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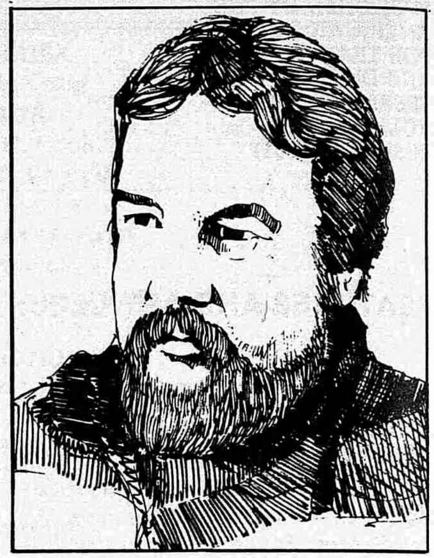
BY MICHAEL H. COOK, Editor



"TRAINING ISN'T A COST — IT'S A BLUE-CHIP INVESTMENT"

The squeeze is on — and getting tighter. As inflated costs press harder and harder on profits, training professionals can expect to find themselves in the crunch — challenged by management to prove that training pays off. Can they do it? Can they produce evidence that training *works* — that it produces results that make a difference on the bottom line? Can they establish — conclusively — that their efforts are productive — that training (and training personnel) are a sound investment?

These questions are continuously asked by *Journal* readers. Last Fall, with this in mind, I attended a unique three-day session appropriately entitled "Prove It." This seminar was designed to demonstrate to training professionals that *training results can be measured* — and to show them *how*. Forty-two training and human-resource executives from some of the country's major corporations, industries from banking and insurance to metals and energy, were there to learn how to provide hard-nosed answers to the hardnosed — and increasingly common — question: *"Is our training worth what it's costing us?"*

These executives represented such organizations as: Aluminum Company of America, American Can Co., Anheuser-Busch, Inc., Burlington Industries, Inc., Deere & Co., GTE Service Corp., The Mead Corp., Miller Brewing Co., Monsanto Co., National Bank of Detroit, Nationwide Insurance Co., Olin Corp., Pitney Bowes, Inc., Ralston Purina Co., St. Regis Paper Co., Shell Oil Co., Southern Railway System and others.

Robert Lefton, president of Psychological Associates, the St. Louis-based consulting firm that conceived the program, focused on the reasoning behind this special session:

"Our contacts with practitioners in the field persuaded us that the days when senior management accepted training on 'faith' are gone forever! The inflationary spiral, the profit crunch, the productivity crisis — all of these are forcing management to ask the same question about training that it asks about every other corporate activity — 'Are we getting our money's worth?'"

After the seminar, I had an opportunity to talk with Lefton, about the role of today's training executive.

COOK:

Training and development is definitely flourishing. The profession withstood the last recession better than any previous one. The T&D function is growing rapidly in many organizations; salaries are rising; there's a growing demand for T&D "executives;" and it appears that there has been an increase — not a decrease — in T&D activity during the current economic slowdown. What's the bad news, if any?

LEFTON:

The bad news, which could well offset the good, is that many line managers are still skeptical or downright negative about T&D. Many are ambivalent; some expect T&D to perform miracles and are disappointed when it doesn't. Other line managers blindly endorse T&D, thereby contributing to a false sense of security on the part of trainers. And, of course, some line managers are committed to T&D, but rightly demand *proof* of its efficacy.

Moreover, some T&D executives are their own worst enemies, victimized by complacency . . . "They can't do without us" . . . and smugness . . . "We know that our training works, so why spend money to prove it?" The answer to this last question is that training executives must expend effort to insure the future of training and development by:

1. Safeguarding T&D from attack
2. Gaining broader acceptance of T&D
3. Gaining greater respect for their own contributions
4. Making a greater impact on their own organizations
5. Initiating creative, productive training projects, instead of merely responding to requests from others in the organization.

COOK:

But the fact is that trainers have not, by and large, invested any significant amount of money or energy to *prove* themselves accountable — particularly in the area of people-skills training. Instead, they have taken it for granted that their training efforts work. As a result, there are very few studies to support this assumption. Why?

LEFTON:

This question produced a wide variety of answers during the program. Participant teams come up with such reasons as: "Maybe trainers are afraid of what such studies might reveal;" and "Many trainers simply don't know how to do such studies." All these answers revealed a *need* for more seminars such as this, to provide the know-how with which such studies can be done. We set out to answer the most basic question of all: *How do T&D executives prove it?*

The first answer, obviously, is that they don't always prove training works; for the simple reason that it *doesn't* always work. During the seminar, Arthur Irion, noted learning psychologist with the University of Missouri, made the point that training works only when it conforms to sound learning principles.

Effective training, in a word, must be engineered and based on the realities of human learning. Any effort to prove the effectiveness of training when that training defies or ignores the way people learn is doomed to failure. Dr. Irion's three basic points were:

- Learning occurs under specifiable conditions.
- If those conditions are lacking, learning won't occur.
- If they're present, learning will occur.

The specifiable conditions must, in other words, be built into every training program. Whether you're constructing a training program or a bridge, you can't expect either one to do its job unless you've properly engineered it.

How Can We Do This Evaluation?

After agreeing that only those training programs that are "learning-engineered" are worth evaluating, the question still remained in my mind — "How can trainers do this evaluation?"

Vic Buzzotta, Psychological Associates Board chairman, explained to me his NTE (Need-Training-Evaluation) Cycle that can be depicted as a nine-phase feedback system. Briefly, here's how he outlined the practical significance of each phase:

1. *Precipitating events/needs:* Pragmatic training — training that's going to pay off — should always be a response to an event (e.g., the passage of affirmative-action legislation) or to people (e.g., a request by line management or spotting of problems by T&D) that triggers a *need* for training. To pay off, training cannot be done for its own sake, but because it answers a *need.*

2. *Objectives:* Once the need is apparent (e.g., there's strong evidence that the organization is making too many bad promotion decisions, and that it needs a better way to identify promotables), the training staff, *in conjunction with line management,* must clearly determine the objectives to be achieved by training:

a. *Business objectives:* These are the *end*-results to which the training should contribute (e.g., give the human-resources planning committee periodic promotability ratings on all personnel, in which no more than 10 percent are judged immediately promotable, 10 percent promotable within a year, 10 percent promotable within three years, 70 percent nonpromotable).

b. *Application objectives:* These are the on-the-job activities which lead to attainment of the business objectives — but which cannot be performed effectively until the people who are supposed to perform them are suitably trained (e.g., to come up with promotability ratings, managers must know how to achieve several application objectives: Conducting goal-setting sessions, periodic goal reviews, appraisal preplanning, and appraisal interviews).

c. *Learning objectives:* These are the skills required to carry out the application objectives (e.g., to do effective performance appraisals, managers must know how to distinguish workable from unworkable goals, how to determine why given goals have or have not been achieved, how to encourage self-discovery, how to resolve disagreements, etc.).

Before designing (or selecting) a training program, then, the training staff, working with line management, must come up with answers to three questions: (a) what business objective — what productivity-raising outcome — is to be achieved? (b) what application objectives — what on-the-job activities — must be performed before the business objective can be achieved? (c) what learning objectives — what skills, techniques, methods, procedures — must be learned before the application objectives can be achieved?

It's important to underline the fact that all of this should be worked out by the training staff in close conjunction with line management. Why? Because training cannot expect to receive acceptance and support from the line unless the line sees value in the business objectives toward which training is aimed. But what about the application objectives and the learning objectives — without which the business objectives may never be achieved? From the line's point of view, these often seem impractical, theoretical, or worthless.

Unless line management sees the connection between them and the business objectives, they may be unwilling to support the training effort. The way to make sure they do see the connection is to involve them in setting the objectives and get them to "sign off" on the value of the application and learning objectives as a means of achieving the business objectives.

3. *Program design/selection:* Once the objectives — business, application and learning — are clear, and once line management is committed to their value, the training staff can design or select a program that will achieve the objectives and deliver the value. This means, of course, that the program must be learning-engineered; i.e., it must use learning methods and conditions that correspond to the way people really learn. It must provide the appropriate motivation, feedback and repetition necessary for learning.

4. *Evaluation methods:* The question now becomes: can the training staff prove that the program is or is not achieving its objectives? Can line management be shown that it's getting value for its money? The answer is *yes* — regardless of the level of research expertise and sophistication. To develop suitable methods, the training staff must decide what to measure, when to measure and how to measure.

What? This depends on the value that line management sees in the objectives; those considered the most valuable are most worth measuring. The "what" can be either business objectives, application objectives, learning objectives or a combination of objectives.

When? Four options are available: posttraining measures (immediately after the program); successive posttraining measures; pretraining compared to posttraining measures; and pre-versus-post using experimental and control groups. Each option has its advantages and disadvantages. These must be weighed before deciding *when* to evaluate.

How? Here the training staff has five options (which can be used singly or in combinations: qualitative measures (based on anecdote and description; quantitative measures; self-reports (reports by the trainees themselves); other-reports (by people other than the trainees); and audits, questionnaires, and surveys.

Once again, before deciding *how* to evaluate, the trainer must weigh the pluses and minuses of each method. For example: on the plus side, qualitative measures are easy to get, and usually disclose critical incidents — key events during the training — that provide real insight into the kind of experience the trainess had; on the minus side, qualitative measures are harder to tabulate and compare than quantitative measures, and they're highly subjective. Considerations like these are crucial in deciding which *methods* to use in measuring results.

5. *Pre-program data/groups:* At this point, data collection and analysis become critical. Before the training begins, pre-seminar information must be gathered if one is to have a standard for comparison with post-seminar results. Any trainer — even one without previous experience with research methodology or statistics — can master the fundamentals of data collection, measurement and evaluation. For highly intricate or sophisticated evaluations, statistical experts will probably be required, but any trainer can learn the basics of the subject — and thereby know when to call in outside help.

6. *Training:* Finally, the training program itself takes place. It's worth noting that, in the cycle set out in the seminar, training doesn't "just happen." It occurs only after the groundwork has been laid in

phases one through five.

7. *Collect/analyze data:* It is possible to evaluate post-program data only, without using pre-program data at all. But such evaluation doesn't provide before-and-after comparisons, so only limited conclusions can be drawn about how much improvement — if any — the training program produced. Participants were introduced to statistical methods for doing pre-post and experimental-control group comparisons — and for determining objectively the significance of any differences that might be noted.

8. *Communicate results:* Once the results of the training program have been tabulated, they should be communicated — to line management and also, perhaps, to the rest of the training staff. The communication should be easy-to-understand (graphs and charts will probably help) and should clearly demonstrate the *value* of the training.

9. *Re-evaluate:* By helping trainers get a grip on the past, the N-T-E cycle points them toward the future. Every measurement project should conclude with a re-evaluation to look at the data and the conclusions to see what's been learned that will help tighten up and improve future training. The ultimate question is not "How good is our training?" but "How can we make it even *better?*"

Training — A Blue-Chip Investment

A few weeks after the seminar, I examined the program evaluation data. Ninety-four percent of the participants thought that the session was successful in providing them with methods to demonstrate the value of training, and 100 percent were optimistic that they would actually follow through by conducting evaluation projects on the job.

All of this spelled out several things: that training executives can prove the value of what they do; that seminars can be designed to show them how to do it; and, as the cost-profit squeeze gets tighter, trainers can demonstrate to management that training is not a cost, but a blue-chip investment!