

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



An Expert Guide from



Contents



1.

Pg1. About
CDSM & Thingi

2.

Pg3. Welcome

3.

Pg4. Learning
Outcomes

4.

Pg5. What Is ROI?

5.

Pg14. Conditions We
Need Before We
Can Measure
Return

6.

Pg18 ROI - What Can
Be Measured?

7.

Pg27. ROI - Who Is
It For?

8.

Pg30. Blended
Learning

9.

Pg32. Maximising ROI

10.

Pg37. Summary

11.

Pg39. Contact Details
& Further
Reading

01

About CDSM & Thinqi

CDSM are an award-winning UK-based learning technology company. We harness contemporary technology and apply science to solve learning challenges.

Thinqi is our blended learning ecosystem, a digital engagement platform encompassing our vision for 21st century learning.



More and more learning and development (L&D) managers are turning to Thinqi to achieve greater success by taking a more contemporary and accountable approach to L&D.

Thinqi is helping organisations who are:

Under pressure to prove greater ROI in their L&D programmes

Striving to gain greater support and trust for L&D activity from their leadership team

Struggling to engage learners with digital content and platforms

Having difficulty proving the benefits of modern learning activity in their business



Our background in education and CPD means we focus only on learning strategies that provide measurable improvements. Our scientific approach focuses on empowering your staff to reach their maximum potential, thus creating greater value and commitment to your organisation.

Tailored to the needs of your business, our specialists will:



Support your existing team and respond to learning needs



Share their expertise in delivering blended learning that gets results



Help design a roadmap for sustainable L&D delivery in your organisation

This approach is proven to deliver measurable business improvement for our customers across the globe including Cambridge University, Oxford University, Honda Motor Europe, Boots, BMW and Anglian Home Improvement.

Together, we'll drive engagement for blended learning, helping you to grow a community of happier, more engaged and more capable staff.

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 maximise your existing assets to get further value from them.



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. *Identity*

Tactics to maximise ROI of learning 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 organisation. 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.



“Happy Sheets”

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.

In fact, in a recent survey from over 500 learning professionals, it was revealed that only 28% are measuring training against business KPIs.

The other 72%? They are still relying on "happy sheets" as a way to gauge the success of learning.



28% KPI

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

Here are some common 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! 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 the programme.



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 on the next page.



We Need To:

A. Identify Business Challenge(s)

First, isolate the business issue or challenge.

Consider what issues you're 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, and it's much easier to measure the resolution.

A valued customer was losing over £8 million per annum because of technical issues. The hypothesis was that this could largely be resolved with a focussed training and mentoring programme.

Creating a scientific measurement environment to demonstrate progress in terms of the reduction of financial loss will always be well received.



B. We Need To: Set Criterion for Measurement

After identifying the business challenge, you need to understand exactly what you measuring. For example:

- *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.



C. We Need To: Baseline Data to Measure Impact

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.

Though this is very effective method of measurement, it's worth bearing in mind that it's 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.

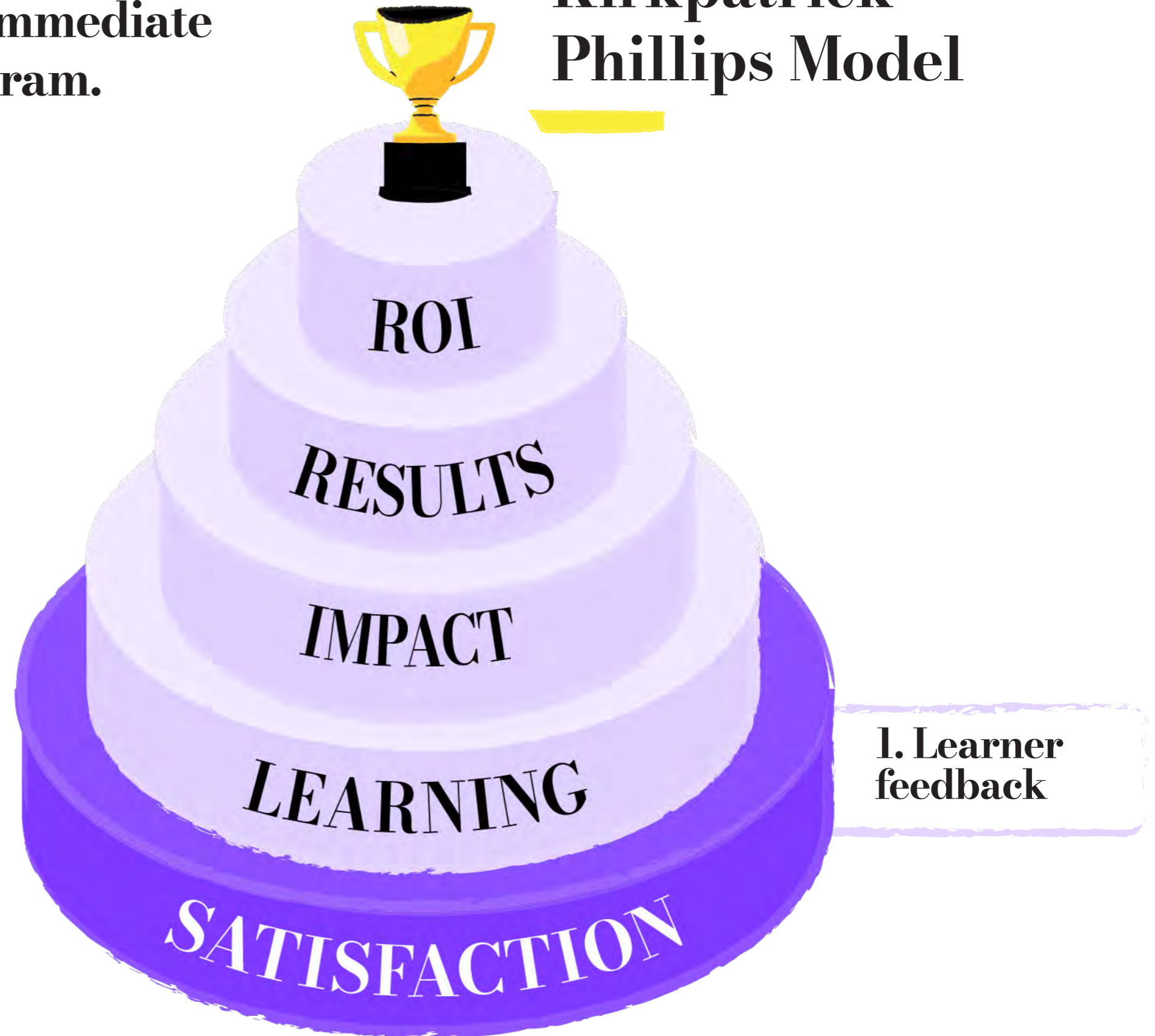
If anyone ever questions what you are doing, or has some subjective view that in any way challenges what you're trying to achieve, just use the information below and "Kirkpatrick the hell out of them".



Level 1 'Satisfaction'

This describes the learner's immediate reaction to the learning program.

Kirkpatrick - Phillips Model



- 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'. The reason they're of such great value is 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.

Level 2 'Learning'

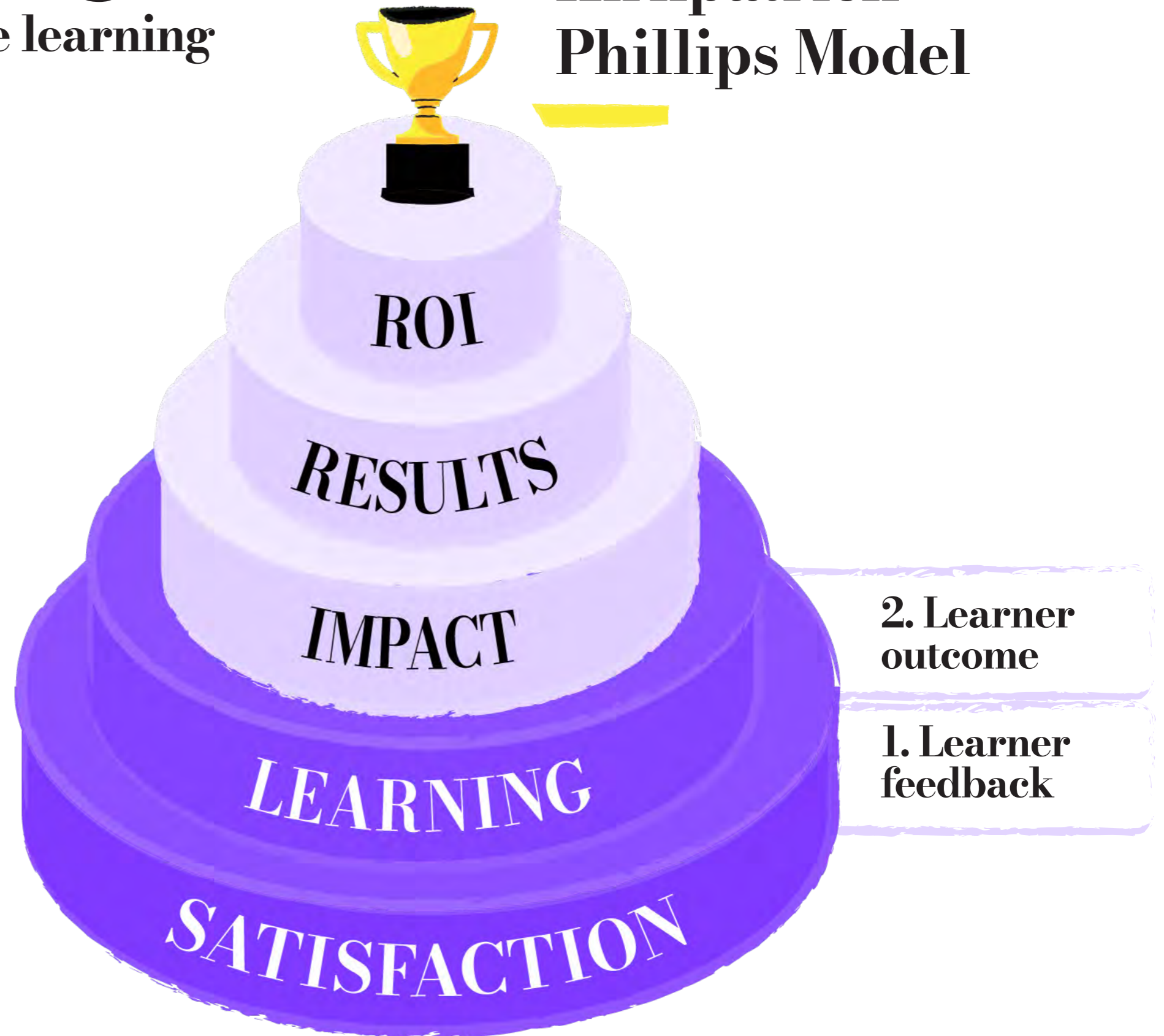
This is where we measure the learning outcome.

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 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.

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.

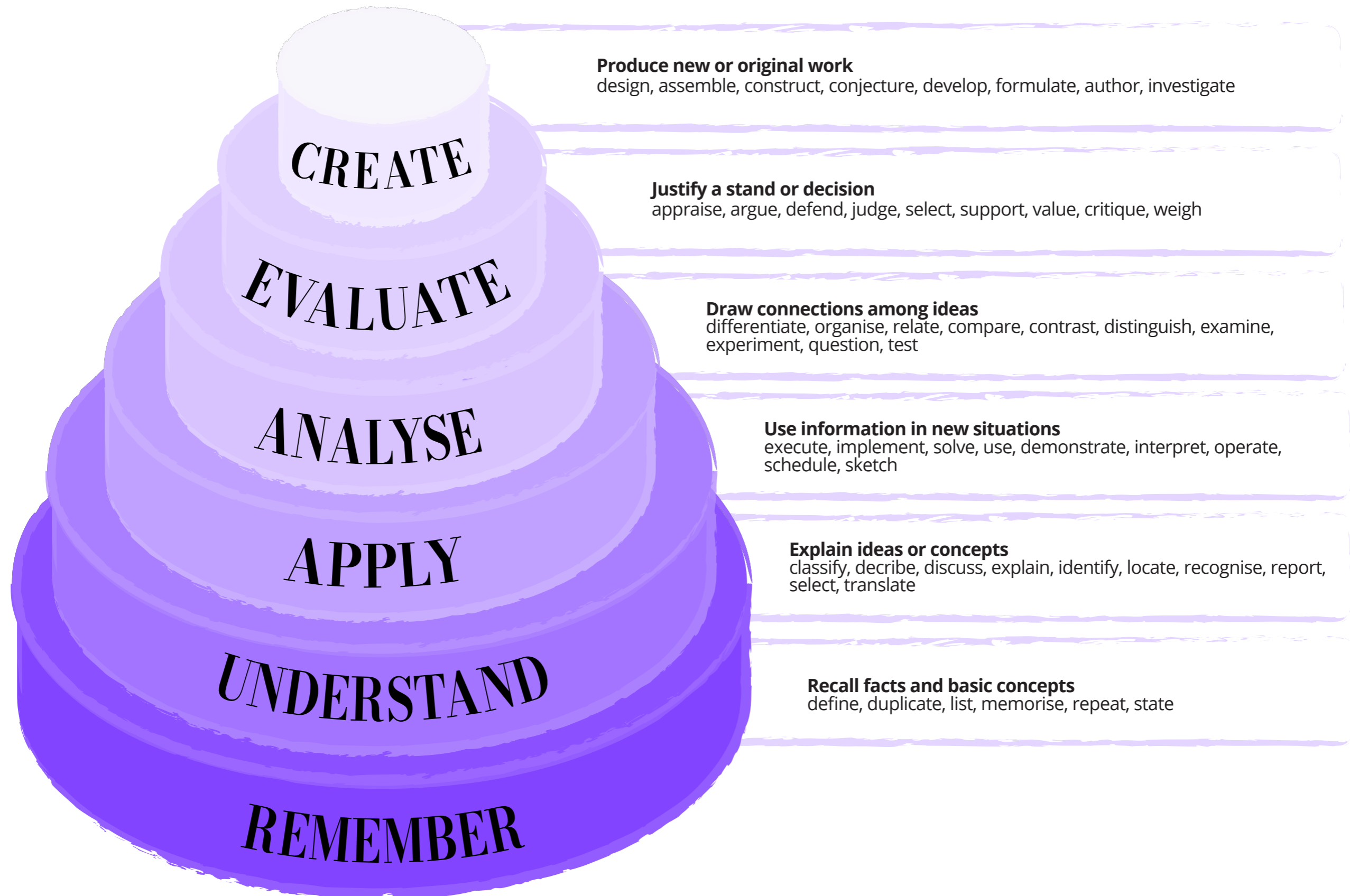
Bloom's Taxonomy describes 3 domains:

- **Cognitive (Knowledge)** - This 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:

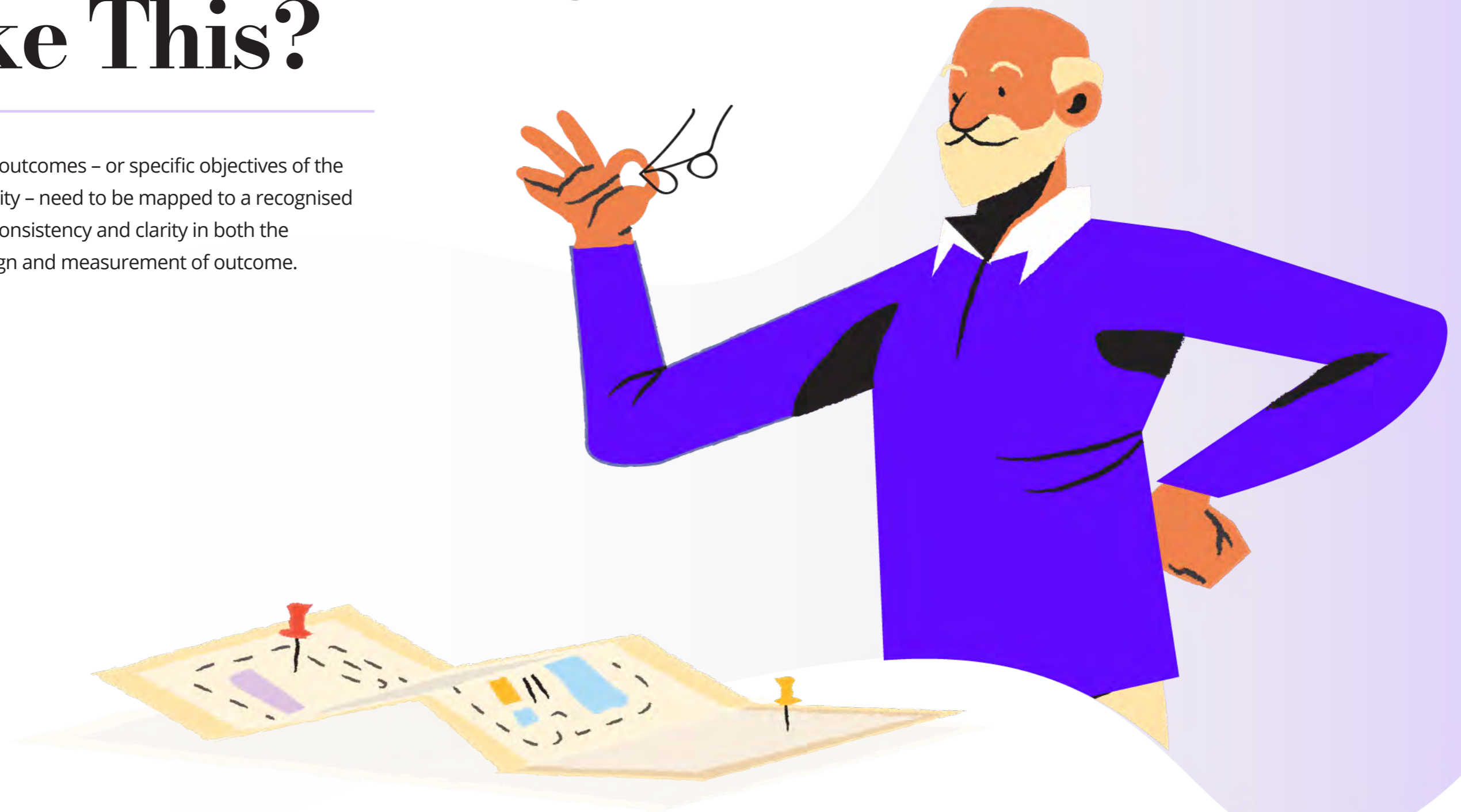
- **E-learning** generally explores the cognitive domain. Of course there are ways to take it further, but typically this is the boundary.
- **In a classroom or workshop**, we can take it further and explore the affective and psychomotor domains, and see a demonstration of behaviour, attitudes and skills.

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 of consistency and clarity in both the learning design and measurement of outcome.



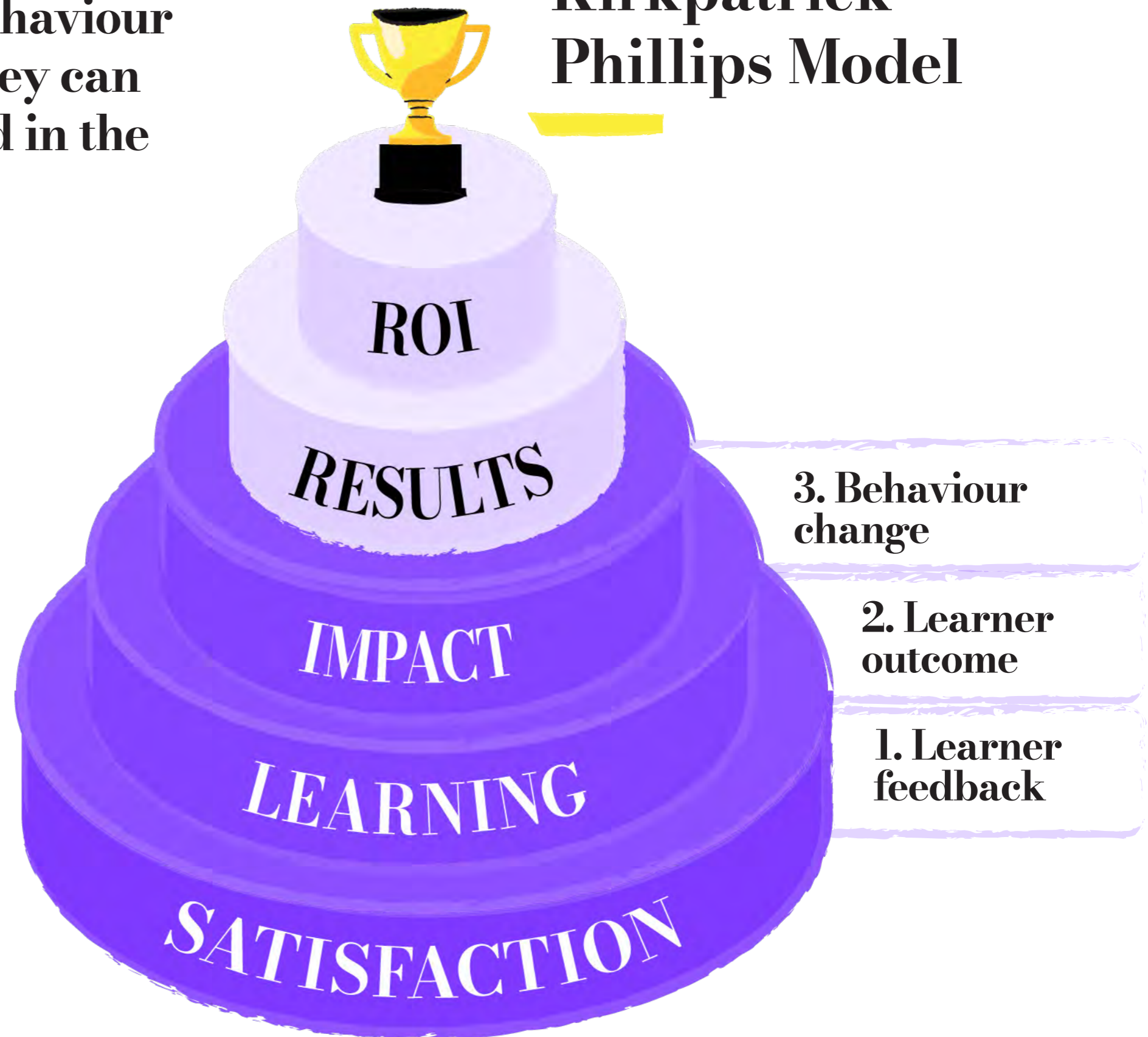
Level 3 'Impact'

We want to measure the behaviour change of the learner so they can apply what they've learned in the workplace.

So, back to Kirkpatrick. 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.

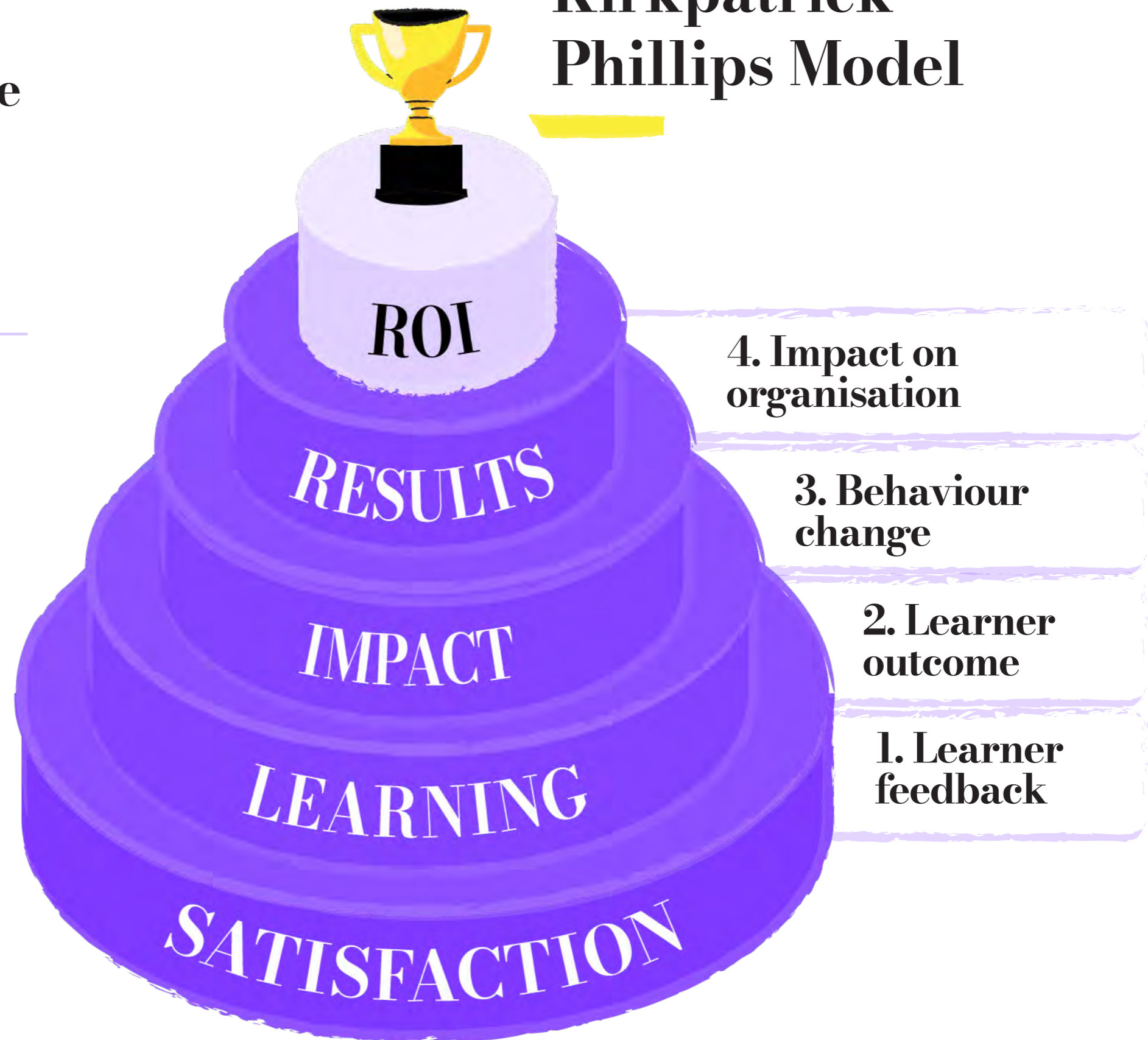
Kirkpatrick - Phillips Model



Level 4 'Results'

We want to measure the impact of the learner's behaviour on the organisation.

Kirkpatrick - Phillips Model



What measurable improvements to the business are taking place?

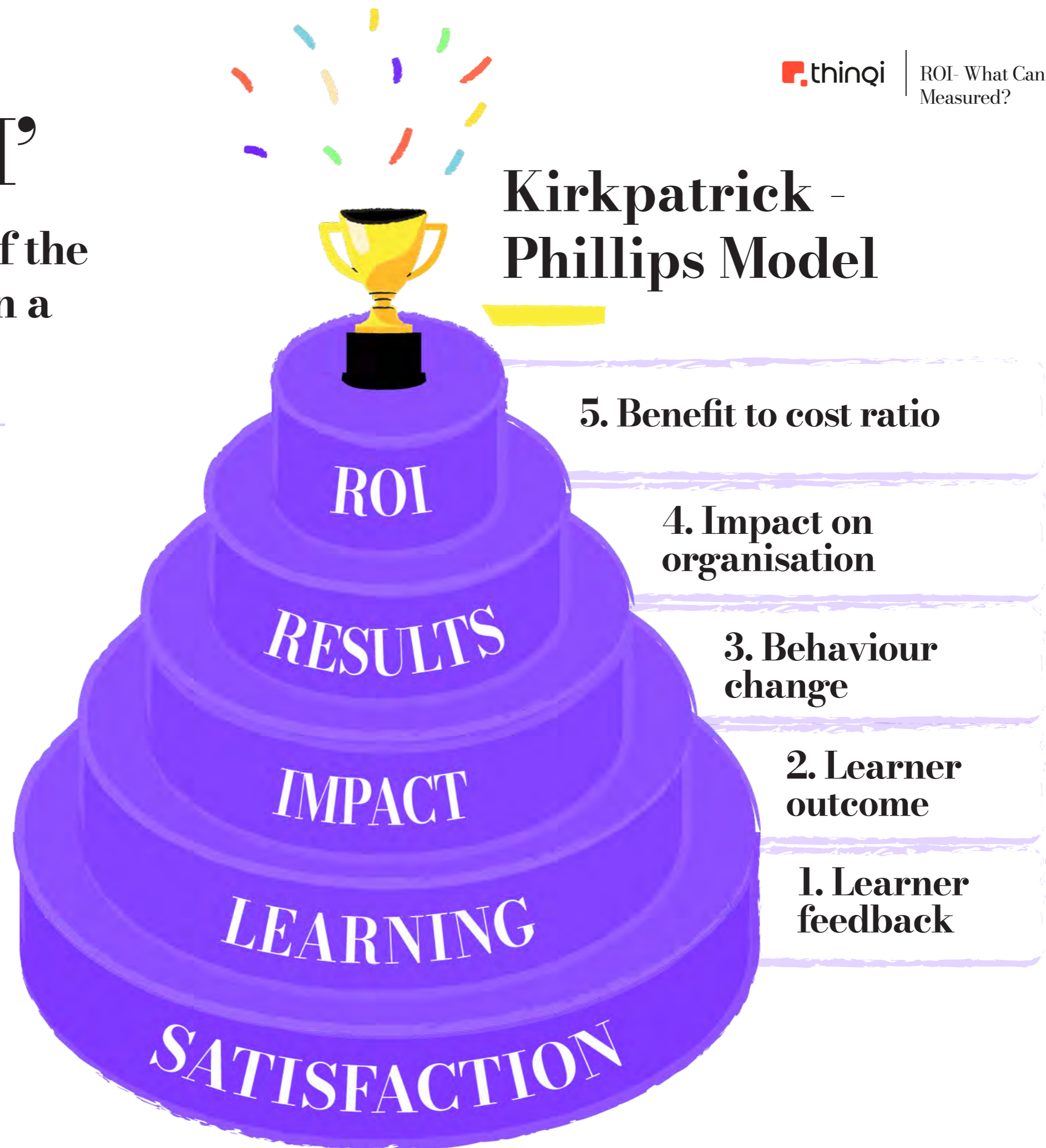
This can include KPI figures, turnover figures, efficiency, employee satisfaction and even customer satisfaction.

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.



7 ROI – Who Is It For?

**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 the learning 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 learning programme had been.

His boss was delighted. The thoroughness of the study demonstrated the 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?”

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 it's **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.

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

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

In-House Workshops

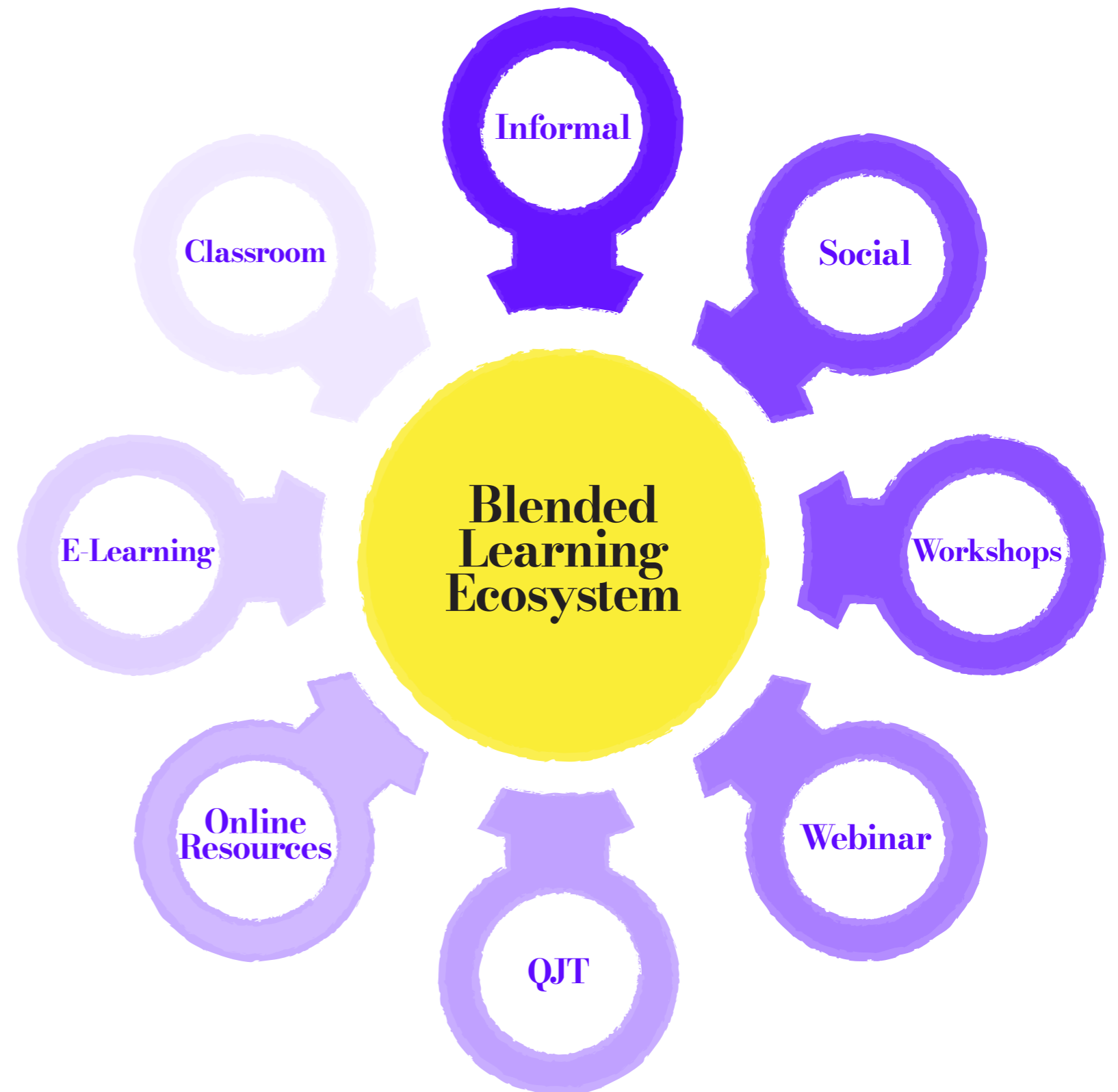
This can be focussed on specific competencies or capabilities, preventing the need to pack your staff off to a training centre miles away.

Webinars, On-The-Job Training, Online Resource Libraries

These 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 into any potential gaps in your learning provision and, more 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 the Quality of Your Programme:

- Align outcomes to business challenges- perform a learning needs analysis and apply Bloom's Taxonomy to make your learning programme focussed
- Design effective content- make sure your content is designed effectively. Whether it's in the classroom, a workshop or digital learning, you'll need a strong instructional design mapped to the learning outcomes
- Align assessments to cognition levels- make sure your assessments are appropriate to the cognition level expected of your learning outcomes. You can check this against Bloom's Taxonomy



Use Feedback and Data to Promote and Revise Your Programme:

- Pilot studies for quick wins- pilot study your hypotheses on sample groups, get quick wins and use the feedback and results to gather support from stakeholders
- Share positive testimonials- send the positive feedback into the community— people buy from people, so positive testimonials are effective
- Create case studies- create case studies of your wins and share this information with stakeholders



Repurpose, Disaggregate, Reaggregate and Reuse Your Content:

- Use classroom materials for digital learning- turn your presentations into learning material. Dissect the primary underpinning knowledge of your work and present it as digital learning. Encourage learners to complete it before classroom sessions so knowledge can be baselined and skills can be refined in the classroom
- Break up digital learning into bite-size- turn e-learning into bite-sized modules for each topic (around 5-10 mins)
- Break up assessments into microassessments- convert assessment questions into topic-based microassessments to check competency and retention on a regular basis. This will help identify needs early and often



Informal Learning:

- Informal learning library- create an informal learning library that you can start populating with existing content
- Curate your content- curate the content and let learners access this in an easy location
- Capture video- capture video (e.g. watercooler chats, people doing stuff). Like YouTube, but with learning resources curated by SMEs in your organisation
- Devolve creation of content- ensure knowledge capturing and sharing isn't just the responsibility of your L&D staff by devolving creation of content to subject matter experts (SMEs)
- Embrace digital

We're all aiming to be **21st century learning organisations** – where digital is the new currency. When its value is only getting stronger, it's time we started embracing it.



10 Summary

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

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

And remember . . .



“
#Kirkpatrick
the hell
out of it!



11. Contact Details

Visit our website

www.Thinqi.co.uk

Read our blogs

www.Thinqi.co.uk/resources/

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

<https://www.Thinqi.co.uk/how-thinqi-works/>

Follow us on social media - Talk to us about your L&D challenges



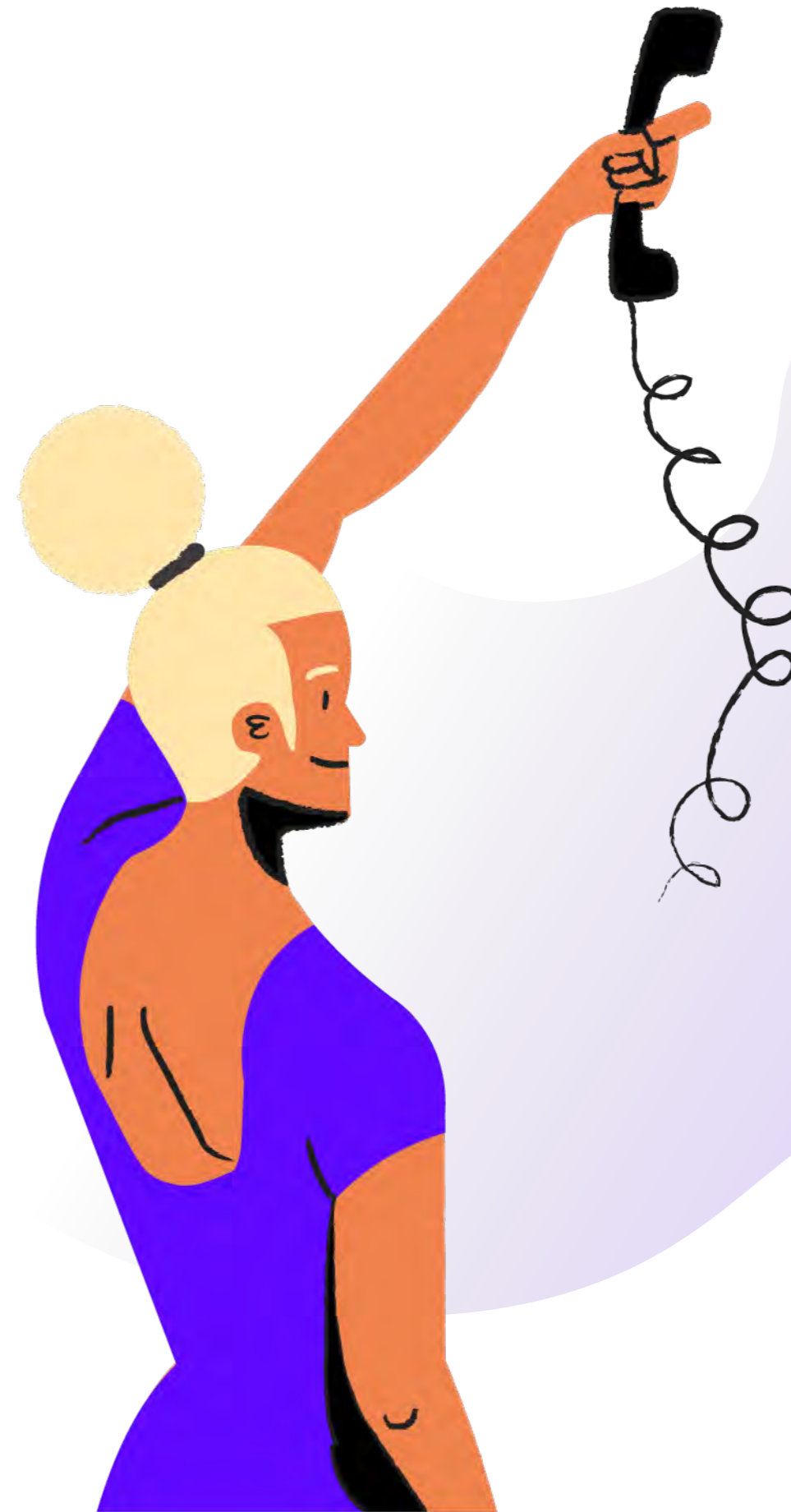
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Further **Reading**

Contact Details &
Further Reading



5 Key Tactics to Make Digital Learning Work in Your Organisation



Learning in the Modern Workplace Part 1: What Does Modern Learning Look Like?



Learning in the Modern Workplace Part 2: The Value of Informal Learning Libraries



Learning in the Modern Workplace Part 3: Why is Engagement so Important?



Learning in the Modern Workplace Part 4: Using Measurement to Inform Your Curriculum

