RED CASTLE

HUMAN CAPITAL

Helping clients make evidence-based decisions and invest more confidently in their people…

Why…

Organizations increasingly realize the value of workforce investments to improve performance and the customer value proposition. However, it is difficult to link workforce investments to objective organizational metrics, obscuring our understanding of program effectiveness and impacts to the bottom-line.

The *Chief Learning Officer* magazine recently released its 2019 report from their Business Intelligence Board comprised of 1,500 learning professionals who agreed to be surveyed by the Human Capital Media Research and Advisory Group.

58% unsatisfied with learning measurement and ROI development within their organizations.

While 74 percent of respondents said, they currently measure the "employee response" to training, but report they're struggling to provide linkage and correlation to the business metrics that matter.

Technology — or, rather, the lack of it — may also be a factor contributing to learning leaders' frustration and dissatisfaction. Only 18% of respondents report that their organization has the technology to collect, aggregate, integrate, and analyze data from multiple HR systems, otherwise known as big data.

What…

Red Castle Human Capital (RCHC) was formed to help organizations understand and leverage workforce data, including shedding light on the actual returns from workforce learning and development investments. In the following, we detail a phased approach to help quantify, interpret, and optimize its workforce investments over time.

71% of learning leaders have plans to increase learning analytics by establishing measurement processes using data to make evidence-based decisions.

Our _Trajectories_ program was explicitly designed to independently and continuously assess the effectiveness of their organizational development programs by linking workforce investments to business outcomes.

Trajectories can be applied to complement _any_ learning and development program and provides ongoing workforce intelligence that enables you to estimate returns from OD investments, identify participation gaps, and improve vendor selection.

TRAJECTORIES

How…

Research has shown developing an L&D analytics strategy starts by first creating a plan followed by a phased approach over time to foster the process and technology capabilities an organization needs to leverage the data required to make evidence-based decisions.

Here are the recommended steps to setup a data-driven L&D evaluation:

1) Select KPIs important to your operations which will be correlated with all available HRM data sets and core productivity indices to establish meaningful business metrics.

2) Implement a process of targeted assessment to service leaders to establish a baseline of the workforce group and measure over time.

3) Once employees are exposed to learning and development programming, track and quantify changes in their metric *Trajectories*.

4) Report the findings back on a quarterly basis, providing independent and rigorous third-party assessments of the L&D program impact on business outcomes.

Data Lake Construction

Quality analytics requires quality data, and we begin our process by working with your team to locate and consolidate workforce data needed to quantify L&D impacts. We then advise your organization on additional data required to answer specific ROI questions.

Data Modeling

Once data have been compiled and quality-controlled, we begin predictively modeling relationships within the database. For example, to estimate productivity returns, we index performance evaluations and compensation across time, and link training exposure to productivity change and attitudinal outcomes.

To estimate retention metrics, we model L&D exposure on the interval of employment, calculating risk or hazard ratios for employees to leave based on exposure to training. When replacement cost data are available, we can also calculate the dollar value of retention impacts, or use nationally representative data to impute these values. Finally, when data are available, we can link L&D program exposure to changes in customer metrics across time, either at the individual level or group level.

Program Evaluation

We explore quality-control for L&D programs. For example, our purpose is to identify and quantify participation gaps (if any), rate the performance of L&D personnel, and provide evidence-based prescriptions to help fill identified gaps.

Specifically, we explore why certain employee groups are participating and benefitting more or less from L&D exposure, ascertain why those groups experience these gaps, and then provide recommendations to improve program content and delivery.