WHY L&D NEEDS
NET PROMOTER SCORE

John R Mattox II argues the case for Net Promoter Score. His analysis proves that NPS is invaluable to L&D departments.

The use of the Net Promoter Score is upsetting the business industry – in a good way. The score, which is an indicator of customer satisfaction, is a strong predictor of a company's ability to drive sustainable profits and growth. It is simplifying the customer satisfaction process by using one simple metric, not tens or hundreds, to gain insight.

The bad news for learning and development departments is that the use of NPS may herald a return to Level 1 evaluations. That could upset decades of valuable research – and not in a good way.

What is a Net Promoter Score?

"Net promoter score (NPS) is based on the fundamental perspective that every company's customers can be divided into three categories. *Promoters* are loyal enthusiasts who keep buying from a company and urge their friends to do the same. *Passives* are satisfied but unenthusiastic customers who can be easily wooed by the competition. And *Detractors* are unhappy customers trapped in a bad relationship." *Reichheld (2006)*.

These three groups are determined by asking customers the following question: "How likely is it that you would recommend this company to a friend or colleague?" Using an 11-point scale, promoters score 9 or 10; passives score 7 or 8, and detractors score 0–6. The NPS is calculated by subtracting the percentage of detractors from the percentage of promoters: NPS = P – D.

For more than 50 years, Donald Kirkpatrick has advocated that L&D groups should evaluate training for more than simple satisfaction. In Kirkpatrick's model (*1998*), the first of the four levels of evaluation focuses on a learner's reaction, or satisfaction, with training. Subsequent levels focus on more useful aspects of evaluation – whether the learner gained new knowledge and skills, whether those skills will be applied on the job, and whether application will lead to performance improvement for the individual and the organisation.

Over the past 50 years, other practitioners have reaffirmed the need for better information beyond 'satisfaction' and have advocated somewhat different approaches. Phillips (*2012*) champions the ROI Methodology; Brinkerhoff (*2003*) recommends the Success Case Method; and Bersin (*2008*) advocates using the High Impact Learning Measurement Model. And over the years, progressive organisations have shifted away from smile sheets (e.g., Level 1 only evaluations) to measure training effectiveness at higher levels.

The need for higher levels of information is also reflected in the opinions of business leaders. Phillips and Phillips (*December, 2010*) surveyed CEOs and asked "What information do you have?" and "What information do you want?" with regards to training effectiveness. Table 1 clearly shows that leaders want more information about the impact of learning and return on investment – not satisfaction.

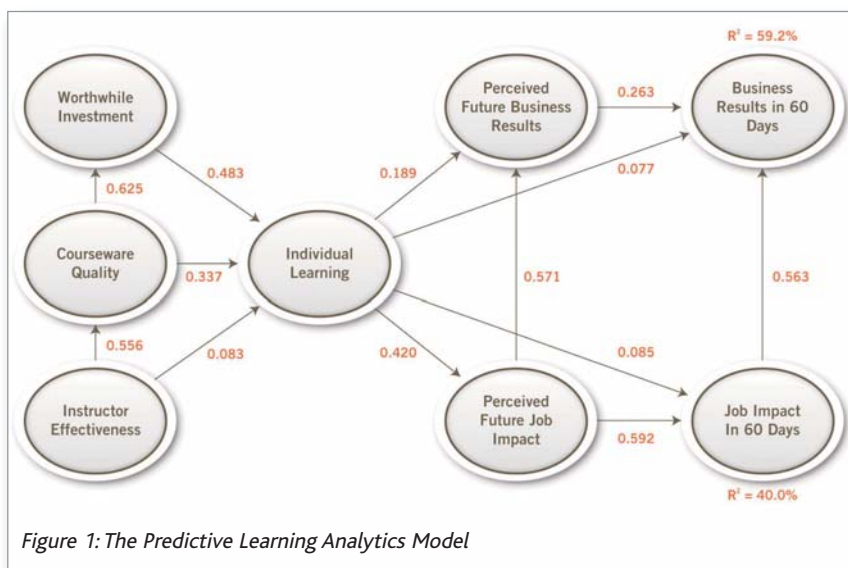There are many approaches to providing deeper insights about the effectiveness of

Figure 1: The Predictive Learning Analytics Model

learning programmes. Most involve extensive evaluation approaches and the assistance from external consultants like Kirkpatrick Partners, The ROI Institute, or KnowledgeAdvisors. But time, human resources, and budgets often limit the ability to assess effectiveness – not to mention the fact that leaders want the information in a timely fashion (i.e. yesterday).

With these challenges in mind, we explored the predictive nature of training evaluation data collected immediately after training and 60 days later. The result: the Predictive Learning Impact Model (*KnowledgeAdvisors, 2009*) shown in Figure 1.

Notice that this model does not contain a 'satisfaction' metric. Rather, it contains informative Level 1 measures about instructor quality, courseware quality, and views about the worthwhile nature of training (e.g., content relevance). It was derived using advanced statistical techniques designed to uncover the causal pathway among factors, and it shows that instructors make courseware better; and both instructors and courseware contribute to making training a worthwhile investment for learners.

When all three factors are working well, learning is optimised. This leads to a belief that training will be applied and will improve job performance and eventually business results.

The model shows that instructors, courseware and content relevance improve learning. This is much more valuable than satisfaction because instructional designers can act on the results if the courseware is not effective or if the content was not relevant of if the instructors were not top notch.

So why would the NPS, a satisfaction measure, be valuable to learning departments? There are five main reasons to use a net promoter question when gathering training effectiveness information.

- *Efficiency:* Not every course is equal in quality, length, content, and value and as such, not every course needs an extensive evaluation process. A short evaluation form brings efficiency to the process because it reduces the response burden among learners

- *Strong predictor:* NPS is a strong

What CEOs Want

CEO priorities regarding measuring learning effectiveness

Ranked Importance to Exec's	Measure	Learning Evaluation Level	Example	Currently Measured
1	Impact	4	"The learning program is positively contributing to our top four business priorities."	8%
2	Value	5	"Five ROI studies were conducted on our programs this year, yielding an average of 68% ROI"	4%
3	Awards	0	"Our learning program won an award from *Chief Learning Officer* magazine."	40%
4	Application	3	"78% are applying their new skills to their jobs"	11%
5	Learning	2	"92% of participants increased their skills"	32%
6	Activity	0	"Last year 7,800 employees participated in our learning programs"	94%
7	Efficiency	0	"Formal learning costs $2.15 per hour"	78%
8	Reaction	1	"Employees rated our training very high with an average of 4.5 on a 5 point scale"	53%

Source: Adapted from Phillips & Phillips (2010)

predictor of external customer satisfaction for an organisation. It is also a good predictor of learning within the training environment. A single question can be used to as predictor of quality. More detailed information about the predictive nature of NPS is shared below

• *Easy to understand:* NPS is gaining traction among business leaders as a key measure of success. Using NPS, L&D leaders can communicate effectively with business leaders about course quality

• *Applies across organisational units:* NPS is a metric that can cut across operations. An NPS for one unit is comparable to NPS for another unit, making comparisons and aggregation easy

• *Predictor of other talent areas:* This article demonstrates that NPS is a valuable metric for learning groups. It is likely that it will be valuable for other areas of HR: employee engagement, compensation, recruiting, performance appraisal, mentoring and other aspects of talent management

How do we know NPS is a good predictor of effectiveness?

KnowledgeAdvisors conducted a study of clients that gather NPS data, which revealed the value to learning and development. The results provided here are based on three major organisations that each contributed more than 9,000 responses to the research project. Those clients included a pharmaceutical company, a technology firm supporting human capital processes, and a global health insurance company.

The research project examined the relationships between NPS and common questions on post-course evaluations such as instructor quality, courseware quality, learning, application, and performance improvement. Figure 3 shows the mathematical relationship among the measures using the statistic r, which ranges from -1.00 to +1.00. The values shown here are positive and moderate to strong, indicating that increases in the measures to the left lead to increases in NPS to the right. All were statistically significant.

At the top of the list is the strongest relationship between 'worthwhile investment' (e.g. training was a worthwhile investment for my career development) and NPS. It is encouraging to see that NPS is so closely related to 'worthwhile investment' because it is the strongest predictor of learning as shown in Figure 2. This means that NPS could substitute for worthwhile Investment as a good predictor of the overall quality of training (e.g., replace 'worthwhile Investment' in Figure 2
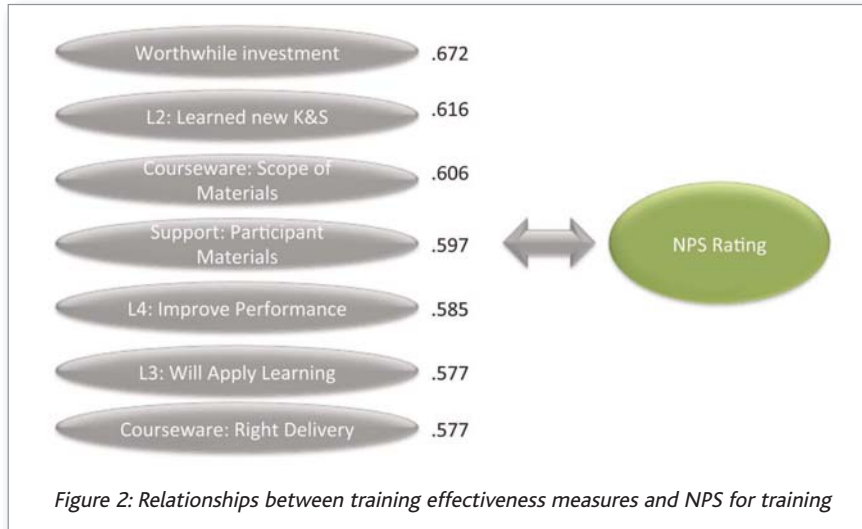

Figure 2: Relationships between training effectiveness measures and NPS for training
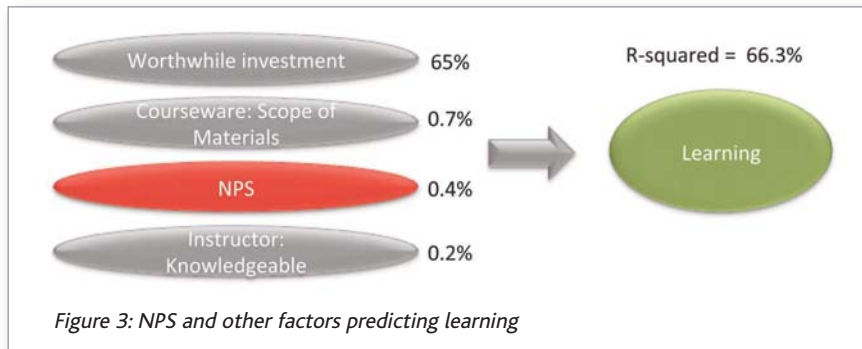

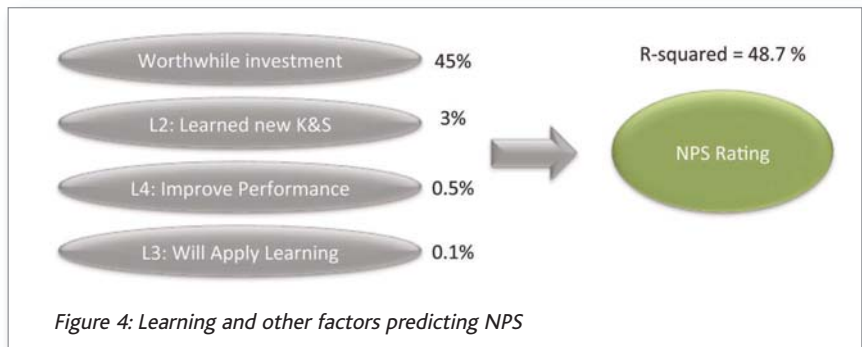*Figure 3: NPS and other factors predicting learning*

Figure 4: Learning and other factors predicting NPS

with NPS). If NPS is high, then learning is being optimised.

Further analysis of the data attempted to determine whether NPS is a driver of learning or if NPS is an outcome of learning. Regression analysis was used to test two different models:

• Model 1 shows NPS and other factors predicting learning

• Model 2 shows learning and other factors predicting NPS

Figure 3 shows Model 1 and Figure 4 shows Model 2. The percentage values represent the r-squared value, or the

amount of variance the measure explains in the predicted outcome (e.g., Learning in Figure 3 and NPS in Figure 4). In Figure 3, Worthwhile Investment is the best predictor, and it accounts for 65% of the variance in learning.

These results are directly in line with the model in Figure 2; Worthwhile Investment is the strongest influencer of learning. In contrast NPS accounts for less than 1% of the variance in learning. Although it is a significant predictor, it is highly correlated with 'worthwhile Investment' and courseware: scope of materials; both are more strongly related to learning than NPS. As such, NPS is the third best

predictor of learning. The results in Figure 4 show a substantially different story. The factors that measure the success of learning (e.g., Worthwhile Investment and Levels 2-4) all significantly predict NPS ratings. When comparing these two models, the strongest relationships show that NPS is an outcome of learning, rather than a driver. Logically, this makes sense as well. Satisfaction with learning is an outcome of a quality learning experience; satisfaction does not drive whether learning occurs.

Should L&D return to satisfaction as a measure of effectiveness?

The answer to the question is 'yes', if the satisfaction measure is NPS. Here's why:

• NPS is correlated with 'worthwhile Investment'. As a stand-alone measure, it is a good predictor of training quality and whether learning occurred

• Outcome not driver – NPS is best positioned as an outcome of training. If attendees learn new knowledge and skills, and feel like they will apply the learning and that it will improve their performance, they will be highly satisfied with training.

In this way, NPS is an excellent customer satisfaction rating that reflects well the critical components of training that lead to effective learning.

Based on these findings, NPS should be used as an outcome measure on all post-training evaluations. It will serve as an excellent summary score for training that will be easily understood by business leaders (e.g., no need to explain the four levels of evaluation). And when necessary it can substitute as a surrogate measure of training effectiveness when a long or cumbersome evaluation form should not be used.

Equally as important, because business leaders understand NPS, this simple metric can be aggregated across the curriculum and reported across programmes as a quality control measure. Training evaluation has come full circle.

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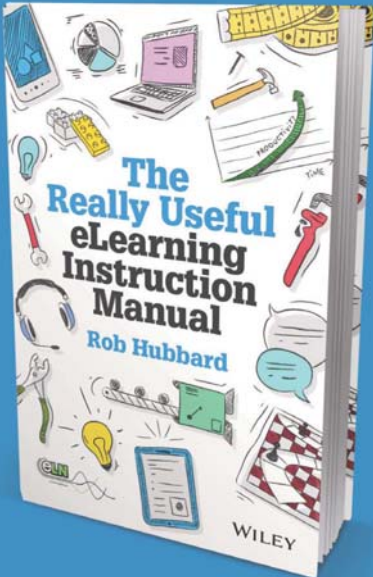
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