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Organizations Fail to Tie Learning to Business Impact Lack of Skilled People, Resources and Methodologies Key Causes

ARLINGTON, VA - DECEMBER 01, 2010 -- Results of a new global survey reveal that more than half of organizations (50.7 percent) do not measure the business impact of their learning programs, citing both a lack of resources and people qualified to track impact, as well as the need for a better understanding of measurement methodologies. Also revealing is that up to one-half of survey respondents in charge of learning program initiatives still do not believe measurement is a priority or a requirement.

Respondents to the study included learning and development decision makers and influencers in government and commercial organizations located in the Americas, Europe, the Middle East and Africa as well as the Asia-Pacific region. ESI International conducted the research in September 2010.

Overall, more than half of respondents (50.7 percent) don't measure business impact, while the remainder (49.3 percent) says that they do measure for business impact.

Those that don't measure say:

- They lack resources and people qualified to track business impact, coupled with confusion on "what should be measured."
- They require a "better understanding of methodologies to measure impact."

Those that do measure say:

- The top three areas that they do or would measure are: increased quality, increasing productivity and increasing employee engagement.
- They don't use a specific methodology to measure the business impact of learning.

"What is striking is that even for those who say that they can prove the effectiveness of their learning engagements, responses reveal that they rely largely on anecdotal 'evidence,' rather than a specific methodology," said Raed S. Haddad, Senior Vice President, Global Delivery Services, ESI. "Without a consistent measurement methodology and the dedication of resources to measure, organizations can't tie learning engagements to concrete financial and value outcomes, although that linkage certainly does exist."

People, Process and Tools Needed to Track Business Impact

When respondents answered why they don't measure business impact, the top two reasons cited were lack of resources and qualified people. Clearly, complementing a defined measurement process with the right tools and, most importantly, ensuring the right people have the skills and knowledge needed will go a long way toward removing the barriers to measuring the business impact of learning programs.

Guidelines and Consistent Methodologies Needed for Measuring Business Impact

When asked, "What do you most require to better measure the business impact of learning," survey responses showed that a plurality of organizations (35.5 percent) require a better understanding of

methodologies, pointing out a significant roadblock to measurement. Surprisingly, 47.4 percent stated they do not use a specific methodology for measuring business impact, yet 66.3 percent said they could prove the effectiveness of their training programs.

A Desire Exists to Link Learning Engagements to Financial Outcomes

When asked what is most important to their measurement process, 62.7 percent of respondents named qualitative outcomes, such as employee or customer satisfaction. Yet, when asked what they would measure, financials, such as ROI and increasing revenue, rose closer to the top of the list, indicating a desire for more quantitative measurement.

Haddad said, "It's clear that organizations want to tie learning engagements to financial outcomes, but the research is telling us that they need a clear, consistent measurement methodology and the resources to execute measurement for both qualitative and quantitative outcomes."

Measuring for Business Impact Can Lead to Strategic, Fundamental Changes

While overall, organizations could be doing more to measure for business impact, some survey respondents said that measuring for business impact played a significant role in their organization's success. Examples cited by respondents included supporting the creation of a project management office (PMO) and demonstrating a learning investment ROI of 122 percent to senior management through increased customer satisfaction, increased employee engagement and increased productivity.

"Given the current state of affairs, a pragmatic, easily implementable solution that provides actionable metrics and guidance without a 6-month consulting effort is what organizations need," said Haddad.

For more information including an on-demand Webinar and a free copy of the full report: "The Measurement Dilemma: Tying Learning to Business Impact and Financial Outcomes," visit www.esi-intl.com/measurementsurvey.

Survey Methodology

An e-mail survey consisting of 24 open- and close-ended questions was sent to learning and development decision makers and influencers for government and commercial organizations. The survey was distributed across the Americas, Europe, the Middle East and Africa as well as the Asia-Pacific region and was conducted between Sept. 8 and Sept. 17, 2010. 412 people replied to the survey; however, not all respondents answered every question. The survey was anonymous unless respondents elected to receive results, in which case, specific contact information was required.

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