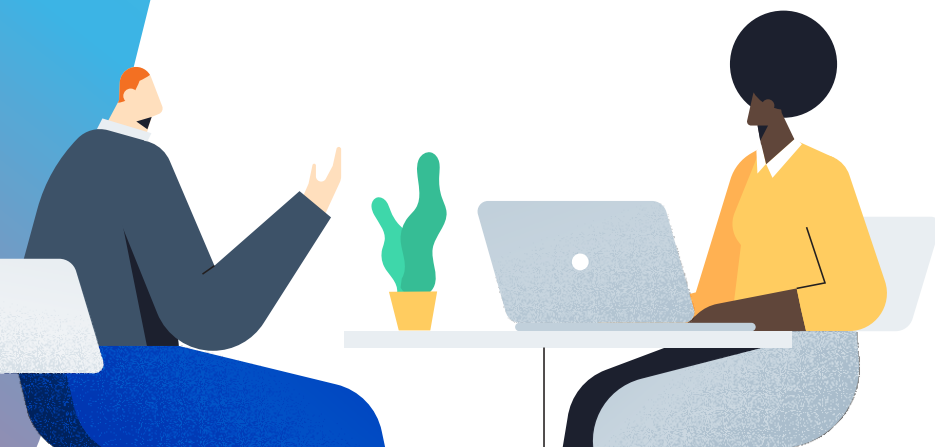
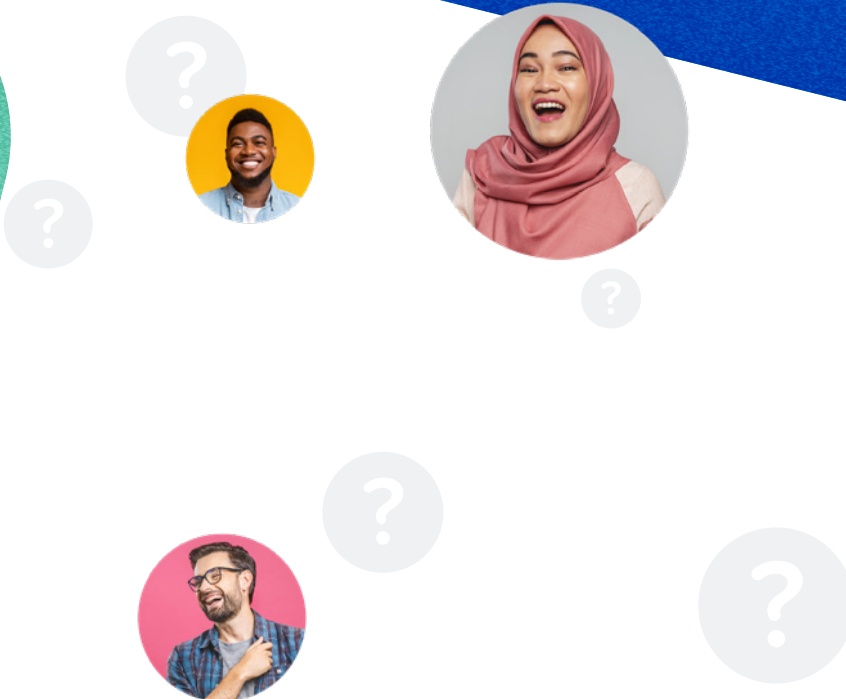


Learning Maturity Matters

Learning Management Survey



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Executive Summary

“Smooth seas do not make skillful sailors.”

Often attributed to Franklin Delano Roosevelt, this old African proverb helps us realize that some days can be tough on our journey. It is helpful to remember that rough seas help us learn how to manage, how to cope. And it is not just life skills we are talking about; it is an organizational dynamic.

Learning has often been billed as a competitive advantage, being able to adapt and adjust faster is how businesses think of employee learning and development (with the notable exception of those who are just focused on maintaining compliance). The thought process goes, “by developing and training our employees, we’ll have the most skilled workers, which will translate into productivity, retention, and ultimately success in our marketplace.” All of which are true, but the year 2020 taught the world of work some additional, hard lessons about the value of investing in learning: the key to adaptability and survival of every business starts and ends with learning. Remote work, virtual collaboration, and new skills training became the lifeboat that saw us to shore. To our surprise, we found that not only could we survive this way, but we could also thrive.

We may not be able to predict the next crisis, competitor, or marketplace change, but you can prepare your workforce to be adaptable and your business to be ready to take on any challenge.



Cornerstone is, at its heart, a learning company. And after having the deep value of learning, once again, reinforced to us as one of the most important investments any company can make, we had to ask the question, “What is the current state of organizational learning strategy and impact?” It is one thing to know learning is essential, but something else entirely to enact it and strive for behavioral change across an organization.

To get a read on the state of organizational learning, we administered a study examining two aspects of an organizational learning environment: learning strategy and learning impact. We did this in both the U.S. and the U.K. and focused on small and medium businesses with fewer than 1,000 employees.

Learning strategy questions were designed to understand whether organizations even had an overarching strategic view of learning. Learning impact questions addressed the influence that learning has on an organization's performance.

To make this study actionable, we then analyzed five specific demographics to understand what organizational factors contributed to these two measures.

- Company size (by number of employees)
- How content is sourced
- Annual learning budget
- Annual learning budget by employee
- Tracking of learning programs

Based on results, Cornerstone was able to develop a rigorous approach to measure success for organizations by creating a learning maturity model. This model was able to help us conclude that having a learning strategy will contribute roughly 43% of the impact that performance-based learning influences (impact).



A good learning strategy accounts for **43.1%** of influence on learning impact.

Key Findings

As we analyzed the respondent's answers, we found ourselves four interesting trends.

- Learning management priorities for 2020 were very clear with employee development being a clear leader with productivity, profitability and career planning rounding out list.
- A good learning strategy accounts for 43.1% of influence on learning impact.
- Respondents with NO LMS in place or way to track saw a significant drop in learning strategy and effectiveness.
- The more a company spends per employee, the higher the respondent's confidence in learning strategy and learning impact.

Any ability to impact the business through learning requires a content strategy as well. As a part of our survey, we asked about the source of learning content. We were gratified to find that over 81% of respondents indicated some level of purchase as opposed to internal development as we believe that to be a best practice. (Table 1)

Where do you source your learning content

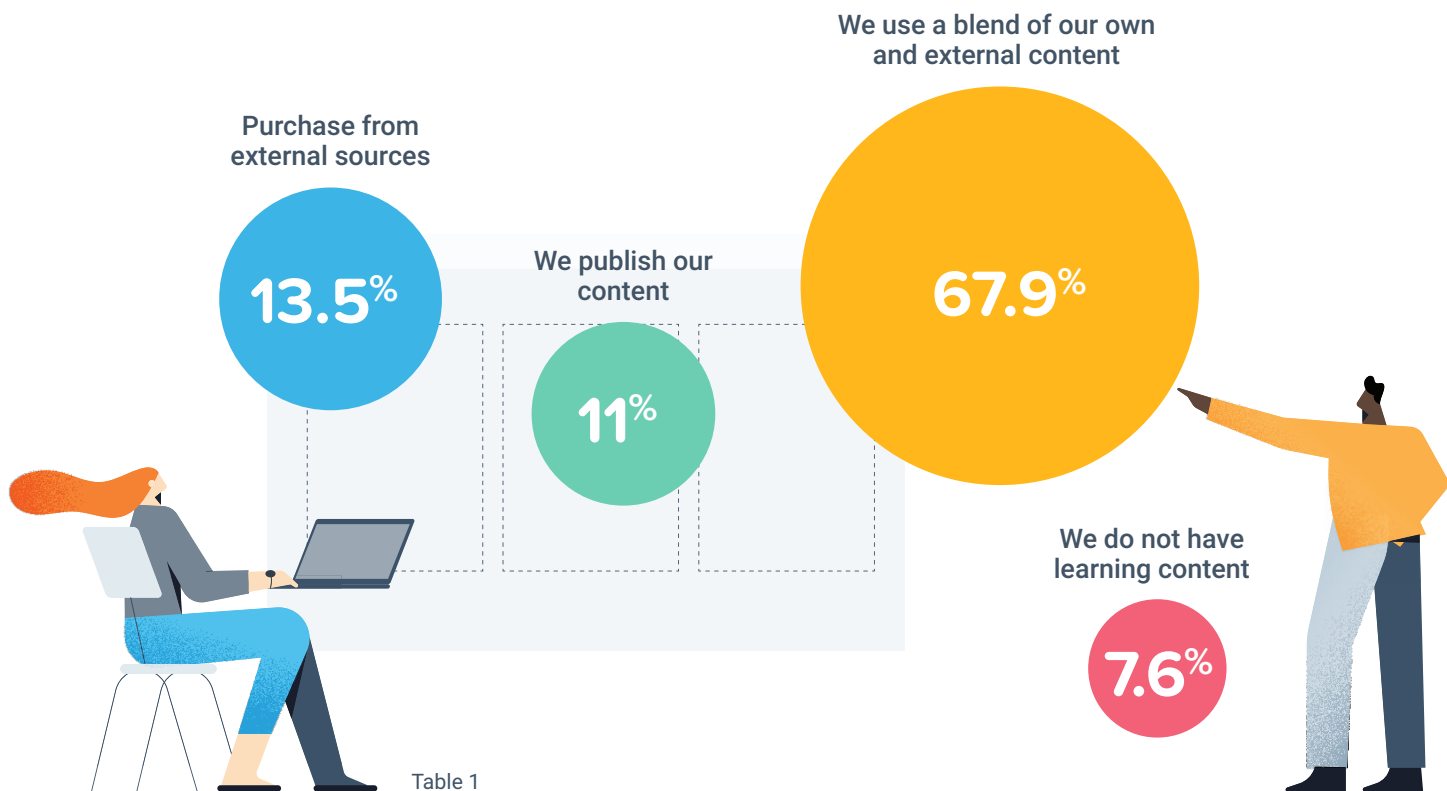


Table 1

Learning Maturity Model

A rubric to current practices and a model for success

The purpose of this study was two-fold: first, to understand current practices and sentiment of businesses today in regard to learning and second, to take these findings and build a recommended guide to success. Based on our 20 years of experience, Cornerstone has developed a learning maturity model (figure 1), which shows us a breakdown or general indicators of how businesses progress in their learning strategy. The goal for all businesses should be to reach the optimized stage.



Figure 1

A detailed explanation of the 4-stage model in Cornerstone's experience:

- 1 Administrative** – This stage is foundational to all other stages; it suggests that learning is part of an ad-hoc process. Some evidence of this stage would be no structured reporting on learning, ad hoc training with no direction, and no consistent cadence.
- 2 Operational** – In this stage, learning is very functional with consistent processes administering learning, reported as cost. No intrinsic value in the learning itself; it is viewed as a necessary element and managed by cost containment. Evidence of this level includes learning as a compliance solution, many organizations we work with fall into this stage.
- 3 Emergent** – At this stage, organizations start to get more out of learning beyond the basics of compliance. Learning goes beyond the transaction of “complete” or “incomplete” and seeks to transform the business by using learning to improve employee performance. The evidence at this level is that learning is found in daily workflows and reported as a strategy for enablement. However, it usually is embedded into some other initiative, such as an HR or enablement program.
- 4 Optimized** – A true learning organization with a strong learning culture. That is what organizations at the optimization level have created. Here learning is a deep part of the company's overarching strategy and viewed as a competitive advantage and keystone to building adaptability and resilience. We consider organizations who fall within this stage as achieving a strong learning culture exhibited by treating learning reporting as important as financial reporting. Learning is considered a tool to increase employee satisfaction, retention, and personal well-being and growth. Organizations that do this typically have learning and development as a stand-alone entity entrenched in the business.

Learning Maturity Model (Distribution)

How we segmented our survey respondents

Through our analysis we looked at the distribution of answers in aggregate for learning strategy and learning impact (Figure 2). We stratified through an average of answers using a 5-point Likert scale. The majority (66 percent) of businesses fall in the operational to emergent of learning maturity; their programs are functional but there is room to grow to truly build a learning culture with REAL business impact.

A Likert scale provides reliability, we chose to use the “agreement” type (Figure 3) and we phrased our question in the positive (affirmative) voice.

Learning Maturity Distribution From the Cornerstone Survey

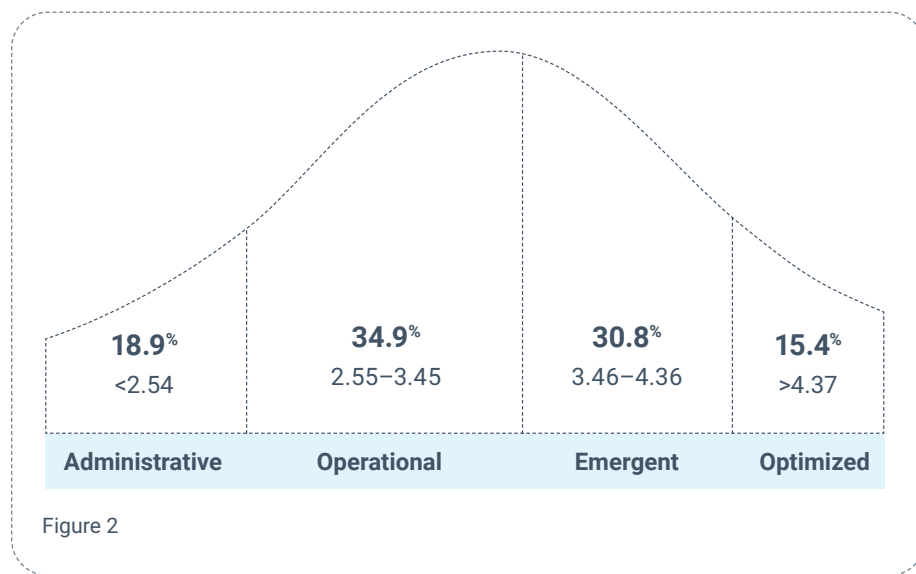


Figure 2

A Likert scale provides reliability, we chose to use the “agreement” type (Figure 3) and we phrased our question in the positive (affirmative) voice.

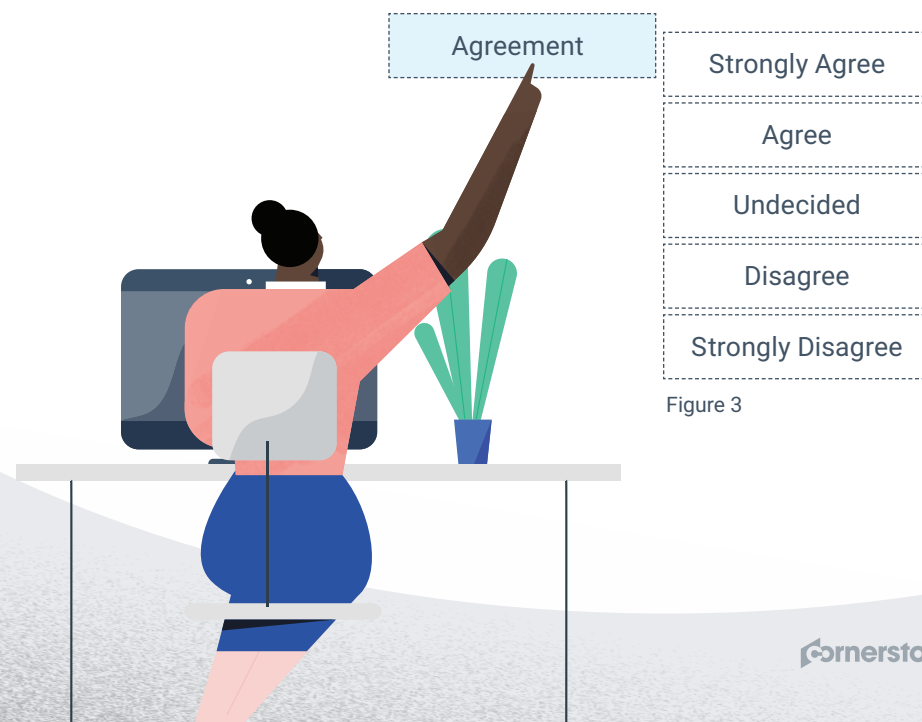


Figure 3

Learning Strategy

Understanding how organizations utilize and commit to learning

1. I am satisfied with the current level of quality of our learning programs.
2. I am satisfied with the current level of quality of our learning content.
3. Our organization has a learning strategy.
4. Our organization's leadership team nurtures a culture of learning.

The learning maturity model provided a useful tool to measure and contextualize answers from respondents. Using the model on the four questions listed in (figure 4) above, we were able to align to two dimensions of classic learning strategy (table 2) and make some recommendations: system satisfaction and organizational leadership.

System satisfaction: how an organization utilizes its learning system, i.e. the platform and content.

Organizational leadership: how the organization views senior leadership's commitment to learning

	System satisfaction	Organizational leadership
Administrative	<p>No system: learning is ad hoc, likely taking place on YouTube or other consumer platforms. Consider the establishment of a learning and development team to begin planning for a formal learning program.</p>	<p>No commitment: No evidence of long-term commitment to learning. Low employee satisfaction, high attrition. Consider building a business case to 'sell' leadership on the merits of a formal learning program and the consequences of inaction.</p>
Operational	<p>Compliance-centric: The value of learning is seen only as completion of mandatory compliance training. Consider aligning your learning technology platform to workforce planning as a strategic element of a formal learning program.</p>	<p>Transactional commitment: Senior leaders view learning as a burden of compliance. Necessary to stay in business. Consider rallying the support of lines of businesses within the organization to promote learning as a business necessity.</p>
Emergent	<p>Performance-centric: Learning addresses professional development for current and requisite skills of employees. Consider integrating learning with virtual collaboration, coaching, and performance observation tools.</p>	<p>Commitment to performance. Learning is used to improve employee performance. The learning function is invited to participate in executive business decision-making.</p>
Optimized	<p>Development-centric: Learning addresses personal development and future skills. It focuses on talent mobility, engagement, and job satisfaction. Consider leveraging self-directed learning methodologies to enhance employee autonomy and engagement.</p>	<p>Commitment to development: Focuses on employees rather than just the organization. Invest in employee development for the long-term. Learning is considered a business-critical function and measured along with other critical business outcomes.</p>

Table 2

As mentioned, most respondents indicated that their organizations are in the operational and emergent categories. Building a learning culture has long been discussed in the HR world as the ideal that all business leaders and organizations should strive to, but results indicate that most have not fully created that learning culture.

Although real progress has been made, we still circle around learning as a function of checking the box of compliance and driving employee performance to increase profits.

Learning Impact

Understanding the influence of learning on organizational performance

The following questions were asked to determine how learning influences organizational performance:

1. Our organization's cultural values are focused on the importance of the application of learning.
2. Our employees are encouraged to continuously learn new skills to improve individual performance.
3. A culture of learning in our company is important to our employees.
4. The culture of learning in our organization impacts business results.
5. Our learning content has an impact on the business.

For purposes of this report, organizational performance is defined within the traditional definition of business outcomes, increased growth, reduced costs, and reduced risk. Learning impact is defined by identifying specific learning outcomes (i.e., learning strategy) that are aligned to and measured against business outcomes.

Using a Likert scale, analysis of the responses provided reveal that those organizations that showed a propensity for responding favorably to these questions are likely to have a strong learning strategy and, therefore, have a measurably positive impact on overall business outcomes.

Just how much of an impact does learning really have on an organization's performance? The answers respondents provided to the questions listed above helped us to analyze the degree to which a learning strategy has a causative impact on business outcomes.

If an organization has a strong learning strategy, it will likely directly impact overall organizational performance. The learning model showed that a good learning strategy accounts for 43.1% (figure 5) of influence on positive learning impacts to organizational performance.

The takeaway from these results is clear: Invest in learning strategy, expect a great impact on the success of your business.



Current Learning Methods and Priorities for the Future

Beyond tracing the Cornerstone learning maturity model experience, we also wanted to ask business leaders very practical questions about learning methods and their future plans. We did this to understand the real-world application of learning and how respondents rate its effectiveness.

For the first question, we just wanted to understand how frequently small and medium organizations used various methods of learning delivery.

Which learning methods are used most frequently in your organisation?

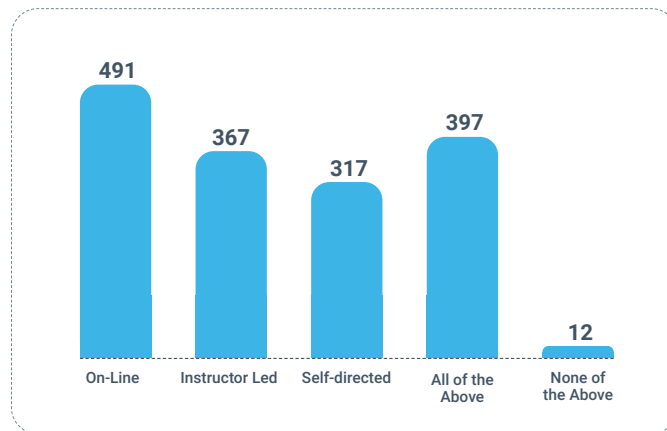


Figure 6

Responses in figure 6 show that most companies leveraged online training as their first choice whether it be purely online learning, virtually instructor lead or self-directed (online was an inclusive mention of all 4 of the other answers except for none of the above). This “blended” approach is what we have seen at Cornerstone as a best practice, using virtual instructor lead (VILT) as a component in an overall learning strategy.

Some caveats, we need to consider that the information collection period was during the pandemic of 2020 and that, by necessity, most, if not all, training was required to be online. It is also important to note that the question “outside the organization” was a choice and appeared in some manner nearly 25% of the time. This added dimension can mean many things and by default could have been the typical “other” category, that said it was instructive to see its appearance in such a pronounced way.



Once we understood what methods of learning delivery were being used, the next reasonable line of thought turns to, “is it viewed as effective?” Respondents ranked answers, which allowed for one answer to appear in more than one position in the list

Ranked in order of importance the learning methods you consider to be the most effective:

	Ranked 1	Ranked 2	Ranked 3
eLearning/online	352	503	135
Instructor-led learning	512	269	209
Self-learning (outside of the organization)	126	218	646

Table 3 (Not All Respondents, 295 Answered)

Although close in answer frequency, Table 3 tells us that respondents still feel that the traditional method of a using an instructor, whether it is based in a classroom setting, through virtual learning (VILT) or outside the organization is most effective.

We see this as encouraging, blended learning has long been a best practice and the movement of online learning to parity makes sense to us. Pure online learning is certainly the easiest to administer and most cost-effective method of learning, but these results may indicate that the content itself may need improvement in quality and effectiveness to yield the greatest results as we indicated in Table 1 of our key findings section (i.e. review your content spend as 81% are purchasing content at some level) .

Learning priorities

The pandemic of 2020 caught the world by surprise. It is possible that the rapid change and forced remote work environment may have changed learning priorities, but responses gathered in July of 2020 provide us with a good baseline for how things change in the years to come.

Respondents ranked answers from 1 to 6, which allowed for one answer to appear in more than one position in the list. The ranking of learning priorities for 2020 where the element was #1 or #2 were:

Rank Order When Selected #1	Rank your organization's learning management priorities in 2020	Ranked 1	Ranked 2
1	Develop employees	355	279
2	Compliance	209	137
3	Staff Retention	191	169
4	Improve Profitability	102	98
5	Improve Productivity	89	214
6	Career Planning	24	73

Table 4

We found three interesting ideas surfacing in this part of our analysis.

- Developing employees came in as highest in both the #1 and number #2 position. Developing employees is invaluable to the success of both employee and organization.
- Compliance is still an important part of what is required of the learning teams.
- Productivity came in quite high, with 214 people ranking it second in priority. In our experience this clearly is demonstrating an understanding of learning needs in an era of business continuity.

Answers to this question indicate that respondents are aware of the value of learning and desire to bring it to the forefront of their plans going forward.

Conclusion and Recommendations

This study showed us that organizational learning is valued and in many ways its impact is understood. It also suggests that there is room to grow and there are many ways to improve learning impact.

Below are recommendations for improving learning impact in order of strongest to weakest. Note that all of these are interrelated and include actionable steps.

Learning Strategy

Learning strategy is broken out into two areas: system satisfaction and organizational leadership. The overall recommendation is to move from an ad hoc learning model through compliance support and land on personal employee development that focuses on the future to improve overall satisfaction.

System Satisfaction

- **Programs** – Review what kinds of learning programs you are currently hosting. Are they on an 'as-needed basis'? Do they focus exclusively on compliance? Do you understand your current skills needs? Do you have a feedback mechanism for your employees to tell you what programs they need?
- **Content** – Review your current content catalog. Is your catalog void of consistent categories? Do you understand whether your in-house compliance content is effective? Are your courses subdivided into current competency needs? Do you have personal development curated content available?
- **Instructor Led** – Review your VILT capabilities. Do you use your system well in Virtual Instructor Led (VILT) sessions? Is there a collaborative component for the students? Does it support blended learning techniques?
- **Self-Directed Learning** – Review why employees are looking outside. When the organizations acknowledge some significant level of external learning access, it is indicative of a partial learning strategy, or a dissatisfaction with your current user experience. This may be a good opportunity for you to look at the systems you are using or to look for a system when only manual processes are in place.

Organizational Leadership

- **Senior Executives** – Ensure that you have senior leadership commitment. Usually, this show of commitment comes in the form of funding, but also leading by example. Immediate actions include, connecting learning to innovating products and key business outcomes, and recognizing those who have taken learning to a new, exemplary level. Finally if mistakes are embraced as learning opportunities and Senior Leadership can remove the 'fear of failure' aspect.
- **Metrics** – Install learning metrics at the same levels as customer data and company financials. Usually, learning and development costs classify as a burden to the company, often buried in reporting internal business processes. Elevate the importance of these metrics. Use your leadership commitment in identifying and communicating the learning metrics for the company, and start baselining those metrics, quantifying measurable impact.

Sentiment Analysis

We asked three main questions about learner sentiments in their learning environment. Below are two areas for immediate action.

- **Instructor-led training** – Investigate new ways to create instructor-led training in a virtual environment. Best practices include but are not limited to live peer-to-peer discussion, multi-modal training content, and trainer/learner interaction.
- **Learning priorities** – Ensure that both employee development and improving productivity are at the top of your learning priority list. These may be good areas to explore business metrics as measures. Both items were measured overwhelmingly high in this study.

General Insights from the Demographic Findings

As part of the study, we also asked respondents to provide some demographic data that helped us examine successful companies' characteristics employing a good learning strategy and learning impact.

- **Content** – Ensure you have professional learning content available to your employees. You will notice that this element appears twice in our recommendations. Whether it is company generated, purchased from a 3rd party or a blended combination, ensure that employees have professional access to this resource. A content strategy is as important as a learning strategy. It is also important to distinguish between 'soft' and 'hard' skills training. Soft skills training is always more impactful when providing feedback to the learning process (e.g., coaching or observation checklist) and having the ability to virtually collaborate is an important factor when making decisions about your delivery technology.
- **Learning Budget** – Review if you have allocated a specific budget for learning at an individual level. If so, be sure to communicate this to your employees. Perhaps have an approval process to ensure that the money allocated is aligned with achieving your learning impact needs.
- **Tracking** – Have a professional learning tracking system that your employees can access. This action not only shows commitment but also raises visibility and accountability to each employee. A tracking system also assists with career planning and growth.

Finally, results showed that there is a trend line suggesting that the more a company spends per employee, the higher the learning strategy and learning impact resulted as we called out in the key findings. However, we believe targeting that spend to a content strategy, ensuring business outcomes and a cohesive system strategy will accelerate the learning impact.



Supplemental – Methodology and Additional Commentary

The survey was distributed via email from June 8 to June 24, 2020 (in the UK it was 4 August to 9 September). The questionnaire was designed by examining and relying on the latest professional and academic literature.

Number of Respondents Table 5

Number of Respondents	Percentage of Respondents
UK 345	United Kingdom (26.8%)
US 940	North America (73.2%)

Demographic insights

To best understand what kind of organization considers learning as having an impact on their business, we analyzed four demographic categories:

- Employee count – number of employees in the company
- Source content – external content, original content, a blend of the two
- Annual learning budget – how much do businesses spend on learning per employee?
- Tracking – how to businesses keep track of learning and analyze results?

We looked at each of these categories and asked the question, “Does it have an impact on learning?” Here are the results:

Employee Count Table 6

Size of Company (Number of Employees)	Percent
1-49	22.6
50-99	13.0
100-249	34.4
250-499	16.6
500 or more	13.4

Table 6 shows the company employee counts. We feel this was a solid distribution in terms of size. In the end, we found that the number of employees your business has will not help or hinder the impact of learning within your business. Businesses with 10 employees sees the same results as a company with 500 employees. However, there is a gap between learning strategy and learning impact, i.e. with no strategy comes low impact.

Source Content

Here, we asked respondents where they get (source) their learning content.

- It is purchased from external sources
- We publish our own content
- We use a blend
- We do not have learning content

This question was aimed to tell us whether the source of learning content would have an impact on the relationship between learning strategy and impact.

Results showed that respondents did not distinguish between different content sources, it only matters that you have content to offer employees. Thus, a recommendation is to review your learning strategy to ensure that you have learning content accounted for in your plan, and a content strategy to address all areas of your operation. We also believe that standard content can be less expensive to build and continue to maintain the catalog. Specialized, differentiated or proprietary content is what should be singled-out for internal build We encourage the reader to leverage scarce budgetary spend dollars in a comprehensive content review.

We repeat table 1 from the key findings section below for convenience.

Where do you source your learning content	Percent
Purchase from external sources	13.5
We publish our content	11.0
We use a blend of our own and external content	67.9
We do not have learning content	7.6

Table 1 (Repeated from Key Findings)

Annual learning budget

Does spending more overall make a difference? Results showed that there is a trend line suggesting that the more a company spends per employee, the higher the learning strategy and learning impact. We asked about the annual budget for learning.

- Up to \$999
- \$1,000 - \$49,999
- \$50,000 - \$99,999
- \$100,000 - \$249,999
- \$250,000 or more

A point of note. What does have an impact is when the staff does not know the budget. When that happens, the sentiment scores drop. This is likely due to lack of confidence by employees when the organization is not transparent about how their careers and skills will be developed.

Tracking of learning programs

Finally, we wanted to understand how businesses are currently tracking their learning programs and how it affects their sentiment toward learning strategy and impact.

The categories were:

- We use a learning management system
- We rely on manual processes (e.g. Excel, Word)
- We have a combination of options listed above
- We do not have a solution in place

Like sourced content, it does not matter how you do it, just that you do it. The answers from respondents indicated that learning strategy and impact were only affected when no solution is in place. In that case, both scores for learning strategy and impact dramatically drop.



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