The Real Reasons Why We Don't Evaluate Learning and Development

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Recently, in one day, we received both troublesome and encouraging news about learning and development budgets and the recession. One email read, "The CEO has eliminated the entire corporate learning function, stating that he's not convinced that the value is there." This note is from a learning manager at a large healthcare equipment supplier. The firm is not in a desperate situation. Yes, revenue is down, but profits are still there. As with many other companies, it is experiencing some "belt tightening" just to make sure they're efficient in the future. Unfortunately, formal learning and development at the corporate level does not fit into their plans.

On the same day, we asked a Chief Learning Officer at another company about this issue. She responded, "Our CEO understands what we do and the value we deliver, and there's no request to trim our budget." This company, a large communications technology firm, is experiencing the same belt tightening. The difference is that one firm is able to show the business value of learning and development and the other is not. This article tackles this dilemma: why do some CLO's show the value of learning and development and some choose not to? Unfortunately, most of them do not.

The Dilemma

Many professionals in this field know how to connect learning and development to the business. Practitioners have been exploring and discussing this issue for over half a century, since Kirkpatrick first published the first steps about evaluation. These four steps, which evolved into levels, rang true to practitioners. Since then, practitioners, researchers, and professors improved and modified the concept and have collectively written over 50 books on the evaluation of learning and development. Contrast that with just a dozen books showing how to evaluate IT. While some of these books may not add a tremendous amount of value, most do. Not counting the work of the Kirkpatricks and the Phillipses, Robert Brinkerhoff, Scott Parry, the Robinsons, and many others have contributed significantly to this field. The bottomline is that people have the knowledge to do it—or at least the info is available to them. Add to this the importance of evaluation reflected in the literature. Every magazine in this field will contain more than one article in each issue on how to evaluate learning and development; special conferences are organized around this issue; and almost any conference on learning and development will feature sessions about measurement and evaluation.

In the midst of all of this activity, most observers in this field would conclude that we've made little progress when it comes to connecting learning and development to the business. That's the conclusion for the Kirkpatricks and Phillipses. Our number one stakeholder—the top executive—who must fund, support, and provide a commitment for learning and development, is not necessarily happy about it. In a recent survey of large company CEO's, principally the Fortune 500 group, 96 executives gave their ranking of different types of data. Figure 1 shows the results.

Figure 1. CEO Ranking of Data

Measure	Rank
a. Inputs: "Last year, 78,000 employees received formal learning."	6
b. Efficiency: "Formal learning costs $2.15 per hour of learning consumed."	7
c. Reaction: "Employees rated our training very high, averaging 4.2 out of 5."	8
d. Learning: "Our programs reflect growth in knowledge and skills of our employees."	5
e. Application: "Our studies show that at least 78% of employees are using the skills on the job."	4
f. Impact: "Our programs are driving our top 5 business measures in the organization."	1
g. ROI: "Five ROI studies were conducted on major programs yielding an average of 68% ROI."	2
h. Awards: "Our learning and development program won an award from the "CLO Magazine"	3

1=Highest Ranking, 8=Lowest Ranking; N=96 Large Company CEO's. ROI Institute

The most important data that an executive would like to see from learning and development is business impact. ROI is second. These are the least reported datasets. The most reported data items are ranked least important from the top executives (more details on this study and these results to be presented in a later article).

The Perceived Barriers

So, here's the issue: We know how to show the business contribution, yet we fail to do so even when our top executives want to see it. What's the rationale for not addressing this issue? There are both real and perceived barriers. The perceived barriers are the reasons often provided for not addressing this issue. For the most part, they are mythical or absolutely not true. Here are the top perceived barriers along with the reality.

Perceived Barriers	Reality
1. It can't be done— It is impossible to link learning and development directly to the business. When this is attempted, it is not credible learning content.	1. Literally thousands of individuals have demonstrated a connection between learning and development and business impact. This work is very credible and CFO friendly. Still this represents only a small part of the learning and development field.
2. It's too complicated— The models are complex, the statistics are confusing, and the techniques are too difficult for most practitioners to absorb and use	2. A credible evaluation can be conducted without higher level mathematics and complicated statistical processes. Sometimes it's a matter of using logic and simple business concepts to make a connection that's credible and meaningful to executives.
3. It's too costly—Evaluation appears too expensive for most learning and	3. Evaluation is not so expensive. In a comprehensive evaluation system where

development budgets. Securing additional funding is not feasible. When asking for more money for evaluation, it is often declined.	every program is evaluated at some level and a few are taken to ROI, the cost would only be about 3% of the learning and development budget
4. Evaluation takes too much time— Evaluation is not efficient and consumes too many resources for the value it achieves, particularly when the individuals who must do the evaluation are already stretched and have very little time for any additional efforts.	4. Evaluation can be efficient and automated, for the most part. Evaluation at higher levels can be accomplished through selective sampling for programs that are very expensive, strategic, and large audiences. If planned properly, the time can even be further reduced.
5. It's not appropriate for learning and development—it's not appropriate to evaluate learning and development. It's implemented on the basis that it will add value. Nothing is more valuable to an organization than investing in learning, and no amount of investment is too much in this critical area.	5. Because learning and development represents a significant expenditure in larger organizations, it should be subject to accountability. In many large organizations, learning and development is over half a billion dollars (In a few, it actually tops one billion). Investments at this level must have accountability, up to and including showing the business contribution.
6. No one is asking for it— We only react to what we're asked to do. With no requests for evaluation data, then few resources are devoted to it. The approach to work is based on this philosophy: that which gets requested gets done.	6. Unfortunately, this is a classic reactionary approach, always waiting for instructions. When you wait for the request, it may never come, and the budgets could end up being cut without conversations. And when it does come, it may be too late to do it properly, efficiently, and within the time desired.

The Real Barriers

The real barriers are not often identified directly and explicitly in benchmarking and survey data. At the ROI Institute, we assist learning and development functions to connect their learning and development to the business. More specifically, we help them show the value of learning and development in terms executives appreciate and understand. In the last 15 years, we've had the pleasure of having over 4000 individuals participate in ROI Certification, which is designed to build internal capability to conduct impact and ROI studies (To become a Certified ROI Professional, an individual must complete an impact study or ROI study. Each year, about 500 individuals participate in this process). In addition, our ROI consultants, scattered over 50 countries, assist clients with Impact and ROI studies. Also, each year, we meet with dozens of learning and development functions and often with senior executives to focus on ways to drive value in the organization and measure the success in terms that they appreciate. All of this experience and research has led to some important conclusions about the real barriers to success in this area. Here are the top real barriers:

Fear of Results

Perhaps the strongest barrier is fear of having disappointing results, whether it's a negative ROI study or results that are far less than executives expect. It's a fear of the consequences. We often encounter this comment, "If my key program is not delivering value, why should I conduct a study to show my top

executives that it's not working?" The fear is that the results may be used for a performance review of the CLO, may lead to a cut in the budgets, or particular team members may be held accountable. Here's the picture, "In terms of the business results we're in the fog now, and we'd like to stay in the fog. If the fog is cleared, the view might not be what we want it to be." Obviously, this is short-sided thinking.

Here's the reality: If a program is not delivering the results, the client probably already knows it. They just don't have study to show the detail. After all, business results are generated in the business units, and if the business measures are not improving, the executives are aware of it. So, a negative or disappointing study would not surprise the client. A much better approach is to tackle the issue on a proactive basis, taking the most expensive, high profile strategic program and conduct an analysis of its success with the goal of process improvement (i.e. if it's not working, we will make changes to make it successful in the future). This proactive approach wins points with the senior executive group.

Waiting for the Request

Closely linked to the previous barrier is the mistake of waiting for the request to show the business contribution. Often, we see CLO's interviewed for various magazines on the issue of ROI and the business connection. Some CLO's state that they've never been asked for ROI, so there's no need to pursue it. There's serious faulty logic here. If you wait for the request, it's often too late. A request for ROI (or business impact) on a particular program usually is followed by, "When can you deliver the results." Without prior planning for a study, an executive waiting for results will become impatient. It takes time to develop processes, build capabilities, and change practices, as well as collect and analyze data. When we wait for the request, we are on the top executive's timeline and agenda, which is an uncomfortable place to be.

Top executives are concerned about funding and budgets and examining all part of the organization for potential reductions in budget or exploring more efficient ways to do things. Because they do not have data about the success of learning and development, it's a natural opportunity to ask for results. They often go to the most expensive, high profile— and maybe even controversial—program and ask for data about the contribution of the program. Obviously, they want data quickly. But if there's been no serious evaluation at this level, it may take time to build the capacity. Even if external resources are engaged to do the study, it often takes time because ideally, the evaluation should be conducted for a program that hasn't been implemented. In short, executives have concluded that the program is not adding value but want us to prove it.

Smart CLO's are taking the initiative to develop this capability before it's requested. They are controlling the agenda and the timeline, providing the executives with a healthy dose of accountability, routinely, and consistently.

Lack of Investment

Let's face it, we have not invested enough funds for measurement and evaluation processes. Here's a quick check. Estimate the cost for measurement and evaluation as a percent of the learning and development budget. This includes any expenditure for staff and resources for collecting data (measurement) and using the data to make adjustments to make changes (evaluation). Most organizations are at one percent or less.

Annually, we benchmark with organizations using a comprehensive measurement and evaluation system. These best practice organizations spend between three and five percent on measurement and evaluation.

The investment in this area is much lower when compared to other processes. For example, consider a manufacturing plant and its total annual operating budget (we could use any entity in this example, such as a hospital, government agency, or a call center). Now, think about the cost of measurement and evaluation throughout the plant. This includes the cost collecting all types of data and the evaluation of that data. It would include productivity monitoring, cost accounting, quality monitoring and time counting.

It's massive! Many full time employees do nothing but collect data. Others are using the data in meaningful ways to make decisions and improvements (evaluation). Depending on the particular operating entity, the cost of measurement and evaluation as a percent of the operating budget would usually be about 15-20 percent. For learning and development, it's less than one percent. Why is that? Perhaps we haven't made the proper case to the management team.

How do we do that? We suggest five approaches.

1. Show executives the benchmarking data of best practices. This may work for some, but not for most.

2. Use the logical argument outlined above that the investment in measurement and evaluation for learning falls far short of other process in the organization.

3. Fund it gradually with the success generated with the process. For example, the first impact or ROI study will show how a program can be improved to make it much better (more effective) or do it with less cost or time (more efficient). In either case, there is added value because we evaluated the program. With results in hand, it's a great opportunity to make the case for additional measurement and evaluation funds.

4. Allocate resources either part time or full time by shifting assignments. In most learning and development functions, staffing adjustments are possible, perhaps making evaluation a part time duty for several.

5. Rearrange priorities. The use of impact and ROI analysis helps to determine which programs deliver the most value. Usually, there are some projects and programs that aren't very well connected to the business, and their viability comes into question. Sometimes it's helpful to evaluate those programs to pinpoint the value they're adding, and if indeed they cannot deliver the value, they can be discontinued. Perhaps those resources can now be diverted to the measurement and evaluation issues.

Not Thinking About Evaluation Early

If we've learned nothing else, we realize that the time to think about evaluating a particular program (at the business level) is at the time of conception. Unfortunately, by habit, practice, or teaching, we don't think about evaluation early enough. For years, learning and development professionals have used the ADDIE model: 1. Analyze the need; 2. Design the solution; 3.Develop the program; 4. Implement the program; and 5. Evaluate the program. Unfortunately, this model causes us to think about evaluation after the program has been implemented. For most projects, this is too late.

By thinking of evaluation much earlier, we ensure that:

1. The solution is proper and connected to clearly defined business measures.

2. Objectives are developed at multiple levels, including application and impact, to provide the proper focus throughout the program.

3. Expectations are created for participants and others to clearly see why the program is being offered and their role in its success.

4. Data collection is built into the program to make it more palatable to the participant

5. Planning for data collection is accomplished early, making the process much more efficient while assigning more responsibilities to others.

With this in place, it not only makes evaluation easier but makes the program more results-based. This early attention to business evaluation leads to a typical comment, "This is really a different program; there

is more focus, more results and more value." This is a simple, but fundamental, shift in our thinking. We must address evaluation early and often.

Learning and Development is Requested; Therefore, it Should Add Value

The learning and development team is a support group, supporting the needs of the organization by delivering learning and development to satisfy those needs. When an executive requests a leadership development program or an operating manager requires technical training, the programs are usually offered with the anticipation of results. After all, it's requested by someone who should understand the requirements and needs, and the program is designed to meet those needs. Why should we evaluate these programs? Isn't it assumed that the value will be there? Why waste resources on trying to prove the value when the requestor clearly sees the value? Otherwise, it would not be requested.

As logical as that agreement seems, unfortunately the logic breaks down. Executives often request a learning solution when they see a problem. If something is not working in the organization—those executives assume that employees don't have the knowledge or skills. Research continues to show that when there's a dysfunctional or ineffective process, the most appropriate solution is often a non-learning solution.

We have a tendency to blame the managers for this dilemma— they don't understand what they're doing. We should blame ourselves. After all, we have a shingle outside our door that says we are a "learning solution provider." *When you have determined you have a need for a learning solution, come to us; otherwise, go somewhere else*. Unfortunately, managers are not experienced in the analysis techniques needed to determine the cause of the problem and the appropriate solutions. The managers are not the bad guys, although they appear to be. We force them into this process, and we'll have to change their behavior. But we have to do it subtly and gradually, teaching them to ensure that the request is appropriate.

Lack of Preparation

Unfortunately, learning and development professionals do not have enough skills and knowledge to make the business connection and implement evaluation. Some have had the luxury of having a degree in learning and development, instructional technology, or human resource development. But the curriculum usually focuses very little time on measurement and evaluation, usually one course on evaluation and maybe one on needs assessment. Unfortunately, most learning and development team members have not had the luxury of formal education in this area. As in the case of the authors, most transfer from other areas (engineering in the case of the first author and marketing in the case of the second author). When individuals enter the field, they have almost no preparation, training, or insight into evaluation. Preparation is very minimal at best to address these issues. The problem is exacerbated with number of books offered to these unknowing practitioners. You can imagine facing 50 books on the evaluation of learning and development and trying to figure out the business impact. Fortunately, there are workshops and certification to help with this issue. It is now possible for a team to develop capability internally.

Changes Are Needed

This article clearly presents a call to action from the CLO, as well as others in the learning and development field. Before taking action, examine the perceived barriers to see if you agree with our reality statements. If you do not, explore, examine, and evaluate those issues to get the facts and make sure you understand clearly these issues. We think you'll find that our reality statements are very close to the actual situation.

The CLO is in a critical role with this issue. We've yet to see a successful evaluation system implementation without the support, commitment, and involvement of the CLO. We've seen some enthusiastic learning and development team members try, but eventually fail without CLO support.

Never wait for executives to request higher levels of evaluation data, whether it's impact, ROI, or any other type. We must take a proactive stand and not wait for the call. Also, don't let the top executive team design your learning and development scorecard. They don't know how to do it, and the odds are it will be something that's almost impossible to do. Instead, take something to them to review.

Move quickly to make changes and take action in this area. Don't put it off to next quarter or next year. Here are a few actions to take now:

1. Take assessment of where you are now with the results-based approach. Samples of assessment instruments are available directly from the authors, if interested. With this assessment you can plan specific actions.
2. Be prepared to invest more in learning and development using one of the more specific strategies suggested here.
3. Change the practices and policies to address evaluation early in the process and often, building it into the process.
4. Focus on objectives and expand them beyond the learning objectives. Require application and impact objectives for the vast majority of programs. This alone will drive more results than any other action.
5. Take a fresh look at a learning scorecard, perhaps building one that reflects some of the data in this example.
6. Invest in technology, or at least use the technology at hand to assist with the evaluation challenge.
7. Build a measurement culture. Ask questions. Require data. Have people thinking about results, accountability, measures, metrics, and analytics—but not to an extreme. Make accountability a routine part of conversations, expectations, and ultimately the reward structure.
8. Conduct a few impact studies and maybe an occasional ROI for those programs that are substantial, strategic, expensive, and high profile. You know the ones. They attract attention from the senior team, and they often require higher levels of accountability.
9. Start providing information about successes to the appropriate executives. Get the appetites going. Don't promise too much, but deliver. Make it routine. Avoid the request for showing the value of your entire function. If that request is coming, it may be too late!
10. Get your executives more involved. While executive involvement helps in ways, it keeps the focus on results and accountability.
11. Never miss an opportunity to speak to an executive about the success of programs in their area. After all, it is their team that delivered this great data, and these successes are critical for them.

Good Luck!