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IMPACT OF LEARNING

ON BUSINESS GROWTH

2023



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Executive Summary

Despite emerging from one of the most disruptive periods of time — brought about by a global pandemic — organizations face a near future that is full of complexity and uncertainty. The convergence of technological advancement and the volatility of the past few years has created an environment where thinking ahead to the next three, five, or ten years has become critical, yet fraught with volatility. Learning & Development teams find themselves being called upon to deliver big changes to help the business meet these impending challenges, yet many are struggling to meet yesterday’s needs.

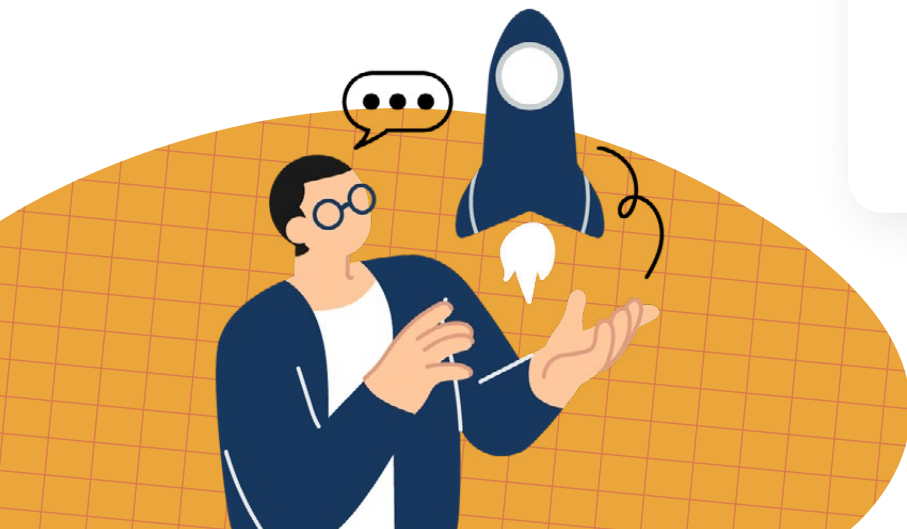
Within only a few exceptions, organizations do not believe that their approach to learning is having a strong positive impact on a series of critical outcomes. Companies believe they will do well with leadership development and operational improvement but will struggle with things like risk mitigation and employee retention.

How effectively will your learning approach positively impact the following future of work outcomes?

Highly effective



Source: Brandon Hall Group, Transforming Learning & Development for the Future of Work



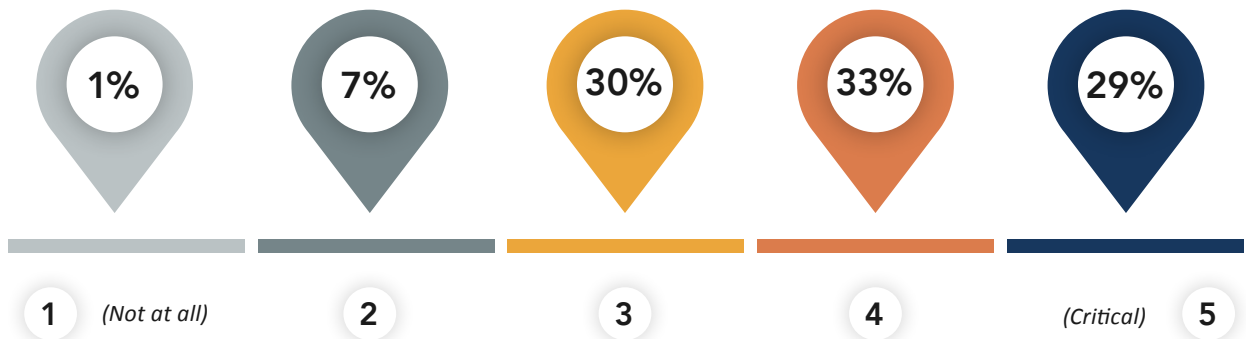
Current State

The global pandemic showed many organizations just how unprepared for real change they were. In its wake, organizations are looking to transform how they do things to make the business, its people, and its processes more adaptable, resilient, and future-proof. For Learning & Development teams, this means a complete reassessment of the strategies, technologies, and skills they leverage to build the skills the business needs.

This is all occurring at a time when the number one priority for organizations, according to

Brandon Hall Group's 2023 *HCM Outlook* survey, is optimizing business results amid inflation and economic uncertainty. As such, learning is being recognized as a critical strategic function for the business, whether it is upskilling or reskilling employees, building high-performance sales teams, or engaging customers. In Brandon Hall Group's *Transforming Learning and Development for the Future of Work* study, 62% of companies said that business leaders believe L&D is either highly important or critical to the success of the business.

How important does your organization's leadership believe Learning & Development is to the success of the business?



Source: Brandon Hall Group, *Transforming Learning & Development for the Future of Work*



At the same time, learning and development teams are not completely sure they can deliver on the things the business will need. Many struggle with delivering and measuring engaging, impactful learning programs that can help the business today, let alone meet tomorrow's challenges.



Given how important L&D is to the business, organizations need to recognize that learning is the catalyst for talent to take on the future of work with confidence. But fewer than half of companies have the kind of mature vision and mission for the learning strategy they need. Of course, a lack of vision and mission becomes less surprising because 21% of companies do not have a learning strategy in place at all.

Which of the following best describes your organization's vision when it comes to the learning strategy?

Our strategy is to increase capabilities of the talent pool and unlock its potential

45%

Our strategy is focused on linking learning to performance

19%

Our strategy is designed to deliver more effective and efficient training

14%

We haven't developed a defined vision yet

21%

Source: Brandon Hall Group, State of Learning Practices

Measuring Learning's Impact

The biggest challenge to ensuring learning has a significant impact on the business is, ironically enough, the inability of companies to effectively measure the impact learning is having.



It may seem like circular logic, but the fact that companies cannot properly measure the outcomes of their learning programs, they are essentially flying blind. They then have no idea which programs are working, which ones are not, or why. L&D leaders cannot make insightful decisions on where they should invest and continue to do things the way they always have.

This indicates a recognition that measurement is not an endpoint for learning, where companies only need to report completion rates. It shows that measurement has to be built into learning's DNA so its true impact can be measured. This helps L&D become a better business partner and also makes for more informed decisions as to how learning should be developed and delivered.

How is each of the following negatively impacting your learning organization's efficiency and effectiveness?

4 or 5

Not enough time 62%

Inability to measure learning's impact on business performance 55%

Inability to measure learning's impact on individual performance 49%

Headcount shortages 45%

Not enough financial resources 45%

Competency and skill gaps in the L&D team 40%

Inadequate learning technology 36%

Inability to align business goals with learning goals 32%

1 = Not at all, 5 = Completely

Source: Brandon Hall Group, State of Learning Practices

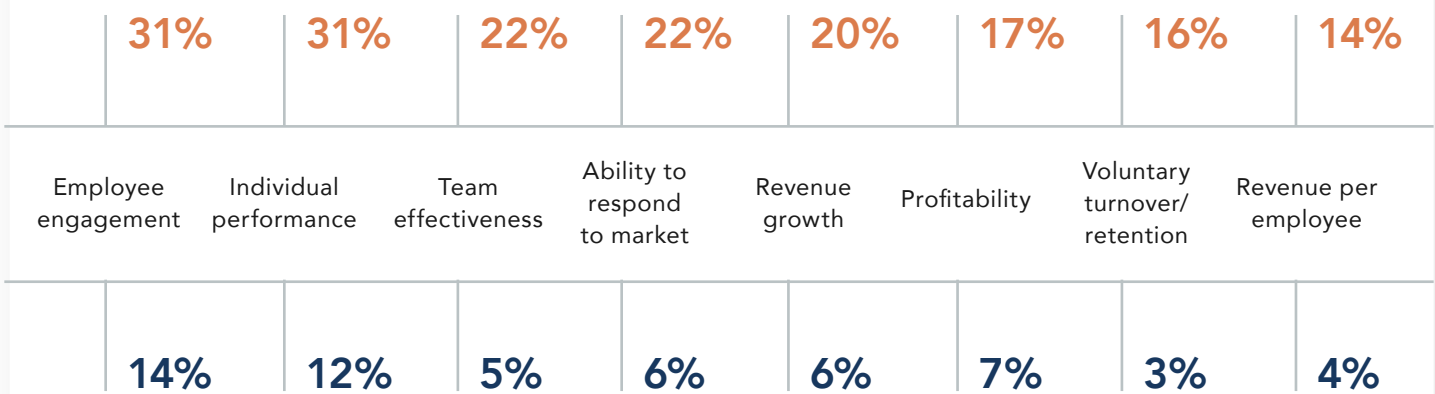
The main reason organization's cannot measure learning's impact is that they are not collecting and analyzing data on outcomes from various parts of the business. Just 8% of companies in Brandon Hall Group's *Learning Measurement Study* rate themselves at the highest level of our maturity model, where "high-performing organizations with leading practice learning measurement are able to gather data for metrics across all types of learning, whether formal, informal or

experiential. They are able to analyze this and other data from across the business to measure learning's impact on performance and business results."

While all organizations need to do a better job of connecting business outcomes to learning outcomes, high-performing organizations (HiPOs) are much more likely to use business-related outcomes as a measurement of learning's effectiveness.

Outcomes Used Consistently to Measure Learning

● HiPOs ● Others



Source: Brandon Hall Group, Learning Measurement



Learning and the Business

The convergence of all of these factors is that Learning & Development has to position itself as more of a strategic partner to the business rather than an HR function. Done right, learning helps drive a myriad of critical business outcomes: Increased sales, customer satisfaction, compliance and regulatory requirements, generating revenue, marketing, and more. As an example, about two-thirds of companies in Brandon Hall Group's *Extended Enterprise Learning Study* deliver training to customers.

The extended enterprise represents a huge opportunity for L&D to have a direct impact on the bottom line of the business. It can be an integral part of the customer experience, helping to create happy, loyal customers, and thereby boosting sales. It can also be an extension of the marketing function which can drive the sales pipeline. Customers who receive excellent training rely less on support systems, increasing satisfaction and reducing cost. Properly trained sales partners are crucial to improving sales as well.

How does your extended enterprise learning help your business?

77% Improves customer relations

68% Increases awareness of brand/products/services

45% Improves product/feature adoption

45% Helps meet and exceed corporate objectives

41% Increases sales

41% Maximizes client retention

36% Generates revenue

32% Meets compliance requirements

27% Build demand/lead generation

27% Reduces client support interactions

18% Provides a more unified voice across sales and marketing

Source: Brandon Hall Group, *Extended Enterprise Learning*

This level of business alignment comes with a certain amount of complexity, however. It is critical to establish a governance model that sets out who is accountable for what when it comes to learning. That includes:



Determining who is responsible for identifying key business outcomes



Identifying the specific needs of each learning audience



Defining success metrics



Set accountability for the different audiences (internal/external)



Regularly reviewing the learning strategy for alignment with business goals



Key Takeaways

1 **Include key business leaders and stakeholders in developing the strategy**

Without involvement from key stakeholders, the learning strategy has very little hope of aligning with the business. These business leaders know what they need from the workforce to meet their goals. By working together, the Learning function can develop learning goals that match the business goals and show how learning can help the business.

Among organizations with a more mature vision for their learning strategy, 65% say that business leaders play some role in setting the organization's learning agenda.

Develop a framework for measuring success

Companies traditionally struggled with meaningful measurement of learning. To fine-tune the strategy and unleash its potential, organizations must be able to measure and analyze learning's impact on real outcomes. Completions and smile sheets are not enough. This requires a strong measurement framework with defined, quantifiable metrics to be built into the strategy. Key business stakeholders can help determine these metrics from the view of the business and learning leaders can tie those to learning outcomes. Proper measurement can demonstrate learning's real value, identify successful (or not) programs, and give learning a solid foundation on which to build.

2

3 **Identify your organization's extended enterprise audiences and owners**

Based on the business cases, define the characteristics of each intended audience and determine their unique requirements. The learning ecosystem can be far larger than most companies realize, transcending employees to include resellers, manufacturers, customers, and even the public at large. For companies serious about brand awareness, delivering learning to the public is a key element of their marketing strategies. For organizations that invested heavily to create world-class training, there are opportunities to sell that training externally to defray learning costs.

Authors and Contributors



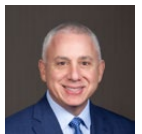
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