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Evaluation of Training Programs in Organizations

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Abstract: If you deliver training for your team or your organisation, then you probably know how important it is to measure its effectiveness. After all, you don't want to spend time or money on training that doesn't provide a good return. One of the key challenges is quantifying soft data. For instance, how do you put a numerical measure on a new process's ease of use? How do you measure changes in attitude, work or even effectiveness of communication which are essentially behavioural traits and are hardly ever calculated in numbers? Numbers play a very important role in making decision making easier. They help in justifying cause-effect relationships. This is one of the key challenges that managers meet while determining whether a training program for the employees is important or not.

This brings us to the question: what can be done if it is not possible to quantify the results of a training and development activity. The present paper deliberates on such questions and attempts to offer answers which could help human resource managers choose evaluation methods based on their requirement and ensure that the entire training intervention progresses in an organised fashion and is directed towards accomplishing specific goals.

Keywords: Training and development, effectiveness of training, evaluation methods, training factors, Quantifying Training Initiatives, evaluation of training.

I. INTRODUCTION

Today, we find that companies have not only woken up to the importance of incorporating training programs for their employees, but have also begun to invest huge sums of money for the same. They often justify the cost incurred for training by calling it an “investment” rather than a cost. But the harsh reality is that when it comes to evaluation and control, one needs numbers. And corporate training, being a management tool that deals with human beings, fetches very subjective and qualitative feedback, which is very hard to quantify.

In fact, according to Learning Resources Network, 77% corporate organisations appraise the training programme based on participants' reaction, 36% try to measure the effectiveness by measuring the learning of participants and 15% try to monitor the change in employee behaviour. Only 8% corporates measure other results like ROI.

That's right – fewer than 15 percent of our colleagues measure behaviour changes or return on investment from their training programs. Yet, behaviour changes and ROI are the very things almost every organization wants from their training department. Despite this justifiably high level of interest, 85 percent of us are not able to provide them with any hard data in these areas. Why not? Well, because it's pretty hard to do.

Understandably, any aspect related to behavioural or attitudinal change can be analysed in terms of quality and thus is very difficult to quantify. In the absence of quantifiable data, return on investment cannot be calculated. This leaves organisations with the only option of getting feedback from trainees or participants which shows their satisfaction levels in terms of knowledge-gain and value addition to their skill-set. This is more of a psychological parameter and is heterogeneous in nature as each individual is different.

In order to understand the process of evaluation, we first need to find out about the key factors that trigger the requirement for undertaking training programs in any organisation.

II. FACTORS AFFECTING THE NEED FOR TRAINING

- **Client demands** – Considering that corporates cater to a variety of clients, its employees are required to develop a wide base of skill-set. To meet the demands of one's clients, corporates need to organise training programs.
- **Updating technology/ software** - The IT industry changes at an unprecedented rate in today's world. Organisations not only require keeping up with these changes by installing systems, but also need to coach their employees to use these systems.
- **Change in organisational structure or rules**—Whenever a major change occurs in the organisational makeup of a company, whether it's the introduction of a new CEO or change in the responsibilities allotted to employees, it becomes important to orient and build the new team. For this, it becomes necessary to organise training programs.
- **Inter-cultural integration**—Expatriates going to foreign countries need to be integrated in the host culture if they want to make any productive contribution to their organisation. For them, inter-cultural integration programs are organised.
- **Anticipated future demand** – At times, organisations might not find clients or projects that require the employees to be equipped with certain skills. However, in such a scenario, organisations may anticipate demand from prospective clients and organise training programs accordingly.
- **Employee satisfaction and retention** – Generally, when employees begin to work for an organisation, they hardly ever find the time to undergo training and develop new skills. It becomes the responsibility of the organisation to ensure that such individual goals are reconciled with those of the organisation so as to ensure high productivity from employees.

III. WHY MEASURING TRAINING IS IMPORTANT?

Corporate training is undertaken to target very specific gaps in the organisation, whether it is knowledge or skill of employees or the functioning of the organisation. It attempts to achieve more in less time. Hence, the people who impart corporate training are experts and thus charge a high amount for their services. Whichever name we give to the money spent after hiring such professionals - be it 'cost' or 'investment', the truth is money goes out of the organisation. And money spent should result in something that the organisation stands to gain in terms of 'benefit' or 'return'. This is achieved only when we allocate numbers in some form to the benefits reaped. Let us take a look at some of the methods that can be used to evaluate training effectiveness.

IV. METHODS TO EVALUATE CORPORATE TRAINING

A. *Return on investment*

The most common practice is measuring the ROI or return on investment. In order to calculate it, one needs to follow 3 basic steps.

- List down the benefits gained by the company
- Find out the costs incurred by the company
- Juxtapose the both and calculate the ROI

The standard formula for calculating training ROI is:

$$\text{ROI (percentage)} = ((\text{Monetary benefits} - \text{Training Costs}) / \text{Training Costs}) \times 100.$$

ROI can also be measured in terms of decreased product cost or time.

B. Evaluating action rather than knowledge

Most organisations try to evaluate the knowledge gained by employees by means of multiple-choice question tests or questionnaires. And these too are administered almost immediately after the training program. The goal of corporate training is to secure results not just in the short run but also in the long run, where the employee assimilates the acquired information into understanding and transforms it into action.

Action is the key-word here. Simply understanding a new skill is not enough. It has to be executed. Actions fetch concrete outcomes and thus it makes sense to invest time, money and energy in training activities that incite action.

C. Visual Confirmation

Trainers have already moved on from traditional methods of checking participant retention of the training imparted. Many trainers encourage participants to engage in a role-play asking them to enact scenarios in simulated corporate situations. However, with the advent of technology, there are better ways of checking whether employees put into practice what they have learnt. For instance, if an employee has undergone a training session teaching him how to handle subordinates' conflict effectively, when he/she finds himself/herself in such a situation, he/she can record the whole proceeding where he/she uses the acquired skill to solve the conflict. This video or audio can be sent to the trainer for feedback. When the trainer has access to real-life/real-time recording of the learner, the former can give a more useful and comprehensive feedback and the task of perfecting the new skill keeps happening for a longer time. Consequently, it helps the learner become more adept at the new skill.

D. Social Ownership

It has often been said and agreed upon that the best way to learn something thoroughly is by teaching the same to somebody else. Many a times, a handful of employees are selected for training. Later on, these participants teach other employees what they learnt during the training sessions. This peer to peer teaching is a very effective way of evaluating the training imparted.

E. Reiteration

Another way to gauge whether the participants have learnt from the imparted training is by way of reiteration. For instance, many a times, on the second or third day of the training, the participants are asked to assume the role of the trainer and conduct a mini-training session directed towards their co-participants based on the previous days learnings. Such an exercise has two-fold benefits – one, it helps the presenter do some “homework” on the things he learnt and while he/she presents, the co-participants can have a recapitulation of the previous day's training.

The main difference between the method of **Social ownership** and **Reiteration** is that in social ownership, the participant conducts peer training after the training session has already been concluded. Whereas in reiteration, it is done during the training sessions in the presence of the main trainer. This also ensures that if the participant makes any mistakes the trainer is present to rectify them. Another benefit of reiteration and social ownership is that the participants get the opportunity to practice their learnings before actually applying their acquired skills in the real world. Hence, when they finally deal with end-clients, they are more confident and polished.

F. Skill Assessments

Another way to evaluate the efficacy of any training session is by doing a pre and post testing of employee skills. For example, trainers often evaluate the existing skills of an employee, identify the lacuna and after the conclusion of training check whether those gaps have been filled. This is a much focused approach and helps in getting very precise answers when it comes to participant evaluation.

G. Verbal feedback

The project manager can take a verbal feedback from the trainees after 7 days or 15 days. He can investigate whether the training has helped them in doing their work, helped them to be better managers, to become a better professional or person, etc.; depending on the training which was imparted to them. This time gap given to the trainees will help us evaluate the recall value or retention rate of the learning. Moreover, it gives the trainees sufficient time to translate the values learned into actions so that they have a better idea about the importance and benefits of attending a training programme.

H. Donald Kirkpatrick's Four Levels of Training Evaluation

This technique has been the industry standard for measuring training success since 1979. Level 1 measures the participant's reaction to the training program (smile sheets) and Level 2 measures the learning that has occurred, usually through pre- and post-testing. But Level 3 (behaviour changes back on the job) and Level 4 (ROI) are rarely, if ever, measured.

This is where Kirkpatrick's Four-Level Training Evaluation Model can help you objectively analyse the effectiveness and impact of your training, so that you can improve it in the future.

Actionable steps to improve the quality of your training at each level.

a) Reaction

This is the first and immediate feedback that one receives from the participant. This kind of feedback might not necessarily have an impact on the ROI. However, if the participants are positive about the training, then it will have positive implications on their performance which will ultimately affect the ROI.

We have seen that evaluation of training interventions such as conventional courses are generally a neglected area when it concerns evaluation of their effectiveness. In general the "happy sheet" type of evaluation is ineffective as it is inclined to be subjective, and influenced by considerations which are actually outside the course itself. That is the course content could be poor or inappropriate but was delivered by a good instructor who managed the group well and the participants actually "enjoyed" the experience but learnt little!

Action Step:

There are many ways to gauge trainee reaction. Verbal feedback, survey questionnaires, MCQ tests etc. are common tools. Getting feedback online is also an effective technique as it helps monitor trainee hesitation, trainee sincerity while he/she is taking the test. It also helps to know how many trainees were stuck at a particular question. Thus, it helps the trainer in redesigning his program in a way that it caters to these particular areas.

b) Learning

Reaction is immediate, whereas learning is imbibed over a period of some time. Most of the time learning precedes action in case of training programs. Evaluating how much the participants have learnt can give us an idea as to how much behavioural change can be expected in the long run.

Action Step:

Participant learning can be measured through oral or written tests, role-plays, presentations or audio video recordings.

c) Behaviour

Even though this is one of the most important returns that one can get from a training session, very few organisations take the pain to evaluate behaviour. That is mostly because behavioural change happens gradually.

Action Step:

As behaviour change happens in the long run, it can be measured only after the training session has been concluded. A coordinated effort should be made by the trainer and the organisation to observe the behavioural change. A list of desired modifications in employee behaviour should be made prior to the training and by careful observation, such changes should be recorded (if any are observed, that is). The degree of these behavioural changes can also be predefined and recorded.

d) Results

In this level of evaluation, one takes into consideration quantifiable data. At this stage, the actual ROI is calculated. For instance, one can find out by how much the sales have gone up after a training session and based on the cost of training, the ROI can be calculated.

Action Step:

In order to ensure that such a tangible result is achieved, it is important to list down very specific long term objectives right before the training program is undertaken. But at the same time it is important to correlate the training benefits with the end results and determine which benefits manifest themselves into calculable return.

V. QUANTIFYING THE EFFECTIVENESS OF TRAINING INITIATIVES

One of the major challenges in getting concrete results while evaluating the effectiveness of training programs is how one can assign numbers to qualitative elements like employee engagement, customer satisfaction, work-life balance, etc. It can be done using the following techniques.

- Average change in performance appraisal ratings over time
- Customer satisfaction ratings
- Employee engagement survey scores
- Turnover rates
- Percentage of promotions
- Productivity rates over time
- Retention rates

There are other intangible benefits also which are very important but more difficult to quantify.

Benefits can include:-

- Improved morale
- Enhanced reputation
- Reduced stress
- No legal costs
- No compensation cases
- Lower staff turnover
- Imbibing new soft skills
- Enhanced knowledge

VI. CONCLUSION

Just like any result-oriented endeavour, prior to undertaking any training intervention, the organisation needs to pre-define the objectives after thorough deliberation. These objectives should not only be determined at the organisation level but also at the individual (trainee) level. The extent of the success of any such intervention is said to be directly proportional to the extent

to which the aforementioned objectives have been achieved. Training undertaken for training's sake is more or less a futile exercise which hardly ever yields any tangible results.

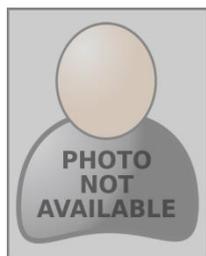
Another approach that highlights the importance of evaluation is that when a systematic and well-considered method of evaluation is adopted, it ensures that the human resource function of the organisation is held accountable. Right from the beginning, the HR department is forced to consider the cost to benefit ratio so that the final ROI shows favourable figures.

Keeping in mind the above mentioned point, it is essential that along with determining objectives, the management of the organisation designs an orderly and logical method to evaluate the outcome of the training and development initiatives that that it has mandated for its employees. This will help in one of the most important management functions which is control and will not only help in controlling the cost of training but also the quantity (number of training sessions per employee/per year) and the quality of the training programs chosen.

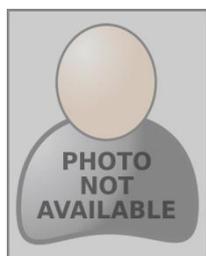
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Ms. Priyanka P. Arora, received B.Sc. (Computer Applications & Information Technology) and MBA (HR- Marketing) degrees in 2008 and 2011 respectively. During 2011-2012, she worked for an education organization establishing HR systems and handled recruitments. She also conducted few team building and soft skills workshops for certain corporates and B-schools. Thereafter she joined academics as Assistant Professor dealing with various subjects in the areas of Soft Skills, Communication, Human Resources and Marketing. She is now associated with G.L.S. (J.P. Shah) Institute of Business Administration.



Ms. Urvi Velani, pursued her Bachelors of Commerce from H.L. Institute of Commerce in Ahmedabad. Thereafter, she completed her Masters in Development Communication (MDC) from Centre for Development Communication, Gujarat University. As language has always been her forte, she first worked as a professor of French language at Alliance Francaise d'Ahmedabad for 5 years. In the meanwhile, she also used to teach English for ESL students and Soft Skills to post graduate students at premiere institutes. She also has the experience of two years working in the capacity of a senior copywriter for a media solutions company. Currently, she is working in the English Department of G.L.S. (J.P. Shah) Institute of Business Administration. Apart from that she is pursuing her doctorate from the Department of Journalism and Mass Communication, Gujarat University.