

# T R A I N I N G R O I

## FALLACIES AND FIXES

### IS YOUR TRAINING EVALUATION METHOD HIDING SOMETHING?

Many organisations make earnest efforts to evaluate the impacts and returns from training on business and individual performance, however some popular approaches for measuring ROI (return on investment) hide some basic limitations. What are these fallacies and what can be done to overcome them?

Brave efforts aimed at satisfying sponsors' insatiable desires to know exactly what L&D spend is delivering may be in vain if the methods used for assessing ROI can be open to attack. It can take just one carefully aimed pot shot from a sceptical antagonist to reduce a well prepared argument to ashes.

**“Traditional ‘number crunching’ approaches often miss the point.”**

Faced with the seemingly impossible task of measuring return on what are often ‘immeasurable’ soft factors, many have turned to a range of techniques aimed at filling this gap. The new science of learning analytics and analysis of learning impacts claim to take training professionals closer

to spotting tangible outputs at Kirkpatrick level 4, but such methods contain inherent weaknesses. Traditional ‘number crunching’ approaches for calculating financial and performance returns are similarly often miss the point.

The difficulty with many of these approaches is that they are founded on false premises, incompletely describe reality or rely on too many assumptions. What’s more, one important purpose for assessing ROI - to understand what has made the difference - is often overlooked.

Several limitations stand out, but each can readily be overcome. Let’s consider the more common of these faulty beliefs.



#### Staying on track

*How does the happy bonding seen in team building games filter back into the workplace? Assessing the return of such programmes involves more than looking at what’s been learned and noting changes in individual mindsets and behaviour.*

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**1: “learning has bedded in - this proves a positive return”.** Some years ago I attended a one week programme to pick up the basics of ‘Solution Sales’. Every time someone in the class made a bright suggestion, the charismatic Virginia-based trainer stamped a light bulb icon on their name marker. Each ‘light bulb moment’ was clearly talked through, and delegates were encouraged to keep a list of the key learning points arising from these, knowing that they would be the subject of a test toward the end of the course (for which there was a prize).

This was a simple trick to hold interest and probably ingrain at least a few key points in the minds of the participants. Quite likely, a fair few of these could be recalled many months later.

Some training professionals go further, and actively seek out what has been properly recalled some time after a course has completed.

Of course this is valuable knowledge, and is reassuring if it can be shown that learning points have indeed been learned.

However learning *doesn't* equate to impact or return, even if the learning has been applied in practise. Simply knowing

that someone has got the point or perfected a new skill tells us nothing about how this new knowledge or skill is making a difference: we're still at level 2 in the Kirkpatrick model (increased knowledge or capability).

**2: “delegates taking action after being trained can see value in their everyday roles”.** It's quite normal for individuals to produce action plans as part of a training course and to commit to personal contracts to achieve them before leaving a course.

Some training requires action before delegates arrive in the classroom, whereas other programmes encourage a quite sophisticated action planning ritual: the “Ten-Ten-Ten” approach is one such concept, requiring individuals to state what they will do 10 days after leaving a course, after 10 weeks and then again after 10 months (or other elapsed periods). A phone call from the training department or more formalised review forum help serve as a discipline for sticking to these commitments, whilst giving recordable feedback for training evaluation.

Actions may well be planned to put useful aspects of the training into practise and some may be capable of being quantified in terms of the benefits or savings they generate, but these again may fall short of achieving any tangible impact unless they are significant. What's more, other impacts of the training (potential or real) may be overlooked in evaluation if they have been excluded from action planning. A “Ten-Ten-Ten” model may encourage individuals to keep taking steps sometime after training and so is not to be derided, but such methods are inadequate on their own as measures of impact or return.

**3: “there's broad evidence that the training has had some impact - just listen to all these great stories”.** This one may be seen as a compromise to show that *something* has happened for the good,

but a selection of positive stories and good feeling doesn't add up to overwhelming proof of positive impact.

Anecdotes need to be rationalised to ensure that they aren't just extreme examples, whilst any quantified benefits need to be balanced against the costs of training to ensure that the effort was worthwhile.

Being able to point to some positive outcomes should be a minimum expectation for any training initiative - if this can't be achieved, then outsiders may be justified in questioning the programme's value.

**4: “on-line analytics are showing us what's happening”.** “Learning analytics” is a relatively new buzz-word much uttered amongst the training fraternity, referring to the ability of software to monitor what individuals have learned. One common method is for delegates to be randomly questioned via a web-based test on different points of learning, which then provide a basis for generating analyses of the success or otherwise of particular training interventions.

Several analytic software products are now available. But users of such products should be wary of their limitations. Software-driven analytics must apply logical rules in their analysis; they can only act on the data fed into them, usually with only limited or fixed options for responses. Web-based questionnaires may serve a purpose for testing mere knowledge, but this doesn't account for behavioural change or business impact (the third and fourth levels in the Kirkpatrick model), nor can it convincingly handle assertions of most skills.

No computer is yet capable of applying human intelligence to establish true insight. Yet this is the critical process for assessing returns on ‘soft’ investments.

The best that might pop out from a software report is a set of indicators or processed data: at best, some of this may constitute information about what



*“Ten-Ten-Ten” action planning prompts action, but may underplay business impacts.*

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individuals now know, but unless this is all a training programme is intended to achieve, it's a long way from demonstrating real return.

**5: "individuals perceive a positive difference".** The same might be said of using perceptions as evidence, such as those collected from a 180° survey. Such information can add value to any ROP ('return on people') study and is certainly interesting to know, but despite the popular cliché, perception *isn't* necessarily reality - amongst other factors which may cloud a view, perceptions may be biased by specific rather than common experiences, be too limited in focus, or not tie an impact to a specific intervention.

This said, a common pattern of similar perceptions from a number of individuals and different stakeholders may be a strong indicator of impact and perhaps be sufficient for some to feel that a programme has earned its stripes, but if we're serious about understanding impact, we need to know more.

**6: "the hard data speaks for itself".** Even where clear and seemingly related changes are apparent sometime after launching an initiative (e.g. performance is up, productivity is at an all-time high), there remains an all too often a thorny problem in analysis: how to isolate what a particular programme has *specifically* contributed?

The devil's advocates will usually have no problem reminding us of possible alternative influences we've forgotten. Claims that a particular initiative have made the big difference mean nothing if they can't be rationalised. Unfortunately, it's usually the case that a number of possible factors may have played a part.

**7: "calculating ROI is all about pound signs and numbers".** CFO's might not unanimously agree with this point, but HR and L&D experts may find solidarity with line managers and others who want to quantify the benefits of training in terms beyond the pure numbers (important though these may be).

More agile staff, reduced management burden and reduced dependency on key skill sets translate into benefits which may not be as precisely costed as some performance criteria, but they do attract a positive return no less certainly than value for money and productivity increases. In fact, the list of 'intangible' benefits which can attract tangible returns is surprisingly long.

Anecdotes can offer powerful evidence of how and why impacts are being felt, but as we've already mentioned, we need to be careful to ensure that these aren't just isolated examples which may not fit with the norm.



## Learning analytics miss the high notes

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**8: "ROI measures give us just a snapshot at a particular point in time".** Consider the likely reaction of a busy executive being informed that a new leadership programme had achieved a £258,332.55 return over investment costs at the end of the last financial year, and one who's informed that a programme had already achieved at least £220,000 in costed benefits, with a further £110,000 forecast for the coming year, and an arm-full of examples to illustrate exactly how the impact has been achieved.

The first claim is impressive, but it's right to question whether such precision is always necessary. By contrast, claim number 2 is likely to satisfy the worry about the investment being worthwhile - especially if compared with other initiatives on an opportunity cost basis - but also makes clear to the budget holder knows what's making the difference and has a real handle on the programmes in their charge.

What's more, the future trend in benefits and returns is clear - progress toward longer term objectives can be anticipated, as well as performance against targets at a particular point in time.

We shouldn't then just see ROP analysis as being about precise figures on a particular day in time, but also be clear about the general trend - very often, proving break-even or a favourable opportunity cost is all that's required, and especially if current training initiatives are being kept under review against changing business needs.

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**9: “one good story often tells the whole story”.** We’ve already mentioned this one. Isolated stories are significant, but they may not tell the whole story of what’s happening on the ground.

**10: “all learning objectives must be ‘SMART’ ”.** It’s all well and good if ‘SMART’ (specific, measurable, achievable, realistic and time-framed) objectives can be pinned down at the time of training, but this isn’t always quite so straight forward.

After all, much training by its very nature is about improving people and giving them the capability to perform better in their roles. Individuals coming to training often don’t know exactly what to expect, and in most types of training (perhaps excepting that with a technical, professional or procedural focus and some types of e-learning), precisely identifying how learning points will impact on an individual’s job and so the contribution they make to the business is hard for designers of training programmes to pin down.

Any goals which can be set are likely to relate to the individual’s needs first and the organisation’s second (although consequential business impacts should often be identifiable).

So it’s a mistake to believe that *all* beneficial outcomes which might be hoped for from a training programme can be determined at the outset, even if the general context and purpose is clear. Of course training should be designed with clear business benefits in mind; courses need to have pre-defined objectives, and these might ordinarily be built into evaluation frameworks as benchmarks for later comparison. However, these won’t inevitably tell the whole story - the way

individuals interpret and apply learning in practise may be more complex.

This is just one sense in which evaluation is about learning *for* learning specialists as well as the individuals they train. Future runs of a programme may need to be tweaked or realigned to address new objectives which come to light through delegates’ experience.

## back to reality

So much for the problems. How can we set about finding solutions? This was the question I pondered following a study of coaching implementations across a variety of organisations, including an analysis of the direct business impacts these had brought. I soon discovered that I was not alone in pondering what such initiatives could confidently be credited as having achieved: feel-good was the usual factor in believing the initiative was making a difference.

My approach was to borrow a few ideas from other disciplines (notably management consultancy and programme management methodologies), which to my knowledge, hadn’t been combined to address this particular problem before.

The primary aims of this approach were to not only look at what had been achieved, but why. Several key elements are needed to achieve this.

## putting experiences in context

This is about looking at what’s happening in the business, around those who’ve received training, their peers, managers and the people they manage or otherwise impacted by their contribution, and understanding how this fits in with the changes which have happened and other expected developments.

Software analytical tools can’t do this: direct human contact with the people affected is needed to understand the full context in which they have benefited (or otherwise) from training. Conversation, deep listening and intelligent joining up of information are required.

## getting to the why

Trainers and HR professionals are as well skilled as many to probe behind what individuals say: often being pass masters at facilitation and investigative interviewing.

This ability to unearth what lies behind a comment or observation, and to tie it together with what others are saying and validating data, is the key for understanding how an initiative is having impact.

A skilled inquirer can tease out what isolates the influence of one initiative from another, although may need to take a brief look at what

other initiatives are delivering too. Attribution of impact to specific inputs isn’t a perfect science, but

combining insight with a range of evidence will bring us closer to understanding exactly what the initiative is delivering.

## words which have meaning

The use of anecdotes in ROP analysis is vogue at the moment, and rightly so. Real experiences, observations and illustrations go further than numbers can in explaining what has made a difference (as opposed to simply describing what has changed). But as we’ve already mentioned, we need to guard against the charge of

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using isolated examples, and be able to explain how individual anecdotes relate to each other to explain the over-riding dynamics which a training programme has enabled.

The secret for me was to call upon a well established consulting model to combine and make sense of anecdotes and for that matter all other forms of available evidence, in a structured and robust way. This involves real thinking to achieve, but the resulting insight can usually be boiled down to a few brief, confident sentences and choice metrics: not something a computer can set its silicon brain to unravelling.

The fundamental principle behind this approach is to use both lateral thinking and pure logic, something which has formed the backbone of philosophical and many scientific disciplines since the time of Aristotle.

## combining evidence

Evidence to support an ROP study can come in many forms: published surveys, performance scores, staff attrition and sickness records to name but a few.

Each potential source can offer powerful information in its own right, but we can go a step further in using evidence backed by insight of what has caused a change if it's also possible to correlate the various data sources available.

This brings us into the realms of statistics - not a domain which is comfortable for all - but for those who are, statistical significance solidifies the credibility of a narrative argument.

Combined with logic, a good array of representative examples, and a 'crunch down' of the most pertinent metrics, even the most hardened critic would be hard pressed to turn a blind eye to the evidence presented to them. By recognising and confronting the common fallacies in ROI appraisal which can trip up the unwary, training professionals can put themselves in the driving seat when it comes to calling the tune in the next budgeting round.

## Recap

- Combine evidence
- Get behind anecdotes
- Distinguish what's normal from what's extreme
- Rationalise why impacts relate to specific initiatives
- Show relationships and correlations



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*The Radial Method<sup>®</sup> avoids a need for time-consuming number-crunching, offering a unique and compelling way for assessing the return on investment and effectiveness of*

*virtually any training initiative, coaching programme or other 'people project' - as well as an entire department's portfolio if required. Offering drill-down detail, powerful graphics and key facts for a 'lift*

*speech', the method makes sense of a range of assorted 'data', including both the hard and the soft, anecdotal and perceived. Find out how to easily overcome the common fallacies of learning ROI.*