

Make Sure You Get a Return From Your Training

Introduction

Particularly in straightened times we need to be sure that we are getting added value from our investment. In regard to training, learning and development, this is ever more important since it is often seen as an easy target for cutbacks.

We believe that with many learning and development schemes scaling down amidst the continued economic squeeze, it has become ever more important for organisations to review their approach to training and the return on investment (RoI) it produces.

This article discusses the importance of RoI and concludes that although the measures of what constitutes a return will be different across organisations and programmes, one central figure in determining the measure and the result is involvement and support from the line manager.

Return on Investment from Training

According to a recent survey carried out by CIPD, over half (52%) of organisations are considering scaling back their spending on learning and development in 2010. Other surveys also point to mounting dissatisfaction with the content and delivery of training programmes. To address this, it has become critical for organisations to ensure that the money they do spend on learning and development is a sound investment.

According to The American Society for Training and Development only 3% of global companies measure the RoI of such investment, whilst the training firm Cegos claim that, in the UK, almost half of companies (47%) claim to assess the effectiveness of their training programmes.

One reason for this relatively high figure may be that HR professionals and those who commission training are realising that the immediate feedback from “smile sheets” and post event questionnaires is not adequate to prove that an initiative has changed a participant’s overall effectiveness.

Public Sector May be Ahead

There is a growing culture of seeking in-depth analysis of RoI in the public sector and we can learn from that. Richard O’Rawe of Stellar has experienced this trend:

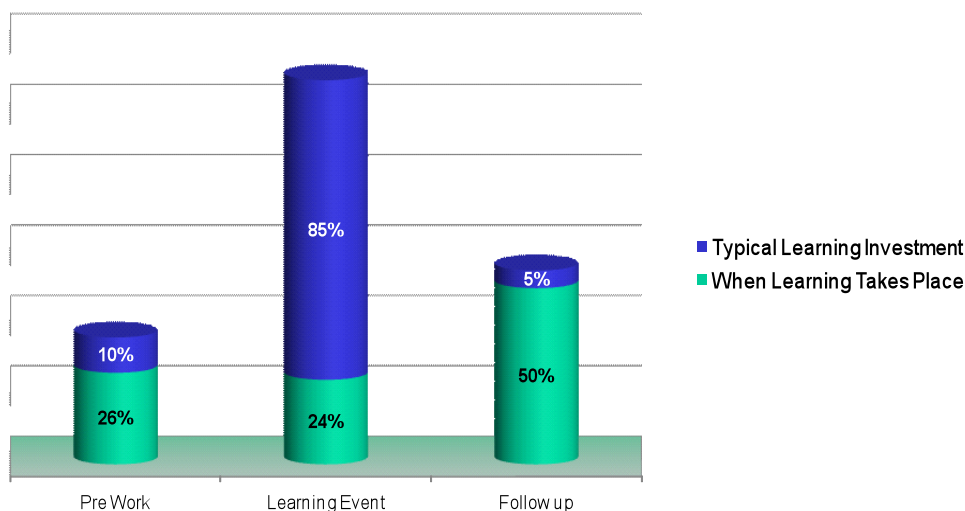
“We find that public sector organisations tend to be more concerned about evaluation as they have to provide a business case for commissioning any learning and development, and this leads on to a culture of seeking evidence that the programme is delivered against that business case, especially if it is to be carried forward into another year.”

As the economic crisis continues to demand such accountability in all sectors, the assessment of training’s effectiveness is likely to become more commonplace.

Need for More Action Learning

There is compelling evidence that most learning, takes place outside of traditional workshops.¹ This means that although workshops and events are a part of the overall learning process, a learning strategy that does not focus on what happens before and after traditional training courses is doomed to failure.

Figure 1: Mismatch between Investment and When we Learn
Investment and Learning Mismatch



Research supports this. There is a mismatch of investment in ‘training’ and when learning actually takes place. It seems that organisations invest 80% of their resources on workshops and traditional training events when this accounts for less than a quarter (24%) of when learning takes place.

A more recent study paints an even more startling picture. It is possible that as little as 10% of “learning that sticks” takes place in training sessions.²

Getting it Right

The ROI of training programmes is notoriously difficult to gauge and is often still measured using Donald Kirkpatrick’s five levels of evaluation model, which was developed in the 1960s. Coming up with the right measures is difficult as some things are harder to measure than others. For example, soft skills such as leadership development are much harder to measure than sales training because the business links are not always obvious.

Because of this difficulty, it often falls to external agencies to conduct the assessment - a measure that can prove expensive to the company. Recognising this expense, Tom Redman, Professor of human resource management at Durham Business School, has suggested that perhaps it does not make good business sense to become too focused on assessing the cost-effectiveness of training:

“Most companies simply don’t have the tools, skills or resources,” he says. “They intuitively know that investing in talent is good business

¹ Dr Brent Patterson, Columbia University, 2004

² Josh Bbersin Associates, 2008

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practice and there's plenty of well-established data which proves that training works. So HR shouldn't get hooked on proving RoI."

Importance of the Line Manager

Stellar has found that the level of line management support provided will have a significant effect on the success of a training programme. For example, we include an Organisational Readiness assessment to promote this before embarking on a programme.

According to David Pardey, head of research and policy at the Institute of Leadership & Management, managers have the responsibility to aid an employee's transition from classroom to workplace:

"When an employee comes back from training, work has usually piled up, and everyone jumps on them to do x, y and z. They revert to their prior state, although they might have been ready to do things differently by applying the new learning. Instead, the line manager should take some time out with them and ask questions such as 'What did you learn?' and 'How can I help you apply that learning?'"

It has been claimed that when learners receive line manager support, over 90% go on to apply what they have learned, demonstrating a positive correlation between the transfer of learning to the workplace, line manager support and performance improvement.

Training may be required to ensure that line managers themselves have the skills required to administer such support. Once again, Pardey notes that:

"when management support is offered to individuals that want to put a change plan into practice after training, a clear financial RoI – equivalent to a saving of between £2,000 and £15,000 per project – has been demonstrated. So you'll get much better access to RoI if line managers take responsibility for training and ensure that learning is applied."

Focusing on the importance of training and its application on the front end can demonstrate its centrality to an organisation's overall strategy. If line managers are prepared to support the implementation of an employee's training, then an organisation should be able to boost the effectiveness and the RoI of their learning and development investment.