Various Perspectives on evaluation of training: Scenario, Practices and problems.

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“Evaluate what you want -- because what gets measured gets produced.” James Belasco

ABSTRACT
As per the recent studies the primary concern of an organization is its efficiency. There is a continuous environmental pressure for its achievement. Training imparts skills & knowledge to employees in order that they contribute to the organization’s efficiency and be able to cope with the pressures of constantly changing environment. Evaluation of training is one of the most difficult & Challenging tasks and is also an important aspect of every organization. The required data for evaluation is not always easy to get; neither for the organization and nor for the trainer. That is also one of the reasons why training evaluation is often ignored by the organizations. This information collected from the measurement of impact of training programs help the organizations in training program development. This paper draws a conclusion based on prior research on human resource training evaluation, including its models, tangible and intangible benefits of training and return on investment.

Keywords: Training Evaluation, Measurement, Return on Investment

Introduction
Employee Training is becoming a necessity to every organization now-a days. Employees are delegated with different role & responsibilities & training helps them to accomplish these roles & responsibilities & prepare them for the future responsibilities as well.

“Training is much more complicated than simply telling and showing someone how to perform a task. Training is an attempt to transfer skills and knowledge to trainees in such a way that the trainee accepts and uses those skills in the performance of their jobs (Human Resource development).”

The Indian government & the local industry are continuously increasing their investments in training to upgrade the skills of employees. The IT sector is the largest user of training and spends 3% to 5 % of revenues on training, compared to 0.5% to 2% in non IT Companies.
A large number of organisations are setting up their own training facilities. This will continue because orientation in managerial and technical areas is necessary for effectively responding to the changing environment of business.

Changing role of Training
• Do more for less
• Improve results
• Utilize technology properly.

Advantages of having a high intensity Training Program
• Optimum Utilization of Human Resources
• Employee Skill Development
• Enhanced Productivity
• Building Team Work
• Developing & Improving Organization Culture
• Improving Quality
• Creating Healthy work environment
• Improving Health and Safety.
• Improving Morale
• Creates a good corporate Image
• Improves Profitability.
• Develops leadership skills, motivation & loyalty
Training Evaluation

National HRD executive survey (1997) conducted by American Society of Training & Development (ASTD) showed that, “determining the impact of training on financial performance” was the top challenge for more than half (55.9%) of the HRD professionals surveyed.

Evaluation is a Process to determine the worth, value of an activity. Evaluation is done to decide the future program, comparing the costs & benefits, determining if the program was the appropriate solution for the specific need etc.

Training evaluation is a systematic process of collecting information for and about a training activity which can then be used for guiding decision making and for assessing the relevance & effectiveness of various training components. (Raab et al; 1987) There is a steady trend in the HRD field: a move toward more relevant programs whose impact & results are monitored, evaluated & reported. The entire Human Resource Management function is responding to demands to measure its impact & Training & Development appear to be taking the lead. This is probably one of the most difficult & Challenging tasks.

Human resource training evaluation models

(DeSimone et al, 2003)

<table>
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<tr>
<th>MODELS</th>
<th>TRAINING EVALUATION CRITERIA</th>
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<tr>
<td>Kirkpatrick (1994)</td>
<td>Four levels: Reaction, Learning, Job Behaviour, and Results</td>
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<td>CIPP (Galvin, 1993)</td>
<td>Four levels: Context, Input, Process, and Product</td>
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<tr>
<td>CIRO (Warr et al., 1970)</td>
<td>Context, Input, Reaction, and Outcome</td>
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<tr>
<td>Systems approach (Bushnell, 1990)</td>
<td>Four sets of activities: Inputs, Process, Outputs, and Outcomes</td>
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<tr>
<td>Kraiger, Ford and Salas (1993)</td>
<td>A classification scheme that specifies three categories of learning outcomes (cognitive, skill – based, affective)</td>
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<tr>
<td>Kaufman and Keller (1994)</td>
<td>Five levels: Enabling and Reaction, Acquisition, Application, Organizational Outputs, and Societal Outcomes</td>
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<td>Holton (1996)</td>
<td>Identifies five categories of variables and the relationships among them: Secondary Influences, Motivation Elements, Environmental Elements, Outcomes, Ability/ Enabling Elements</td>
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<td>Phillips (1996)</td>
<td>Five levels: Reaction and Planned Action, Learning, Applied Learning on the Job, Business Results, Return on Investment</td>
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Systems model of Training Impact Evaluation
The Kirkpatrick four Level Approach

The most well known framework for classifying areas of evaluation, developed by Kirkpatrick, contains four levels of evaluation.

Each succeeding level of evaluation builds upon the previous level’s evaluation. Each successive level of evaluation adds precision to the measure of effectiveness.

<table>
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<tr>
<th>KIRKPATRICK MODEL</th>
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<tr>
<td>LEVEL</td>
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<tr>
<td>Reaction</td>
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<td>Learning</td>
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<td>Behaviour</td>
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<td>Results</td>
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Stetar - DOE Training Symposium - Aug 2003
Level 1 Evaluation - Reactions
This level measures how employees react to the training program. This level gains knowledge about whether the employees liked the training and was it relevant to their work.

Evaluation tools:
- Face-to-face interviews
- Participant comments throughout the training
- Ability of the course to maintain interest
- Amount and appropriateness of interactive exercises
- Program evaluation sheets
- Participants' perceived value and transferability to the workplace
This type of evaluation is inexpensive and easy to administer using interaction with the participants, paper forms and online forms.

Level 2 Evaluation - Learning
These evaluations are conducted before training and after training i.e. pre test & post test to assess the amount of learning that has occurred due to a training program.

Evaluation tools:
- Individual pre- and post-training tests for comparisons
- Assessment of action based learning such as work-based projects and role-plays
- Observations and feedback by peers, managers and instructors

Level 3 Evaluation - Transfer
Evaluations at this level attempt clarify whether the training has been transferred back to the job. This evaluation is mostly performed three to six months after training. This evaluation represents the accurate assessment of training effectiveness but it is costly.

Evaluation tools:
- Individual pre- and post-training tests or surveys
- Face-to-face interviews
- Observations and feedback from others
- Focus groups to gather information and share knowledge

Level 4 Evaluation- Results
This evaluation measures the success of the training program in terms of increased production, increased sales, decreased costs, lesser wastage, improved quality, lesser accidents, high profits, high ROI, improved use of software or systems etc. However, this level evaluation is difficult to measure and also it is difficult to correlate it with training.

Limitations of Kirkpatrick Model
- Level 1- Reaction- Can't measure what is learned, guarantee behavioural change, nor will it ensure quality results from learning.
- Level 2- Learning- Will not measure if they liked the programme, if they will behave differently, and if expected results will be achieved
- Level 3- Behavior- Cannot determines if participants like the training and if the behaviour accomplished results.
- Level 4- Results- cannot determine if participants like the training, understood it, or if it is affected their preferred behaviours.

The Phillips Five- Level ROI Framework
The ROI Process adds a fifth Level to the four Levels of Evaluation Developed by Kirkpatrick.
<table>
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<tr>
<th>Level</th>
<th>Brief Description</th>
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<tr>
<td>1. Reaction &amp; Planning Stage</td>
<td>Measures Participant’s reaction to the Program &amp; outlines specific plans for implementation.</td>
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<tr>
<td>2. Learning</td>
<td>Measures skills, Knowledge or attitude changes.</td>
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<td>3. Job Applications</td>
<td>Measure change in behaviour on the job &amp; specific application.</td>
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<tr>
<td>4. Business Results</td>
<td>Measures business impact of the program.</td>
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<tr>
<td>5. Return on Investment</td>
<td>Measures the monetary value of the results &amp; costs for the program, usually expressed as a percentage.</td>
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HRD Programs are not usually undertaken unless tangible results can be measured. If the Impact of program can’t be measured, then perhaps the program should not be implemented.

**Objectives**
- To explore why do some training programs have an impact while others don’t.
- To identify the areas of focus while measuring the impact of training programs.
- To identify the reasons why training evaluation is rarely done.
- To explore the importance of calculating ROI.

**Research Approach**
This paper highlights the importance of evaluation of training programs conducted nowadays by almost all the organizations & conducts a review of various studies based on measurement & evaluation of training. The challenges in evaluating the training programs have also been highlighted as the inference drawn from studies conducted earlier.

The approach of this paper is to bring out the areas of focus while evaluating training which is economical in terms of cost and time and help both trainers and managers in determining the impact the training have on individual and organizational performance.

**Objective-1** To explore why do some training programs have an impact while others don’t.
Some training programs are able to generate an impact while others fail to do so, that is because of the reason that they struggle for the following:
- Time
- Resources
- Management attention

Level of the training evaluation should be in accordance to available resources in the Organization, as well as in according to learning and organisation strategy and objectives.

**Objective-2** To identify the areas of focus while measuring the impact of training programs.
HRD Programs are not usually undertaken unless tangible results can be measured. If the Impact of program can’t be measured, then perhaps the program should not be implemented.

**Why Measure Training Effectiveness?**
Measuring the effectiveness of training programs requires valuable time and resources. Many training programs are not able to deliver the expected organizational benefits. If the organization’s measuring system is in place then it can help in determining where the problem lies. Also in today’s rapidly changing business environment training programs which were successful earlier may not be a cost-effective program in future and measuring the results will help in adapting to such changing circumstances.

**What to Measure in Training Programs?**
Measurement of training is a journey, not a destination. Training is expensive if it does not serve the purpose for which it is provided. The organizations are spending almost 1-4% of their total payroll on
training, so it is important to identify whether the money is well spent or not. The training should be able to improve the individual’s as well as organizational capabilities. If the training programme fails to do so then the loss to the organisation is more than the money spent on training. The organisation could lose its competitive edge and its market position.

The impact can be measured in terms of:

- Organizational Impact
- Business focused results
- On the job action
- Program Response
- The Measurement depends on
- Organization’s needs
- The size, span & intensity of training programs
- Seriousness in the conduct of training programs

Measurement Categories -The baseline measure, target measure & actual result after training & Development effort can be noted in terms of

- Time
- Output
- Quality
- Cost

Objective -3 To identify the reasons why training evaluation is rarely done.

Despite the importance of evaluating training for effectiveness, literature has shown that evaluation of training programs is often incomplete or missing (Fullard, 2007).

According to a survey by ASTD, 80% of organizations conduct trainee satisfaction evaluations, 40% evaluate trainee learning, and less than 10% perform evaluations of trainee job improvement or business impact. Considering the expenses incurred on training many organizations do not value effectiveness and return on investment of the money spent on training programs.

There are two main reasons why organizations do not perform adequate evaluations of training. These include:

- **Training evaluation strategy is not well formed** - Most organizations don’t have a proper training evaluation strategy. This is because the Management feels that the organization doesn’t require it. Instead, training is evaluated by managers’ own feelings about how well the training worked. There is no strategic intent to training because there is no alignment it with the objectives of the business.

- **Training evaluation is very complex** - The development of measures to evaluate training is technically complex. The expertise to conduct evaluations is usually not available in organizations

Objective-4 To explore the importance of calculating ROI.

A study of 15 countries in the Organization for Economic Cooperation and Development found that the majority of enterprises believe employee training is responsible for "productivity improvements, greater workforce flexibility, savings on material and capital costs, improved quality of the final product or service, and a more motivated workforce." (National Centre for Vocational Education Research 2001, p. 1)

However, many companies have not measured the benefits and related them to the cost of training in a way that reveals the rate of return on a firm's investment.

Lachnit (2001) presents five steps for measuring ROI:

1. Obtain data to demonstrate the changes in behaviour, e.g., that gathered through surveys, questionnaires, on-the-job observations, post-program interviews, focus groups, performance monitoring.
2. Isolate the effect of training, e.g., through the use of control groups, trend lines, forecasting models.
3. Convert the data to monetary value by focusing on a unit of measure, determining a value for that unit, calculating the change in performance data, determining the annual amount for the change, and calculating the total value of the improvement.

4. Tabulate the program costs: this is the value of the cost of taking people away from their jobs for the training, including salary and benefits.

5. Calculate the return on investment by dividing the net benefits by the costs times 100 percent.

**Calculating ROI**

\[
ROI = \left(\frac{Total\ Benefits - Total\ Costs}{Total\ costs}\right) \times 100
\]

\[
ROI = \left(\frac{Net\ Benefits}{Total\ Costs}\right) \times 100
\]

One of the earliest methods for evaluating training investments is the Cost Benefit Ratio. This method compares the program’s benefits to its cost

\[
CBR = \frac{Program\ Benefits}{Program\ Costs}
\]

**ROI vs Cost-Benefit Analysis**


In addition to the traditional ROI formula mentioned above, others types of measures are also there to evaluate ROI but these are occasionally used for it and are primarily designed to evaluate other types of financial measures. The other measures are:

- Payback Period
- Discounted Cash Flow
- Internal Rate of Return
Utility Analysis

Checklist for taking the decision whether to implement Training Evaluation or not?

- Does the organization know what it wants to achieve as a result of training evaluation?
- Is there a commitment to use training results to improve future training performance?
- Are the resources available to conduct an evaluation that will make a difference in the future operation of the training establishment?
- Will the benefits to be achieved outweigh the costs and other resources required to carry out the evaluation?

Conclusion

In today's environment there must be explanation for every expenditure on the balance sheet for every organization. Expenses cannot exceed revenues if a company is to survive. There are many ways to compare returns on investment. The Cost/benefit analysis is one means of evaluating training returns which is used the most. The research literature shows that there are positive returns from investment in training only the nature of returns vary.

Training evaluation has become a continuous process by which an employee’s learning about the company’s goals as well as his or her responsibility towards contributing them is measured. Training evaluation measurement is an ongoing activity for every organization.

The general suggestion after the study is that the training evaluation should be started right after conducting training programs, but should not be finished by that.

References

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