaluating the Impact of Learning Programs." ATD.

²LinkedIn Learning. *The 2017 Workplace Learning Report*.

ASSESSING THE IMPACT

Without data, it's difficult for learning leaders to determine which learning activities, programs and content directly impact the business. Yet many organizations lack data (especially the right data) on their L&D programs. Also, when data is gathered, it often isn't reported; only 38 percent of learning leaders report the business impact of training to company executives.

Organizations can no longer afford not to know how their learning programs impact workers — assessing the ROI of learning programs is a business imperative if organizations are to develop and modify learning programs for maximum results. Integrating data and incorporating dashboards will help executives in their quest to assess their L&D initiatives. But tracked metrics should also be of use to learning leaders; data should be meaningful to be useful.

What data is currently gathered tends to focus on low-level metrics that are difficult to action on, such as hours completed or employee satisfaction with training. Many organizations are unsure if their L&D programs are effective, either because no data is collected or what is collected comprises such low-hanging fruit. It's difficult to say if L&D programs are successful without readily available advanced metrics. Combining metrics with higher-level analytics data from the employee lifecycle (such as performance, engagement or current retention levels) leads to more robust, actionable insights.³

Consider the difference in the number of organizations tracking the following metrics. The *2017 CLO State of the Industry* survey asked organizations for their plans to measure learning's impact on a variety of areas. Employee response to training was the most popular metric. Other metrics weren't tracked by as many organizations. For example, less than half of all organizations (42 percent) track metrics related to employee productivity. Only when organizations incorporate a variety

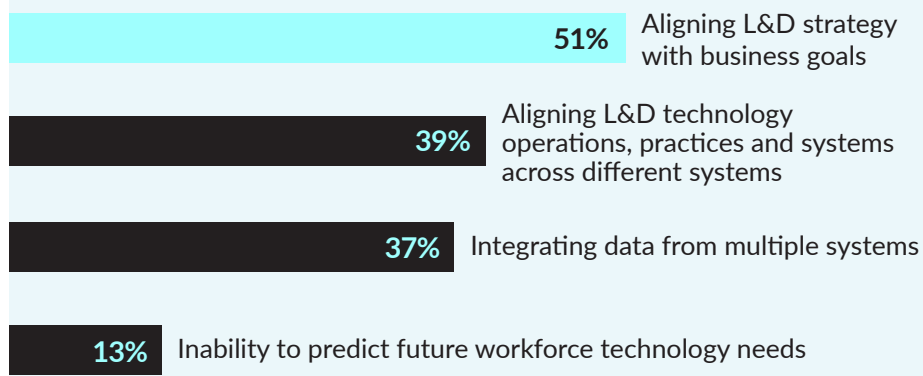
³Cook, I. (2017). "5 Learning and Development Questions You Can't Answer Without Analytics." Visier.

ASSESSING THE IMPACT

of satisfaction and productivity metrics in their L&D programs will they be able to assess learning's impact and value relative to business goals.

Organizations recognize this need and are taking steps to prioritize data and data integration in the coming year. Over the next twelve months, many organizations will prioritize several steps relating to data, such as integrating their current data streams and using data to predict their future workforce needs. This comes at a time when the top priority for more than half of all organizations is to align their L&D strategy with business outcomes (Figure 1).

FIGURE 1 TOP L&D TECHNOLOGY CHALLENGES FOR THE NEXT YEAR



ADDRESSING THE CHALLENGES

What's holding L&D back from assessing the impact their initiatives have on the business? One barrier to having a successful analytics function is the difficulty in getting data from the lifecycle of the employee. When they have the metrics available, L&D can usually only measure what's in their learning system. However, business impact goes beyond simply what's in the LMS: it comes from training programs that are tied to organizational goals and knowing whether that training impacted the bottom line. At the same time, little to no data integration and needing to manually pull data from several systems makes impact assessment difficult, especially for teams with few analysts (who may already be overworked by other data requests).

Ensuring that L&D initiatives align to business goals ensures the outcomes of learning will have a positive impact on the business. There's already widespread agreement between learning leaders and executives on the need to develop employees: 80 percent of L&D professionals say that developing employees is a critical priority for the leadership team, while 90 percent of senior leaders believe that L&D efforts would help close workplace skills gaps.

Yet at the same time, learning ROI is difficult to measure, and learning leaders need their technological processes to work for them, not against them. If organizations have multiple siloed or legacy systems that don't talk to each other, those systems may be tracking overlapping data points. Data integration will help in this area, as it will make information more easily available, accessible and digestible. There's still a long way to go for many organizations: only 14 percent say their learning function uses technology to collect, aggregate, integrate and analyze data from multiple HR systems, while 34 percent are still manually collecting learning metrics (which includes Excel). To truly succeed with data, L&D needs that data easily accessible by everyone.

By working toward having integrated systems, L&D will have a clearer picture on how employees interact with and use what they've learned. Data integration is a top priority for L&D; nearly half of all organizations

⁴LinkedIn Learning. *The 2017 Workplace Learning Report*.

ADDRESSING THE CHALLENGES

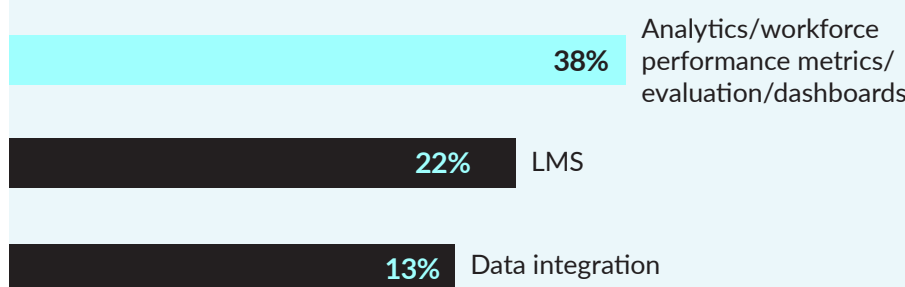
(43 percent) would prioritize analytics capability and integration when considering any new L&D technology platform purchase. Having integrated data is crucial to leveraging data into actionable results with learning programs.

Besides data accessibility, learning leaders should be aware of how it's packaged. If data isn't easily digestible, it isn't of any use. Additionally, organizations face current challenges regarding data literacy and fluency: 36 percent report lack of management experience in data analytics as a roadblock to success.⁵

Currently, half of all organizations present metrics information to senior executives through annual or quarterly reports. Only 1 in 7 organizations (15 percent) have metrics available on request or on the company intranet, allowing senior leaders to pull the information as needed.

The lack of easily accessible and digestible metrics makes it difficult for organizations to make the business case for learning. However, some organizations are taking steps to improve data literacy among their workforce. Over the next 18 months, a third of organizations (38 percent) plan to funnel part of their L&D technology spending into learning analytics and dashboards, as part of a broader effort to improve L&D assessment (Figure 2).

FIGURE 2 TOP ANTICIPATED AREAS OF L&D TECHNOLOGY SPENDING OVER THE NEXT 12-18 MONTHS



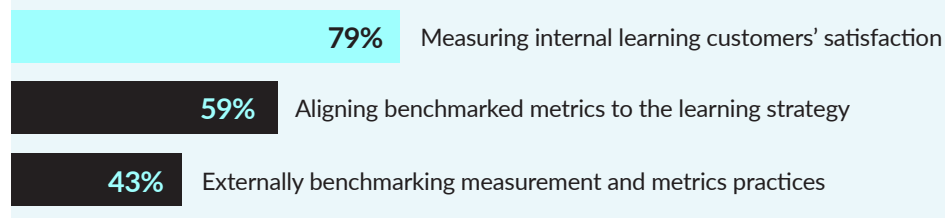
⁵Harnett, T. (2015). *Unleashing the Power of Performance Analytics: Driving performance at the intersection of learning and business*.

UNDERSTANDING THE VALUE

69 PERCENT OF ORGANIZATIONS PLAN TO INCREASE LEARNING ANALYTICS CAPABILITY OVER THE NEXT TWO YEARS.

Aligning L&D initiatives to business outcomes and incorporating advanced metrics can help L&D make the business case for learning. Without advanced metrics in place, organizations will have a tough time both understanding and communicating the value of their programs. Yet there is much to do in this space; only one in four organizations (26 percent) currently measure the formal ROI of their learning programs. Instead, many organizations capture metrics such as internal and external satisfaction with training. Only slightly more than half (59 percent) of all organizations agree that their benchmarked metrics are fully aligned with the learning strategy (Figure 3).

FIGURE 3 ORGANIZATIONS BENCHMARKING THEIR L&D PRACTICES



This lack of benchmarking has a negative impact on understanding the value of L&D programs. Often, learning leaders lack clarity on how their learning initiatives affect the business strategy, according to a recent study.⁶ L&D should ensure that all learning initiatives align to business goals and learning leaders agree: 83 percent say training will be more aligned with company business objectives in the next 12-18 months. Along with aligning learning strategy to business strategy, nearly three-quarters of all organizations (69 percent) plan to increase their capabilities with learning analytics over the next two years.

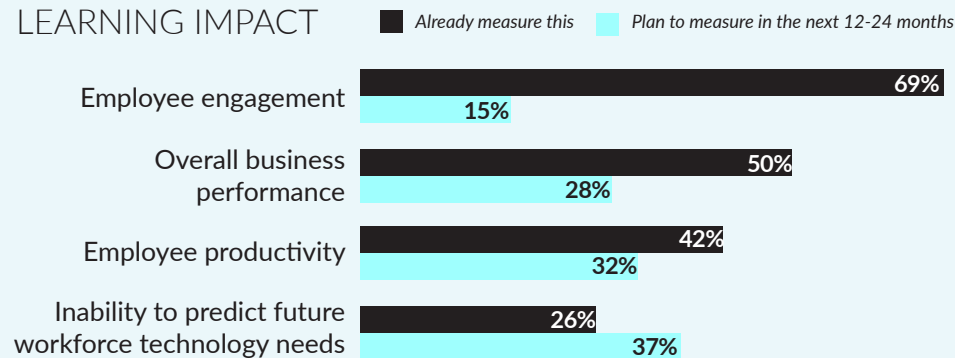
How else are learning leaders incorporating measurement and metrics? Many have plans to add more advanced metrics into the mix. Formal

⁶CIPD. (2015). *Learning and Development: Annual Survey Report*.

UNDERSTANDING THE VALUE

learning ROI, employee productivity and overall business performance are a few of the metrics learning leaders plan to put in place (Figure 4). While employee engagement and satisfaction are good pulse indicators, when coupled with employee productivity and application of knowledge on the job, organizations are better informed and can adjust their learning programs to fit their unique organizational needs.⁷ Armed with this knowledge, learning leaders will be better able to make the business case for learning at their organizations.

FIGURE 4 ORGANIZATIONAL MEASUREMENT OF LEARNING IMPACT



One of the goals of learning and development is to improve the performance of both individuals and organizations. While learning leaders often have great insight into the former, they may not have enough visibility into the latter. For L&D to contribute positive business impact, it must embrace analytics. Incorporate L&D analytics into any new program or initiative to assess learners and discover the ROI of initiatives. Such information should be available and digestible to senior leaders if L&D is to make the business case for learning. By assessing advanced metrics such as ROI and productivity, L&D leaders can ensure that their programs align to business goals.

⁷Bassi, L. and McMurrer, D. (2016). "Four Lessons Learned in How to Use Human Resource Analytics to Improve the Effectiveness of Leadership Development. *Journal of Leadership Studies*, Volume 10, Number 2.

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All statistics taken from the 2017 *CLO State of the Industry* survey, unless otherwise noted.