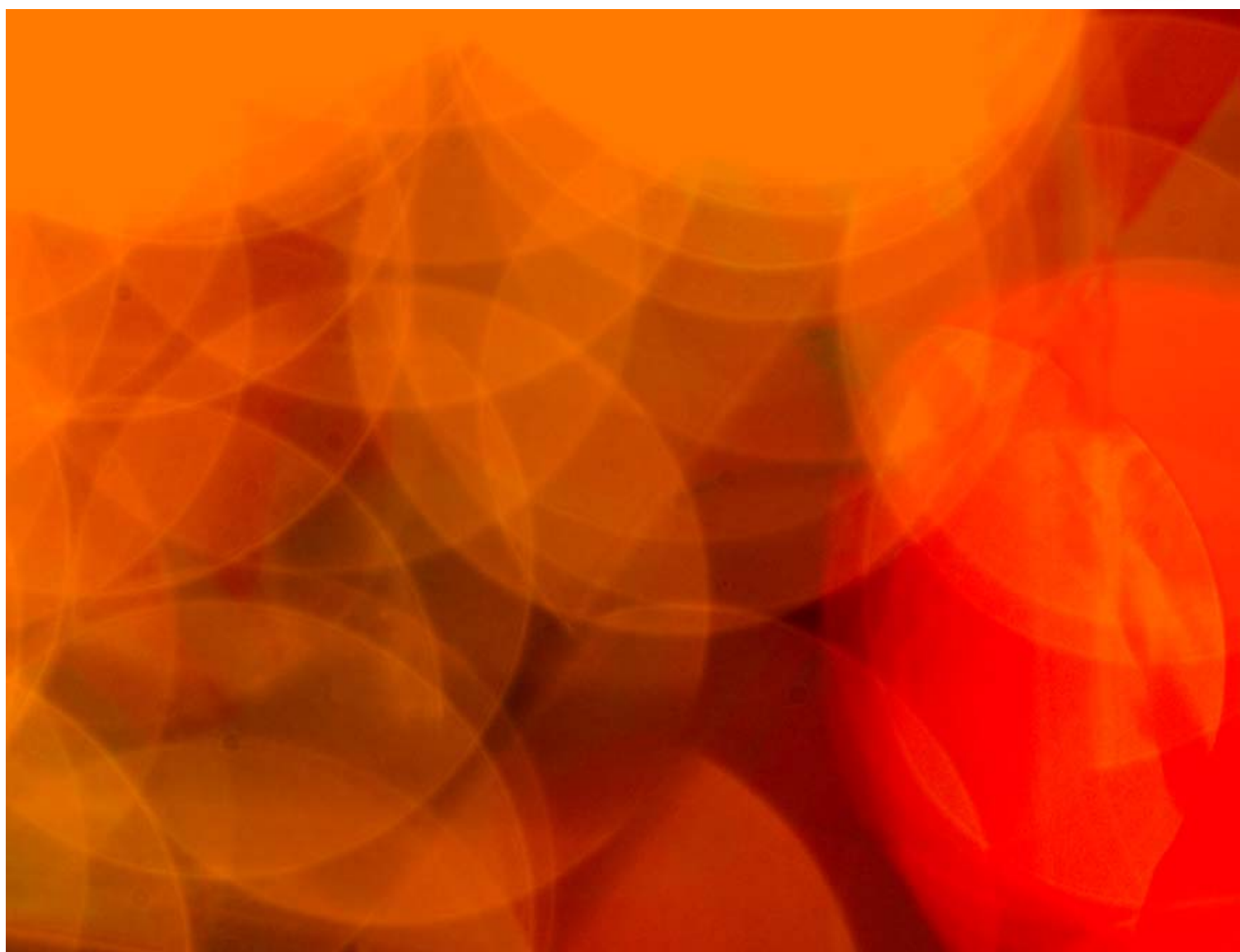


WCS

Developing Responsive Provision



Measuring the impact of training on business

Measuring the business impact of the training provided to an employer is not typically undertaken by providers with their business customers. Indeed research shows that many business organisations do not themselves measure the impact of their investment in training and development.

This creates a double set of issues and a double set of opportunities for training providers. Providers have the opportunity to really focus on the impact of what they deliver and to help their business customers understand this and develop their own measurement tools.

Currently many of the measurement procedures we use lie in the first two levels of the model developed by Kirkpatrick. 'Evaluating Training Programs', originally published in 1959, has become arguably the most widely used and popular model for the evaluation of training and learning. Kirkpatrick's four-level model is now considered an industry standard across the Human Resources (HR) and training communities. The four levels of training evaluation model was later redefined and updated in Kirkpatrick's 1998 book, 'Evaluating Training Programs: The Four Levels'.

The four levels of Kirkpatrick's evaluation model essentially measure the:

- reaction of student – what they thought and felt about the training
- learning – the resulting increase in knowledge or capability
- behaviour – extent of behaviour and capability improvement and implementation/application
- results – the effects on the business or environment resulting from the trainee's performance.

All these measures are recommended for a full and meaningful evaluation of learning in organisations, although their application broadly increases in complexity, and usually cost, through the levels from level 1 to 4. This is summarised in Figure 1.

Understanding the impact of training that is delivered needs to consider how best to measure levels 3 and 4. To do that we have to pay attention to the following:

“Most evaluation models suffer from two basic problems – they start from the wrong point, not emphasising that evaluation begins at the start of the training cycle (not the end); and they start with a training need, not a business need.”

A “taxonomy” of possible training outcome indicators (Figure 2) outlines potential areas for consideration in understanding what the business needs of the employer might be and provides the basis for evaluating the levels 3 and 4 impact of training provided.

Figure 1 - Kirkpatrick's four levels of training evaluation

Level	Evaluation type (what is measured)	Evaluation description and characteristics	Examples of evaluation tools and methods	Relevance and practicability
1	Reaction	reaction evaluation is how the delegates felt about the training or learning experience	<p>for example 'happy sheets', feedback forms</p> <p>also verbal reaction, post-training surveys or questionnaires</p>	<p>quick and very easy to obtain</p> <p>not expensive to gather or to analyse</p>
2	Learning	learning evaluation is the measurement of the increase in knowledge – before and after	<p>typically assessments or tests before and after the training</p> <p>interview or observation can also be used</p>	<p>relatively simple to set up; clear-cut for quantifiable skills</p> <p>less easy for complex learning</p>

3	Behaviour	behaviour evaluation is the extent of applied learning back on the job - implementation	observation and interview over time are required to assess change, relevance of change, and sustainability of change	measurement of behaviour change typically requires cooperation and skill of line managers
4	Results	results evaluation is the effect on the business or environment by the trainee	measures are already in place through normal management systems and reporting – the challenge is to relate to the trainee	individually not difficult; unlike whole organisation process must be attributing clear accountabilities

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Figure 2 – Possible training business outcome indicators

Productivity and efficiency

- production costs per unit
- productivity targets met/exceeded
- production/completion time per unit (for example forms, loans, clients, projects)
- output (per worked hour, per shift, per machine, or per annum)
- equipment/facility/asset utilisation (for example down time due to machine stoppages, shift changeover time)
- equipment maintenance (costs or repair time), or replacement costs
- response time (for example to service calls or orders)
- capacity of staff to solve routine and non-routine problems (for example supervision time required)

- staffing requirements and workforce flexibility (for example dependence on casual/contract labour)
- overtime (quantity, cost)
- improved innovation in products/services
- induction time for new employees
- productivity of new employees.

Sales and profitability

- overhead costs
- operating costs
- operating costs as a percentage of total costs/revenue
- value of contracts won, loans processed
- revenue/income/sales (monthly, annually, per employee, per team, per branch or store)
- market share (number of customers, pounds spent, unit volume sold)
- sales to new customers
- group operating profit
- profit per employee
- stock market performance (that is, shareholder return).

Quality of products and services

- on-time provision of products/services
- wastage, reject, error or rework rates
- conformance record with quality specifications (for example batch yields, throughput of invoices)
- achievement/maintenance of quality rating
- compliance with quality, legal and/or ethical requirements
- achievement of quality award
- company image and reputation
- compliance with the Investors in People national quality standard.

Customer service and satisfaction

- customer satisfaction levels (with timeliness, availability, quality and price of goods and services)
- customer relationships and experiences
- repeat business (customer retention or loyalty)
- new business resulting from client referrals
- more/new customers or markets (for example contracts won, loans processed, funding awarded)

- lost business
- number of complaints.

Occupational health and safety

- accidents or injuries (number, time lost, compensation costs, premium cost/rating)
- safety critical incidents (number, cost)
- compliance with safety and health requirements (for example hygiene testing results)
- violation of safety rules
- improved response to crises.

Organisational learning and development

- performance appraisal ratings
- achievement of organisational competency profile requirements (for example to meet accreditation or licensing requirements, new operating environments or facilitate organisational expansion)
- number/percentage of employees with nationally recognised qualifications
- internal promotions resulting from employee competence and performance
- training awards received
- employee perceptions of training and development opportunities
- alignment with human resources, business and strategic planning.

Organisational climate, culture and practices

- employee retention/turnover/recruitment (for example number, cost)
- absenteeism
- disputes/grievances (number, cost or time lost)
- number of employee suggestions (submitted or implemented)
- employee satisfaction and motivation
- interpersonal relationships and commitment to team goals
- participation in teams and committees
- team performance
- internal communication and information systems
- implementation of new work practices
- standardisation of work practices
- implementation/maintenance of a service culture
- contribution to re-engineering and refocusing of enterprise.