



Measuring the Business Impact of Learning 2025

L&D at a Crossroads

IN PARTNERSHIP WITH

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Introduction

Our ninth annual **Measuring the Business Impact of Learning (MBIL) report for 2025** reveals a complex picture in L&D: a near-universal desire to prove value coupled with challenges in execution.

After nearly a decade of research, we've witnessed L&D's evolution from questioning measurement's necessity to achieving near consensus on its importance—98% of respondents now want to quantify learning impact, up from 86% in 2017. Yet when asked whether specific budgets are allocated for measurement activities, 33% of senior leaders confirmed that such budgets exist, compared to 24% of managers and only 17% of practitioners. The variation of these percentages suggests a potential communication gap, where individuals at operational levels may be unaware of budget allocations made at higher levels of the organization. Regardless, there's a striking gap between aspiration and action.

This disconnect is reshaping L&D. Data-proficient teams are gaining competitive advantages in strategic influence, while others struggle to secure resources and demonstrate value. To conduct any type of useful measurement—even at the lowest levels of a measurement framework—you need resources.

Our research shows that while nearly all respondents believe in the possibility of proving learning's impact, only about a third report their budgets align with business goals, highlighting the persistent resource challenges facing many teams.

This report examines four key factors driving this paradox:

1. The demand and pressure to measure learning impact remain high.
2. L&D's continued measurement aspirations are slow to change.
3. Significant barriers prevent L&D teams from translating the intention to measure into action.
4. There's a growing divide between data-fluent and data-challenged L&D teams.

Understanding these dynamics helps us support L&D professionals in a practical way. Our goal is to help them bridge the gap between measurement aspirations and real-world implementation so that their teams can evolve from a support function into a true strategic business partner.

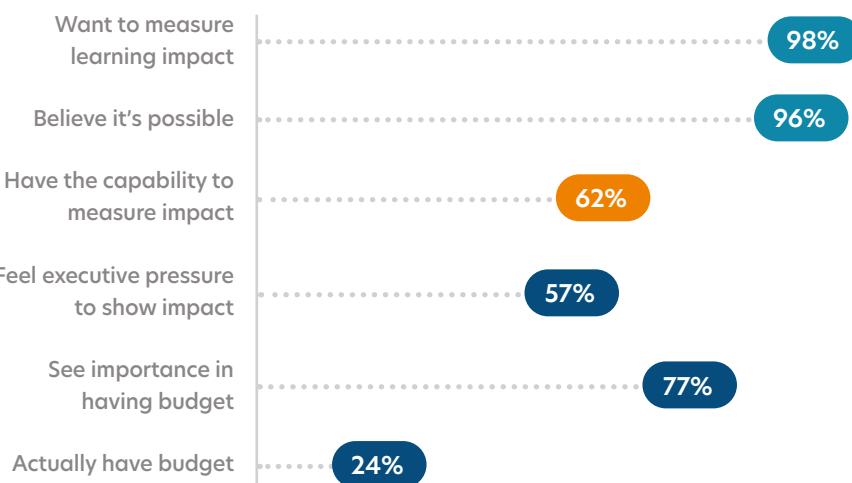


Demand and Pressure to Measure Impact Remain High

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Overall, while there's a strong desire to measure, the ability to do so hasn't kept pace.

Considerable variation between desire, ability and supports.



And while many believe it's essential to have a budget dedicated to measurement, only a limited number actually do.

This trend has remained steady during recent years.

What Are Strategic Partners and Shared Services?

You'll see us refer to L&D teams as strategic partners or shared services, but what do these terms mean? Here's a quick rundown of the common ways L&D teams are viewed and their business impact:

Strategic partners: The L&D team is viewed as a necessary player within the organization. They're closely aligned with the business, better able to show value than departments viewed as less strategic, and measured by organizational impact.

Shared services: The L&D team responds to business requests as and when needed. They tend to use learning satisfaction and content utilization to measure learning impact.

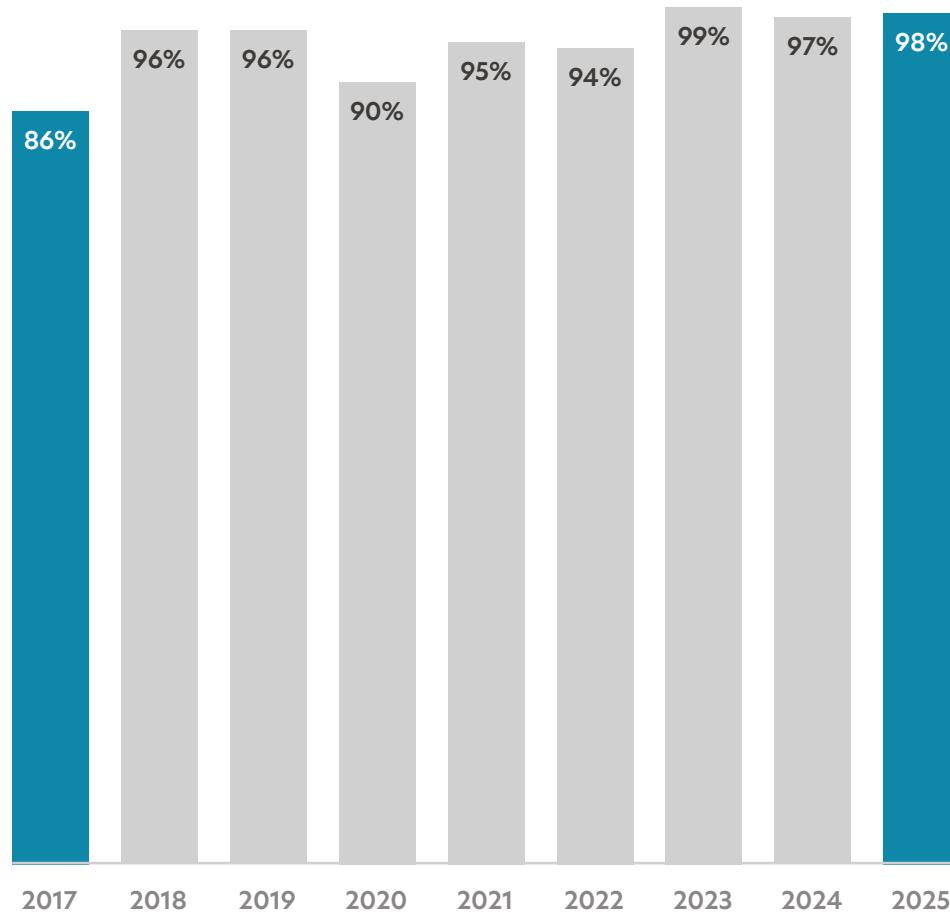
Find out more about how we conducted our survey on page 15.

The Measurement Paradox: Big Dreams Meet Slow Change

L&D finds itself at a crossroads, caught between widespread recognition of measurement's importance and the practical challenges of implementation.

On one hand, our research reveals a near-universal acceptance of measurement's importance, with 98% of respondents expressing a desire to measure the impact of learning, up from 86% in 2017. This marks a considerable shift in L&D's mindset, reflecting a discipline that has decisively moved beyond questioning whether measurement matters.

I want to measure the business impact of learning programs.



On the other hand, only 24% of organizations allocate specific budgets for measurement activities—the smallest percentage we've seen since starting to collect this data in 2022. This stark gap between intention and implementation forms what we call the "measurement paradox."

This is further illustrated by the overwhelming belief in measurement's feasibility. 96% of respondents believe it's possible to prove the impact of learning on business, yet many organizations struggle to translate this belief into action. The discrepancy highlights a fundamental challenge for L&D: moving from theoretical acceptance to practical implementation.

Organizations continue to navigate technological change, evolving work models, and substantial workforce transitions—all areas where effective learning initiatives can drive significant value. However, without robust measurement practices, L&D teams often struggle to demonstrate this value in terms that resonate with organizational leadership. If an organization cannot demonstrate value with the budget it has, the potential for additional budget cuts increases.

The persistence of this gap suggests that the barriers to implementation are not merely technical but structural, cultural, and resource-related. Understanding these barriers—and how leading organizations overcome them—is essential for L&D teams seeking to bridge the divide between measurement aspirations and reality.

As we'll explore in the following sections, this measurement paradox is creating a widening divide within the L&D industry, separating organizations that can effectively demonstrate their strategic value from those that struggle to move beyond basic metrics and activity measures.

Recommended Reading

[A Shiny Apple Is Not a Tasty Apple: Why L&D's Success Metrics Are Wrong](#)



Measurement Barriers:

What's Holding L&D Back?

Despite a shared recognition of measurement's importance, significant barriers prevent L&D teams from translating intentions into action. Our research identifies specific obstacles that have evolved over nine years of data collection.

Key Barriers to Effective Measurement

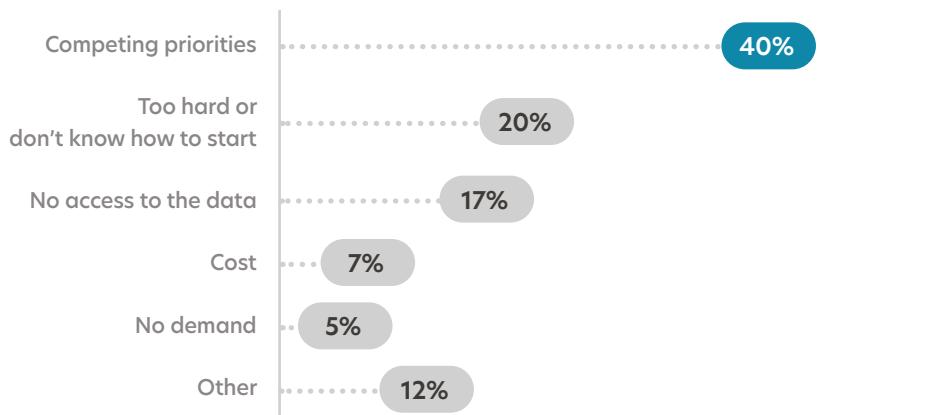
Competing priorities remain the dominant challenge (40% of respondents), increasing 3 percentage points (pp) from 2024 and 6pp since 2017. This persistence highlights an inherent dilemma: without dedicated resources, L&D teams often prioritize delivery over evaluation.

Data access challenges (17% of respondents) remain a concern, up 2pp from 2024 and 4pp from 2017. As organizations generate more data across increasingly fragmented systems, connecting learning activities to business outcomes becomes more technically complex.

Cost concerns are an issue for 7% of respondents. While fewer report this challenge in comparison to some of the other barriers, this percentage is about 2pp higher than seen in recent years. This may indicate that companies are examining expenses more carefully as economic conditions shift. This also aligns with the decreased likelihood of having a specific budget allocated for measurement.

Capability gaps remain (20% of respondents) in terms of L&D teams having the knowledge and skills required to do measurement the way they want. This is the lowest percentage since this survey launched, and it aligns with growing confidence in measurement's feasibility, even as implementation barriers persist.

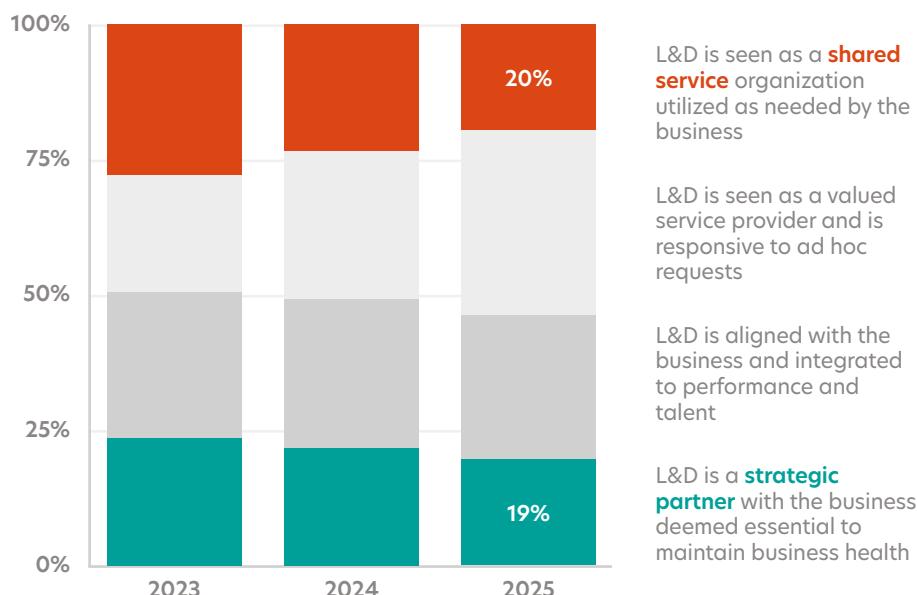
Competing priorities were most often cited as the biggest challenge for measuring impact.



Redefining L&D's Strategic Value

We're seeing a subtle but important shift in how organizations perceive L&D's strategic value.

Progression from being viewed as a **shared service** to a valued service provider.



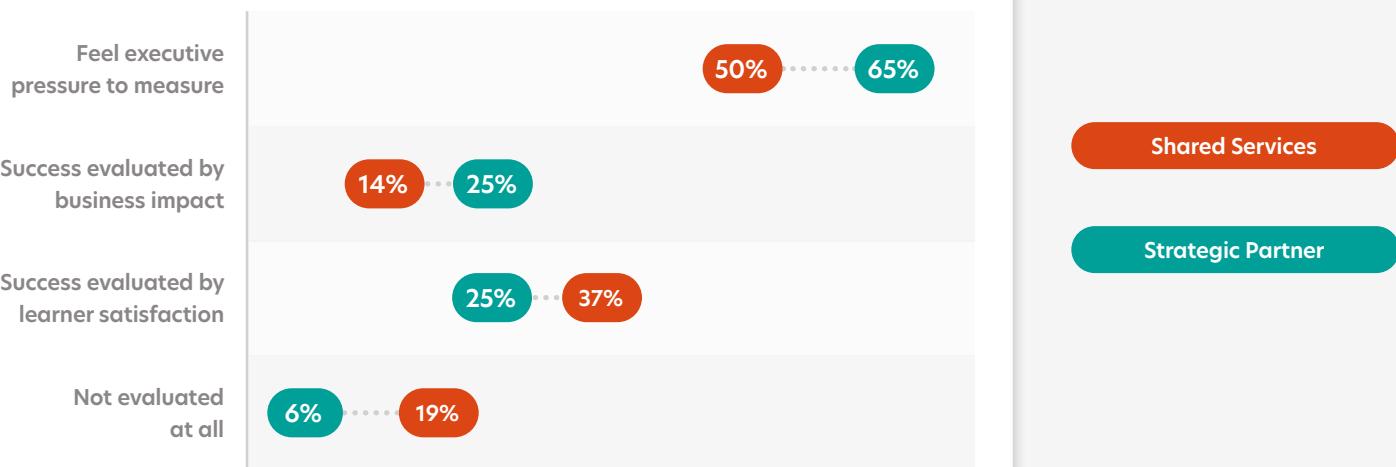
In 2023, 23% of L&D teams were viewed as a strategic partner by their organization. This year, that figure has decreased to 19%, suggesting that L&D's position is changing within organizations. This shift occurs against a backdrop of increased pressure on all business functions to demonstrate tangible value and strategic alignment. While the 4-point decline might seem modest, it signals a potential inflection point for the industry—a moment when L&D teams must actively redefine and reassert their strategic value.

Our survey findings also reveal a noteworthy divide in how L&D functions operate within organizations. This divide—between L&D teams positioned as strategic partners versus those operating as shared services—has profound implications for how learning initiatives are funded, measured, and valued.

Organizational Perception & Executive Relationships

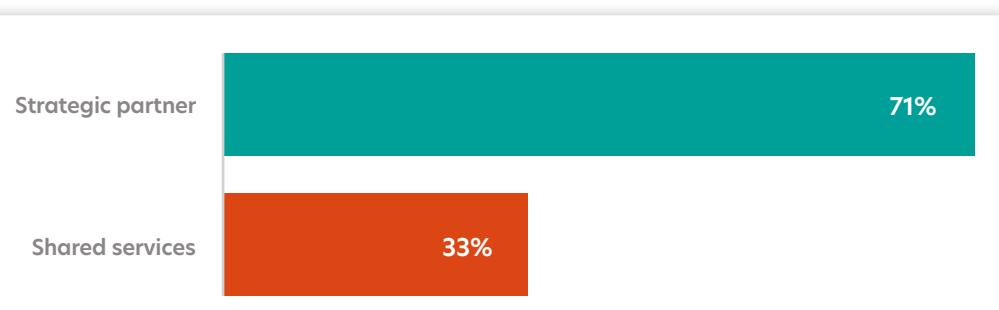
The relationship with organizational leadership reveals a key dimension of the divide: strategic partners experience higher executive pressure to measure (65% vs. 50%), indicating greater visibility and accountability.

Most feel pressure to measure. But, even among Strategic Partners, only 1 in 4 are evaluated based on business impact.



Strategic partners are also more likely to have their own teams' success be evaluated on business impact (25% vs. 14%) and less likely to rely solely on learner satisfaction (25% vs. 37%). Of interest, almost 1 in 5 shared services report that their teams' success isn't evaluated.

Perhaps most striking is that strategic partners are twice as likely to be in organizations that use data to understand skill gaps.



These contrasting roles result in noticeable differences in how L&D teams perform—differences that become increasingly pronounced when we look at basic operational metrics, funding models, and overall mission focus.

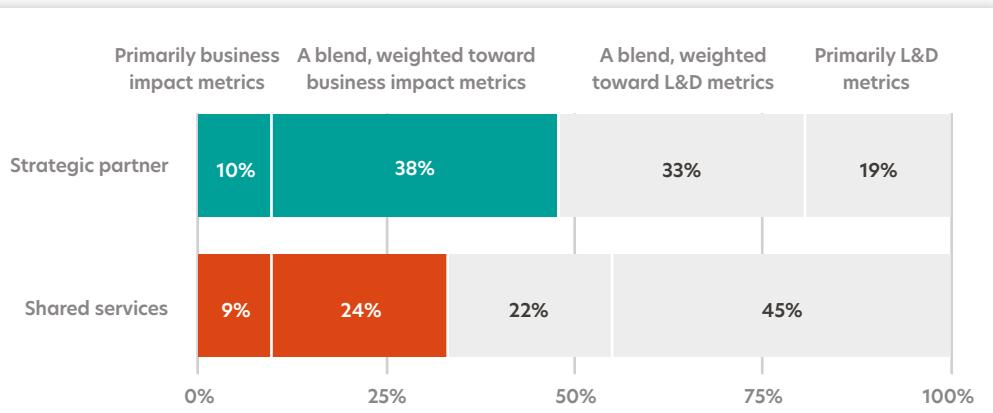
The Strategic Divide:

Comparing Approaches

The divide between strategic partners and shared services manifests across several dimensions, creating different operating environments.

Success Metrics & Definitions

How program success is defined represents perhaps the most essential difference between the two operating models. Strategic partners tend to work more closely with the business and seek alignment with business goals. The data show that this collaboration translates into how program success metrics are defined. Strategic partners are more likely to report an emphasis on business impact metrics when determining if a program has been successful. In contrast, for shared services, program success is more often defined in terms of learning delivery metrics: completion rates, satisfaction scores, and activity measures. These teams are more likely to rely primarily on learner satisfaction as their success metric.

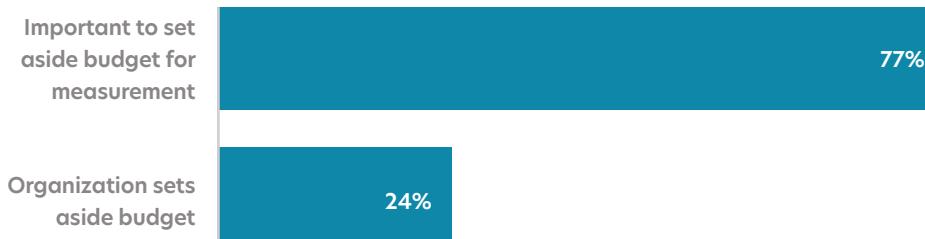


The contrast in how these teams define success reflects different accountability structures. This shapes their overall approach to measurement, and these differences become even more pronounced when we examine resource allocation and analytics capabilities.



The Resource Challenge: Matching Goals with Support

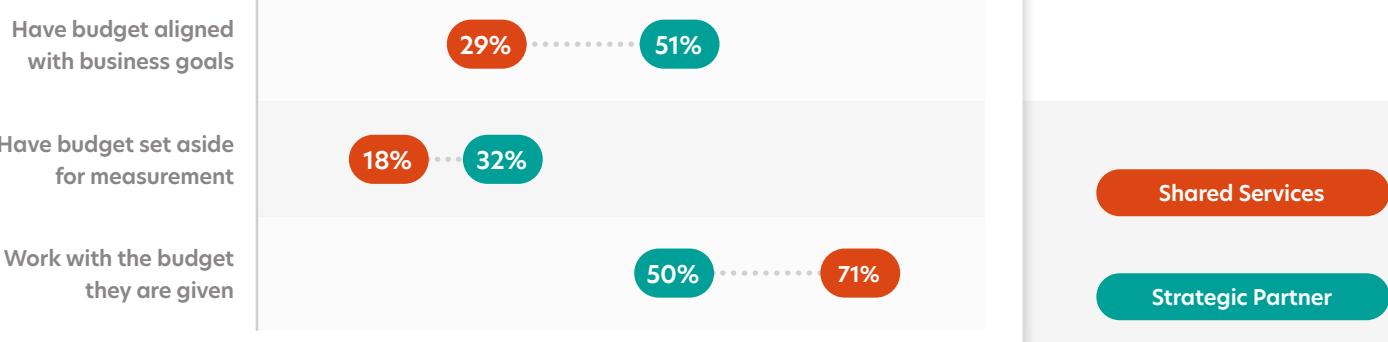
A persistent resource challenge largely drives the gap between measurement aspirations and implementation. While 3 in 4 organizations recognize the importance of having a budget for measurement, only 1 in 4 allocate specific budgets for this purpose. This gap represents one of the most considerable barriers to advancing L&D measurement capabilities.



Budget Allocation & Alignment

The most striking difference between strategic partners and shared services lies in how their budgets are determined and aligned with business objectives.

Strategically aligned teams are more likely to have a budget aligned to the business and in support of measurement.



This difference in budget alignment represents one of the largest disparities in our dataset. Because of the relationship with the business, strategic partners can approach L&D budget allocation with a focus on business outcomes. At the same time, shared services tend to have limited influence on their budget, and the budget they do have is often disconnected from specific business objectives.

This resource gap is influenced by several factors:

- 1. Competing priorities:** Organizations face numerous demands for limited resources, and L&D measurement often competes with other initiatives viewed as more directly tied to revenue or operational efficiency.
- 2. Unclear business value:** Without established measurement practices, organizations struggle to see the impact of learning initiatives on the business, creating a circular problem where resources aren't allocated because value isn't demonstrated.
- 3. Capability gaps:** Many L&D teams lack the specialized skills required for sophisticated measurement, making it difficult to advocate for additional resources effectively.
- 4. Technology limitations:** Inadequate access to HR, business, and learning data due to a siloed technology infrastructure often hampers measurement efforts, requiring substantial investment to overcome.



Take stock of what data you can access. While L&D metrics are usually the easiest to obtain, could your business partner help connect you with those responsible for managing other data of interest? And might that team have a data-savvy person who could help answer a few questions?"

- Melissa Lewis, Data Analyst, GP Strategies

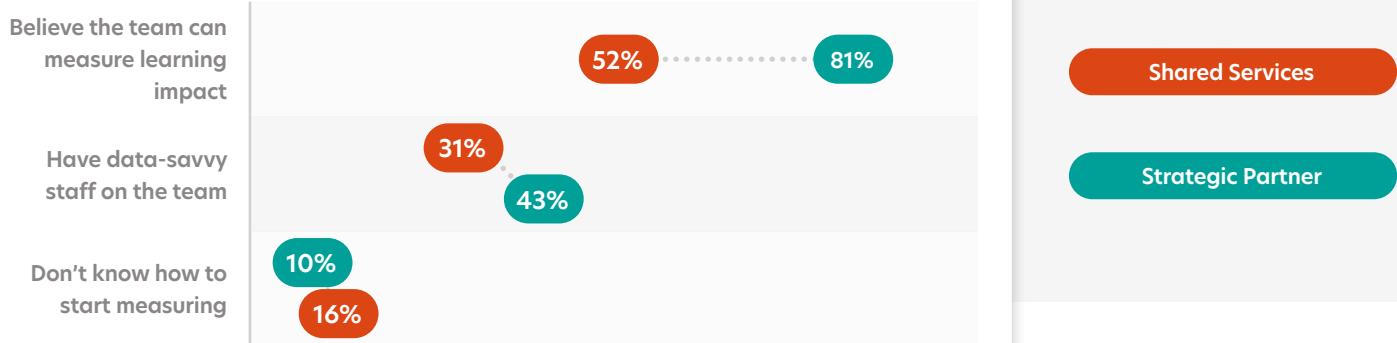
The resource challenge presents a critical juncture for L&D leaders: those who successfully advocate for appropriate measurement resources position their teams to demonstrate strategic value, while those who cannot secure necessary support risk being relegated to a more administrative function.

Organizations that have successfully addressed this resource challenge typically take an incremental approach, starting with targeted measurement initiatives that demonstrate clear value before expanding to more comprehensive approaches. They also build strong partnerships with other data-oriented functions like HR analytics, finance, and IT to use existing resources and expertise. This will be especially critical as organizations shift to an enterprise skilling strategy that requires visibility and access to data across these functions in order to succeed.

The Analytics Evolution: From Basic Data to Rich Insights

The capability gap between strategic partners and shared services is substantial. Developing robust L&D measurement capabilities is paramount for demonstrating strategic value.

Strategically aligned teams are more confident in their skills and more likely to have dedicated measurement staff.

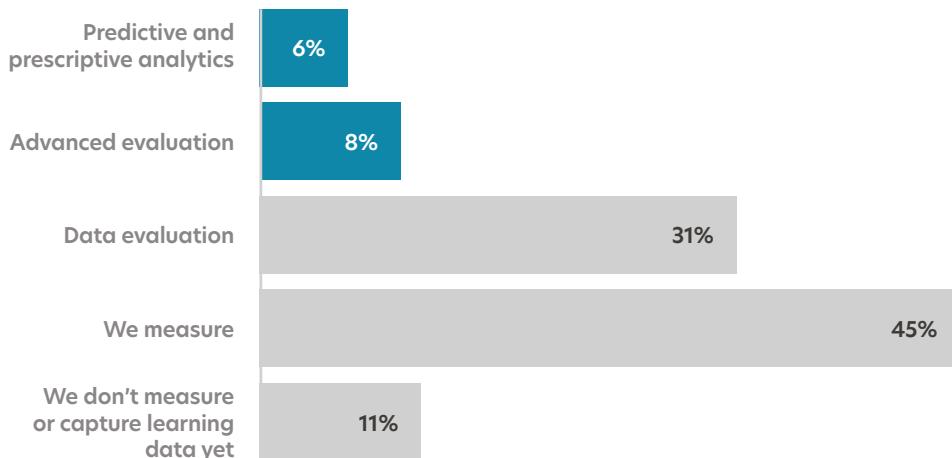


The belief that the team is capable of measuring learning impact is a strong differentiator between the two operating models. 8 in 10 strategic partners share this belief, as opposed to half of shared services. Of interest, the likelihood of having data-fluent staff on the team is more similar for the two groups. And even 1 in 10 strategic partners indicated they weren't sure how to get started with measurement.



L&D is experiencing a shift in how data is collected, analyzed, and applied to decision-making. Our research reveals that only about 14% of organizations currently possess advanced analytics capabilities.

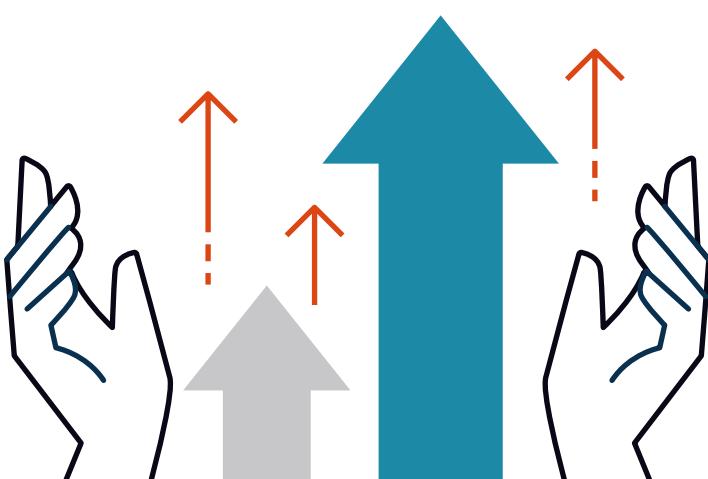
14% are performing advanced analytics.



The remaining 86% of organizations that do not have advanced analytics capabilities fall along a spectrum of analytics maturity, with many still focused on basic activity metrics and course completion rates. The gap between the most and least sophisticated analytics approaches appears to be widening, creating what we term the “analytics divide.”

This divide is creating markedly different frameworks for L&D teams. Looking at whatever data is currently available and gleaning insights that can help drive the prioritization of learning initiatives is a great place to start. With more available data and skilled analytics resources, L&D can identify skill gaps proactively, align learning initiatives with strategic business priorities, and demonstrate tangible impact on key performance indicators. Data-fluent L&D teams can help shape and execute enterprise skilling strategies to improve talent mobility and succession planning.

This scenario represents both a challenge and an opportunity for L&D. Teams that develop robust analytics capabilities can reposition their function as a strategic driver of organizational performance, while those that fail to evolve risk being perceived as cost centers rather than value creators.



Mapping L&D's Path Forward

As L&D stands at this crossroads, our research suggests several critical strategies for teams seeking to bridge the gap between measurement aspirations and implementation.

These strategies reflect the practices of organizations that have successfully navigated the measurement journey:

- 1. Start by listening to the business:** Successful measurement begins with asking the business to clarify the challenges they are trying to overcome, not what training L&D needs to create. The natural progression of a consultative conversation will reveal the metrics that matter to the business.
- 2. Build incremental measurement capability:** Rather than attempting to implement a comprehensive measurement framework immediately, high-performing organizations typically begin with focused initiatives that have the potential to demonstrate clear value before expanding.
- 3. Forge strategic data partnerships:** Rather than building all analytics capabilities internally, leading L&D functions develop strong partnerships with other data-oriented teams, relying on their expertise and infrastructure.

As one experienced practitioner noted in their survey response:

"Every business worldwide has just one goal, and it isn't learning—it's to rapidly grow sustainable profit... Content is no longer king, data is... It's time for the change agents to change."

This perspective challenges L&D teams to rethink their approach in an increasingly data-led business environment.

Achieving these goals requires dedication, innovative thinking, and a willingness to challenge traditional notions of L&D's role. Teams must develop new skills, forge different partnerships, and find more effective ways to communicate their value.



Once you know what's available, start small and pick one metric. Try creating some simple PivotTables or crosstabs. Spreadsheet applications like Microsoft Excel or Google Sheets can also do basic correlations. Being proactive and starting small can help build your confidence about your team's abilities while also showing your business partners what you and your team can do!"

- Melissa Lewis, Data Analyst, GP Strategies

However, for L&D teams that successfully navigate this transformation, the rewards extend beyond increased resources and influence—they become true catalysts for organizational success and longevity.

As we look to the future, the most effective L&D teams will be those that interweave data-informed decision-making with a nuanced understanding of learner growth and development. They will speak the language of the business while remembering that, at its core, learning is fundamentally about people.

The path forward will not be the same for all organizations. Teams operating as strategic partners have different opportunities and challenges from those positioned as shared services. However, both can benefit from a deliberate approach to enhancing their measurement capabilities and demonstrating the value of learning initiatives—especially as AI continues to weave its way into workflows and frequently-used technology.

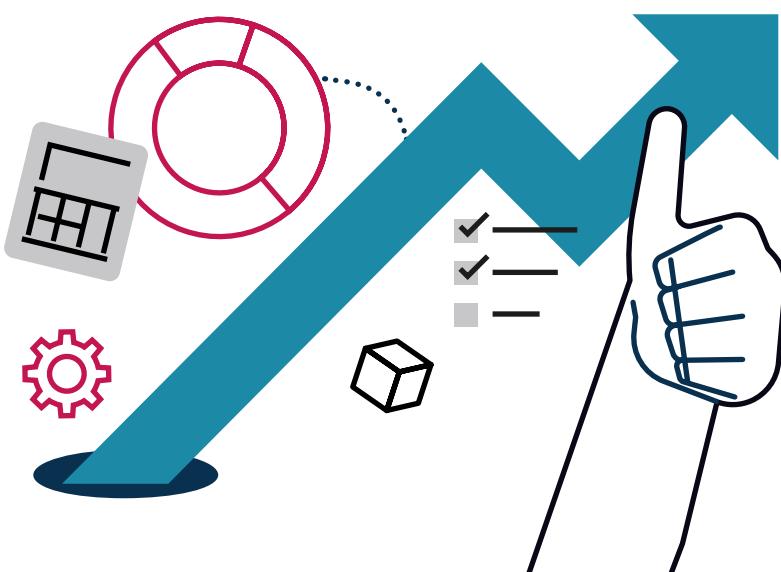


You can't NOT have the data somewhere if you want AI to deliver value for you. The pressure from leadership to have L&D investment insight will increase as productivity gains are found across the rest of the business. Be prepared."

- Piers Lea, Chief Strategy Officer, Learning Technologies Group

What's clear from our research is that the ability to measure and communicate learning impact effectively will increasingly determine which L&D teams thrive and which struggle to maintain their influence.

The growing divide between data-capable and data-challenged L&D teams represents a critical moment for the profession—one that will shape how learning functions operate and how their organizations value them for years to come.

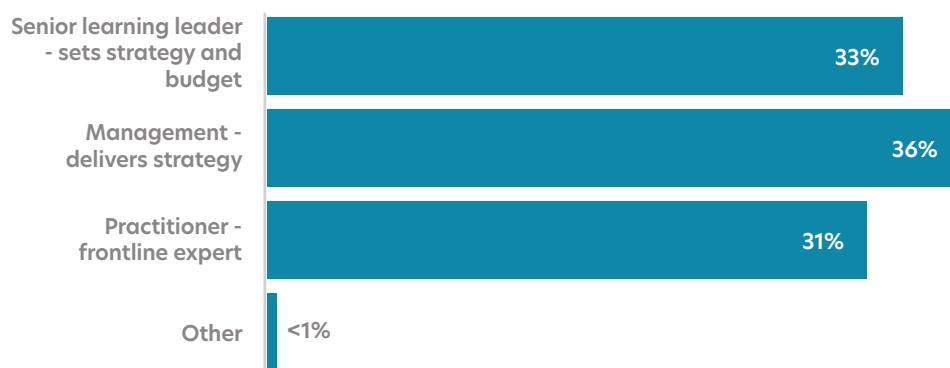


About this survey

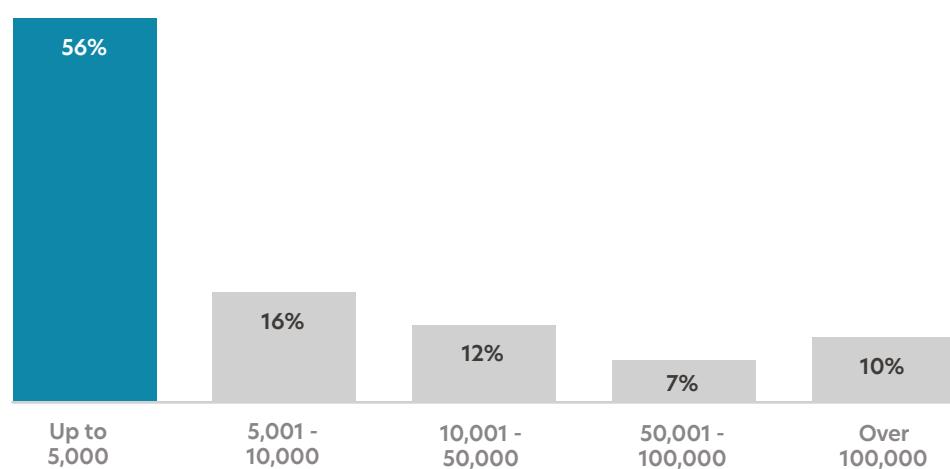
This report represents the ninth annual Measuring the Business Impact of Learning research initiative. The core questions remain the same, allowing us to see how trends evolve.

The survey was conducted between November 2024 and January 2025, with responses from 241 industry professionals with a lifetime total of more than 3,100 respondents since 2016.

Similar number of respondents in each role.



Over half of respondents work at an organization with fewer than 5,000 learners.



The research was conducted by Watershed and GP Strategies. We extend our sincere thanks to all the professionals who contributed their insights and experiences to this research.

Explore our past insights

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Resources



1. **Podcast:** [Episode #140: Building a Sustainable Measurement Strategy](#)
2. **Podcast:** [Episode #128: Top 5 Best Practices for Measurement Impact](#)
3. **Blog:** [Credible Measurement: The Key to Elevating Learning Initiatives in Your Organization](#)
4. **Blog:** [How Your Data Analyst Can Help You on Your Measurement Journey](#)

watershed

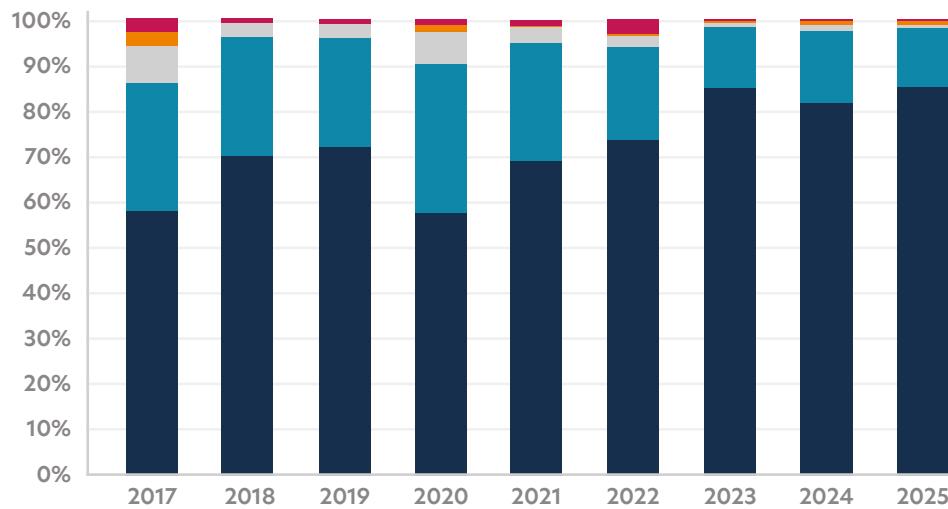
1. **eBook:** [Putting Impact-Backed ROI at the Heart of Your Learning Ecosystem](#)
2. **eBook:** [Learning Leader Challenges: Using Analytics to Answer L&D's Burning Questions](#)
3. **Webinar:** [Measuring Learning Impact: The Business Case for Learning Technologies](#)
4. **eBook:** [Learning Analytics in Action: 5 Real-World Case Studies](#)



Appendix

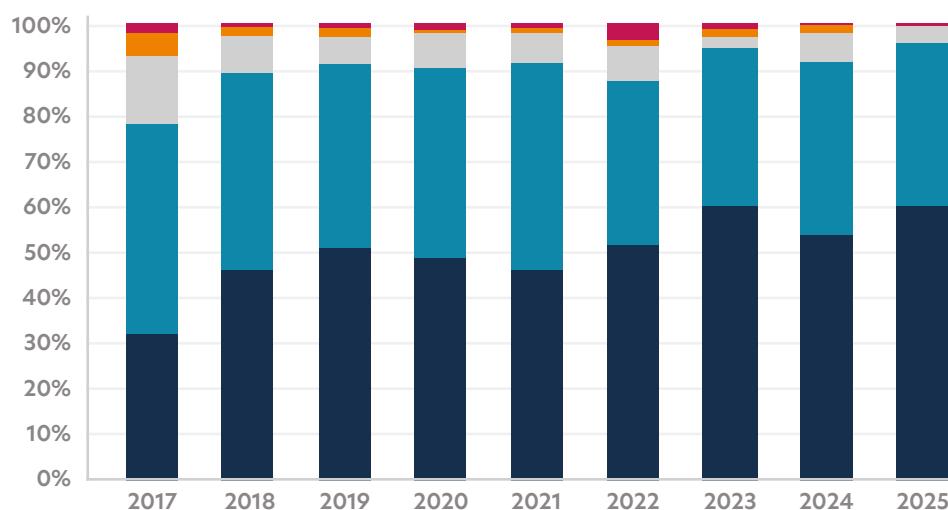
The following graphs provide year-over-year views of each question's responses. New questions were added over time; all years for which data exist are included.

I want to measure the business impact of learning programs.



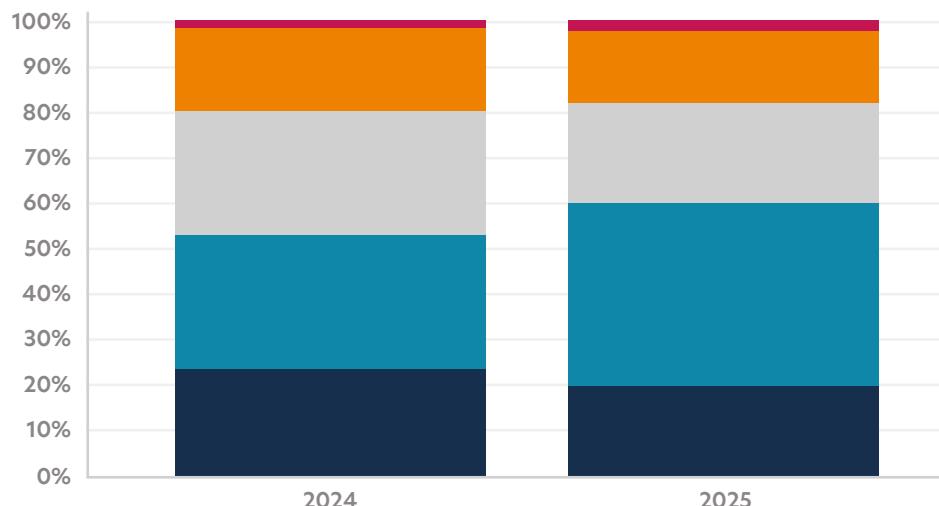
Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

I believe it's possible to measure learning's impact.



Strongly Disagree
Disagree
Neutral
Agree
Strongly Agree

I believe my L&D team has the capability to measure learning's impact



Strongly Disagree

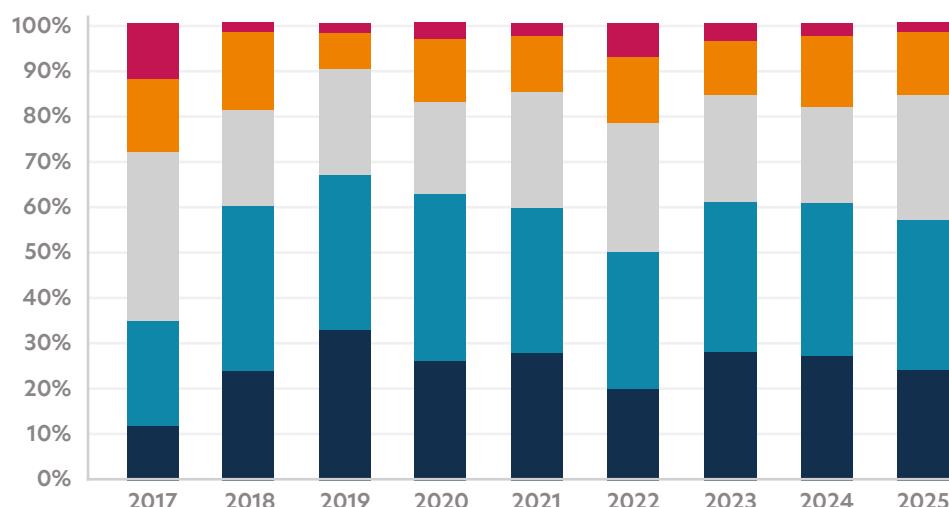
Disagree

Neutral

Agree

Strongly Agree

I feel executive pressure to measure learning's impact.



Strongly Disagree

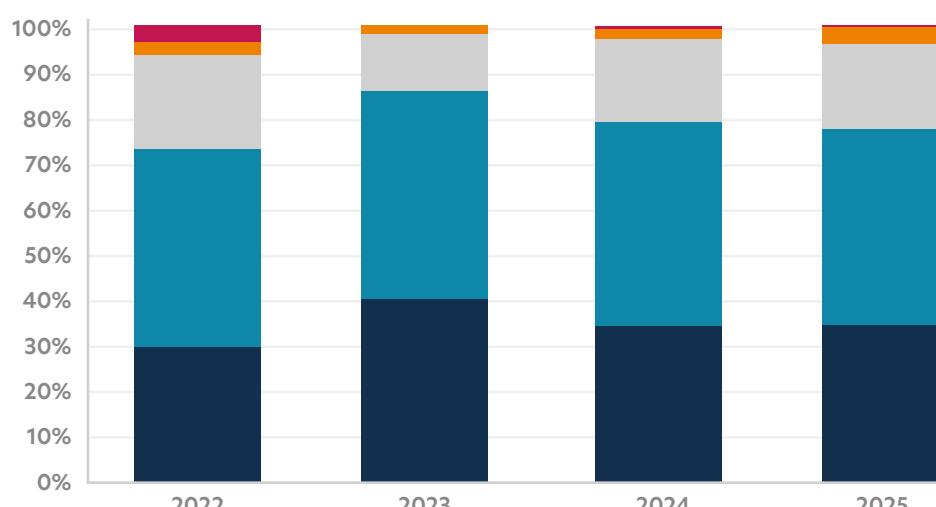
Disagree

Neutral

Agree

Strongly Agree

It's important to set aside budget for measurement.



Strongly Disagree

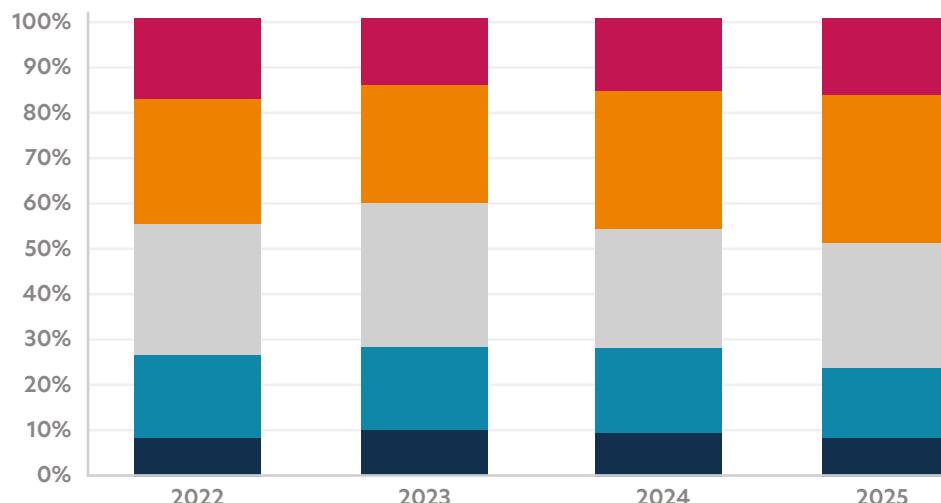
Disagree

Neutral

Agree

Strongly Agree

My organization sets aside budget for measurement.



Strongly Disagree

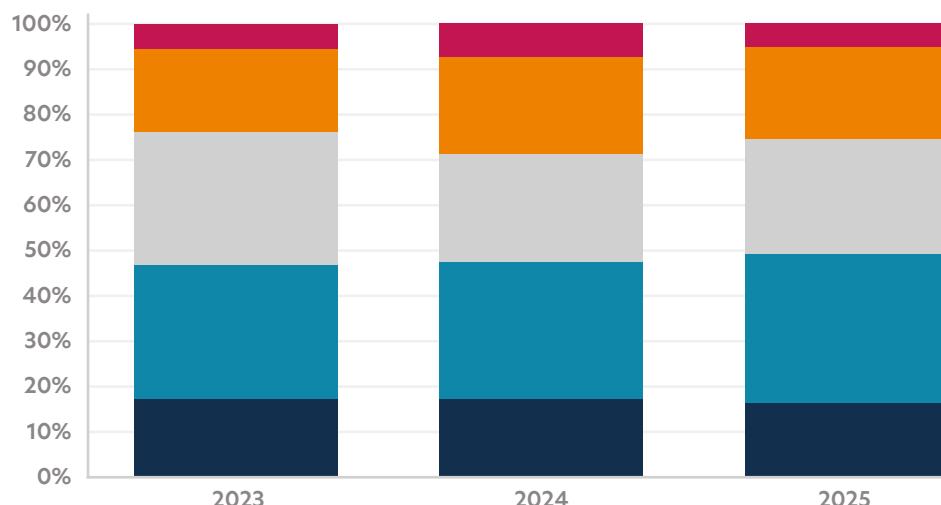
Disagree

Neutral

Agree

Strongly Agree

My organization uses data to understand skill gaps.



Strongly Disagree

Disagree

Neutral

Agree

Strongly Agree

Which of the following best describes how your annual budget for learning is set?

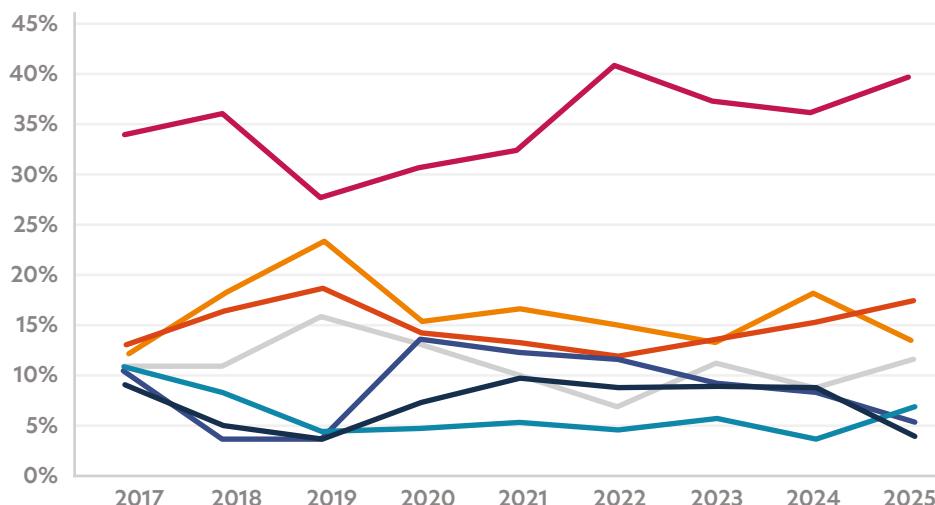
It's aligned to support pre-agreed business goals

38%

We work with the budget we're given

62%

The biggest challenge of measuring the impact of learning in my organization is...



Competing priorities

No access to data

Don't know how to start

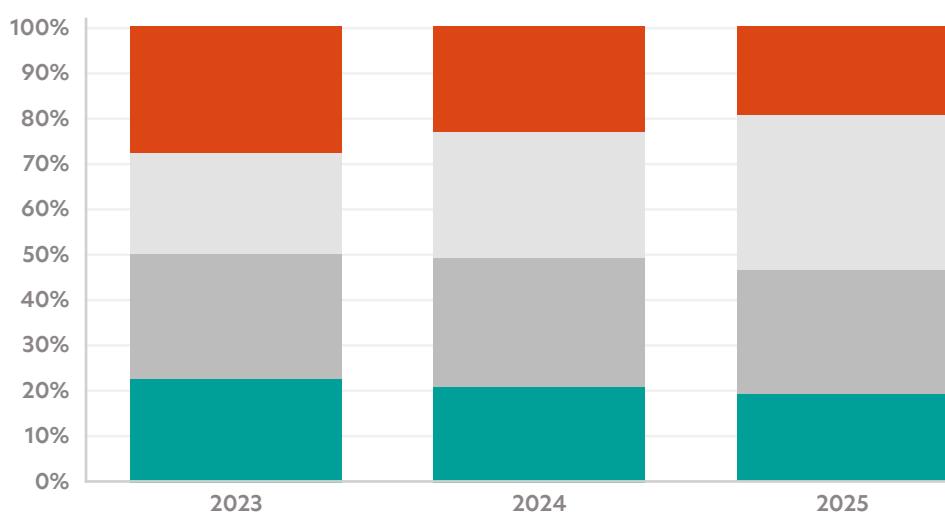
Other

Cost

Too hard/not possible

No demand

How is the learning function perceived within your organization?



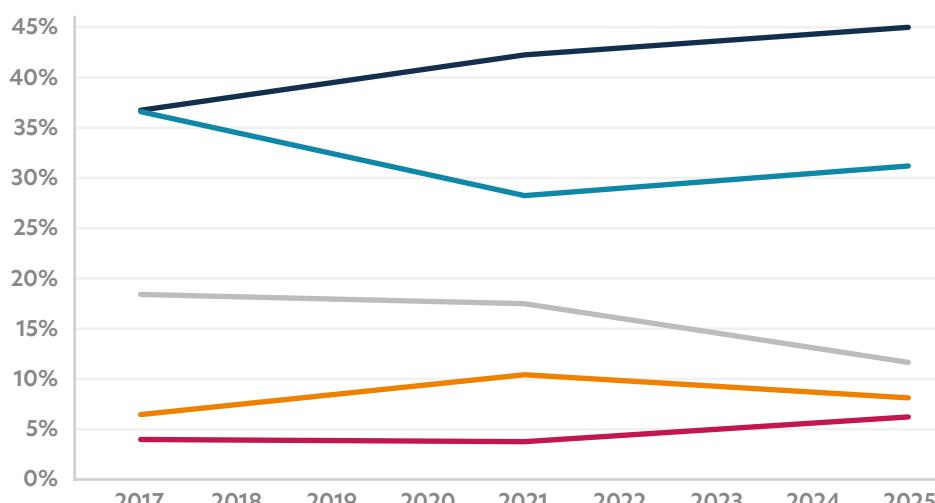
L&D is seen as a shared service organization utilized as needed by the business

L&D is seen as a valued service provider and is responsive to ad hoc requests

L&D is aligned with the business and integrated to performance and talent

L&D is a strategic partner with the business deemed essential to maintain

Where do you place your current organization on Watershed's learning analytics scale?



We measure

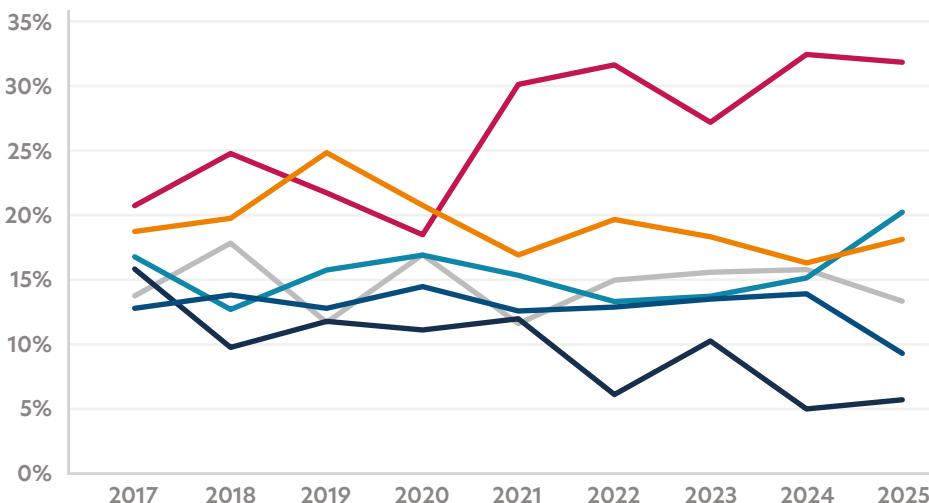
Data evaluation

We don't measure or capture learning data yet

Advanced evaluation

Predictive and prescriptive evaluation

The success of my department is evaluated by...



Learner satisfaction

Organizational impact

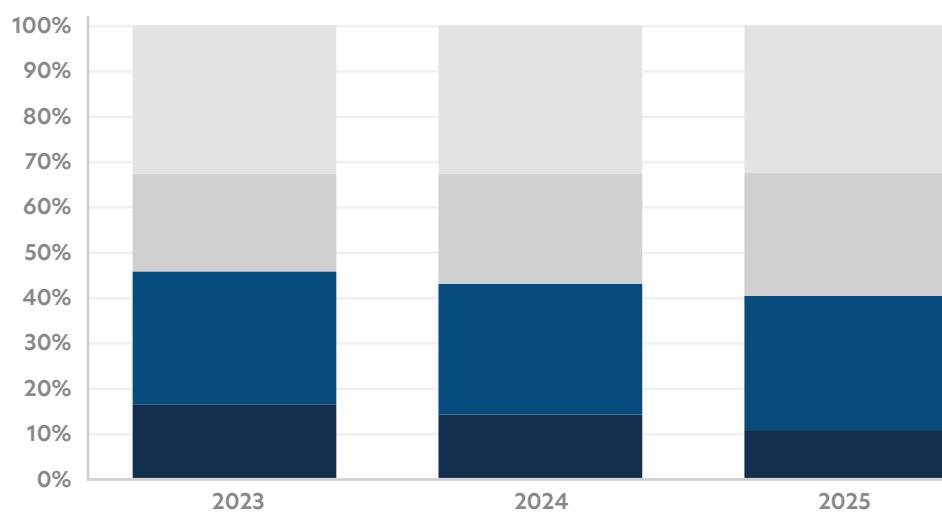
Content utilization

We're not evaluated

Improvements in job performance"

Return on investment

How is the learning function perceived within your organization?



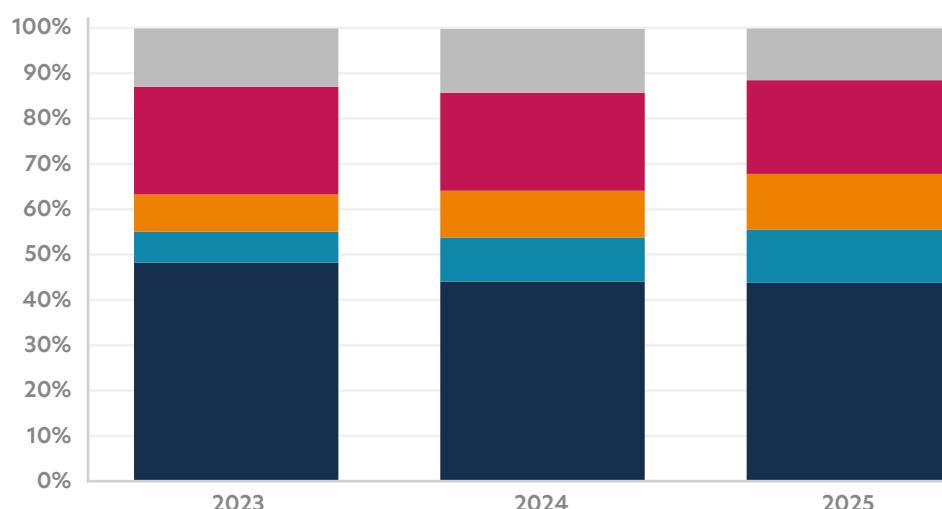
Primarily L&D metrics

A blend, weighted toward L&D metrics

A blend, weighted towards business impact metrics

Primarily business impact metrics

When do you initially define the success metrics of a particular program?



We don't

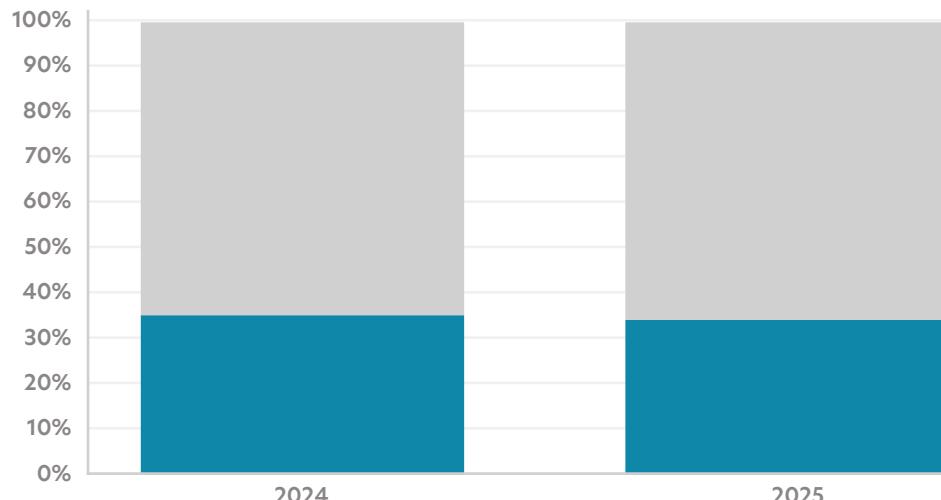
Retrospectively assessed

While the program is live

During the pilot

Before the program starts

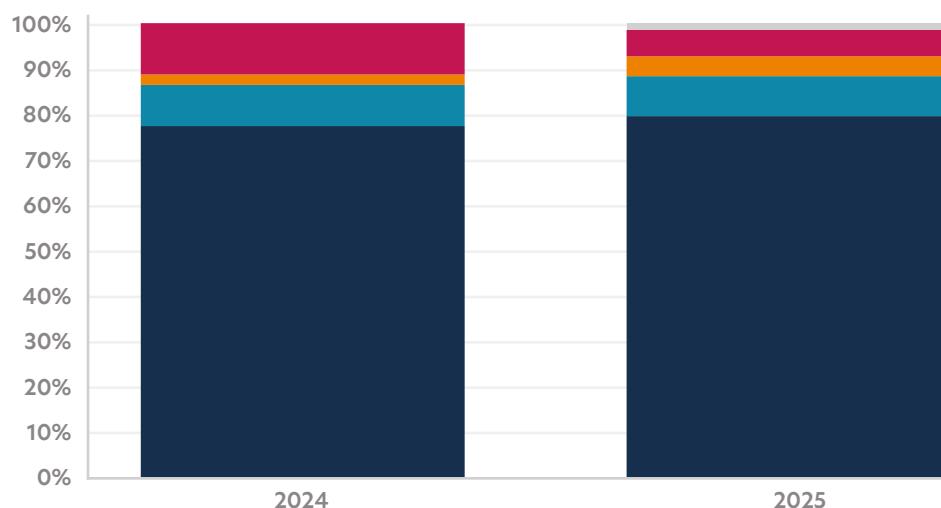
Do you have analytics capability on your L&D team?



No

Yes

Do you have analytics capability on your L&D team?



Other

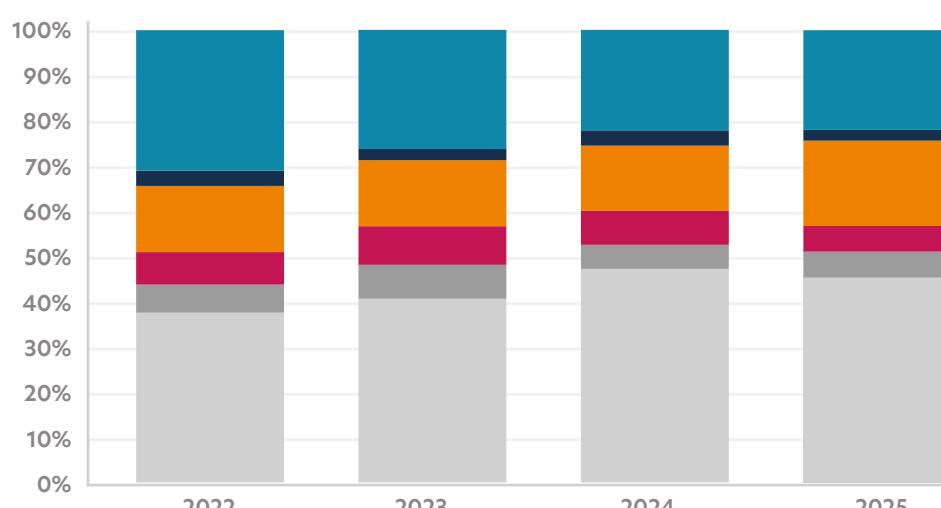
Systems architect

Data engineer

Statistician

Data analyst

What option best describes your analytics staffing plans over the next 12 months?



No plans yet - but we're seeing growing demand

We outsource our analytics externally

We borrow from a department outside of L&D

We are actively recruiting analytics talent

We have no demand for analytics

We're not expecting changes to our current staffing



GP Strategies Corporation is one of the world's leading talent transformation providers. By delivering award-winning learning and development solutions, we help organizations transform through their people and achieve meaningful change. GP Strategies has delivered our innovative consulting, learning services, and talent technology solutions to over 6,000 organizations globally.

Our global staff of expert learning specialists, combined with our transformation focus and custom solutions, deliver superior business results. Whether your initiative requires developing the skills of your people, harnessing the power of AI in your learning ecosystem, the implementation and adoption of learning technologies, or refining critical processes, GP Strategies is a transformation partner you can trust..

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watershed

Founded in Nashville, Tenn., in 2016, **Watershed** is a Learning Analytics Platform that lets you measure and prove the business impact of learning. Watershed is a customizable SaaS-based solution that collects, aggregates, and standardizes data from across your learning ecosystem. By matching this with other data sets such as HRIS or other performance data, Watershed's reporting lets you assess the effectiveness of your learning programs, learner performance, and vendor effectiveness.

Watershed enables organizations to maximize their investments enabling the continuous improvement of learning and development. Since its founding, this young, high-growth organization has developed a portfolio of Fortune 500 global clients—such as Visa, Verizon, PricewaterhouseCoopers, Caterpillar, and more.

Watershed is part of [Learning Technologies Group](#) plc's award-winning group of specialist learning technology businesses.

To learn more, visit watershedLRS.com.

If you'd like to discover how Watershed and GP Strategies' award-winning solutions can help your organization, contact our team on:

info@gpstrategies.com