



KIERAN KING  
Global Director, Loyalty Strategy  
SkillSoft

## Moving the Needle: How SkillSoft Learning Impacts Performance of Individuals and Organizations

FEBRUARY 2011

*SkillSoft learning had an impact regardless of a company's size, geography, industry or length of experience with learning.*

### Executive Summary

What value does SkillSoft training provide to individuals and organizations? In late 2010 we asked KnowledgeAdvisors, the world's largest learning analytics firm, to conduct an independent study that would answer this question. Some of the key findings include:

- **High applicability:** SkillSoft learning easily integrates into the flow of work, and outperforms the industry when it comes to applicability.
- **Business impact:** Learners feel SkillSoft training impacts critical areas of business, with productivity and quality topping the list.
- **Confidence:** The training helps employees close skill gaps and build confidence that is essential to performance.
- **Increasing value over time:** Respondents overwhelmingly agree that SkillSoft's e-learning resources are

valuable, and the more they use the solutions, the more value and impact they see.

Taken together, the findings illustrate the powerful role that e-learning, and SkillSoft e-learning in particular, can play in a company's success.

### Answering Critical Questions About Learning

A study by the ROI Institute<sup>1</sup> notes that when it comes to learning and development, Chief Executive Officers primarily want to know:

- What is the expected impact on business results?
- What is the expected return on investment?

These questions are all the more critical now, as companies look for ways to rebuild strength and gain a competitive advantage in the recovering economy.

The KnowledgeAdvisors study, conducted via a survey

<sup>1</sup> *Measuring For Success: How Executives View Learning Metrics*, by Patti and Jack Phillips of the ROI Institute, Inc., Chief Learning Officer Magazine, December 2010

*SkillSoft learners report an ability to apply their newly learned skills at a rate that exceeds the benchmark.*

that occurred between December 14, 2010 and January 8, 2011, addresses these C-suite “hot buttons” of business impact and ROI. But it goes deeper as well, looking at the impact training has on the individual, and how that in turn affects a company’s performance.

**Input from a Broad Array of Companies**

Many different voices are reflected in this data. Responses came from companies of all sizes and industries, as well as across a geographic landscape that mirrors the learning industry as a whole. Some of these companies have been using learning tools for decades; others have less than a year of experience. Four hundred and sixty five SkillSoft clients were represented in the study.

The invitation to participate in the survey was sent to over 30,000 SkillSoft learners and over 7,800 responded (25% response rate) which provided a very robust and statistically sound dataset for KnowledgeAdvisors to analyze. The strong response was all the more

impressive considering the timing. Even during the winter holidays—one of the busiest times of the year—almost 8,000 SkillSoft users were motivated to respond and share their thoughts about SkillSoft. The end date for the survey was even extended through the first week of January because individual learners asked for an opportunity to tell their SkillSoft stories when they returned from holiday break.

**What did we learn from this pool of learners?**

When KnowledgeAdvisors analyzed the results, four key findings stood out:

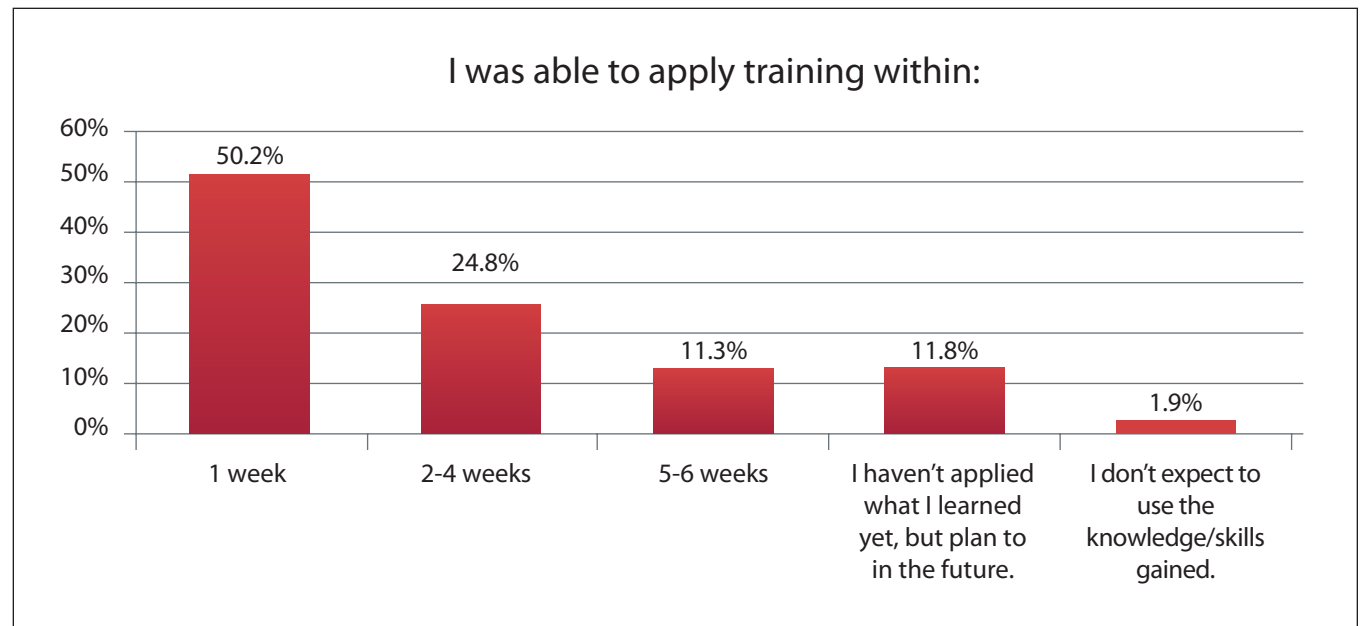
 **Key Finding #1**

**SkillSoft learning impacts performance because it integrates easily into the flow of work and is immediately applicable.**

SkillSoft solutions are designed to support performance in the flow of work, and at a moment’s notice. Having learning “on tap” helps a workforce nimbly adapt to the accelerating pace of change. In addition, SkillSoft’s

### Reducing “Scrap” Learning

- Scrap learning is the measurable amount of training that is delivered but not successfully applied to the job.
- Dr. Robert Brinkerhoff, an internationally recognized expert in training evaluation and effectiveness, estimates that the scrap learning can be as high as 80%.<sup>2</sup> The common scrap learning range is often between 55% to 80%.
- 86% of SkillSoft learners were able to apply what they learned within six weeks of the training. That means, SkillSoft’s scrap learning rate was 14%—far below the norm.
- SkillSoft learners are able to apply their knowledge more often and more quickly.
- Benefits: Higher return on investment and faster time to results with SkillSoft.



<sup>2</sup> *Manager Engagement: Reducing Scrap Learning* by John R. Mattox, II, Ph.D., *Training Industry Quarterly*, Fall 2010

## SkillSoft Outperforms the Industry

Compared to other learning providers, SkillSoft delivers:

- **Greater applicability:** SkillSoft's training is more immediately applicable to the job, outperforming industry benchmarks by 20.1% in the first 6 weeks following training.
- **Greater business impact:** Impact on productivity was rated 19.1% higher for SkillSoft solutions compared to industry benchmarks.

leading commitment to currency ensures a steady stream of fresh content and relevant information is available.

### How do these unique offerings impact employee performance?

- **Better job performance:** The majority of learners agreed that SkillSoft e-learning *improved their job performance*.
- **Applying knowledge quickly:** More than seven out of 10 respondents said they were able to quickly *apply the knowledge and skills they learned to their job*. Impressively, half were able to apply the learning within one week.

Many employees said that SkillSoft's readily available resources made a difference, and allowed them get more done in less time. One learner observed that SkillSoft often "provides better research results than Google, quickly, and with more depth of knowledge."

Another survey respondent noted that, "Access to

Books24x7® is a great way to quickly search through a subject in *real time*."

Of course, that kind of performance support is vitally important in today's environment, but it also needs to translate to results. One learner provided an example of the impact SkillSoft has had on their customer satisfaction, "The response time to our customer requirements was significantly reduced from one hour to 30 minutes."

Another way to look at training applicability is to measure the amount of "scrap learning" that occurs. In other words, training that is wasted and not applied to the job.

### Here again the study showed promising results:

- **SkillSoft "scrap learning" was remarkably low:** It is essential to get the most return from learning time and investments. 86% of SkillSoft learners were able to apply what they learned within six weeks of the training.
- **Manager support is key to training success.** Only

15.9% of respondents met with a manager to talk about how their training would be used on the job. (The ratings were 8 to 16% higher in Asia, India and the Middle East.) This reinforces an important point for any Learning and Development effort: Manager involvement is critical to success and will lead to an even better yield on learning investments.

- **Advice for managers:** To ensure that training has the intended impact and to reduce scrap learning, managers should:
  1. Outline expectations with the employee before training.
  2. Discuss how the skills will be used on the job.
  3. Follow-up to review results.

These simple steps can go a long way toward increasing an organization's return on investment.

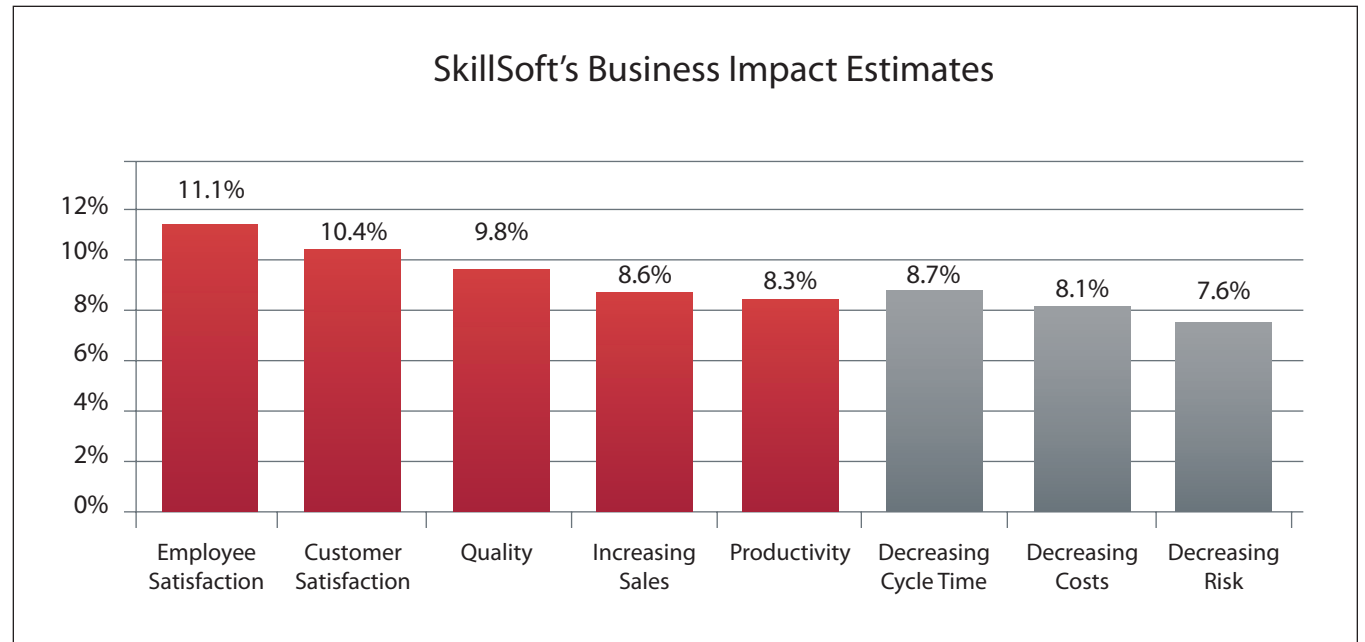
### **Key Finding #2**

#### **Learners feel SkillSoft impacts critical areas of business performance.**

SkillSoft's ability to easily integrate into the day-to-day flow of work sets it apart. But how does this translate into business results? Respondents weighed in with their thoughts.

When asked *which aspects of the business* SkillSoft impacts, learners cited:

<b>Increases in:</b>	<b>Decreases in:</b>
<ul style="list-style-type: none"><li>• Productivity</li><li>• Quality</li><li>• Employee Satisfaction</li><li>• Customer Satisfaction</li><li>• Sales</li></ul>	<ul style="list-style-type: none"><li>• Risk</li><li>• Cost</li><li>• Cycle Time</li></ul>



KnowledgeAdvisors then asked respondents to estimate *how much their performance improves after training, and what percent of that improvement can be attributed directly to the SkillSoft training.*

Using a method to estimate, isolate, and adjust the data, KnowledgeAdvisors was able to calculate the estimated impact that SkillSoft training has on each business impact area identified by employees.

What we see is that SkillSoft training *impacts* business metrics across the board.

#### **What does this mean to the bottom line?**

To illustrate, let's use an example of a \$1 billion company with 10,000 people. (While this is a large company, we can assume that small to medium companies would see similar benefits, proportional to their size.)

- **Employee satisfaction improves retention.** With higher employee satisfaction, you typically see less

turnover. For our fictional company, we'll estimate annual turnover at 15%, or 85% retention, and the cost to replace a position at \$120,000. Turnover costs can range between 93% to 200% of an existing employee's salary<sup>3</sup>. That puts the total annual cost of turnover for such a company at roughly \$180 million. What happens when training increases employee satisfaction? This could cut turnover from 15% to 10% which could save \$60 million in recruiting costs.

- **Higher productivity means more work gets done.** If the productivity of one SkillSoft learner increases 8% (according to the conservative estimate), a company gains 160 hours of additional work output, or roughly 20 business days per year. For our \$1 billion company, an 8% increase in productivity could lead to \$80 million in increased revenue.
- **Meanwhile, training costs decrease.** Employee satisfaction, productivity and other metrics are improving. But at the same time, learning costs are reduced

<sup>3</sup> *Investing in People: The Financial Impact of Human Resources (Second Edition)* by Wayne Cascio and John Boudreau, 2011



### Higher Employee Satisfaction

Satisfied employees are more engaged and committed to the company's success. Learners said SkillSoft learning increased employee satisfaction by:

- Increasing confidence in one's abilities
- Valuing development opportunities
- Improving team management skills
- Improving communication skills
- Making references easily available

because there's less spending on travel, instructors, training centers, books and more. If we assume our large company spends \$100 million on training per year, the estimated 8% savings (from the chart above) would lead to \$8 million in savings.

Similar examples could be applied to any of the areas featured on the chart. But one of the most exciting aspects is that the benefits are not isolated; they influence one another and work in concert to improve business performance.



#### Key Finding #3

**SkillSoft helps employees close skill gaps and build confidence that is essential to performance.**

What's the driving force behind these improved business metrics? Employees who are confident and applying new skills.

Throughout the "comments" section, respondents repeatedly said SkillSoft learning strengthened their:

- Management and communication skills,

- Ability to gather information and solve problems,
- Confidence in their own abilities.

This establishes a solid foundation for success, and sends a ripple effect of improvements across many areas of business performance. For example, employees noted that:

- **Quality improves** because employees have better communication, processes, and project management skills.
- **Customer satisfaction increases** because products are delivered faster, quality is higher, and communication and consulting skills improve.
- **Sales increases** because employees better understand their customers' needs.

One respondent said, "I feel more comfortable with newer information technologies and I can contribute more as the manager of skilled engineers."



*A look at which words respondents used most often when sharing their thoughts about SkillSoft learning.*

## *90% of learners valued having access to SkillSoft's e-learning resources.*

Another said, “I was uncomfortable before in taking customer calls. I am now the number-one technician in this area at my company.”

Other comments included, “I can talk with customers more effectively now;” “I understand how to get the right information by asking the right questions;” and “I’m more confident in my subject matter.”

With their new skills and knowledge, employees were able to become more engaged and more productive. As one respondent keenly observed: “*The more I know the faster I can solve problems.*”

### **Key Finding #4**

**Respondents overwhelmingly agreed it was valuable to have access to SkillSoft's e-learning resources.**

In addition to looking at business results, we also wanted to find out what employees thought of their SkillSoft experience—and if they found value in the resources that were provided. We learned that:

- **People saw the value:** 90% of the respondents valued the fact that their employer provided them the ability to use SkillSoft e-learning.
- **They were satisfied:** Approximately 8 out of 10 said that they were “satisfied” or “strongly satisfied” with SkillSoft. If the “slightly satisfied” responses were factored in, the results would be even higher.
- **It was a worthwhile investment:** Nearly three-quarters indicated that the SkillSoft training was a worthwhile investment for their employer. This was higher than the industry benchmark.
- **It helped their career development:** Approximately 7 out of 10 learners said SkillSoft training was helpful in their career development. This result is also higher than the industry benchmark.

Another interesting finding was the compounding effect that SkillSoft had. The longer the SkillSoft resources were used, the more value and impact they have for learners.

***“Our study found that learners gain more value and impact from SkillSoft resources the longer they use them.”***

***~ Jeffrey Berk, Chief Operating Officer, KnowledgeAdvisors***

Continuous learning is essential for building deep specialization of skills, according to *The Corporate Learning Factbook® 2011* from Bersin & Associates<sup>4</sup>. Learners need ongoing, reinforced development to develop expertise—and L&D executives are responding by creating targeted, ongoing access to training. As the KnowledgeAdvisors study shows, SkillSoft can be a powerful strategic ally in this type of training approach.

### **Real Impact, Long-Term Success**

Learning and development can measurably improve organizational performance. Research from Bersin & Associates called *Building a Borderless Workplace: Predictions for 2011*<sup>5</sup> shows that organizations with strong learning cultures significantly outperform their peers in the following areas:

- **Innovation** > 46% more likely to be first to market

- **Efficiency** > 37% greater employee productivity
- **Quality** > 26% greater ability to deliver quality products
- **Agility** > 58% more prepared to meet future demands
- **Market Share** > 17% more likely to be the market leader

These are eye-opening figures, and they underscore the competitive advantage that a focus on learning can deliver.

But not all learning and development measures are equal. Chief Executive Officers are not as interested in learning consumption as they are in learning's impact. They want to know “what is the business effect?” and “what is the return on investment?”

<sup>4</sup> Bersin & Associates: *The Corporate Learning Factbook® 2011*

<sup>5</sup> Bersin & Associates: *Building a Borderless Workplace*

The wrong kind of learning will slide into the “scrap” heap, wasting precious time, money and resources. The right kind of learning will become a strategic lever that lifts performance across the organization. It will be valued for its ability to close skill gaps, build confidence and improve productivity. Most important, it will “move the needle” in critical business areas.

The results from this independent study demonstrate that this is clearly happening with SkillSoft. Now it is up to more organizations to seize the opportunity and use SkillSoft learning to achieve powerful competitive advantage.

### **Study's Measurement Methodology**

The firm who conducted the study, KnowledgeAdvisors, is the world's largest provider of learning and talent measurement solutions and the thought leader in Human Capital Analytics.

A voluntary, web-based evaluation survey was distributed to 30,687 SkillSoft learners from which 7,817 responses were received. The KnowledgeAdvisors Metrics that Matter® system was used to deliver the survey instrument as well as house the results. The survey asked the SkillSoft learners to reflect on SkillSoft training they had used between the months of June and November 2010. The survey structure and analysis method was based on the Kirkpatrick's four levels of learning evaluation model and the ROI Institute's ROI Process. Results were compared to a normative benchmark of more than a half million learning evaluations compiled within the KnowledgeAdvisors Metrics that Matter® system.



**Corporate U.S.  
Headquarters**

107 Northeastern Boulevard  
Nashua, NH 03062  
Phone: 603-324-3000  
800-327-6960  
information@skillsoft.com

**SkillSoft EMEA  
Headquarters**

Compass House  
2nd Floor  
207-215 London Road  
Camberley  
GU15 3EY  
UK  
Phone: +44 (0) 127 640 1950  
Fax: +44 (0) 127 640 1951  
internationalinformation@skillsoft.com

**SkillSoft Asia Pacific  
Headquarters**

Level 27, 101 Collins Street  
Melbourne VIC 3000  
Australia  
Tel: +61 3 9653 7484  
Fax: +61 3 9653 7373  
apac@skillsoft.com