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eLearning and KPIs: metrics for measuring the effectiveness of a course

Measuring performance is the way to manage it. Corporate training is no exception. Defining the correct KPIs for training is the first step in managing them.

Training, performance and business innovation are closely linked. Benefiting from competent and experienced employees is the way to ensure that products and services offered by the company are competitive and able to deliver adequate value in the marketplace.

The random component in innovation remains ineradicable: some of the most important decisions in business management are made under conditions of uncertainty and with the benefit of the doubt. Only then can managers and executives evaluate whether the choices were really successful and whether it is appropriate to deepen the method and follow the path taken.

Business management does not mean eliminating uncertainties and following only established procedures but accepting that the organization competes in a complex environment and does so with limited information. While there may be little control over results, enterprises are left with the ability to measure internal efforts to achieve their goals. Defining, measuring and acting on KPIs (Key Performance Indicators, the parameters that measure performance) is the way to manage business processes and ensure competitive performance. Corporate training is no exception, and eLearning provides detailed insight into these measurements.

Identifying KPIs for eLearning

Administering corporate training courses is an economic decision, which must undergo opportunity assessments. It has already been illustrated how the advisability of providing an eLearning course can be evaluated through the calculation of ROI, the economic return on investment. The difficulty is, eventually, to define what these returns might be. A more suitable measurement is that of **ROL, the return on learning**, defined by Kirkpatrick's model. According to this model, to evaluate the effectiveness of a course one would need to consider:

- The involvement of the user during the lesson followed
- The retention of the skills transmitted
- The changes in operational ability after following the course
- The impact the training had on the employee's performance

The choice of these four evaluation areas is based on considerations of the **learning mechanisms of the major psychological schools**.

To ensure greater effectiveness in the management of eLearning courses by HR managers, it is then necessary to go into greater detail in the measurements. **Identifying which KPIs are most appropriate is the first step in managing corporate training.**

It is important to note that because of the software architecture, eLearning courses lend themselves to the measurement of a variety of metrics. The **statistics that an LMS software can collect** range from those related to user behavior, such as:

- the total number of courses accessed by the user
- the courses completed, those dropped, and those still being taken
- the tracking of each activity performed
- the methods and passing of learning tests.

At the course level, on the other hand, statistics cover such aspects as:

- the total number of users enrolled
- users who have completed the course and those who have not yet done so
- the average satisfaction rating.

Each KPI should measure a process by four dimensions of analysis:

- the volume of work done (the output dimension)
- the quality of the work done (the quality of the output)
- the cost for performance (the input indicator)
- the service or response time of the process

That said, what should be the KPIs considered for corporate training? To answer this question, it is necessary to consider that the purpose of corporate training is to change a behavior: to improve the quantity and quality of work done by the employee to enable him to increase the value produced or reduce the cost to produce it, possibly by containing the time of his work process.

Evaluating the KPIs of an eLearning course involves measuring the ex ante and ex post productivity of its attendees. The difficulty may lie in the fact that, the same eLearning course may be attended by employees performing different tasks in different business areas. The same e-skills training course may be taken by a sales manager, a production technician or an accountant: the productivity metrics in detail may vary with the tasks, but the input and output evaluation criteria will remain the same.

Measuring individual KPIs alone could underestimate the scope of a training course. If, absurdly, only one person in the company knew how to juggle office applications, his or her business contribution would still be limited: in the end, his or her documents would still have to be printed and much of the benefits of digitization would be lost. In contrast, a widespread culture would enable faster and deeper communication: when everyone in the company is able to use an internal chat, prepare presentations and share notes, the network effect is maximum. Therefore, it is important to **complement individual KPIs with team and company KPIs**. Training bears fruit in a pervasive and nonlinear way.

KPIs for eLearning and Learning Organizations

Unlike the other KPIs, those for training may have an organizational advantage: these metrics can be defined by human resources to assess an area of the same human resources. this carries a potential advantage for those enterprises that have established the importance of enterprise skills management. For companies that think of themselves as **Learning Organizations**, the figure of the Chief Learning Officer (CLO) is that of the person in charge of learning programs. Because of his or her proximity to the CEO, a CLO would be in a good position to make the case for HR's vision as a contributor to corporate leadership: close enough to the bridge of command as it is to those who hoist the sails and manage the ropes.

Measuring to manage

Having identified the metrics to be monitored, it will be necessary to measure them before and after eLearning courses are administered. Ex ante, measurement is to establish the normal work capacity of the individual, team, and group. Ex post, the measurement aims to assess the impact of the courses on each selected metric.

From the analysis of KPIs before and after courses, important considerations can be inferred such as:

- the type of courses most beneficial for productivity and output quality
- the employee, team, or department that benefited most from each individual course
- which courses can be deepened to increase the benefits provided
- which courses help reduce costs and which help improve quality

These conclusions, although inductive, can form the basis for management decisions, to be made in accordance with the situation of the enterprise. For a company that competes in a saturated market, where cost control is vital, focusing on courses that help instill a culture aimed at process efficiency and the measurement of expenses and inputs may be a good move. Conversely, for those companies competing in high value-added markets, training might be more effective if it delves into topics involving customer focus or technological innovation applied to products and processes.

Conclusions

To adopt an eLearning course in the company, it is important to present its benefits in a language that is understandable to all. From the concept of ROI, the return that any investment can bring, it is appropriate to move to that of ROL, the return on learning: this is more specific and can best illustrate the benefits of training.

That done, it is important to go into detail and define a list of KPIs, the metrics that evaluate performance. These should be designed specifically to assess the impact of individual courses and training in general, as much on the individual employee, the team of which he or she is a part, or the entire department or function. Progressive broadening also serves to capture those network effects that a shared culture can generate.

The advantage, in defining KPIs for training is that these can be better defined by human resources for its internal use: for enterprises where this function plays a primary role, it is easier to manage the enterprise as a Learning Organization, the organization that sees itself as an entity aimed at the accumulation of knowledge and skills.

Regardless, measuring KPIs is the first step in managing business processes and functions. eLearning software makes it possible to record a large amount of different data on which to perform a large number of statistical analyses. These can make it possible to identify those areas for improvement that would otherwise remain unknown. Connecting course delivery to the effects on the outputs, costs and processing times of individual or groups makes it possible to hypothesize whether and what further insights might increase the benefits achieved.

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