Cut the Scrap with **Predictive Learning Analytics™**

BY KEN PHILLIPS, FIRST IN THE PLA SERIES

What's the number one issue facing learning and development (L&D) professionals today? It's scrap learning — and if you haven't heard the phrase yet, you will.

Scrap learning describes the wasteland of training that is delivered but not applied back on the job. It's also a critical business issue because it wastes money and time – two precious organizational resources.

How big is the problem?

Two empirical studies, one by KnowledgeAdvisors in 2014 and one by Rob Brinkerhoff and Timothy Mooney in 2008, found scrap learning to be 45% and 85% respectively in the average organization. Also, I've conducted three scrap learning studies over the past several years with three different organizations, each using a different training program, and found the scrap learning percentages associated with the programs to be 64%, 48%, and 54% respectively.

To quote James Lovell during his Apollo 13 flight: "Houston, we have a problem!"

What does this look like at the individual organizational level?

Two statistics from the Association for Talent Development (ATD) 2018 "State of the Industry Report," average per employee training expenditure and the average number of training hours consumed per employee, help bring this into focus. In 2018, these two figures were $1296 and 34.1 hours respectively.

Using the KnowledgeAdvisors 45% scrap learning figure you can see in the following chart that $583 of the $1296 is wasted money and 15 of the 34.1 hours is wasted time. The picture is even bleaker using the Brinkerhoff research which shows that $1102 of $1296 is lost money and 29 of the 34.1 hours is wasted time.

Scrap Learning at the Individual Organizational Level

	KnowledgeAdvisors (45%)	Brinkerhoff (85%)
Money	$1296 × 45% = **$583 wasted**	$1296 × 85% = **$1102 wasted**
Time	34.1 × 45% = **15 hours wasted**	34.1 × 85% = **29 hours wasted**

Whether it's 45% or 85%, think about the resources wasted in planning and delivering training and the lost opportunity from training not applied! In addition to looking at scrap learning from an organization perspective, it also can be viewed from an individual program perspective. Focusing on a single learning program is likely the best approach to use if you are making a business case to an executive about applying the Predictive Learning Analytics™ methodology to a critical learning program.

To use the formula, first select a learning program that you think would be a good candidate for using the Predictive Learning Analytics™ methodology. (Note: programs that are good candidates have three characteristics: 1) they are planned learning initiatives, not informal learning events; 2) they have a high profile within the company either because of their cost or their strategic importance; and 3) a large number of participants are scheduled to attend.)

Enter the data into the formula on the next page and compute the cost of scrap learning associated with the program.

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ESTIMATING THE COST OF SCRAP LEARNING FORMULA

Wasted Participant Dollars

	The length of a learning program in hours	_____
×	The number of programs delivered over 12 months	_____
×	average number of participants attending one program	_____
×	The estimated percent of scrap learning (45-85%) associated with the program*	_____
=	The cost of scrap learning in wasted time	_____
×	The average hourly participant salary + benefits	_____
=	**Cost of wasted participant dollars**	_____ **(A)**

Wasted L&D Department Dollars

	Sum program administration costs (e.g. materials, travel, facility, facilitator, food, delivery platform, etc.) for 1 program	_____
×	The number of programs delivered over a 12 months	_____
×	The estimated percent of scrap learning (45-85%) associated with the program	_____
=	**Cost of in wasted L&D Department dollars**	_____**(B)**

Note: in selecting an estimated percentage of scrap learning associated with a particular program, variable 4 in the formula, it would be best to obtain input from several other people familiar with the program such as L&D colleagues, participants who previously attended the program or perhaps even the managers of program participants and then compute an average of their estimates. Gaining the input of others increases the accuracy of the estimate and removes the argument that the scrap learning percentage merely is your opinion.

Total Estimated Cost Of Scrap Learning

Cost of wasted participant dollars _____ (A)

+ Cost of wasted L&D Department dollars _____ (B)

= Total cost of scrap learning _____

So what's the solution?

The solution is a revolutionary new measurement and evaluation methodology developed by Phillips Associates called Predictive Learning Analytics™ or PLA for short. It is a methodology for pinpointing the underlying causes of scrap learning associated with a training program, using predictive analytics and data, so that targeted corrective actions can be taken to maximize training transfer. The singular mission of PLA is to provide L&D professionals with a systematic, credible and repeatable process for optimizing the value of learning and development investments by measuring, monitoring and managing the amount of scrap learning associated with those investments. In subsequent articles, I will describe the PLA methodology in more detail, explain how it's different from traditional measurement and evaluation of learning, and illustrate how it can be used to pinpoint the exact underlying causes of scrap learning associated with a training program.

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