QUANTIFIABLE EVIDENCE

Metrics take center stage in training and development.

By Dan Sussman

"If you can't measure it, then it just isn't real."

That's the mantra that echoes through the offices and cubicles of the corporate world. Unless you can show rock hard, quantifiable evidence that you and your organization are of value—then you're not. Case closed.

Until recently, most learning and development organizations had been immune from that kind of scrutiny. After all, say the skeptics, how do you draw a direct line from a specific learning experience to a business' bottom-line results?

The Era of Accountability has dawned in workplace training and development, however, and a growing number of training and development organizations are educating themselves on what to measure, how to measure, and how to present the results to the rest of the business. And, as learning organizations are discovering, they don't need to break the budget. In fact, the results for learning organizations can be newfound prestige and influence within their companies.

Cost of doing business

The new environment in learning organizations represents a sharp turn from a tradition in which the value of training was an article of faith in most companies and simply a cost of doing business.

"In the past, when the economy was flying … people felt like the financial spout was just turned on for training, and resources were free-flowing," says Jeff Berke, vice president of products and strategy for Knowledge Advisors, a Chicago provider of learning analytics services. "But as the dot-com era has wound down and as the economy has tightened, people are being asked to do more with less and every cost center is being scrutinized as to what its value is."

It's not that measurement is totally alien to learning organizations; it's just that they've been measuring the wrong things until now, Berke adds. While business functions, such as sales and marketing, have been generating numbers to show their value on a quarterly basis, learning organizations have been able to claim that it is nearly impossible to tie specific training to specific business results. Instead, they've relied on operational measurements, such as the number of training sessions given and attendance numbers. Unfortunately, says Berke, that measurement tells you how many people show up for the training, but nothing about how well they absorb what they are taught, how well they put the lessons to work in business situations, or whether the learning is of any value on the job altogether.

The closest many organizations have gotten to measuring the effect of

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their training are Kirkpatrick Level 1 and 2 evaluations and, in some cases, Level 3 surveys done several weeks after training is completed. Higher-level Kirkpatrick evaluations and Phillips Level 5 evaluations of training's return-on-investment have been relatively rare, observers say.

Business strategy

So, facing pressure from above to tie learning to business value, what metrics should workplace learning organizations adopt and what will it take to carry them out?

Before determining what to measure, learning organizations need to examine their own company knowledge, says Noel Hannon, principal of Hannon Associates, a Palatine, Illinois, human resources consultancy.

"I usually point them initially to doing an assessment on how HR strategy is linked to business strategy. Do you really understand the business? Do you really understand the human capital side of it? Have you linked what you're going to do in the HR area?" says Hannon. "If they have the alignment piece going for them, it becomes easier to say, 'This is what to do to address business needs.'"

Berke notes that learning executives should keep in mind that corporate leaders aren't looking for exhaustive reports with three-decimal-place accuracy on every aspect of learning effectiveness. Instead, he says, they are looking for "roughly reasonable" numbers that demonstrate value and can help the learning organization fine-tune its course offerings. As for what precisely they measure, every function within every company will be looking for different data. But the key to determining the impact are appraisal mechanisms that address the learners' behavior as a result of the training (Kirkpatrick Level 3 evaluation), the training's impact on the business (Level 4), and, in some cases, the return on the training investment (Level 5).

Sprint University, the training arm of telecommunications giant Sprint Nextel, has put such processes in place to demonstrate its value and improve its own performance. The company, which represents the recent merger of Sprint and Nextel, is in the process of rolling out a new evaluation system based on the best practices of the two companies, says Daniel Brown, a program manager in the university's learning analytics measurement and reporting team. He explains that the company conducts a series of extensive evaluations for those trained in all areas of the company's performance.

"We do evaluations immediately after training to find out where they are at that point, but then 60 days later, we send them a Level 3 evaluation survey, and that's where the rubber meets the road," Brown says. "We ask them to go back through business impacts to see if they've changed from when they initially took the training. Typically, we see that, immediately after training, they feel they can move the world, but after two or three weeks or a couple of months, they get back into their old routines and may not apply the new knowledge and skills they learned."

That's not always the case, however. Sprint University employs an adjusted percentage of improvement (API) measurement to quantify the impact of training.

"In one case, we found the API right after training was 7 percent—a little lower then typical. But when we evaluated 60 days later, it had jumped to 9 percent—three times the normal average," he says.

An analysis of the situation revealed that the course involved experienced salespeople who were skeptical about the value of the training they had received right after receiving it but who found it far more valuable than they initially thought once they started employing their new knowledge and skills on the job.

Sprint Nextel is a mammoth company with extensive technological resources. However, most companies, large and small, have the technology they need to facilitate data gathering and analysis. For example, Level 3 and 4 surveys can be conducted via the Internet and intranets to determine the long-term impact of training, and results of those surveys can be served up to learning departments and their business clients via computer "dashboards"—much the way that financial data is made available to executives.

Berke recommends that companies use technology to streamline administrative aspects of measurement that he says add no intrinsic value. This includes data collection, data storage, data processing, and reporting. Wherever possible, he adds, organizations should employ templates to automate tasks rather than use resources to create custom reports and measurement tools.

Training impact

To assist companies in evaluating their training impact, ASTD plans to introduce its Workplace Learning and Performance (WLP) Scorecard by the end of 2006 (see metrics and measurements article in the April 2006 issue of *T+D*). The online scorecard will provide users with a standard set of metrics that are applicable in various degrees to nearly all companies, says Ray Rivera, director of the project.

"The outputs are two sets of reports. One is a collection of standard learning metrics that are mapped to the dimensions of the balanced scorecard. The second—the WLP index—is composed of four separate indices: alignment, efficiency, effectiveness, and sustainability," he says.

The scorecard is designed to be easy to use, says Rivera, but he adds that users will have to enter data into the system manually.

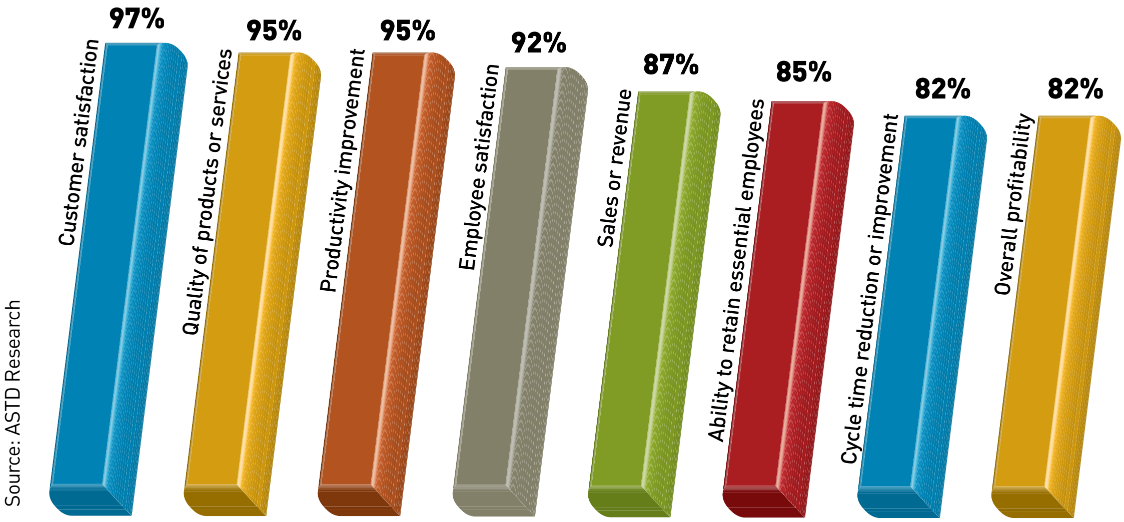
At the other end of the technology spectrum, providers of enterprise resource planning systems also are providing learning analysis functionality in their systems. For example, Oracle's Peoplesoft learning management software includes the ability to apply "traditional" learning metrics, such as the number of course completions and Levels 1 and 2 feedback, says Gretchen Alarcon, Oracle's vice president of Human Capital Management Strategy.

"But outside the learning management applications we have our data warehouse, which users can tap to show the kind of impact learning is having elsewhere in the organization. Also, the data warehouse allows you to tie training data into other HR data," Alarcon says.

Despite the importance of high-level evaluations conducted well after training is given, learning organizations should not wait for their results before reporting outcomes to executives. Instead, they should provide forecasts of results, much like other functions within a business, says Berke.

"Does a sales organization wait nine months after the year is over to report its sales to the CEO and other stakeholders? No. Instead, the organization considers various business conditions and predicts its sales for the coming months. After the quarter ends, then they true up the figure," says Berke. "So why don't we do that more in training? Why should we have to wait nine months and perform a time-and-motion study to determine the value of training? Why not ask each person as they're going through training if they think it's going to improve their perfor-

Metrics Used to Measure Performance of the Learning Function (ASTD 2006 BEST AWARD WINNERS)



mance, adjust for self-reported bias, and then 'true it up' later. I'm not saying rely on change data directly. True it up and adjust for self-reported bias."

Among the pitfalls learning organizations should avoid is the temptation to change the rules of the game because of adverse results, says Noel Hannon.

"I've seen learning groups put a measurement in place, and then, if it started to go negative, rather than correcting the problem, they'd decide that they were measuring the wrong quality," he says. "At some point, you have to stick with the original measurement. You need the conviction to say, 'This is how we measure success,' and then stick with it awhile to try to find out what's causing you to fall short of the goal."

All change is a challenge to those directly affected, and the movement toward accountability in training certainly represents a shift. However, by proving its value to a company, learning organizations are gaining stature. ASTD's Rivera notes that many products and services are becoming commodities, with little differentiation between one company's offering and another. In that type of environment, the knowledge of a company's workers can give it a competitive edge and elevate the importance of training and development.

Sprint University's Brown echoed that sentiment, noting that titles such as vice president of learning and chief learning officer were rarities until a few years ago, but today, they are becoming common in executive suites.

"For so long, training had been a cost center environment, but now we have a seat at the table," he says. T+D

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