



Investing in People®

Meta Study of Evaluation Findings

For: Workplace Skills Initiative (WSI) of Human Resources and Skills Development Canada (HRSDC). March 2010

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"There are important insights that come out of this ... Investing in training is still a leap of faith, but if you know the processes, the content, the people and all the diagnostics that we are pulling out of this—then that leap of faith is considerably less risky in terms of the investment."

Dillon Consulting

"The Learning Value Chain model is exciting and long overdue. The concept that training activates a chain of critical outcomes goes beyond the current 'Business Impact' and 'ROI' accepted wisdom and focus. We can now use their [Gillis and Bailey] framework for evaluating learning effectiveness to ensure our key outcomes are adding immediate relevant value for our manufacturing members. We are now beginning to see our industry chief executives truly gaining an understanding of learning's value and impact, most for the very first time."

Textiles Human Resources Council

"The process and the results are part of an awareness exercise for management. Training is largely misunderstood—seen as a bonus not as a key element in our talent strategy. This will help us take a more strategic look at our work and how our resources are allocated. ROI has been very helpful in providing a language for this conversation."

David Suzuki Foundation

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Investing in People® Highlights

What?

Twelve organizations, ranging in size from 60 employees (the David Suzuki Foundation) to 7,500 (WestJet), volunteered to participate in the Investing in People® (IIP) training ROI case studies. Five programs achieved a positive return on their training investments.

In the seven cases where positive ROI could not be established, the key barriers were: training not aligned to the business; program design ineffective at the onset; and, participants lacked opportunity to apply their new skills and impact business outcomes.

Other key outcomes include development of evaluation tools and effective training practices that organizations can use to drive positive business outcomes. Participant organizations perceived that there was substantial value in the insights gained from ROI evaluations—however, all found that conducting the ROI evaluation stage was difficult and typically beyond the expertise of their own in-house resources.

So What?

Perhaps the headline finding is the surprising ineffectiveness of many training programs. Participant organizations expressly chose learning programs for the IIP evaluation based on the conviction that those programs would deliver positive business impact. Nevertheless, in seven of the studies, the funds and productive resources invested yielded modest—and in some cases, zero—bottom line benefits.

The failure to achieve positive ROI suggests that, as a result of ineffective training practices, a great deal of resources are misspent. More worrisome, perhaps, is the lost economic opportunity—for the companies and, in aggregate, for the economy.

Areas of critical interest for ROI evaluation efforts and for the development of effective practice exemplars are essential skills training, informal learning, and training strategies for small business.

What Next?

The good news is that the evidence from the Investing in People® studies strongly suggests we now have an early warning system to identify flawed or ineffective training programs at early risk of failure (i.e., poor business outcomes and ROI). Risk alerts can now be readily generated early in the training cycle. Ineffective programs can now be identified, flagged and rectified to drive positive business results and ROI. (Existing evaluation models have no such predictive or remedial capabilities.)

- **Promotion:** It is recommended that the use of IIP tools and the best practice exemplars be promoted more widely through Canadian organizations.
- **Benchmarking:** It is recommended that the predictive value and usefulness of such tools be improved and benchmarked so that firms can more readily (and more accurately) assess and compare the relative effectiveness of their own training compared with that of organizations in similar industry sectors.
- **Areas of Critical Interest:** It is recommended that the ROI methodology be used on a focused subset of training programs in areas of critical interest to Canada and Canadian organizations—in particular, to investigate effective practices and improve productivity in:

- ❖ **Essential Skills Training**
- ❖ **Informal Learning**
- ❖ **Small Business Learning Strategies**

OVERVIEW

Two key development goals of the Investing in People[®] pilot were: i) to develop ‘credible evidence’ that training is crucial to business success and economic growth and ii) to help improve productivity and business outcomes by raising the level of quality and effectiveness of existing workplace learning products.

After conducting 12 extensive evaluation studies a great deal has been learned about how best to design and deliver training that will have maximum sustainable impact on the organization. At the same time the studies point the way to more effective evaluation strategies that can help organizations ensure their training investments drive results and deliver value.

The Investing in People[®] project was funded by Human Resources and Skills Development Canada’s Workplace Skills Initiative in response to key trends: Canada’s decades-long lagging economic growth combined with the chronic underinvestment by Canadian employers in workplace skills development.

One of the key factors in our decline in competitiveness is labour productivity. Former Deputy Minister of HRSDC Alan Nymark drew attention to the importance of skills development and training in improving Canada’s competitiveness and productivity. “One of Canada’s weakest links (in labour productivity) is upgrading the skills of our adult workforce. Canadian firms provide less worker training than most of our major trading partners.”

Possibly the lasting lesson from the studies is that the development of truly effective learning solutions is a challenge. And, they cannot be developed in isolation. Training is more than an ‘event’—an exercise in knowledge acquisition. If it is to deliver lasting value, training must be considered as an integral part of the organizational ecosystem. Only careful orchestration of key elements such as design, workplace readiness, timing, targeting, and cost will ensure the learning solution meets the learners’ needs, addresses the organization’s goals, and delivers meaningful, sustainable value.

Accomplishing this is far from easy. To be sure, Investing in People[®] has uncovered several effective practices that can help ensure success. However, another lesson from the studies is that there are a number of troublesome natural barriers common to all organizations that militate against success. Even the most exquisitely designed training delivered by the most talented facilitator can, in the end, fail to yield substantive or lasting value.

This report deconstructs the twelve Investing in People[®] training programs. It highlights some of the effective practices and draws a crime scene cordon around those situations and barriers that can derail the even the best training. Taken together, these studies present a strong argument for training to adopt a high

altitude view of its role and responsibilities in the organization. To deliver meaningful value, learning must evolve directly and organically from the organization's key mission objectives and business priorities. It should be designed, structured, and delivered to the right audience, at the right time, and with full consideration for the workplace barriers that often impede the transfer of learning into the desired performance improvement.

Investing in learning can yield highly attractive returns to the organization The results from the Investing in People[®] pilot demonstrate that investing in learning can lead to highly attractive fiscal outcomes. Five of the Partners realized positive ROI from their investments in training—the highest was WestJet with an ROI on running efficient meetings of 558%. That means every dollar invested (in training fees and participants' salaries) was returned along with a profit of \$5.58. Problem solving training at Textiles Company led to a substantial reduction in waste product and an ROI of 427%. At Logitech, a blended learning solution for newly hired telephone support agents resulted in cost saving and a reduction in average call handle time and a 214% return on investment. Finally, the Business Development Bank of Canada achieved an ROI of 74% on an organization-wide training effort to help branch managers improve their coaching skills.

In addition, with at least three of other Partners (BC Assessment, Northern Mining, and Community Hospital) the prospect of positive ROI seems readily achievable with relatively modest adjustments to the training design, workplace learning context, or the audience targeted for training (i.e., by selecting the most appropriate employees for training).

It is noteworthy also that the positive returns were realized on a wide variety of business measures: profitability, increased sales revenue, time saved, cost reduction, and waste reduction. Moreover, the successful ROI cases occurred across a broad continuum of business types and sectors, including: manufacturing, engineering consulting, financial services, transportation, and consumer technology. Finally, the successful cases included a range of training types such as project management, sales coaching, problem solving, meeting management training and new hire service agents.

The Investing in People[®] results raise some intriguing questions: Why did some organizations achieve ROI and others not? When returns are low, does this mean training is not a worthwhile investment? Or does it mean the funds invested in the training did not justify the potential benefits? What can organizations do to get the best impact from their training dollars? What are the barriers to performance improvement and positive ROI?

Those questions and their answers are profoundly important. They are important for two reasons. First, organizations that invest resources in the hope of improving business performance need some assurance they are doing everything possible to ensure success. Second, even those companies launching training with more modest

objectives (e.g., to raise awareness or improve job behaviours and attitudes) need to know they have done everything possible to ensure the money they spend delivers the maximum desired impact with maximum efficiency.

The good news is that most of the factors and effective practices that drive business results and positive ROI also drive the success of all training programs—even those focused on non-monetary outcomes. By the same token, many of the factors that prevent improvement—the barriers to ROI—are also factors that most likely will impede any training program from delivering its full impact. This has fortuitous implications. It means that the findings from these ROI studies are much more broadly applicable than might have been anticipated. The lessons learned—effective practices, barriers to impact, etc.—can be generalized and are completely pertinent to every other kind of training, not just learning solutions designed to drive business performance improvement.

Evaluation Model

The studies used the Learning Value Chain™ (Gillis and Bailey, 2009) evaluation model which seeks to monitor the value delivered by learning investments along a 'chain of impact' which starts from immediately after the training event (Capability) to training's impact on the job, usually measured several months after the event (Transfer). Moving along this chain, the methodology allows evaluators to measure how much the learning has improved business outcomes (if at all) and to calculate the return on the training investment (ROI).

Key evaluation tools were developed or refined to measure the training at each stage along the chain. The Capability tool used at the end of training evaluates such measures as learning, confidence, and intention to use the new learning on the job. The Transfer tool evaluates the extent to which participants successfully applied the new skills and knowledge on the job (measured typically 60 to 90 days after training). Finally the Learning Value Chain™ monitors the business improvement and return on investment resulting from the application of the training.

The Study

The opportunity to systematically explore such a wide variety of training stories—each with distinct designs, different audiences, purposes, and intended outcomes—has helped the Investing in People® pilot to successfully identify many of the key elements that shape the chemistry of success. The effort to successfully evaluate training is difficult for a number of reasons. But, as it turns out, the evaluation exercise is well worthwhile. It yields valuable snapshots of training's impact as it evolves over time. Successful evaluation also provides forensic insight into how the successful design of learning programs must extend well beyond the walls of the training room and take into account the bigger picture—how other factors at play within the organization can either diminish potential impact or can be leveraged to ensure that positive impact occurs, is optimal, and is sustainable.

The original purpose of Investing in People[®] was to demonstrate the business value (the return on investment) of investing in training. In the course of conducting the studies, however, it became clear that another, perhaps equally critical purpose of such evaluations is to help senior leaders determine which training is most effective and which is least effective. Further, such insights help organizations not only meet their learning goals, but also to quickly recognize and rectify what is not working and to identify and more successfully leverage those training initiatives improving bottom line results.

To quote another recently published study of evaluation, *The Value of Evaluation* (American Society for Training & Development, 2009): "...learning professionals clearly need to take a hard look at their evaluation programs. If they don't think they're getting a solid return on investment, then they should conduct a rigorous analysis of how, in the future, this can be achieved."

Some Key Lessons Learned: Barriers & Enablers

The Investing in People[®] study identified a variety of factors that could either facilitate the effective transfer of learning or could be potential barriers to performance improvement. Some of the most commonly observed barriers and enablers that have the greatest potential to either enhance or diminish training's impact are:

THE NEED FOR ALIGNMENT

Lack of clarity around business objectives and drivers for training programs

Perhaps the single most important activity required to promote and guarantee positive business outcomes and ROI from learning investments is to ensure that the training is **aligned** to the business needs of the organization. In the interchanges with most Investing in People[®] Partners, this critical exercise was rarely appreciated and seldom undertaken.

In order to ensure maximum business benefit from training investments, organizations need to promote an awareness of the top performance indicators and business measures key to their success. The learning and performance objectives of training programs designed to impact business performance should be aligned to one or more of these key performance indicators.

In spite of the seemingly obvious importance of alignment, the single most difficult exercise of each Investing in People[®] analysis was working with the organizations to identify the key business measures that the training was intended to impact. Surprisingly, it was not only training personnel who had difficulty identifying relevant business drivers (the monetary outcomes that the training should ideally impact). Even senior executives and financial officers were equally unsure about which business measures the training had been designed to improve. Surprisingly,

senior decision makers were frequently even uncertain about which measures the training ideally *should* impact. This observation uncomfortably resurrects the business maxim: *“If you don’t know where you are going, how will you know when you get there?”*

Without this first level of clarity, prospects for achieving positive business outcomes become more or less a matter of luck.

TARGETING

Inability to identify the right employees for training

A common barrier to ROI is the organization’s failure to target the training to the appropriate audience. Too often training is viewed as an occasion to reward (and sometimes even to punish) employees rather than as an opportunity to impact critical revenue drivers or business needs.

In two of the studies, for example, it was revealed that the training only impacted the performance of newer, less experienced employees. Although both the Dillon Consulting and Business Development Bank of Canada studies resulted in positive ROI, it is certain that the return on investment would have been considerably higher if the expense of training senior employees was factored out of the training investment costs.

In another study, BC Assessment, it was clear that a large proportion of participants were inappropriate for the training since their job roles offered them few opportunities to employ the new learning in their day to day duties. For such employees there was, of course, no business benefit at all from the training. For those whose job roles provided opportunities to apply the learning, the training delivered surprisingly impressive ROI (in one instance 872% ROI).

Other Enablers & Barriers...

Enablers: Other factors that contributed most to enhancing transfer of new learning to the job were: having clear performance expectations; having information, reference materials or job aids; having sufficient level of knowledge and skills; support from colleagues and peers; and, support from supervisors or managers.

Barriers: One of the most significant barriers to learning transfer cited by training participants was that their job situations provided few ‘relevant opportunities to apply the new learning.’ Lack of early opportunities to apply learning presents a serious risk to positive business outcomes since the likelihood of participants forgetting much of the new skills and knowledge increases sharply as time passes.

Another critical and commonly encountered barrier is lack of time or other job priorities that prevent the participants from reinforcing or consolidating the new learning. Participants cited a need for a ‘nesting period’ following training. The ‘nesting period’ is a block of ‘protected’ time which would free trainees from some of their regular responsibilities and allow them to focus on integrating and applying their new learning to their jobs.

Potential Benefits from the Evaluation Model

The Investing in People® study is a singular study because it has no exact parallel in the literature. The authors have uncovered no similar workplace studies that have used the same evaluation tools to systematically investigate the business impact of training and identify barriers and best training practices across a number of organizations in a variety of industrial sectors. The studies revealed that organizations need help to ensure the resources invested in developing their people and improving business outcomes are wisely spent. The good news is that the IIP tools and methodologies can contribute a great deal to helping organizations monitor and improve the impact of their training investments.

The Problem

Perhaps the overarching theme from the studies is the surprising ineffectiveness of many training programs studied. Considering that the study partner organizations selected learning programs for ROI evaluation based on their conviction that the training would deliver positive business impact, the overall IIP results suggest at least a worrisome inability of organizations to gauge the business effectiveness of their training investments. Equally troubling is the lost opportunity. In seven of the studies, funds and productive resources were diverted with little (and in some cases, zero) bottom line benefits for the partner organization. If these were programs designed to deliver the highest level of impact (business results), it is troubling to speculate on the likely success outcomes of those training initiatives with more modest—but nevertheless important—objectives such as awareness, building foundation knowledge, and improving attitudes and on-the-job behaviours.

The Solutions

The results of the Investing in People® studies offer some encouraging news for the training community. The study showed that by using the key evaluation tools—the Capability and the Transfer questionnaires—organizations can readily monitor the potential effectiveness of their learning investments at very early stages of the training rollout. The results from the Capability tool, measured right after the training event, can help predict whether or not learners will successfully apply the new learning on the job. Similarly, using the Transfer tool will give organizations insight into whether or not the new knowledge and skills are being used successfully to improve job performance and drive business outcomes.

Study results suggest that training programs that successfully deliver positive business outcomes do well at the Capability measurement stage of the Learning Value Chain™. For example, it turns out those training programs that were ultimately proven to have achieved positive business outcomes and ROI, had the most success in developing capability and intentionality in their participants. As measured by the Capability tools, participants in successful training initiatives also reported higher learning gains along with higher motivation and greater confidence that they could apply the new learning on the job. Programs that did not achieve

positive outcomes were ten times more likely to receive Red Flag “Risk Alerts” indicating poor performance on key Capability indicators.

On the other hand, the study showed an equally convincing relationship between Capability and the next stage, Transfer. In programs that successfully built Capability—received high scores on the Capability Index—approximately half of the participants reported (in follow-up questionnaires) a high level of learning transfer and performance improvement. By comparison, in programs that were less successful in building Capability, less than one quarter of respondents reported a high level of transfer and performance improvement.

Transfer

Unquestionably the most decisive stage in the Learning Value Chain™ is the Transfer stage—the period following training when participants return to their workplace to transfer their new learning into job performance improvement and business results.

The study results suggest that success at the Transfer stage of the Learning Value Chain™ is positively related to ROI. The five training programs that achieved positive ROI also attained higher ratings at the transfer stage than those that did not achieve positive returns. As well, those that failed to achieve positive ROI received almost twice as many Red Flag “Transfer Alerts” (risks to business outcomes) as did the five successful programs.

Early Warning System

Thus, even without attempting the difficult task of actually evaluating return on investment, organizations can use the Capability and Transfer tools as an early-warning system to gain unprecedented, predictive insight into the likely business value of their training. If the tools are used with a pilot program, for example, the tools can help training professionals identify the possible barriers and take immediate remedial action before the training is rolled out across the entire organization. The Investing in People® project represents an important stage in the evolution of training evaluation since existing evaluation models offer no such *predictive or remedial* capabilities.

INTRODUCTION: PARTNERS' PROFILE

The three-year Investing in People® pilot project was awarded to the Canadian Society for Training and Development in May, 2007 under the Workplace Skills Initiative (WSI) of Human Resources and Skills Development Canada (HRSDC).

The intent of the pilot was to develop training evaluation tools and conduct case studies in 12 Canadian organizations to demonstrate the value of investing in training. One chief goal was to provide credible evidence of training's positive return on investment (ROI) to encourage Canadian companies to invest more heavily in skills development. HRSDC's investment was leveraged by in-kind investments from the 12 industry participants. The study was initiated and conducted by the Centre for Learning Impact (formerly Learning Designs Online). The specific goals of the project were to:

- **DEMONSTRATE THE ROI OF TRAINING:** Encourage greater levels of training investment by demonstrating the bottom-line value of twelve training programs.
- **IDENTIFY BEST PRACTICES IN TRAINING:** Develop innovative new tools to help identify best learning practices—practices that contribute most to positive business outcomes.
- **SHARE THE KNOW-HOW:** Communicate and broadly disseminate the outcomes through a variety of strategies including electronic and print publications, and national and regional events.

THE PARTNERS

ORGANIZATION NAME	BUSINESS FOCUS	FULL-TIME EMPLOYEES
WestJet	Airline	7500
Canadian Food Inspection Agency	Federal Government Agency, Food Protection	7053
Community Hospital	Healthcare	6000
ArcelorMittal Dofasco	Integrated Steel Company, Heavy Manufacturing	5000
Business Development Bank of Canada	Wholly Government Owned Financial Institution	1700
Northern Mining Company	Mining	1300
Textiles Company	Textiles Manufacturing	1000
BC Assessment	Provincial Crown Corporation, Tax Assessment	637
Dillon Consulting	Engineering Consulting	590
Logitech	Consumer Technology Company	160
Healthcare Advocacy Organization	Non-Profit Organization	102
David Suzuki Foundation	Non-Profit Environmental and Social Advocacy Organization	60

PARTNERS' PROFILE

The 12 organizations that volunteered to participate in the Investing in People® initiative ranged in size from 60 to 7500 employees. They included private, public, and non-profit organizations from a variety of sectors: transportation, finance, manufacturing, public service, technology, resources, healthcare, and professional consulting. The training programs evaluated were similarly wide-ranging, including: meeting management, leadership development, customer support, problem solving, project management, patient safety, food inspection, Lean Six Sigma, patient safety, and Essential Computer Skills.

While the Partners' investment in training (as a proportion of payroll) varied from 1% to 5%, most described their organizations as "learning organizations." Overall they held favourable views toward training and its importance to both the business success of their organizations and the economic performance of the nation.

In most Partner organizations, a large majority of employees receive some type of training—the most common being orientation, leadership, company or product knowledge, and technical development. While training is delivered using a variety of methods, Partners rely on classroom and informal learning as the principal modes of training delivery.

As might be expected, Partners also hold favourable views toward training evaluation and its importance to the organization. A majority of training programs in their organizations are evaluated to assess reaction and learning; a much smaller number of programs are evaluated to assess training's impact on job performance or the business. None of the Partners had previously evaluated programs to assess return on investment. [See Appendix A for more detailed reporting of Partner characteristics.](#)

This meta-study summarizes the key findings across the case studies and is organized as follows:

- I. Learning Value Chain™ Model:** The evaluation framework used to conduct impact analyses
- II. Business and ROI Results:** Summary of business and ROI results from 12 case studies
- III. Building Capability:** Findings and key lessons learned from Capability evaluation
- IV. Supporting Transfer:** Findings and key lessons learned from Transfer evaluation
- V. Conducting ROI Evaluation:** Challenges and lessons learned in ROI evaluation
- VI. Perceived Project Impacts:** Partners' anecdotal comments of the impact of the IIP project

I. THE LEARNING VALUE CHAIN™ MODEL

The Investing in People® (IIP) case studies adopted as a general evaluation framework the Learning Value Chain™ model, a learning impact measurement and diagnostic model under development by Gillis and Bailey (2009) of the Centre for Learning Impact.

In the Learning Value Chain™ model, the training program is seen to activate a chain of critical outcomes. As desired outcomes are achieved at each link along the chain, greater value is added and the likelihood increases that training will result in positive business outcomes and return on investment. Conversely, if training fails to meet outcomes at any link, value is diminished and the prospect of positive business results and return on investment is at risk.

Using the Learning Value Chain™ methodology, the training program is evaluated at each of four links (Capability, Transfer, Business Results and ROI). At each link, data is gathered to assess the extent to which the training has achieved key outcomes, added value and enabled the next critical event in the chain to occur.

The Learning Value Chain™ model also incorporates a diagnostic strategy to investigate training practices and strategies that may strengthen or weaken outcomes at each link and subsequently influence business impact and return on investment.

Each of the 12 IIP studies employs this framework to structure the investigations and communicate key results.

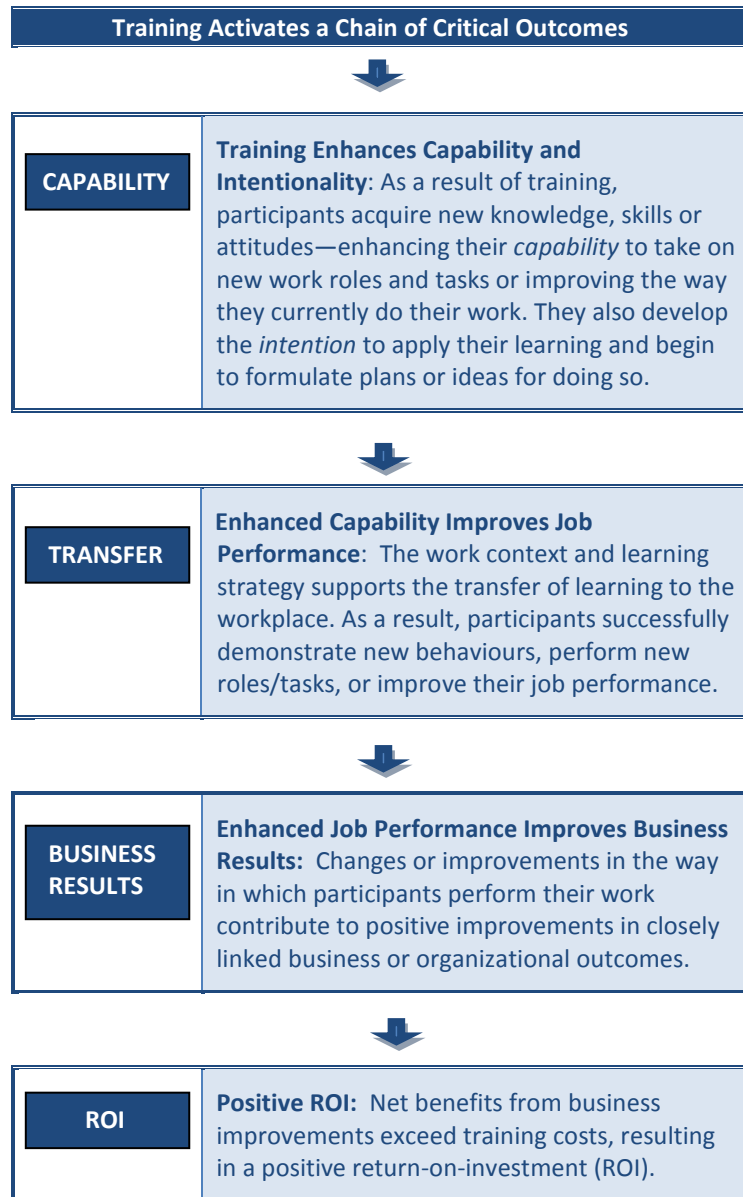
[See Figure 1]

For a full description of the Learning Value Chain™ model, see:

<http://www.cstd.ca/LinkClick.aspx?fileticket=L79A1LIrfWI%3d&tabid=81>

Figure 1

The Learning Value Chain™ (Gillis & Bailey, 2009)



II. BUSINESS AND ROI RESULTS

Did the training programs achieve a positive ROI?

FINDING 1: POSITIVE ROI

FIVE OF 12 ORGANIZATIONS ACHIEVED A POSITIVE RETURN ON THEIR INVESTMENT IN TRAINING. PROGRAMS THAT ACHIEVED A POSITIVE RETURN ON INVESTMENT SHARED THESE CHARACTERISTICS:

- CLOSELY ALIGNED TRAINING TO BUSINESS GOALS
- SUCCESSFULLY ENHANCED THE CAPABILITY OF PARTICIPANTS
- PROVIDED AMPLE OPPORTUNITY IN THE WORKPLACE FOR THE APPLICATION OF LEARNING AND PERFORMANCE IMPROVEMENT

Of the twelve impact analyses conducted, it was possible to establish a credible return on investment in five of the cases. The ROI ranged from 27.7% to 558%. Those organizations achieving a positive return on their training varied in:

- size of organization (small, medium, and large),
- training audience (project managers, new hires, senior managers, and new front-line supervisors),
- type of training (project management, call centre agent, sales coaching, meeting management, and problem solving),
- business sector (professional services, consumer technology, banking, transportation, and manufacturing),
- business need (increased profit, time-savings, quality improvement).

They included the following training solutions:

Type of Training	Type of Organization	Measure	ROI
Project Management Training	Medium-sized professional services firm	- Profitability	27.7%
Blended eLearning for New Hire Support Agents	Small Canadian office of a global consumer technology company	- Cost-Savings on Training - Call Handle Time	214%
Coaching for Banking Branch Managers	Large financial institution wholly owned by Government of Canada	- Profit on Loan Value	74%
Meeting Management Training for Intact Work Teams	Large Canadian airline	- No. of Attendees - Length of Meetings	558%
Problem-Solving training for front-line supervisors	Medium-sized textiles manufacturing company	- Waste Reduction	427%

The training programs that achieved a positive return on investment had the following characteristics in common:

- The training was implemented expressly to drive business results.
- The content of the training was closely aligned with well articulated business needs and objectives.
- The training programs succeeded in enhancing the capability of participants and their intentionality to apply their learning to their jobs.
- The work context and training strategy supported the transfer of learning to the job—enabling participants to successfully demonstrate new behaviours, perform new roles/tasks, or improve their job performance.

Why did some programs *not* achieve a positive return?

FINDING 2: KEY CHALLENGES TO ROI

IN CASES WHERE A POSITIVE RETURN COULD NOT BE ESTABLISHED, KEY CHALLENGES INCLUDED:

- TRAINING WAS NOT ADEQUATELY ALIGNED TO BUSINESS NEEDS
- TRAINING WAS INEFFECTIVE AT THE ONSET
- PARTICIPANTS LACKED OPPORTUNITY TO APPLY THEIR LEARNING AND AFFECT BUSINESS OUTCOMES
- INSUFFICIENT DATA TO ESTABLISH BUSINESS BENEFITS

In several instances the learning and performance objectives for the training programs were developed with little effort to connect to the priority business needs of the organization. Without successful alignment at the start, the programs failed to positively impact the final stages of the Learning Value Chain™ —business outcomes and ROI. In some cases, even when positive ROI was achieved, it was recognized that the alignment process was flawed or inadequate, and that better results would have ensued had the programs been more fully aligned to the priority business measures.

In two of the cases—both small, non-profit organizations—training was developed and delivered on a very modest budget, relied on peers for training facilitation, and lacked adequate materials and resources. In these instances, the training programs failed to meet the varying needs and expectations of their participants.

In two cases—BC Assessment and Northern Mining Company—results suggested that if participants had greater opportunity to immediately apply their learning following training, then a positive return might have been achieved. In each of these two instances, the analysis revealed that individual trainees who did have the opportunity to apply their learning improved their job performance and realized

improved business results. If more participants in these organizations had similar opportunity to use and benefit from their learning, overall results may well have been substantially better—potentially resulting in a positive overall return on the training investment.

In the Advancing With MORE^{OB} patient safety program, it was not possible to gather sufficient data to draw credible conclusions, although early findings were very favourable. In this situation—a hospital setting—a staffing change and administrative issues and priorities precluded the timely acquisition of the data necessary to a comprehensive, quantitative analysis of the program. The early results, however, suggested a highly successful training experience resulting in wide-ranging intangible benefits.

The challenges to establishing a positive return on investment in the six case studies are summarized in the table below.

Type of Training	Type of Organization	Challenges to ROI
Appeals Process Training for Commercial Appraisers	Medium-sized Provincial Crown Corporation	<ul style="list-style-type: none"> • Alignment to business needs. • Possibility of positive return but trainees had too little opportunity to apply learning and realize business benefits.
Lean Six Sigma Training	Medium-sized mining company	<ul style="list-style-type: none"> • Alignment to business needs. • Possibility of positive return but trainees had too little opportunity to apply learning and realize business benefits.
Patient Safety Program for Hospital Caregivers	Large hospital	<ul style="list-style-type: none"> • Possibility of positive return, but due to insufficient data, findings were inconclusive.
Leadership Development Training	Small NGO	<ul style="list-style-type: none"> • Alignment to business needs. • Program design and delivery did not meet trainees' needs; limited budget for effective training.
Leadership Development Training	Small non-profit charity	<ul style="list-style-type: none"> • Alignment to business needs. • Program design and delivery did not meet trainees' needs; limited budget for effective training.
Essential Skills Computer Training	Large manufacturing company	<ul style="list-style-type: none"> • Alignment to business needs.

Was ROI evaluation appropriate in all cases?

FINDING 3: EFFICIENCY ANALYSIS

IN ONE OF THE 12 CASES, EFFICIENCY ANALYSIS PROVED MORE APPROPRIATE THAN ROI ANALYSIS.

ROI evaluation requires a high level of evaluation expertise and considerable investment in time and resources. As such, it is most appropriately applied in circumstances where training is costly, involves a large number of learners, has a long life-cycle, and is of strategic importance to the organization.

The Seed Potato Certification Inspectors Course, a program put in place by the Canadian Food Inspection Agency to avoid catastrophic crop failure or infestation, was seen at the onset to be appropriate for ROI evaluation. The program has a clear business objective of cost-avoidance, is important to the organization's mission, is costly, and has been running for 40 years. Further discussion with stakeholders, however, revealed:

- The value of investment was understood: Stakeholders did not question the inherent value of the course.
- The course was not expected to improve business results: Although the course had a clear business objective, the program was put in place to *maintain*, not *improve*, the current level of organizational performance.
- The effort to quantify: a) the cost of an underdetermined catastrophic event that had not yet happened, and b) the relative contribution of a single training event compared to the contribution of the entire quality assurance system that had been protecting crops for decades, would be beyond the scale of this initiative and an impractical undertaking for most organizations.
- There was little strategic value to be gained through ROI evaluation: The course is mandatory and would be continued regardless of the outcome of an ROI evaluation.

In view of these considerations, it was determined that Efficiency Analysis would be a more appropriate use of evaluation resources—an analysis focused on assessing the extent to which the training was developing competency at optimal costs. Could the same results be achieved at less cost? Would greater investment improve results?

This case study illustrates circumstances where ROI evaluation is not cost-justified—but where the less resource-intensive Efficiency Analysis yields more useful findings.

What was the greatest challenge to demonstrating bottom-line value?

FINDING 4: BUSINESS ALIGNMENT

THE AREA OF GREATEST CHALLENGE FOR ORGANIZATIONS EMBARKING ON ROI EVALUATION WAS DEFINING THE UNDERLYING BUSINESS NEEDS FOR THEIR TRAINING AND ALIGNING THEIR PROGRAMS TO ADDRESS THOSE NEEDS.

When training programs have been implemented with the broad objectives to improve the business, organizations typically find it challenging to identify which business measures should be impacted by the training. Moreover, organizations find it equally difficult to align the training objectives to those business objectives.

During the initial stage of evaluation planning for most Investing in People® studies, a significant amount of time was spent with organizations identifying the business needs of their training. Organizations typically lacked clarity regarding the specific business drivers for training and the metrics most affected.

Most found it very difficult, for example, to determine: Which business challenges, opportunities, or problems did their training address? What business outcomes would the training improve, and what metrics would best reflect this improvement?

To help groups gather this essential information, discussions were conducted with various stakeholder groups within the organizations to refine the business goals of their training and to reach consensus on appropriate metrics. During this process, it was not uncommon for groups to discover serious misalignment between their learning objectives, the job performance objectives, and the desired business outcomes.

The lack of clarity concerning business goals—and lack of alignment of training to business needs—may stem in part from current training needs assessment practices. Needs assessment often places undue focus on identifying learning and performance needs at the expense of business needs. In other words, training professionals may be paying more attention to the more immediate and familiar objectives—learning outcomes and job performance outcomes. In these studies, training teams paid considerably less attention to identifying critical business needs and designing training accordingly.

If training is to be assessed according to the value it delivers to the organization—the bottom line results—then current needs assessment practices need to be broadened to give greater attention to identifying key business needs and addressing how training can best be designed to support those desired business outcomes.

Does basic skills training impact the bottom line?

What is...

Employee ROI?
Social ROI?

FINDING 5: ESSENTIAL SKILLS

IN SPITE OF NOTORIOUS EMPLOYER UNDERINVESTMENT IN ESSENTIAL SKILLS DEVELOPMENT, VERY LITTLE CASE STUDY RESEARCH EXISTS TO ESTABLISH AND DEMONSTRATE THE BUSINESS VALUE OF INVESTING IN SUCH TRAINING.

Although the Investing in People® project targeted a relatively broad selection of training types, this research program was able to secure only one Essential Skills or basic skills training program to evaluate (*Basic Computer Skills*, a course implemented in a manufacturing setting). Because of the critical importance of exploring the practical and financial promise of such training—to the individual, the organization and the economy at large—the chance to investigate even one such Essential Skills program was considered a welcome opportunity.

Due to timing and unfavourable measurement circumstances, however, this study was unable to measure the precise business impact of the Essential Skills training investment in the same way that other studies did. Although the hard dollar values must remain as unknowns in this study, many other evaluation indicators suggest the training yielded substantial benefits to the employees and to the organization. It is important to acknowledge these observed benefits which, in the absence of deeper evaluation insight, otherwise go unheralded.

Qualitative results, for instance, showed that a majority of study respondents report that since taking the *Basic Computer Skills* course:

- The quality of their work has improved.
- They have been able to save time by using the computer.
- They work better with their unit or team.
- They are able to prevent accidents.
- They are more satisfied in their jobs.

In addition, 87% report that they have been able to lower production or other costs; 86% claim to make fewer errors in their work.

Experience from other studies suggests that such a pattern of strong Transfer results is a typical precursor to improved business performance outcomes. It is entirely feasible that, given more propitious evaluation conditions, this study could have resulted in positive return on investment outcomes.

RECOMMENDATION: Given the importance of Essential Skills training and the well-documented underinvestment by Canadian employers in such training^{1 2} it is recommended that increased attention be given to further investigating and demonstrating the real value to employers of developing human capacity and the basic skills of their workforce.

¹ Conference Board of Canada (2005b) “Learning and Development Outlook 2005 Moving Beyond the Plateau—Time to Leverage Learning Investment,” Ottawa.

² Canadian Council on Learning (2009), Bailey, A. “Connecting the Dots: Linking Training Investment to Business Outcomes and the Economy,” Ottawa

The essential skills study also raised several additional, intriguing perspectives for capturing and expressing the full value of investing in Essential Skills training—Employee ROI and Social ROI. These additional perspectives are complementary to, and entirely compatible with, the Learning Value Chain™ methodology.

Employee ROI

Several participants and senior managers associated with the *Basic Computer Skills* training drew attention to the returns to the employee resulting from their own learning investment. (Employees were paid for only 50% of the time in training, thus ‘investing’ their own ‘free time’ for the remainder.) As a result of progressing through several of the more advanced computer skills courses available, some employees were promoted to supervisory roles—promotions which are normally only given to employees with more advanced formal educational backgrounds.

This observation seems especially noteworthy. While the Training and Human Resources Development communities increasingly acknowledge the role of ROI as an indicator of success for the organization, somewhat less attention is directed towards the investigation of training’s financial impact on the individual.

RECOMMENDATION: In the interest of promoting greater employee investment in essential skills training it would seem prudent to further explore the link between investments in such training and its potential value to individual employees.

Social ROI

Another significant, but rarely discussed outcome from training—especially Essential Skills programs—is the non-pecuniary impacts the training can sometimes have within—but frequently beyond—the workplace, on the employees themselves and their families. The *Basic Computer Skills program*, for example had profound impacts upon many steelworkers and their families which went well beyond the usual benefits associated with training. Prior to the training, for example, many of the steelworkers—in their late 40’s and 50’s and with little formal education—had little or no previous exposure to computers and the online world. As a result of the training many of them expressed their deep sense of satisfaction at the opportunity to participate in and share the electronic culture their children have long taken for granted.

Social ROI deserves a permanent accounting on the organization’s cultural balance sheets. In the words of a senior champion of the *Computer Basic Skills* program:

"The return on investment for us is somebody who comes to work with pride in their company—more pride in what they are doing. They have a feeling that they are contributing more. At the end of the day, it's pretty hard to put a dollar value on that."

Although this social return on investment may not necessarily be easily linked to immediate bottom line results, it may pay profoundly important social and intangible dividends for years to come.

III: BUILDING CAPABILITY

How important was effective training design and delivery to positive ROI?

FINDING 6: CAPABILITY AND ROI

TRAINING PROGRAMS THAT ACHIEVED A POSITIVE RETURN ON INVESTMENT SUCCESSFULLY ENHANCED CAPABILITY—THE FIRST LINK IN THE LEARNING VALUE CHAIN™.

The five programs that achieved a positive return on investment performed better at the Capability link than those that did not achieve a positive return.

Programs that achieved a positive return on investment were more successful in developing both capability and intentionality in their participants. Participants in these programs typically reported higher levels of learning, confidence and motivation. They perceived the training as more valuable and were more inclined to formulate plans and ideas for how they would apply their learning in their jobs.

Conversely, programs that failed to achieve a positive return on investment were almost ten times more likely to receive Red Flag "Risk Alerts"—alerts issued when poor performance on a key capability indicator poses a significant risk to learning transfer.

These findings reflect the importance of effective training design and delivery in triggering the chain of outcomes leading to improved business results and positive ROI. If the training program succeeds at the Capability link, then it appears to establish a strong foundation for improvement at all levels of the Learning Value Chain™.

Moreover, such findings hint at the exciting predictive potential of the Capability Questionnaire in training evaluation. If this apparent link between positive Capability results and positive business outcomes could be fully validated, it would provide the training community with a considerably more powerful and valuable evaluation option than anything it currently possesses.

What are the barriers for small business?

FINDING 7: BARRIERS IN SMALL BUSINESS

SMALL ORGANIZATIONS—LACKING ADEQUATE BUDGET AND STAFF RESOURCES—ARE CHALLENGED TO FIND INNOVATIVE TRAINING SOLUTIONS TO MEET THE VARIED NEEDS OF SMALL TRAINING GROUPS.

Small organizations face additional challenges in efforts to enhance the capability of their employees. Two smaller organizations in the Investing in People® initiative—both non-profit groups—sought to develop the leadership and management skills of their employees but budgets were small and staff resources were minimal. Also, participants varied widely in their skill levels and expertise as well in their areas of responsibility in the organization (i.e., fundraising, communications, and finance).

One of these organizations, leveraging its in-house talent to stretch training dollars, offered a two-day, leadership development workshop. The other offered brief 1 ½ hour training sessions every two weeks for five months, relying on a more informal peer learning approach. Both solutions, however, while practical and cost-conscious, fell short of effectively addressing business or mission-critical objectives fundamental to their organizations' success.

These cases underscore the need for small organizations to investigate innovative training arrangements that meet the needs of training small and diverse groups of learners both effectively and economically.

For example, small businesses might collaborate to identify, engage and cost-share suitable, mutually beneficial training expert services—such as arranging joint workshops on topics of mutual interest. Also, it may be productive for groups to partner with like organizations to share the subject matter expertise of their own in-house experts (say, project managers or senior fundraisers) with other organizations for training purposes in return for the future use of the facilitation skills and services of the partners' in-house specialists.

Moreover, rather than pursuing the 'one-size-fits-all' solution when training numbers are small, it may prove more effective to consider individualized learning experiences: project or stretch assignments, mentoring and coaching, or conference attendance.

How can
capability be
enhanced?

FINDING 8: TARGETING TRAINING

THE FIT BETWEEN THE TRAINING PROGRAM AND THE TARGET AUDIENCE HAD AN
IMPORTANT IMPACT ON CAPABILITY OUTCOMES AND RETURN ON INVESTMENT.

In several studies, the training program impacted some subgroups of the target audience to a far greater extent than other subgroups—resulting in a positive ROI for one group but a negative or neutral ROI for the other.

For example, Dillon Consulting provided project management training to all of the company's several hundred project managers. When the ROI was analyzed by subgroup, the ROI on training managers with 16 years or less experience in project management was 62%, but for those with more than 16 years' experience the ROI was 0%.

When ROI was investigated for individual tax appraisers at BC Assessment, it was learned that training had a return for those who carried large case loads, but had little return for those with small caseloads.

Similarly, when branch managers at the Business Development Bank of Canada used their learning to coach less experienced account managers, the impact was large and the return on investment for the training was 528%. However, the impact from branch managers coaching experienced, senior account managers was small and the return on the investment for training those managers was negative.

In studies resulting in a negative ROI, participants more frequently questioned the relevance and value of training to their work situation or circumstances. A frequent complaint in leadership development programs, for instance, was that the program failed to accommodate the varying level of expertise of the participants or address the needs in their specific areas of the business.

If training is to generate a positive return for the organization, it is clearly important that training be more sharply focused on the employees that might benefit most. Findings suggest that "one-size fits all" training not only diminishes impact at the Capability link but may also diminish the training's prospects for delivering a positive return on investment.

How can capability be enhanced? (continued)

FINDING 9: LEARNING OBJECTIVES

PROGRAMS WITH WELL-DEFINED LEARNING OBJECTIVES AT THE TIME OF DELIVERY WERE MORE SUCCESSFUL IN ENHANCING CAPABILITY.

In some cases, learning and performance objectives had not been clearly defined at the time of training delivery and had to be created or refined during the evaluation planning. Programs that had been designed and delivered with well-defined learning objectives at the outset tended to achieve higher ratings on participants' knowledge and skill and confidence levels at the end of training.

FINDING 10: JOB-LIKE PRACTICE ACTIVITIES

COURSE ACTIVITIES THAT REQUIRED THE APPLICATION OF LEARNING TO LIFE-LIKE SITUATIONS SIMILAR TO THOSE PARTICIPANTS WOULD ENCOUNTER IN THEIR JOBS WERE CONSISTENTLY IDENTIFIED AS HIGHLY EFFECTIVE ACROSS ALL STUDIES.

The analysis of effective practices revealed that the training activities participants found most effective in enhancing their learning and confidence were those that required them to apply their learning in situations with a high degree of verisimilitude to their job tasks.

The following activities, for example, were seen to be highly effective:

- (Seed Potato Inspection) Practicing crop inspection skills in specially cultivated field plots that simulated the true-to-life experience of identifying plants, diseases, and pests.
- (Meeting Management) Facilitating or participating in a practice meeting to learn and apply effective meeting management principles.
- (Call Centre Support Agent) Role playing a call centre agent providing customer support.
- (Lean Six Sigma) Using case studies and real-life examples to demonstrate Six Sigma tools and techniques.
- (Project Management) Using case studies to explore principles of risk management.

What can managers do to enable learning and enhance training impact?

FINDING 11: MANAGER SUPPORT

PARTICIPANTS PERCEIVED THEIR MANAGER'S SUPPORT—EASING THEIR WORKLOADS DURING TRAINING AND MAKING TRAINING A PRIORITY—AS HIGHLY EFFECTIVE IN ENABLING THEIR LEARNING.

Across all studies, participants described the following actions taken by their managers to be 'effective' or 'very effective' in enabling their learning:

- Reassigning work responsibilities while participants attended training
- Providing financial support for training or compensating participants
- Adjusting participants' work schedules to allow participants to attend training
- Making it a priority to attend training regardless of workloads
- Training intact teams.

What practice frequently diminishes learning impact?

FINDING 12: COGNITIVE OVERLOAD, PRESENTING TOO MUCH LEARNING MATERIAL IN TOO SHORT A PERIOD OF TIME WITH TOO LITTLE PRACTICE, IS A COMMON PROBLEM ADVERSELY AFFECTING LEARNING AND TRAINING'S IMPACT.

In at least four case studies, the training effectiveness was adversely affected by training delivery that presented too much technical information in too short a period of time with too little opportunity given to learners to process, practice, and integrate new knowledge and skills. Commonly referred to as cognitive overload, this occurred most frequently when training was delivered by subject-matter experts (SMEs) rather than experienced course facilitators or trainers.

Organizations that use SMEs as course facilitators would be well advised to provide these individuals with guidance in how to appropriately apportion the amount of learning material addressed to the time available for learning (i.e., "Train the Trainers" sessions).

IV: SUPPORTING TRANSFER

To what extent did enhanced Capability transfer to the job?

FINDING 13: CAPABILITY AND TRANSFER

THE APPLICATION OF LEARNING TO THE WORKPLACE AND THE RESULTING JOB PERFORMANCE IMPROVEMENT WAS GREATER WHEN TRAINING HAD SUCCESSFULLY ENHANCED CAPABILITY.

In cases where the training program succeeded in enhancing the Capability of participants and their intentionality to apply their learning to their jobs, participants reported a higher level of learning application and performance improvement.

In programs that succeeded in building Capability, approximately half of those who responded to follow-up questionnaires reported a high level of learning transfer and performance improvement. By comparison, in programs that were less successful in building Capability, typically less than one quarter of respondents reported a high level of transfer and improvement in the months following training.

How important was the transfer of training to positive ROI?

FINDING 14: TRANSFER AND ROI

TRAINING PROGRAMS THAT WERE MORE SUCCESSFUL AT THE SECOND LINK IN THE LEARNING VALUE CHAIN™—TRANSFERRING LEARNING TO THE JOB— WERE ALSO MORE LIKELY TO ACHIEVE A POSITIVE RETURN ON INVESTMENT.

The five programs that achieved a positive ROI attained higher ratings on indicators of learning application and improvement than programs that did not achieve a positive return.

Moreover, the programs that failed to achieve a positive return on investment also received almost twice as many Red Flag "Transfer Alerts"—alerts issued when poor performance on a key transfer indicator poses a significant risk to business outcomes.

Once again, this relationship between favourable Transfer results and positive ROI—if more thoroughly validated—suggests that the Transfer Questionnaire could become a powerful predictive tool for the training community. It is relatively easy to implement and it could quickly provide organizations with a strong indicator of a training program's success in improving job performance and suggest its potential for driving positive business results and ROI.

What factors most enabled the transfer of learning and performance improvement?

FINDING 15: ENABLING TRANSFER

THE FACTORS MOST FREQUENTLY CITED AS ENABLING THE TRANSFER OF LEARNING TO THE JOB INCLUDE: 'HAVING CLEAR PERFORMANCE EXPECTATIONS,' 'HAVING INFORMATION, REFERENCE MATERIAL OR JOB AIDS,' AND 'HAVING A SUFFICIENT LEVEL OF KNOWLEDGE AND SKILL.'

When participants were asked to identify factors that had helped them apply their learning to their jobs, the most frequently cited factors across all cases included the following:

- Having clear performance expectations (cited by participants in 5 cases)
- Having information, reference materials or job aids (4 cases)
- Having a sufficient level of knowledge and skill (4 cases)
- Support from colleagues and peers (3 cases)
- Support from supervisor or manager (3 cases)

What were the greatest barriers to learning transfer?

FINDING 16: BARRIERS TO TRANSFER

THE MOST FREQUENTLY CITED BARRIERS TO LEARNING APPLICATION AND PERFORMANCE IMPROVEMENT INCLUDE: 'LACK TIME OR HAVE OTHER HIGHER PRIORITIES' AND 'LACK RELEVANT SITUATIONS OR OPPORTUNITIES TO APPLY LEARNING.'

When participants were asked to identify the most significant barriers to learning application and performance improvement, the most frequently cited barriers included:

- Lack relevant situations for opportunities to apply learning (5 cases)
- Lack time or have other higher priorities (3 cases)
- Too little time to practice new skills (2 cases)

The barrier 'too little time to practice new skills' occurred in the two studies where the participants were being trained to assume a new job role.

Participants' open-ended comments revealed a need for a 'nesting period' following training. A nesting period is a block of 'protected' time in trainees' work schedules when they are freed from other responsibilities to focus on integrating and applying their new learning to their jobs—preferably with ready access to guides or mentors.

Training design and delivery might affect greater transfer and improve business results by creating 'nesting periods' for trainees—a period of time following training when work responsibilities and priorities are eased to allow 'time out' for practicing new behaviours, integrating learning or changing the way work is done.

What factors facilitated change in workplace culture?

FINDING 17: CRITICAL MASS FOR CULTURE CHANGE

IN PROGRAMS STRIVING TO CHANGE WORKPLACE CULTURE, THE TRAINING OF INTACT TEAMS OR MULTIDISCIPLINARY STAKEHOLDER GROUPS PROVED AN EFFECTIVE STRATEGY FOR BUILDING THE CRITICAL MASS FOR CHANGE.

In three of the case studies, training was implemented to change the workplace culture. At WestJet, for example, the organization wished to change its 'meeting culture'; employees were spending too much time in meetings that were unnecessary, inefficient, or poorly run. In implementing their meeting management training, WestJet made the decision to train intact teams.

The decision proved critical to results. When trainees facilitated a meeting where a majority of the group had been trained in the techniques, time was saved and the quality of meetings improved. If on the other hand, trainees facilitated meetings where only some of the participants had training—it was difficult to get the buy-in and cooperation of those who had not been trained. In short, there needs to be a *critical mass* of employees using the techniques before broad-based change occurs and business outcomes improve. Participants' comments suggested that the training of intact teams was important to building critical mass and enabling change to occur.

A similar situation occurred with the hospital patient safety program—a program whose overarching goal is to change the patient safety culture of obstetrics units. In this case, the training focused on implementing a new protocol and care practices with expectant mothers. Caregivers attributed the success of the protocol implementation to a training day where all members of the obstetrics unit (family doctors, obstetricians, nurses, midwives, and administrative staff) were trained together—a strategy that not only secured broad buy-in for the new protocol, but also established a critical mass for change to occur. Participants also cited 'peer support' as a strong enabling factor for learning transfer.

In a third case, however, the lack of critical mass—opportunities to collaborate and share—appears to have impeded the success of a Lean Six Sigma program. In this case, Lean Six Sigma training was implemented to create a culture of process improvement—but the lack of support from supervisors, managers, and co-workers greatly hindered culture change and ultimately, the impact of training on the bottom line.

V: CONDUCTING ROI EVALUATION

What does ROI evaluation require of organizations?

FINDING 18: REQUIREMENTS FOR ROI EVALUATION

SUCCESSFUL ROI EVALUATIONS REQUIRE CONSIDERABLE TIME, RESOURCES, AND A HIGH LEVEL OF EVALUATION EXPERTISE TO COMPLETE; A STRONG CHAMPION WITHIN THE ORGANIZATION AND SENIOR MANAGEMENT SUPPORT ARE ALSO ESSENTIAL.

EVALUATION EXPERTISE

ROI evaluation requires a high level of evaluation expertise. Evaluation of this complexity requires proficiency in wide-ranging methodologies (surveys, interviews, focus groups, action planning, testing, etc.), expertise in evaluation design and basic statistical analysis, comfort with accounting principles, and competency in integrating multiple data sources to provide a credible, accurate, and unbiased accounting of results. Most participating teams required the full support of the Investing in People® professional team and expressed their lack of confidence or expertise to conduct the key tasks and functions required for the ROI analysis on their own.

TIME REQUIREMENT

ROI evaluation also requires considerable time; many of the case studies in the Investing in People® project required a year to complete. The studies required a significant amount of up-front planning and an extended period of time to gather data at the following critical time points:

- Preceding the training intervention to gather business baseline data
- Immediately following the training to assess Capability
- One to four months following training to assess Transfer
- Weeks or months beyond the Transfer evaluation to assess business results.

In most studies, additional focus groups, interviews, or surveys—conducted to acquire a deeper understanding of findings—further extended the overall length of the studies.

Given the length of time required to complete a credible ROI evaluation, successful completion of such studies can be seriously affected by wide ranging factors—changes in key personnel, organization structure, policy and process, changing priorities, and job changes in trainees and others. In view of these factors, evaluators need to be skilled and resourceful in adapting methodologies to meet the challenges of conducting credible evaluation in circumstances of constant change—i.e., the real world.

What does ROI evaluation require of organizations? (continued)

STRONG CHAMPION AND SUPPORT OF SENIOR MANAGEMENT

ROI evaluation requires researchers to collaborate with various groups within the organization—business leaders (CEO, CFO, etc.), accounting personnel, and front-line managers. A strong internal champion is needed to work across functions to successfully elicit the support and collaboration of groups outside of the training department and to communicate the value of the study to the broader organization.

An ROI study also requires extensive information and data gathering from multiple stakeholder groups who must commit time—beyond their typical work tasks—to complete questionnaires, participate in interviews, attend focus groups, or supply essential financial or performance data. Trainees, as a consequence, frequently succumb to 'questionnaire fatigue' and the resulting low response rates can jeopardize meaningful results.

Senior management support and endorsement is pivotal in securing the commitment of these groups and ensuring the level of participation required for a competent and thorough assessment of training's impact on the business.

What are the methodological challenges?

FINDING 19: GATHERING BUSINESS DATA

ACCESSING APPROPRIATE PERFORMANCE AND BUSINESS RESULTS FROM COMPANY RECORDS AND SYSTEMS CAN POSE SIGNIFICANT HURDLES TO ROI EVALUATION.

In several of the cases, the business data needed to assess training's impact was not available in the organization or, for various reasons, could not be obtained. Under these circumstances, it was sometimes necessary to resort to investigating 'what could be measured' as opposed to 'what would be most desirable to measure.' This situation is clearly not optimal but, nonetheless, it precisely captures the ineffable challenges that greet 'real world' research in the workplace setting.

A common challenge is the need to cross interior organizational 'borders' in order to obtain the necessary data. It is often difficult for someone in training, for example, to importune other staff members in the finance or records departments to take time from their busy schedules to hunt down cost data or performance/productivity records. Unless the evaluation has high profile support, the responses from such requests unfortunately may be too little, too late, or nothing at all.

In other instances, the required business and performance data was available but not gathered, compiled, or reported in the company's accounting systems in a way that was compatible with, or accessible for, evaluation needs. Often, evaluation of business results must also be coordinated with and attuned to the company's fiscal reporting schedules—i.e., the timing of quarterly, interim, or year-end results.

What are the data-gathering challenges?

FINDING 20: LOW RESPONSE RATES

ACQUIRING ADEQUATE RESPONSE FROM TRAINEES TO QUESTIONNAIRES OR ELICITING THEIR PARTICIPATION IN FOCUS GROUPS OR INTERVIEWS IS THE SINGLE GREATEST CHALLENGE TO CONDUCTING CREDIBLE EVALUATION.

The single greatest challenge to conducting credible evaluation is encouraging the training participants to complete and return questionnaires, to volunteer for focus groups or interviews, or to participate in other critical data-gathering activities.

In this initiative, low response rates threatened the reliability and validity of results in four of the studies—particularly at the level of Transfer. To achieve adequate response rates, frequent reminders were sent to trainees and in several cases, incentives were used.

Action Planning, in particular, had a low rate of success and follow through. Action Planning requires participants to set goals during training and then document their goal achievement in the months following. Action Planning can be used to gather both transfer and business results. The process, however, typically requires a high level of commitment from participants—and without considerable encouragement and oversight from managers there is, too frequently, little follow-through. Similarly, using 'logs' to gather business data required more time of participants than they were willing to commit.

If organizations are committed to evaluating the impact of their training investments, then strategies need to be put in place that hold training participants accountable for engaging in evaluation activities and providing their feedback. Without mechanisms of this kind, there is every likelihood that response rates will be too low to provide meaningful results.

How can evaluator bias be minimized?

FINDING 21: EVALUATOR BIAS

CRITICAL EVALUATIONS ARE BEST CONDUCTED BY AN IMPARTIAL, THIRD-PARTY EVALUATOR TO MINIMIZE BIAS.

A key observation of the Investing in People® project was the importance of the unbiased, third party analysis. Impact evaluation is both an art and a science, especially so because it must take place within ever-changing dynamics of the busy workplace and not in the stable, controllable confines of the academic or laboratory setting. Highly vulnerable to real-world vicissitudes, the success of impact evaluations often depends upon evaluators' expertise, experience, and perhaps most important, impartiality.

When the normal unfolding of a well planned evaluation is disturbed, for example by a sudden or dramatic organizational change (employee reassignments, company merger, promotions, production line retooling, etc.), evaluators may be called upon to make a wholesale, on-the-spot redesign in order to salvage perhaps months of work and end up with credible, useable data.

Situations where the well-planned dynamic of the evaluation must be suddenly jettisoned and replaced by sound professional judgment harbour maximum risk. Such judgments must be made with utmost dispassion because they may carry considerable consequence—especially if the professional making the call harbours a natural bias. If the evaluator, for example, is an in-house staff member, the situation becomes a well-recognized reliability 'hot spot' where inherent bias can all too easily surface and interfere with objective decision-making.

At this point the carefully thought-out game plan must be improvised—usually to account for less than expected job- or business-performance data (e.g., a large number of participants have transferred out of the business unit as a result of reorganization). It is not infrequent that studies have to be completed with a data set that is incomplete or is considerably shy of that initially desired. At this point the options are to stop the study, or attempt to extrapolate the available data to develop useful, credible results. Of course this extrapolation requires experience and expertise. Most critically, however, such 'hot spot' decision-making requires utmost impartiality if the results are to be free from self-fulfilling bias.

Isolation: How do we know it was the training?

FINDING 22: ISOLATING TRAINING'S IMPACT

IT IS CRITICALLY IMPORTANT TO THE SUCCESS AND CREDIBILITY OF IMPACT ANALYSIS THAT THE EVALUATION ACCOUNT FOR OTHER FACTORS THAT MAY ALSO HAVE CONTRIBUTED TO THE OBSERVED BUSINESS IMPROVEMENT.

In the process of developing the business impact and ROI of training, the Investing in People® analysis employed various techniques to isolate the impact of the training from other factors that might also have contributed to the observed business improvement. This is critically important because it successfully assuages the classic concerns of senior executives: How do we know it was the training? Many other factors could have influenced the business improvement. How can we prove that training had anything to do with the observed improvement? If it did, how much of the improvement can credibly be attributed to the training?

The Investing in People® studies used three approaches to isolating the impact (recommended by the Phillips ROI Methodology™): Control Groups, Participant Estimates, and Senior Management Estimates.

The Logitech case study illustrates how such isolation techniques can be employed to establish a credible business case for training's contribution to business outcomes. In this study, the Investing in People® team sought the advice of senior personnel from the outset to ensure that the business measures tracked and analyzed by the study truly reflected the measures critical to the success of the company.

The Logitech evaluation was implemented to measure the business impact of a newly-designed training program for customer support agents. The study was designed to compare business performance of two trainee cohorts: the first cohort had received the older version of the training in the fall of 2007; the second cohort received the newer, updated training program in the fall of 2008. Upon comparing performance records of the two groups over a similar two-month calendar period (Cohort 1: January-February 2008 with Cohort 2: January-February 2009), the second cohort's business results showed a distinct improvement over that of the first cohort.

To inject an additional level of rigour into the process, the analysis then asked senior management to identify other factors which might also have accounted for the observed improvement. Managers were then asked to estimate the relative contribution of each factor, including the training. In the final analysis, management attributed 60% of the year-over-year improvement to the newly designed training. In management's view, 30% of the improvement was due to new policy changes and, finally, 10% to newly introduced management practices.

VI. PERCEIVED PROJECT IMPACTS

Did the IIP initiative impact **evaluation practices** in Partner organizations?

FINDING 23: IMPROVED EVALUATION PRACTICE

AS A RESULT OF PARTICIPATING IN THE INVESTING IN PEOPLE PROJECT PARTNERS PERCEIVED IMPACTS TO THE WAY IN WHICH THEY VIEW TRAINING EVALUATION AND HOW THEY PLAN TO CARRY OUT EVALUATION IN THE FUTURE.

At the conclusion of the Investing in People® initiative, Partners were asked in interviews and surveys to describe the benefits of participating in the project. The following comments illustrate the range of impacts on evaluation practice. [See Appendix B for a compendium of all Partner post-project comments.]

ADOPTING THE LEARNING VALUE CHAIN™ MODEL AND INVESTING IN PEOPLE® TOOLS:

"We have decided to use the Investing in People® measurement tools, Capability (all the time) and Transfer (for targeted initiatives). We will have a more systematic approach at collecting and analyzing the data. We were doing level 1 and 2 already, but we have now improved our way of doing level 1 and have introduced level 3."

"This is a different way of looking at and evaluating and auditing our programs and sharing the impact of our programs with the business. We have been doing industrial training for a long time, and this gives us a different view point, a different way of looking at the work we do."

"... We see this as a way of communicating the value of learning and development to the organization. Often people refer to us as 'trainers' and that is some of what we do but it is more than this, and the tools and approach will help us to focus on enhancing learning and development."

"I loved the report. The layout and the flow of the document were excellent. Everything was integrated making it easy to read—each section building on the previous section."

"The study helps us understand and communicate the evolution of L&D. Training is exploding in our organization given the demographic. We are re-engineering our on the job training (OJT process) and this will help us understand and work through the evolution of our programs."

Did the IIP
initiative impact
evaluation
practices in
Partner
organizations?
(continued)

ENCOURAGING MORE COMPREHENSIVE EVALUATION:

"The study and the use of data helped us move to a more formal approach to using metrics – this is a new concept. Even though we are a data rich organization, we didn't look at our data in this way."

"The experience strengthened the group resolve and confidence in conducting evaluations of this nature and depth. ...it also made us all aware of the significant value of these evaluations for the Learning Division as a whole."

"I think that our training colleagues...were given a real taste of what it means to conduct a comprehensive evaluation of a training course and what type of recommendations result from such an evaluation. The organization culture to-date has always relied on "instinct" and somewhat superficial participant feedback processes(Kirkpatrick Level 1 at best) to assess training effectiveness rather than taking a rigorous methodological approach to internal training evaluation (including learning transfer, application and cost benefit analysis)."

"Given the high profile of this evaluation we are encouraged that it might send a strong signal to our Senior Management to support such initiatives in the future, and potentially, help to put into place a more comprehensive evaluation system which can support continuous improvement of training initiatives as they are being rolled out to end-users on an ongoing basis."

"[Being involved in the study] absolutely had an impact on our other programs. We always used the Kirkpatrick model of training evaluation but needed to do a better job of understanding impacts to quality and to the business."

SHARING BEST PRACTICES:

"The results of this study will be used to support a written memorandum to Senior Management on 'Emerging Trends in Training Evaluation' which can have a significant impact on the effectiveness of critical in-house training."

"The impact [of the Investing in People® project]will have a significant ripple effect too....I will certainly be instituting a similar model of evaluation here [at my new organization]. The Community of Practice members (currently 75 from circa 25 departments across government) are also aware of it. The seed has been sown!"

"We are planning a meeting with our VP Human Resources and leader of key manufacturing areas to review the study results and expect their strong support."

Participants were less certain, however, how often they would undertake ROI evaluation on their own—as illustrated below by a comment from the Business Development Bank of Canada:

"We really appreciated having the opportunity to do such a study with professional support; it was an outstanding learning experience for us. Yet, while we are very satisfied with the results, we found that ROI calculation requires a lot of details that are not always readily available and because of all the work involved, we doubt we will do another one [ROI study]soon."

Did the IIP
initiative impact
training design
in Partner
organizations?

FINDING 24: IMPROVED TRAINING DESIGN

PARTNERS' COMMENTS SUGGEST THAT LESSONS LEARNED ABOUT PROGRAM EFFECTIVENESS WILL IMPACT THE PLANNING AND DESIGN OF FUTURE TRAINING PROGRAMS.

Partners' comments suggest that the lessons learned from evaluation will be applied to the design of future programs. [See Appendix C for all comments.]

"The impact the study had was to help us be more intentional with our pre-training and post-training design. Moving forward we will design with more rigour. We also have learned the value of having the 'right' people in the room at the 'right' time. We will also make a conscious effort to include third level evaluations in our designs."

"Often the training approach has been more about putting out fires – this helps to get people thinking about what they are doing."

"We want to make better connections between training and the work of the business."

"No modification has been done to the program. The study has influenced our planned programs; we will try to better target our audience, or at least better acknowledge their prior experience."

"In our situation, we deliver training to our vendor so other factors (such as motivation) are not in our control. The study helped us to consider the other factors contributing to success and now we can look at options (such as a pre-test for participants) before enrolling them in the courses we are providing. "

"We also see that there is opportunity to market the program broadly and to develop partnerships—Essential Skills for skilled trades, for example."

Did the IIP
initiative impact
communication
of training's
value?

FINDING 25: COMMUNICATING TRAINING'S VALUE TO SENIOR MANAGEMENT
PARTNERS' COMMENTS SUGGEST THAT THE CASE STUDY REPORTS HELPED
TO COMMUNICATE THE VALUE OF TRAINING TO THEIR SENIOR
MANAGEMENT.

The following are illustrative comments; see Appendix B for a compendium of all comments.

"There was a lot of reluctance from management related to the program redesign, but participating in the study and the resulting report gave us the language and an approach that we could use to discuss and defend our decision."

"The Leaning Value Chain™ model is exciting and long overdue. The concept that training activates a chain of critical outcomes goes beyond the current 'Business Impact' and 'ROI' accepted wisdom and focus. We can now use their [Gillis and Bailey] framework for evaluating learning effectiveness to ensure our key outcomes are adding immediate relevant value for our manufacturing members. We are now beginning to see our industry chief executives truly gaining an understanding of learning's value and impact, most for the very first time."

"The process and the results are part of an awareness exercise for management. Training is largely misunderstood—seen as a bonus not as a key element in our talent strategy. This will help us take a more strategic look at our work and how our resources are allocated. ROI has been very helpful in providing a language for this conversation."

"The ROI results didn't surprise the VPs we met with. They believed before the study that training was worth and was improving results, but now facts just confirmed it. They liked the multi factor analysis (economical and environmental factor analysis) and said that the study was very credible because of that."

"It was a great privilege to collaborate with the authors of this study from the Centre for Learning Impact on this rigorous course evaluation. Given the high profile of this evaluation we are encouraged that it might send a strong signal to our Senior Management to support such initiatives in the future, and potentially, help to put into place a more comprehensive evaluation system which can support continuous improvement of training initiatives as they are being rolled out to end-users on an ongoing basis."

BOTTOM-LINE FROM SENIOR MANAGEMENT:

"... Some of that diagnostic information that comes from dissecting each of the steps in the process and the steps that flow from that might not be quantitative, might not be ROI numbers, but it's stuff we can actually learn from and apply to other courses."

"There are important insights that come out of this...investing in training is still a leap of faith, but if you know the processes, the content, the people and all the diagnostics that we are pulling out of this—then that leap of faith is considerably less risky in terms of the investment."

APPENDIX A: PROFILE OF PARTICIPATING ORGANIZATIONS

Training Profile Of participating Partners, the average annual expenditure on skills development ranged from \$10K to \$23M with a mean expenditure of \$6M. Their annual investment in training and skills development, expressed as a percentage payroll, ranged from 1% to 5% with a mean of 2.6%.

Annual Expenditure on Skills Development	Expenditure on Training as a Percentage of Payroll	Percent of Employees Receiving Training
\$23M	3.2%	99%
\$16.5M	3.6%	80%
\$ 5.0M	5%	50%
\$ 2.5M	4%	90%
\$601,000	1.7%	71%
\$132,000	1%	100%
\$ 40,000	1%	100%
\$ 10,000	1.3%	100%
Mean: \$5,97 M	Mean: 2.6%	Mean: 86%

*Data unavailable from 4 organizations.

Attitudes Towards Training On average, 86% percent of employees in Partner organizations received training in the year previous to their involvement in the Investing in People® Initiative. Most (82%) perceive their training expenditures as increasing over the next two to three years.

Almost all (90%) believe training expenditures to significantly influence national economic performance. 73% percent of the Partners describe themselves as learning organizations and generally perceive training as important to their business success.

Table follows.

APPENDIX A: PROFILE OF PARTICIPATING ORGANIZATIONS (CONTINUED)

Percentage of organizations indicating ...	
Our company can be accurately described as a learning organization.	73%
The contribution of training to our business success is of 'importance' or 'great importance.'	73%
Our current level of expenditure on training and skills development is 'high' or 'too high.'	1%
Over the next 2 to 3 years our training expenditures might be 'somewhat increased' or 'greatly increased.'	82%
Training expenditures by all Canadian enterprises has a 'significant' or 'very significant' influence on national economic performance.	90%
N= 11	

Types of Training Offered

Overall, the Partner organizations provide their employees with a wide range of training, typically including orientation training, leadership development, company or product knowledge training, and technical development training. A smaller percentage of Partners (73%) provide occupational safety or waste reduction training.

Percentage of organizations offering ...	
Orientation Training	91%
Executive Development/Leadership	100%
Company/Product Knowledge	91%
Management/Supervisory Skills	91%
Technical Development (mechanical, computer, new equipment, etc.)	100%
Occupational Safety/Waste Reduction	73%
Other	36%
N= 11	

APPENDIX A: PROFILE OF PARTICIPATING ORGANIZATIONS (CONTINUED)

Training Delivery All Partners report using classroom, online, and informal learning to deliver training; self-study is used less frequently (82%).

Percentage of organizations delivering training using ...	
Classroom	100%
Computer/Online	100%
Self-Study	82%
Informal Learning	100%
Other	45%
N= 11	

Current Levels of Evaluation

Overall, the Partners report high levels of training program evaluation. Referring to the Phillips-Kirkpatrick levels of evaluation, Partners claim that they evaluate, on average, 74% of their training programs at Level 1 (Reaction and Satisfaction). 45% of programs are evaluated at Level 2 (Learning); and 24% at Level 3 (Behaviour and Application).

Percentage of <i>training programs</i> currently evaluated at each of the Kirkpatrick-Phillips levels of evaluation	Mean %
Level 1: Reaction/Satisfaction	74%
Level 2: Learning	45%
Level 3: Behaviour/Application	24%
N= 11	

As a group, Partners also view training evaluation very favourably. They are in unanimous agreement that evaluation is highly important to the success of training and also highly important to the achievement of their organizations' business objectives.

APPENDIX A: PROFILE OF PARTICIPATING ORGANIZATIONS (CONTINUED)

Training Goals Partners report that a majority of their training programs (77%) are implemented for the purpose of improving job performance; a smaller proportion (62%) also have business improvement goals.

Percentage of training programs with the following goals ...	Mean %
Improving Job Performance	77%
Improving Business Performance	62%
N= 9	

Perceived Barriers to Training Investment The top three-ranked barriers to training investment are seen to be: 1) 'Organization is too busy to investigate or develop training solutions,' 2) 'Organization does not have training professionals,' and 3) 'Expense of training is too high.'

Ranking of Barriers from Most Frequently Encountered to Least Frequently Encountered	Rank
Organization too busy to investigate or develop training solutions	1
Organization does not have training professionals	2
Expense of training too high	3
Organization unable to assess key gaps	4
Organization lacks knowledge about how to develop or where to acquire training solutions	5
Management unconvinced training will lead to business payoff	6
Concerns that trained employees might be 'poached' by competitors	7
N= 9	

APPENDIX A: PROFILE OF PARTICIPATING ORGANIZATIONS (CONTINUED)

Perceived Enablers to Training Investment The top three-ranked enablers to training investment are: 1) 'Employees are enthusiastic and motivated to learn and improve their job performance,' 2) 'Organization has a culture of excellence or continuous improvement,' and 3) 'Management places high value on training and skills development.'

Ranking of Key Enablers from Most Frequently Encountered to Least Frequently Encountered	Rank
Employees are enthusiastic and motivated to learn and improve their job performance	1
Organization has a culture of excellence or continuous improvement	2
Management places high value on training and skills development	3
Employees require continuous upgrading to succeed in a knowledge-focused organization	4
Rapidly changing industry requires continuous upgrading skills and knowledge	5
N= 9	

APPENDIX B: PARTNERS' COMMENTS ON THE IMPACT OF THE INVESTING IN PEOPLE® INITIATIVE

Impact on Training Evaluation **ADOPTING THE INVESTING IN PEOPLE® EVALUATION TOOLS:**

"The participation in the CLI evaluation made me acutely aware of the importance of doing a formalized evaluation of both Capability and Transfer."

"We have decided to use the CSTD measurement tools, Capability (all the time) and Transfer (for targeted initiatives). We will have a more systematic approach at collecting and analyzing the data. We were doing level 1 and 2 already, but we have now improved our way of doing level 1 and have introduced level 3."

"This is a different way of looking at and evaluating and auditing our programs and sharing the impact of our programs with the business. We have been doing industrial training for a long time, and this gives us a different view point, a different way of looking at the work we do."

"... We see this as a way of communicating the value of learning and development to the organization. Often people refer to us as 'trainers' and that is some of what we do but it is more than this, and the tools and approach will help us to focus on enhancing learning and development."

"I loved the report. The layout and the flow of the document were excellent. Everything was integrated making it easy to read—each section building on the previous section."

"The study helps us understand and communicate the evolution of L&D. Training is exploding in our organization given the demographic. We are re-engineering our on the job training (OJT process) and this [kind of evaluation] will help us understand and work through the evolution of our programs."

ENCOURAGING MORE COMPREHENSIVE TRAINING EVALUATION:

"[Being involved in the study] absolutely had an impact on our other programs. We always used the Kirkpatrick model of training evaluation but needed to do a better job of understanding impacts to quality and to the business."

"The study and the use of data helped us move to a more formal approach to using metrics – this is a new concept. Even though we are a data rich organization, we didn't look at our data in this way."

"Being data rich can be overwhelming—what are the best metrics? This helped us focus on how to integrate the metrics within training—the business side of training."

[Changing the way programs are designed or evaluated] ... "this can be a problematic resource issue, but I can say with confidence that the impact was very significant."

"What we will do will be somewhat funding and manpower related, for sure, but the cat is out of the bag! This stuff really works and I, we and they know it; there's no turning back!"

"I think that our training colleagues ... were given a real taste of what it means to conduct a comprehensive evaluation of a training course and what type of recommendations result from such an evaluation. The organization culture to-date has always relied on "instinct" and somewhat superficial participant feedback processes (Kirkpatrick Level 1 at best) to assess training effectiveness rather than taking a rigorous methodological approach to internal training evaluation (including learning transfer, application and cost benefit analysis)."

"It convinced me that, in order to get buy-in from the program staff (directly involved with the development and implementation of training), it is necessary to show them results in 'black and white'."

"I think that our participation in this study made us realize the importance of creating an evaluation team which includes course sponsors/designers. This 'team approach' to evaluation helps with the follow-up process to implement recommendations for course improvements after the evaluation. It also helped to open the eyes of some of our professional colleagues who have always been skeptical of the 'value' of conducting evaluations of training"

"The experience strengthened the group resolve and confidence in conducting evaluations of this nature and depth... it also made us all aware of the significant value of these evaluations for the Learning Division as a whole."

SHARING BEST PRACTICES:

"The results of this study will be used to support a written memorandum to Senior Management on 'Emerging Trends in Training Evaluation' which can have a significant impact on the effectiveness of critical in-house training."

"The impact [of the Investing in People® project] will have a significant ripple effect too... I will certainly be instituting a similar model of evaluation here [at my new organization]. The Community of Practice members (currently 75 members from circa 25 departments across government) are also aware of it. The seed has been sown!"

"We wished we could have included four or five of our other programs in this work!"

ON ROI:

"We really appreciated having the opportunity to do such a study with professional support; it was an outstanding learning experience for us. Yet, while we are very satisfied with the results, we found that ROI calculation requires a lot of details that are not always readily available and because of all the work involved, we doubt we will do another one [ROI study]soon."

"Our organization has no experience with an ROI on a training program. It was useful to understand the process and the amount of work involved. It is unlikely we would make ROI a regular evaluation process. There is an inordinate amount of work involved and a great deal of expertise that was provided by the Centre for Learning Impact (Learning Designs Online) that we do not have in-house."

Impact on Training Design

CHANGE TO FUTURE DESIGN PRACTICES:

"Tremendously helpful feedback."... "There has been general socialization of the concepts of evaluation. This helped us focus on what we should be doing in terms of best practices – this is a key carry forward."

"We are more thoughtful now about expansion and our plans to refine training. We will use the study to influence and make recommendations regarding existing and new programs."

"We have been asked to share our findings with our groups and divisions –to create a model that can be replicated."

"It is all about the choices we make given limited resources and this has helped us focus on what is needed."

"We want to make better connections between training and the work of the business."

"No modification has been done to the program. The study has influenced our planned programs; we will try to better target our audience, or at least better acknowledge their prior experience."

"Still a little early to tell [what changes will be made to the program] but initial actions include: putting together a course review team which will look at ways to implement some of the recommendations for the next (and future) delivery(-ies), and a meeting with a Senior Manager from the evaluated business line to ensure that support is given for this type of continuous improvement initiative."

"During the study, participants provided feedback on the various tools provided in the program. The feedback was well received and resulted in changes to the design and an enhanced product."

"The impact the study had was to help us be more intentional with our pre-training and post-training design. Moving forward we will design with more rigour. We also have learned the value of having the 'right' people in the room at the 'right' time. We will also make conscious effort to include third level evaluations in our designs."

"Often the training approach has been more about putting out fires – this helps to get people thinking about what they are doing."

"In our situation, we deliver training to our vendor so other factors (such as motivation) are not in our control. The study helped us to consider the other factors contributing to success and now we can look at options (such as a pre-test for participants) before enrolling them in the courses we are providing. "

"We're embedding some of the practices in our work and in the development of the essential skills program."

"Although we intuitively knew the program could be improved, the study pointed out that we can do a better job of embedding training in the work environment."

"There have been leadership and other changes in our organization, but now we understand the enhancements that are necessary to improve the program and include the instructors and others to do so."

"The study helped us identify gaps and identified opportunities for improvement. We will be working on program improvement over the summer as a result."

Response of
Senior
Management

PARTNERS' COMMENTS REGARDING SENIOR MANAGEMENT RESPONSE:

"There was a lot of reluctance from management related to the program redesign, but participating in the study and the resulting report gave us the language and an approach that we could use to discuss and defend our decision."

"Management has been very supportive: 'this is great' and 'how can we do this all the time?'"

"Will help us have frank conversations about what we are and what we are good at."

"The Leaning Value Chain™ model is exciting and long overdue. The concept that

training activates a chain of critical outcomes goes beyond the current 'Business Impact' and 'ROI' accepted wisdom and focus. We can now use their [Gillis and Bailey] framework for evaluating learning effectiveness to ensure our key outcomes are adding immediate relevant value for our manufacturing members. We are now beginning to see our industry chief executives truly gaining an understanding of learning's value and impact, most for the very first time."

"The process and the results are part of an awareness exercise for management. Training is largely misunderstood – seen as a bonus not as a key element in our talent strategy. This will help us take a more strategic look at our work and how our resources are allocated. ROI has been very helpful in providing a language for this conversation."

"The study identified and gave credibility to some of what we have been saying across the organization, that we must move from using training as a reward to identifying the target audience and being very clear about who we are sending and why. This requires some vigilance on our part to have very clear objectives within our training programs to assist managers in identifying who should be sent."

"Many of the lessons learned relate to our need to effectively communicate with managers and coach them to ensure we are sending the right people to training at the right time."

"The ROI results didn't surprise the VPs we met with. They believed before the study that training was worthwhile and was improving results, but now facts just confirmed it. They liked the multi factor analysis (economical and environmental factor analysis) and said that the study was very credible because of that."

"It was a great privilege to collaborate with the authors of this study from the Centre for Learning Impact on this rigorous course evaluation. Given the high profile of this evaluation we are encouraged that it might send a strong signal to our Senior Management to support such initiatives in the future, and potentially, help to put into place a more comprehensive evaluation system which can support continuous improvement of training initiatives as they are being rolled out to end-users on an ongoing basis."

"We are planning a meeting with our VP Human Resources and leader of key manufacturing areas to review the study results and expect their strong support."

"Overall they [senior management] were very pleased with the results. Although our EVP is already an avid supporter of formal learning, the results will serve to validate the benefits of 'doing it right' i.e., Proper design and 1-3 level evaluations."

COMMENTS FROM SENIOR MANAGEMENT—CEOs AND COMPANY PARTNERS:

"Just in general, you will over time start developing benchmark profiles if you get enough data. It would be great to get a Canadian picture of professional services

or manufacturing. This is something the government can see. "

"Given the effort that has gone into calculate the ROI on one small program, is there a way we can't do this on all the training programs that we've done?"

"There are important insights that come out of this... investing in training is still a leap of faith, but if you know the processes, the content, the people and all the diagnostics that we are pulling out of this—then that leap of faith is considerably less risky in terms of the investment."

"I think we should take that same program and look at the results over time... This is the out of the gate estimate and this is fine – a 25% return on investment is not bad. But if it consistently shows up over time that they [trainees] are performing in the higher echelons then I think that we can say that the training is having at least that much benefit if not more. If they fall back and are just average, then you start to wonder if training was meaningful. But it also begs the question of our reinforcement. ... I would like us to be able to take that group and plot them on a stair graph for the next two or three years—to see where they are today and where they are then. If we see that they are consistently doing well, then maybe something stuck and the return does multiply over a number of years."

I think that we consciously let it be known to the organization that we are looking for results [training results] —that this isn't a perk, it isn't just entertainment or a free couple of days; it has business intent and is valuable. The fact that we are doing this training and the participants know we have invested in them; I think that is a positive message that we are not just doing this for entertainment. That has been accomplished.

"If there is a specific business issue we are designing a program around or a high consequence issue—say our voluntary turnover spikes at 25 [years with company]— then what do we have to do? It may not be training, there may be other kinds of interventions. So we design the program in such a way that it isn't just throwing money against the wall— think through the kind of issues that might be causing the problem and then try to measure it. That whole methodology or understanding that this is possible in organizational design and development is really valuable. You guys should feel good about what you are doing."

"The only other thing I would add is that some of that diagnostic information that comes from dissecting each of the steps in the process and the steps that flow from that might not be quantitative, might not be ROI numbers, but it's stuff we can actually learn from and apply to other courses."

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