



High-Impact Learning Measurement

*Best Practices, Models and Business-Driven
Solutions for the Measurement and Evaluation
of Corporate Training*

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Executive Summary

The Training Measurement Challenge



KEY POINT

Thirty-six percent of respondents believed their training organizations were tailoring the programs to meet their companies' urgent and pressing business needs.

One of the most difficult challenges in corporate learning and development is the topic of measurement. How do companies measure the effectiveness and efficiency of training? How does senior management obtain consistent information about the training function to help tune and optimize the organization? How do leaders analyze and report the business value of training to the organization? How do training managers monitor the alignment and contribution to overall business goals?

Our research indicates that measurement continues to be a profound challenge for most organizations. Training managers and executives consider this a major area for improvement. In a recent survey of our research members (more than 600 senior and midlevel training managers), 90 percent rated measurement as the number one or number two area they would like to improve. Senior executives are even more concerned. Accenture's senior-level study of 261 executives¹ indicated that only 36 percent believed that their training organizations were tailoring the programs to meet their companies' urgent and pressing business needs. We conducted a survey of 136 training executives to understand their level of maturity in managing and measuring the training process. The results (as shown in Appendix II) illustrate an astounding lack of sophistication, planning and ability to measure alignment among training organizations. Despite the existence of hundreds of books and articles discussing the measurement of training, better measurement processes and tools are needed.

We have been studying the issues in the measurement of training for more than five years. During this time, we have seen a wide variety of best-practice solutions (and a large number of frustrated organizations, which want desperately to improve their measurement programs). Although the problem of measuring training initially seems very complex, **over time it has become clear that the basic principles to a sound measurement program are very simple.**

¹ *Accenture High-Performance Workforce Study 2006*, Accenture / Ellen Balaguer, Peter Cheese and Christian Marchetti, 2006.

**ANALYSIS**

Most organizations do not have a repeatable, high-value measurement process for measuring training impact.

The goal of this research report is to publish and explain the specific best practices identified through our *WhatWorks®* research process.² This process focuses on identifying pragmatic, actionable, specific best practices, processes and methodologies, which most organizations can use. As with all of our research, this report contains objective, research-based findings in best practices, which give organizations practical solutions to training measurement. In addition, because this area is so complex, we have included our “advice” or “opinions” based on our assessment of approaches that did not work and may cause challenges.

Readers of this report are encouraged to contact Bersin & Associates with any comments regarding this research – your feedback and comments are an integral part of our research process.

Need for New Measurement Models

One of the findings in our research is **the relative lack of progress in the implementation of repeatable, easy-to-implement training measurement processes**. This frustrates us: Organizations spend between one percent to four percent of their entire payroll on training, yet the majority of large and small organizations continue to struggle with the process of measuring its effectiveness, impact and efficiency. While many organizations make a valiant effort to measure specific high-value programs, most organizations do not have a repeatable, high-value measurement process for measuring training impact.

We believe that one of the reasons for this problem is the limitations of the existing well-known measurement “models,” primarily the Kirkpatrick³ Model – which describes four levels for measurement: learner satisfaction, learning, job impact and business impact. A fifth “level” (ROI or return on investment) was added through the work of

² Bersin & Associates’ *WhatWorks®* Research Methodology is continuous, in-depth research into the enterprise learning and performance management marketplace. For more information, please visit: www.bersin.com/research/index.asp.

³ Donald Kirkpatrick’s four-level Measurement Model has been widely published in many articles and its terminology is well-known to most training professionals. The original model was published in *Training and Development Handbook*, R. L. Craig, McGraw-Hill, 1976.

**KEY POINT**

We believe that these models tend to limit an organization's thinking and make the measurement process difficult to implement.

Jack Phillips⁴. While Donald Kirkpatrick does not necessarily believe that ROI is the fifth level, it is often recognized as the ultimate measure of training impact.

While these models are widely understood and have done much to help training managers understand some of the possibilities of training measurement, we believe that they tend to limit an organization's thinking and make the measurement process difficult to implement. In fact, our research shows that **only four percent to five percent of organizations measure ROI** (and they do so for a small percentage of their programs) and **fewer than 10 percent regularly measure business impact**. Practitioners need a more flexible, business-oriented approach.

While we do not want to confuse the industry with yet another model, as a result of this research we found it necessary to develop one of our own. This Model, which we call the Bersin & Associates Business Impact Model® (and Impact Measurement Framework®), pulls together all the best practices and successful approaches we have learned through our research.

The *Business Impact Model* is a simple but powerful model which decomposes and explains each of the elements of corporate training program which drive business impact.

The *Impact Measurement Framework* then uses the Impact Model to identify nine specific measures that can be used to monitor and evaluate each of these causal elements.

Organizations select one or more of these nine measures to monitor and evaluate their training programs, depending on their maturity level and business environment.

While we have no interest in promoting this Model for commercial purposes, we believe it is a valuable way of moving beyond the "Kirkpatrick Model thinking" to discover modern, pragmatic, repeatable approaches, which are proven to work. We hope that it gives you a sense of clarity and freedom to implement a repeatable process, which fits your company's business needs.

⁴ For more information, *Handbook of Training Evaluation and Measurement Methods*, Jack Phillips, Gulf Publishing, 1991. (Jack Phillips' ROI, or "fifth level," was first published in this book.)

Structure of This Report

This report is structured as follows to enable readers to find the most appropriate information.

- 1. General Principles and Findings** – This section of the report serves as the executive overview of the findings and best practices of this industry report. The principles here are universal findings from this research and can be applied to any organization attempting to build a measurement program.
- 2. A Learning Impact Measurement Framework** – This segment reviews the Kirkpatrick and Phillips Models, and discusses their limitations. It then explains Bersin & Associates Business Impact Model® and Impact Measurement Framework®, and identifies nine major measurement areas, which can be used for training measurement. By tying these nine areas back to the Business Impact Model, organizations can decide which, if any, of these measurement areas are appropriate to implement.
- 3. The Training Measurement Process** – The seven-step measurement process identified through this research is explained. Although most organizations will not use all seven steps, seeing these steps tied together enables better understanding of how to apply them to the implementation of a complete program. This section includes many examples and best practices for each step.
- 4. How to Measure Actual Business Impact** – This section specifically addresses the important and difficult question of how to measure the business impact from training. It describes several approaches, and gives best practices and examples.
- 5. How to Measure Alignment: A Governance Challenge** – Alignment is one of the nine measurement areas in Bersin & Associates Business Impact Measurement Framework. This section specifically explains what alignment means, as well as how organizations can measure and improve business alignment. Detailed examples are provided of how Caterpillar and CNA Insurance use their planning processes to drive, measure and monitor business alignment.
- 6. Attainment: Measuring Customer Satisfaction** – One of the nine measurement areas is attainment of customer satisfaction.

Since this is a relatively new area, this section specifically details this subject and how several organizations use customer satisfaction as an important measurement area. It also explains how Six Sigma measurement approaches can be applied to the training function.

- 7. Measurement Tools and Technologies** – Some of the key tools and technology issues in training measurement are reviewed. Without attempting to review or discuss every measurement tool on the market, the role of the learning management system (LMS) is highlighted, along with some particular tools that greatly aid the measurement process.
- 8. Conclusions: Focus on What Matters** – In this section, we discuss the roadmap to building a broadly deployed measurement program. The measurement process is not an end in itself – rather, it is a journey. In this section, we explain where to start and how your company’s measurement program will evolve over time.
- 9. Appendix I: Case Studies** – The Bersin & Associates Research Library⁵ is filled with many case studies detailing best practices in training measurement. Two important case studies are included here: Randstad and HP. “Case Study A – Randstad Measures Onboarding” covers the processes and techniques that this company (a very successful international staffing agency) uses for onboarding new employees. “Case Study B – HP Develops an Integrated Measurement Process” covers this company’s journey from an ad-hoc measurement process to a formalized and structured, enterprisewide measurement process for training. Both case studies provide best practices and approaches that can be applied to any organization.
- 10. Appendix II: The State of Training Measurement Today** – This section includes the results of this industry survey of 136 training executives and managers, illustrating the current state of their training measurement processes, operational plans, technologies and desires.
- 11. Appendix III: Examples of Learning Measurements** – In this section, we include a variety of measurement snapshots from different organizations, which show how these organizations measure, display and manage their training functions.

⁵ The Bersin & Associates Research Library is located at: www.elearningresearch.com.

- 12. Appendix IV: Specific Learning Measures** – This section details sample measures that can be implemented, based on Bersin & Associates Business Impact Measurement Framework.
- 13. Appendix V: Analytics System Specifications** – More and more organizations are deciding that part of their measurement initiative is the purchase or development of a system for training analytics. The section describes the specifications and business requirements for a learning analytics system. This Appendix provides the details, which will be helpful in building, selecting and understanding how such a system can help a learning organization manage and automate the measurement process.
- 14. Appendix VI: Charts**
- 15. Appendix VII: Table of Figures**
- 16. Appendix VIII: Table of Vendors**
- 17. Appendix IX: Index**

Methodology

The research for this report spans many hundreds of organizations over the last five years. In particular, more than 200 different organizations have been interviewed to discuss their measurement programs, tools, design strategies and implementation experiences. Training measurement strategies and challenges have been discussed in workshops with hundreds of training directors and managers, as well. In addition, three major research surveys have been conducted (targeting training managers and executives) to better understand the trends, implementation experiences and strategies. More than 1,700 responses to these three surveys have been received, mostly from organizations in North America.

Some of the companies that provided valuable case studies and examples include the following.

Caterpillar	McDonald's
Children's Hospital of Philadelphia	Northwest Airlines
Depository Trust & Clearing Corp.	Pep Boys
Eaton	Randstad
EDS	Sprint
FedExKinko's	Wells Fargo
HP	Wendy's
KPMG Canada	

Vendors that have provided valuable insights into this report include the following.

KnowledgeAdvisors
NIIT/Cognitive Arts
Plateau

Saba
SumTotal Systems

A Personal Comment on This Report

Our clients and research participants continuously tell us that one of their biggest challenges is the implementation of a measurement program for training. Over the last four years as we have studied this area, we have been frustrated by the relative lack of progress. In Appendix II, we present the findings from two industry surveys we conducted in 2004 and 2006.

The results show two things:

- First, **most training managers are not measuring the things they want to measure (impact and effectiveness)** – in fact, fewer than 10 percent of respondents regularly measure impact and effectiveness at all.
- Second, the progress over the last two years has been very slow. While many books and consultants continue to help training managers with measurement, **generally the industry appears to be just as confused now as it was two years ago.**

As we interviewed program managers and executives for this industry report, we found that, in fact, many had implemented very innovative and powerful ideas. Many times, we became excited about the simple and powerful approaches organizations are taking. In this research, we hope to share many of these best practices, so that others can quickly and easily apply them to their programs and organizations.

Yet, when we talk to organizations new to measurement, we continue to hear the same question: “How can I measure (Kirkpatrick) level 3 and 4?” We concluded that one of the reasons organizations continue to struggle is that the Kirkpatrick Model, while well understood, is becoming out-dated. It needs to be extended and modernized to include a new set of measures, which deal with the new world in which training managers live. So, we set out to do this – and, in this report, we are introducing our Impact Measurement Framework, which has nine measurement areas. We believe this Framework will help training managers get beyond the “box” of the Kirkpatrick Model, and better understand how to implement a measurement program in today’s technology and service-centric world.



ANALYSIS

We have found that the **simplest approaches work best** in the measurement of training impact.