7 Key **Learning & Development Metrics** to Track

A Cheat Sheet for Business Leaders

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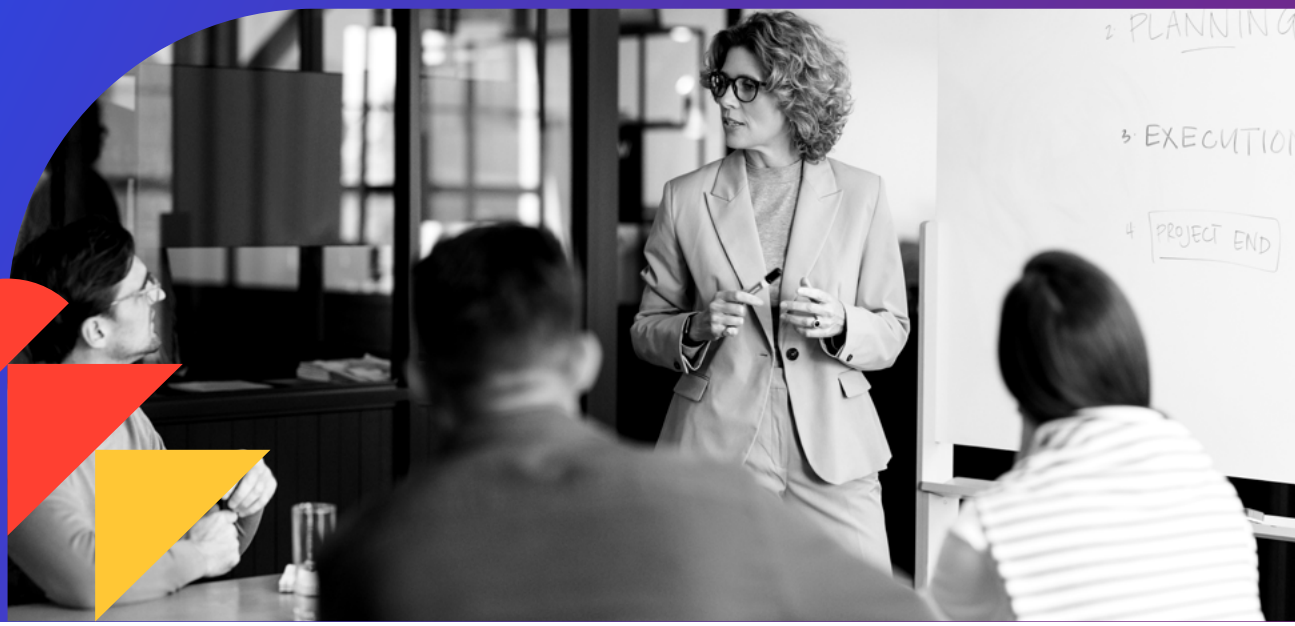


Introduction

Struggling to get budgets approved for training initiatives?

Perhaps you've got a Chief Financial Officer (CFO) who sees professional development as an unfortunate expense rather than a worthy investment that benefits both the organisation and the employee? If so, this well-worn hypothetical conversation between a CFO and a Chief Executive Officer (CEO) will sound familiar.

CFO: What happens if we spend all this money training our employees and they leave?
CEO: What happens if we don't, and they stay?

The simple truth is that employers can't afford not to invest in learning & development (L&D). But where's the proof? What does a training program really accomplish in terms of productivity? Employee loyalty? The bottom line?

t's essential for L&D departments to effectively communicate how their initiatives not only contribute to employee engagement and retention but also align with broader organisational goals. This includes providing metrics that illustrate the impact of training on productivity and the overall bottom line.

Although the assessment of learning has traditionally been put into the 'too hard' basket, or has been hazy at best, there are in fact numerous proven ways to calculate the value of learning initiatives. This guide provides seven simple calculations to try, complete with examples and explanations of why these metrics are important.

A Brief History Of Learning Impact Assessment

There is a long history of attempts to accurately assess the impact of learning. For example, the Kirkpatrick Model[1], dating back to 1958, introduced different levels of measurement – all of which still resonate today. See a brief summary below[2]:

1. Reaction

This model begins by evaluating what the learner's thoughts, feelings, and opinions are regarding the training. This can be obtained by asking learners for their immediate feedback to see how the training was perceived. Post-training surveys, pulse surveys, artificial intelligence (AI) technology to understand emotional reactions, and suggestion boxes can all be used to gather this information.

2. Learning

This level assesses if learning actually took place. Have the learning objectives been met? Was there an increase in knowledge and skill for the learner? Testing learners through quick end-of-module online assessments is one way to gather data on knowledge obtained and retained.

3. Application and implementation

This level relates to behavioural change – specifically the level of change in the learner's behaviour in the workplace. Feedback should be built into ongoing coaching conversations as well as more formal performance assessments and documented changes in behaviour. This level can also shed light on the previous level. For example, if the information gathered at level 2 indicated the learning was not successful, level 3 can uncover if the problem lies with the implementation or application of learning.

4. Impact

In other words, results. This level looks at the total impact the training has had on the organisation. It not only attributes impact to the training effectiveness but also considers organisational factors that might

[1] "Kirkpatrick Model: Four levels of learning evaluation", Educational Technology, 2018 [2] Adapted from "A practical guide to training evaluation", AIHR Academy

hinder the successful implementation of the skills gained during training. It also takes into consideration external factors as well, and whether that has had any impact on the performance of training. For example, COVID-19 may have negatively impacted the ability to apply new skills to the workplace due to remote working.

5. Return on impact

A few years later, the Kirkpatrick Model was extended to include a fifth level of measurement to assess the potential payoff (i.e. the return on investment or ROI). This ties the ROI to the outcomes of a training program. It was an acknowledgement that linking training outcomes to business outcomes was critical. Although there is no direct way to attribute training to business performance, this level uses specific metrics to give as close a viewpoint as possible.

Level 5 in particular remains challenging, and this may relate to the general reluctance of HR and L&D professionals to embrace metrics and analytics to demonstrate ROI and prove the worth of initiatives.

It's worth noting that not all training efforts need to be evaluated on the levels previously outlined. Indeed, it's suggested that only about 5% of training programs are evaluated up to level 5 – and those may be leadership development programs which typically rate highly in

terms of impact, complexity and value. The levels of evaluation should occur at different times (see table below)[3].

	Reaction Level 1	Learning Level 2	Application Level 3	Impact Level 4	Return on Impact Level 5
When to evaluate	During or directly after the learning program	During or directly after the learning program	2-6 months after the learning program	6-12 months after the learning program	6-12 months after the learning program

To gain the most valuable and holistic insights, it's recommended that a mix of both quantitative and qualitative data is gathered at each level.

So, which metrics really matter? There is no simple answer to this question; it will depend on the type and purpose of the learning, whether it is formal or informal (on the job) learning, and how it is delivered. Over the following pages, we outline seven key metrics to consider.

[3] *"Adapted from "A practical guide to training evaluation", AIHR Academy*

Training Experience Satisfaction

Research has shown that well-designed and prepared training activities will result in job training satisfaction, which then influences overall job satisfaction.

Conducting a survey of learners either during or immediately after a course can reveal how they felt about the training, what they enjoyed and what they would change to improve the learning experience. Questions can focus on the instructor, the modality, the tools, the content, or a mix of all of these.

As well as collecting quantitative data through closed questions, offer learners the chance to share their insight. Take note of employee feedback and consider using it to adjust your training program for the future. Collecting and mapping the data in a graph will help to highlight trends over time.

How to calculate it

$$\text{Training experience satisfaction} = \frac{\text{Sum of all ratings}}{\text{Number of answers}}$$

Example:

Four employees took part in training. A post-training survey asked them to rate 5 questions from 1-5. The sum of these ratings was 80; the number of answers received was 20.

$$\frac{80}{20} = 4$$

A training experience satisfaction score of 4/5 was achieved.

Why is this important?

Most learning initiatives are works in progress, constantly being refined as the needs of employees and the business evolve. Asking employees to rate their satisfaction and provide comments can be useful when trying to pinpoint a particular area for improvement that can't be determined with quantitative data.

Ultimately this feedback can help you evaluate the effectiveness of your training, make improvements, and plan for future courses. Post-training surveys are the best way of improving training and ensuring that it fulfils its goals and offers value for money. However, post-training surveys are only as good as the questions they ask.

Likert scale questions are a popular alternative to single-choice and multiple choice questions. This format asks respondents to assign a number from 1 (strongly disagree) to 5 (strongly agree) to each question.

Examples:

Assign a number between 1 and 5 to answer the following questions with 1 being the lowest score and 5 being the highest.

- How engaging was the instructor?
- How relevant was the training?
- How useful was the training content?
- What was the quality of the training venue?
- What was the quality of the course materials?

Course Completion Rates

The course completion rate reveals how many employees have successfully completed a learning course or program. Whether it's assessed on a module-by-module basis, by specific programs or lessons undertaken, it's important to understand how many employees start and successfully finish the training assigned to them.

It's important to remember that regardless of whether courses are delivered offline or online, there will be dropouts. That's why it's just as important to identify when and why exactly some participants choose not to proceed. While this metric will not reveal those details, for online courses in particular, it should be possible to gauge where roadblocks are occurring. A survey of learners can also identify what's going wrong.

How to calculate it

$$\text{Course completion rate} = \frac{\text{Number of completions}}{\text{Number of employees participating}} \times 100$$

Example:

20 employees took part in training, but only 16 of those completed the training.

An 80% completion rate was achieved.

$$\frac{16}{20} \times 100 = 80$$

Why is this important?

Low completion rates can be a sign that employees are struggling with certain concepts or are not as engaged with the learning as they should be – which may indicate problems with delivery, content or instructional design. High completion rates indicate that employees are invested in training and are more likely to retain and apply what they have learned.

This metric is a good starting point for determining both the employee's initial reaction to a module or course, and how much they are learning – but it doesn't reveal how much of that learning is being retained (see 'assessment pass rate' on next page).

Tip: Combine synchronous and asynchronous learning

Looking solely at completion rates only tells part of the story. Indeed, MOOCs (massive open online courses) have been widely criticised for their low completion rates. Industry reports and instructional designers alike typically report that only between 5-15% of students who start free open online courses end up earning a certificate.

If you are offering an online course that people can work through at their own pace (asynchronously), it often helps to have a series of 'live' or synchronous events that students can collectively tune into during a course. This might take the form of a regular 'learning lab' hosted via video conferencing technology, where students show up for one or two hours to discuss case studies and receive feedback from peers.

Adding live events helps students feel like they are part of a larger learning community and infuses a sense of energy and urgency into a multi-module learning experience.

Assessment Pass Rate

The assessment pass rate shows whether employees retain and recall their training enough to pass the assessment. The metric only works if you have assessments in your training program applicable to the content. It's important to note that putting learning theory into practice is difficult. Indeed, studies have shown that we only remember:

- 10% of what we **read**
- 20% of what we **hear**
- 30% of what we **see**
- 90% of what we **do**

That's why, in addition to tests, exams or questionnaires following a course, it's also important to try and ensure there are opportunities for learning to be applied on the job.

How to calculate it

$$\text{Assessment pass rate} = \frac{\text{Number of employees passed}}{\text{Number of learners}}$$

Example:

20 employees took part in a course. 15 of those passed the assessment test.

A pass rate of 75% was achieved.

$$\frac{15}{20} \times 100 = 75$$

Why is this important?

Tracking employee assessment scores and simulations is a reliable way to determine how much information they are learning and retaining. If an employee is completing training quickly but struggling with assessments, it may require a rethink of how content is being delivered.

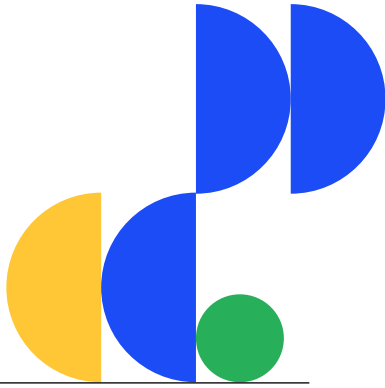
Although you cannot tell how much knowledge is applied on the job with this metric, you can track the knowledge employees apply during simulations. This can give you some insight into how much they are remembering and what they are likely to apply in real-life scenarios.

Tip: Assessing compliance related training

When it comes to compliance training, three metrics are useful:

1. Completion rates: How many employees complete the training courses? This could be how many people complete online training courses, or how many show up to in-person classes. For required training, such as for anti-bribery or anti-harassment issues, the completion rate should be 100%.
2. Time to completion: How much time elapses between you asking the employee to take training and when the employee actually finishes that training?
3. Assessment pass rates: How many employees actually pass whatever test or assessment your training includes at the end?

All three metrics should be analysed and segmented by department, geographic location, job level, etc. The more granular you can get in the collection of this data, the better.



Time Spent In Training

Simply understanding the time given / allowed for training is an important metric to track. It has become even more critical in the age of eLearning, where employees typically have access to training at any time, from any location. An overly high value for this metric may indicate:

- Inaccurate demand forecasting for employee training
- Sub-par employee performance
- Highly manual training procedures (i.e., excessive use of physical classrooms instead of online training modules)
- Poor training session structures (i.e., impractical, irrelevant and uninteresting training sessions)

Extremely low values for this metric can also be an issue and may indicate inaccurate demand forecasting for employee training, inefficient scheduling procedures for employee training, and poor employee performance tracking and management.

How to calculate it

$$\text{Time spent in training} = \frac{\text{Total number of hours employees spend training in a set timeframe}}{\text{Number of employees undertaking training in the same timeframe}}$$

Example:

In a specific time period (e.g. in the month of June), a group of **27 employees** took part in a series of **four 1-hour courses**. In the same time period, a different group of **20 employees** took part in a **2-hour training session**.

Total number of hours employees spent training in a set timeframe: **(27 x 4) + (20 x 2) = 148**
Number of employees who undertook training in the same timeframe: **20 + 27 = 47**
Time spent in training: **148 ÷ 47 = 3.14**

Just over **3 hours on average** were spent on training during this timeframe.

Why is this important?

There is no set or standardised amount of training that employees should offer, however some industries and job roles require regular compliance-related training to be undertaken, along with updates to licences and certifications, etc.

Most employers acknowledge that learning & development has benefits to both the employee and the organisation, whether that is training to enhance or develop technical skills, policy or process updates, or 'soft' (or 'essential') skills training.

This metric is vital because it helps balance training needs with productivity. Too much time spent in training can indicate inefficient programs or content that doesn't align with employee needs, pulling them away from core tasks. Adjusting this helps ensure training is engaging and relevant, contributing to overall efficiency.

On the other hand, too little time in training may suggest employees aren't receiving the support needed to develop skills or stay updated on new processes. By tracking this, organisations can ensure a balanced approach that supports both compliance and professional growth, leading to a more capable and adaptable workforce.

Employee Retention Rate

Measuring the employee retention rate will show you the percentage of employees that remain with your organisation after a certain period of time – the most commonly used timeframe is 90 days. Employee retention is impacted by many factors; learning & development is a critical element but it must be weighed alongside other elements such as overall work environment, interpersonal relationships, workplace culture, etc.

While retention rate cannot be solely linked to learning & development, it a valuable metric to keep an eye on as trends may emerge over time. After all, the opportunity to learn has been shown to be a key driver of retention. Employees want to know they have a varied and rich career path with their current employer, otherwise they'll look for opportunity elsewhere. Learning and development demonstrates an investment in their career, both now and into the future.

How to calculate it

$$\text{Employee retention rate} = \frac{\text{No. of employees still employed at end of measurement period}}{\text{No. of employees at the start of measurement period}} \times 100$$

Example:

At the start of July, the organisation employs 65 FTEs.
At the end of that quarter, this has dropped to 63 FTEs.

The employee retention rate is 97% during Q1.

$$\frac{63}{65} \times 100 = 97$$

Why is this important?

While it's always useful to keep tabs on employee retention, it's even more important to track new hire retention. Newly hired employees who have come through onboarding and induction training who still feel ill-equipped for their roles are likely to struggle or even resign within their first three months.

Conversely, high retention rates suggest that the initial training program was successful – although there are of course a mix of elements that impact on retention, such as culture fit, lack of career progression, lack of recognition, pay issues, etc..

Examples:

When it comes to assessing ROI, it's not enough to just have a range of impressive results or outcomes. These outcomes need to have a monetary value. Here are a few proven ways to determine the monetary value of your results:

- Use standard values. Your organisation might already have standard values in place to measure turnover, productivity and quality. For example, the typical value of a sale, the typical cost to replace an employee, etc. Use these values to calculate your program's monetary impact.
- Look at historical costs. When no standard values exist, historical data is the next best thing. How much has a customer complaint typically cost in the past to resolve? How much does it cost to replace an employee who leaves the organisation? Look at historical data to obtain a reasonable approximation.
- Go to an expert. If these steps aren't feasible, consider finding an expert who can help you estimate the monetary value of your outcomes. Make sure you work with someone who understands your intent and the business measure being targeted.

Training cost per employee

This metric shows the financial outlay for learning initiatives. Training costs can include subject matter experts, instructors, materials, technology utilised, employee salary while being trained, and more. There are also 'hidden' or easily overlooked expenses. Most training takes place during work hours when employees are paid to be there. For an accurate measurement of training costs, it's necessary to factor in the lost productivity and any related costs such as hiring extra personnel or paying overtime to compensate for the work not being done by employees due to training commitments.

Keeping a close eye on training costs is essential, otherwise the ROI can quickly plummet. By tracking and documenting costs over time, organisations can get a clear picture of the most cost-efficient training versus the more expensive options. Organisations can also begin to forecast how training programs might grow in line with revenue predictions.

How to calculate it

$$\text{Training cost per employee} = \frac{\text{Training costs}}{\text{Number of trainees}}$$

Example:

25 employees undertook training in Q4, 2021. The combined training costs were $10,500.

The training cost per employee was $420.

$$\frac{10{,}500}{25} = 420$$

Why is this important?

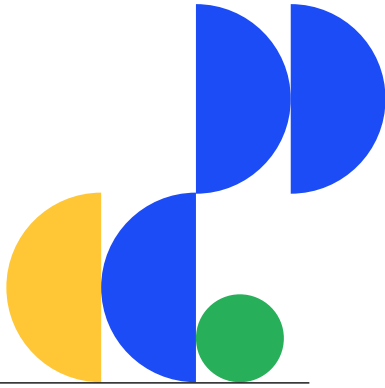
Regardless of how training is delivered, it costs money. It's reasonable to expect a return on any investment made. Calculating the costs involves monitoring or developing all of the related costs of the program targeted for the ROI calculation. Include the following items among the cost components:

- Design and development of the program, possibly prorated over the expected life of the program
- Program materials provided to each participant
- Instructor / facilitator costs, including preparation time as well as delivery time
- Facilities for the training program
- Cost of travel, lodging and meals for the participants, if applicable

Tip: Assessing online learning

According to LinkedIn's 2024 Workplace Learning Report, the key ways that L&D professionals now measure the impact of eLearning include:

- Alignment of learning programs with business goals (43%)
- Employee engagement with learning content (38%)
- Career development opportunities provided through training (40%)
- Completion rates of online learning modules (34%)
- Qualitative feedback on skill application and behavioural change.



Training Return On Investment (ROI)

This metric is useful for justifying the expense of a training course, comparing one training course to another and helping to establish training as a core part of organisational operations. It is a simple way to assess the effectiveness of training and measure the value generated by learning initiatives.

ROI calculations of training aim to answer two broadly similar questions:

- Are trainees gaining new knowledge and skills so that they can increase efficiency (productivity and/or reduce costs in the workplace?
- Is it possible to measure the cost of this training against the benefits to both the individuals and the organisation?

How to calculate it

The formula is the same for all types of investments:

$$\text{Training ROI} = \frac{(\text{Benefit gained} - \text{Investment})}{\text{Investment}} \times 100$$

Example:

$1000 is invested into training and profits of $3000 are obtained.

The training ROI is 200%. The higher the percentage, the more profitable the investment has been.

$$\frac{(3000 - 1000)}{1000} \times 100 = 200$$

Why is this important?

Even if the goal of the training isn't explicitly to increase profits, you may expect to see productivity or efficiency improvements that help drive sales and increase revenue, so looking at this metric makes sense. However, attributing a change in profit or other valued metric to training undertaken can be tricky.

Always ask: How much of the change I'm seeing is due to the training course or program, and how much is due to something else? Ask training participants and their managers to record their thoughts about the training, as well as other factors that could have impacted performance (including profit) over the measured period. Ask them to grade each factor for its impact on the results. For example: training (60%), new marketing campaign (20%), new office opening (20%), etc. While this data may not be completely accurate, it provides a starting point to assist with isolating training ROI.

Other benefits to consider

This metric works well for programs where it's easy to calculate the benefits gained. While profit might be the obvious benefit, it's also possible to base this calculation on improvements to things like productivity. Whatever benefit is chosen, it's necessary to collate data (such as productivity data) before and after the training to make a comparison.

Example

3 junior retail workers receive customer service training. Expected outcomes from the training include improvements to customer service and teamwork. Reviews of these areas are carried out before and after training, to see if there has been any change.

Customer service has improved by 5% and teamwork by 10%. This equates to an average increase in productivity of 7.5% amongst the 3 employees. What does that mean in financial terms? The first step is to determine the average annual salary of these 3 employees, which for ease of calculation we'll say is $40,000. If there was a 7.5% increase in productivity, it's possible to calculate this as a percentage of their salary: $3000 per employee per year and $9000 for all three.

If the cost of the program was $1250 per person and $3750 in total, the ROI formula can be applied:

$$\frac{(9000 - 3750)}{3750} \times 100 = 140$$

Training ROI = 140%

How Technology Can Help

Technology enables HR professionals to extract and analyse data relating to every aspect of the employee lifecycle, including organisational learning.

ELMO Learning Management, for example, allows users to generate, export and schedule reports, create custom reporting with charts, compare course completion rates across the organisation and automatically generate course completion certificates. Paired with ELMO's Analytics tool and intuitive dashboards, you can easily visualise trends, track progress at a glance, and make data-driven decisions to optimise learning outcomes.

By leveraging technology, organisations can more easily justify their training investments with clear, data-driven insights. It allows them to demonstrate how their L&D initiatives are helping to drive employee engagement, improve retention, and ultimately, support the organisation's bottom line. ELMO makes it easy to highlight the true value of training as a strategic asset, rather than just a cost.

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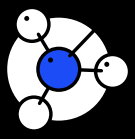

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