

Use of analytics to create a learning and development program

Author: Benjamin Sombi . December 2020

Measuring the effectiveness of your company training program is an essential step of the training process. Learning analytics is the best tool you can use to maximize your return on investment (ROI) and determine the true value of your employee training programs.

It's an open secret, that investing in employee training and development programs has become essential in today's market. The best employee training programs have been proven to provide a high ROI by increasing employee retention rates, productivity, loyalty, and skill level. Companies that invest in quality training have seen as much as a 24% increase in their profit margins

However, not all employee training programs are effective or make the kind of impact that is worth the investment. In fact, 45% of investments in employee training have been found to be ineffective. This is every Executive, Manager and Training Professional's nightmare.

The good news is that, companies can now use learning analytics to measure the effectiveness and ROI of their organization's employee training initiatives. Data analytics improves learning experiences by providing data-driven course updates, improvements, and personalization.

What is Learning and Development Analytics?

Learning and Development analytics lives under a broader umbrella of workforce analytics, which uses predictive and prescriptive analytics and machine learning to help us make predictions and decisions. Adopting this kind of data-driven approach to learning can help your company answer a number of complex skills training questions, including:

1. Which employees require more support?
2. What is the rate of employee turnover in relation to trainings completed?
3. Which style of learning is most effective for my team members?
4. How have these trainings affected overall business revenue?

This approach can also help create personalized learning experiences, and improve comprehension and subject matter retention.

How Learning and Development Analytics Can Benefit Your Business

Implementing Learning and Development analytics and a more data-driven approach to employee training can help your company develop a culture of learning, which can benefit your business in two key areas: improved employee engagement and better business decision-making.

Put simply, when employees feel that their long-term career goals are supported by their employers, they are less likely to leave. In fact, 70% of workers today cite job-related training and development opportunities as a reason for staying at a job. This goes up to 87% for millennials, who, it should be noted, now make up the largest portion of the workforce.

With a data-driven approach to learning, companies can now make informed decisions about what sort of training to provide – is this what the team wants and needs? Will it address the team’s weaknesses? Once you’ve identified gaps and relevant skills to develop for the future, Learning and Development analytics can then be used to compare training and revenue, with questions like these:

1. How do training results compare at our best performing stores, versus the worst?
2. What impact, if any, does the amount of training hours have on sales?
3. What impact does the amount of training hours have on employee turnover?

The answers to questions like these will often justify, and in fact encourage, investment in employee training and help create long-term growth strategies – for both your employees and the company as a whole. TELUS, one of Canada’s fastest-growing telecommunications companies, provides a good example. The company used a number of employee surveys to develop a culture of learning, and a robust training program, featuring a number of contextual learning tools and platforms, including its own internal versions of YouTube, Twitter, and Facebook. Following these kinds of investments, the company saw employee retention improved by 30%.

Without a complete picture, the Learning and Development organization is hard pressed to answer the most important questions to their success, such as:

1. Does Learning and Development make our employees stay?

Employee retention is a key objective for most organizations. Learning and Development can support employee retention because “when employees perceive that their organizations encourage career development, they feel more confident about their long-term career path.” A study found that people who stay with an organization are 24% more likely to say that they have had access to the learning and development they needed.

Analytics surface insights on how Learning and Development is impacting employee retention, such as what training programs produce the cohorts with the longest tenure and whether the savings from reduced turnover justify the costs of key programs.

With this information, companies can determine which levers to pull to further increase employee retention based on the programs the data has revealed as most successful.

1. Does Learning and Development help our employees perform better?

Simply put, strong performers can make the difference between hitting business objectives and missing them. In fact, 37% of High-Performing Organizations report above average revenue growth for 2016

compared to 20% of Low-Performing Organizations.

Performance is strongly tied to Learning and Development, but without analytics, it's difficult to tell how exactly learning affects employee performance. This is because human performance is varied and assessment needs to take place over time. Therefore, in assessing Learning and Development impact, you need access to data from the entire employee lifecycle.

Analytics can be used to get a complete picture of learning throughout an employee's tenure at your company. This is only possible if you have an analytics solution that can connect all your HR and business systems together – whether it's your performance management, human resource management, or financial performance tool. And look at the relationships in this data over time frames ranging from months to multiple years.

This single source of data truth enables you to track what the ratio of high-performers are to non-high performers who do training, how long it takes performance to improve after training, whether training and certification programs have an impact on improved financial performance, and more.

1. How does Learning and Development contribute to employee engagement?

Studies show that Learning and Development plays a role in engagement scores. One study in particular suggests that 41% of the variance in engagement is driven by activities that learning and development professionals have the opportunity to influence. In turn, 70% of the variance in performance ultimately can be explained by the degree of engagement.

Analytics can be used to examine employee engagement within locations, departments, and teams to discover if those who are highly engaged are the same individuals who have recently completed a professional development program. Likewise, learning data can reveal which groups have the lowest engagement, what factors may be contributing to this low score, and whether more training could improve the situation.

1. Who would benefit most from Learning and Development?

Roles are becoming increasingly specialized, which means a “one size fits all” approach will not work. In fact, 68% of Learning and Development providers indicate role-centric approaches (i.e., role-specific, individualized approaches to learning design and delivery) are “Very Valuable” or “Extremely Valuable.”

By focusing efforts on those employees who are more likely to make a positive impact on the bottom line, Learning and Development teams can create more specific career development programs that will hopefully increase profits and productivity.

Your organisation can use analytics to identify the individuals who have benefited the most from training over the past few years – these are your high performers who have been promoted within the shortest amount of time. You can focus some of your programming on this group. Likewise, look for the

employees who have re-certification deadlines to meet as they should have priority.

You could also use cohort analysis to determine which other employees have the potential to be high performers based on common attributes with your current stars. These employees could benefit the most from a targeted career development strategy. Furthermore, examine the common attributes of employees who have never done training to see what effect this has on performance and whether a new Learning and Development program for this group is warranted.

1. Would we be better off without a specific Learning and Development program?

Knowing what's not working is just as important as knowing what is. Just as great HR strategy shouldn't be about making HR better but rather the business, the Learning and Development organization must focus on business outcomes in order to prove that it is a competitive advantage.

When Learning and Development professionals can tie learning outcomes directly to business results, it becomes much easier to determine what programs should be cut or reworked.

This means that companies can use analytics to compare learning metrics directly to business metrics so you can analyse whether, for example, a specific training program had an impact on this quarter's financial results or if changes to manager training hours is linked to changes in revenue per employee on their team.

Automating Learning and Development Analytics

Connecting learning analytics to business data has traditionally been contingent on time-consuming, expensive data warehouse projects or hundreds of person hours going through spreadsheets and generating reports from various HR systems. Both methods involve long and tedious processes, which prevent Learning and Development teams from quickly acting on data so they can proactively make decisions that could impact the bottom line.

Another option is to look into cloud-based analytics technology, which connect HR and business systems together, and offer the end-to-end view needed to quickly answer Learning and Development's critical questions and measure their total contribution to business goals.

Access to those kinds of insights will not only help learning and development run more efficiently, but business leaders will also have the facts needed to properly invest in their employees' career development.

Benjamin Sombi is a Data Scientist, Entrepreneur, & Business Analytics Manager at Industrial Psychology Consultants (Pvt) Ltd a management and human resources consulting firm.

References;

1. <https://elearningindustry.com/how-measure-training-effectiveness-learning-analytics-guide-for->

cfo

2. <https://www.tlnt.com/you-need-analytics-to-know-if-your-ld-program-is-making-a-difference/>
3. <https://www.td.org/insights/7-steps-to-using-analytics-to-improve-the-evaluation-of-learning>
4. <https://brainstation.io/blog/what-is-ld-analytics-and-how-can-it-help-your-business>
5. <https://www.digitalhrtech.com/analytics-create-better-employee-learning/>

<https://thehumancapitalhub.com/articles/Use-Of-Analytics-To-Create-A-Learning-And-Development-Program>