



Paul Kearns defines a new role for a new type of learning professional and business partner.

Part 5: How learning consultants can use evaluation intelligently

I have been personally involved in many different approaches to training and development for all types of employees, at all levels, in vastly different organisations, since 1979. Like any professional trainer, I did my best to follow the classic training cycle of needs analysis, design, delivery and evaluation (see Part 4 of this series). In the process I must have spent many, many hours discussing training needs, designing programmes, producing training materials, standing in front of audiences (with varying levels of enthusiasm) and, I should say, evaluating the results. But it was this last bit, evaluation, that never really happened.

Paul Kearns

Paul is director of the PWL consultancy specialising in HR and learning strategies that are directly linked to strategic business measures using evaluation and return on investment (ROI) methods. He is the author of several books on training and HR including *Maximising Your ROI In Training*, which uses a new approach to evaluation as a basis for all learning and development interventions. He also presents Master Workshops on Evaluation and ROI for *Training Journal*. Paul can be contacted on +44 (0) 117 914 6984 or at paulkearns@blueyonder.co.uk

When I kept asking the question 'Is my training working?', it was usually relatively easy to show that the trainees enjoyed it but I knew in my heart of hearts that happy sheets told me very little, if anything, of worth. It was much more difficult for me to establish whether there had been any business impact from all this effort.

Only when I decided to specialise in the subject of evaluation back in 1991 did I really start to take the subject seriously. However, nothing could have prepared me for the way it suddenly opened up a whole new vista on the real importance of individual and organisational learning. Not only did I then realise I had not been taking evaluation seriously, the omission of a key part of the training cycle meant I had to admit to myself that I could not have been taking the whole subject of training and development as seriously as I had thought.

Since then I have seen enormous interest in the subject of evaluation, with numerous models on offer, but with precious little agreement or clarity as to how to do evaluation effectively. So if I were granted one 'professional' wish before I drop off this mortal coil, it would be that the conundrum of training evaluation would be solved once and for all. This article is my own attempt to make that wish come true. It might be quite a challenge, but it is intended to put an end to all the confusion and disagreement surrounding evaluation. So, of all the articles in this series, this is the one that demands and deserves the most concentration.



EVALUATION SYSTEMS

Evaluation has caused the training profession so much anguish and self-doubt over the years that a mature approach is now called for. A learning consultant (LC) needs to take a very fresh and decisive perspective on the whole thorny subject. On the learning maturity scale in Part 1, evaluation was shown as a hurdle that had to be overcome to reach Stage 4 and onwards.

This issue cannot be side-stepped; nor should it result in a bureaucratic paperchase. The only way to get over this hurdle is for the LC to have a clear understanding of what evaluation is and then to educate the rest of the organisation on how to address it. So let us demystify the subject and make sure we all understand it.

Believe it or not, evaluation is a very simple subject as long as you keep it simple. That is not the same as saying it is easy, though. Most trainers would agree that if they want to evaluate, the first thing they should do is follow a model. Unfortunately, choosing such a model is the first big hurdle and where most of the problems arise. Moreover, having a model *is* very important but, on its own, it will not enable you to resolve your evaluation questions satisfactorily. You need more than just an evaluation model; you need an evaluation system.

In Part 2 we showed how evaluation is a crucial step (known as the Check step) of the PDCA (Plan, Do, Check, Act) cycle. This means you cannot have a continuous improvement system unless you check that learning has resulted in an improvement. When you have your PDCA system in place you can then consider *which* evaluation model you want to use.



We live in a totally different world where **the environment and context for learning** have changed dramatically

Well over 90 per cent of trainers who are asked whether they follow an evaluation model will refer to the Kirkpatrick model, which comprises four levels: reaction (Level 1), testing (Level 2), transfer (Level 3) and organisational impact (Level 4). More often than not, in practice any effort is normally limited to Level 1 (with happy sheets) and Level 2 (with tests and questionnaires). However, as soon as trainers try to get past Level 3 they find the whole thing becomes too time consuming, bureaucratic and laborious, and soon lose interest. ➤

► What they do not realise is that they have already committed the cardinal sin of evaluation (the second big hurdle) by misunderstanding Kirkpatrick's original model. They think Kirkpatrick's model has four levels, but actually it has five. It is just that no one ever emphasises the first step, called the baseline (see Table 1 below).

When Kirkpatrick talks about testing at Level 2, he always refers to pre-tests as well. He always knew that trainees should be given a test *before they are trained* to find out how much they know. They should then be given the same test, after the training is completed, to see if they have improved. Kirkpatrick has always followed the concept of closing the loop, yet this is rarely, if ever, spelled out when anyone refers to using his model. So the real Kirkpatrick model, even in its original form, should actually be shown as five levels with 'baseline score' being the first level.

So far, so good. But we have only covered very simple training: the acquisition of pure knowledge. What happens when we start to train for skills, management competence or leadership? How does Kirkpatrick's model cope with these problematic areas? 'Not very well' is the answer, even though there is nothing wrong with the basic rules that Kirkpatrick's simple model sets out. It was just a pity Kirkpatrick did not fully develop his own thinking on the subject. This was probably because he produced his model in 1959 (although it only came to prominence in the US in the 1970s) at a time when training meant 'classroom courses' and questions about training's business impact were few and far between.

We now live in a totally different world where the environment and the context for learning have changed dramatically. One big change is computerisation with much more sophisticated management information systems and more data readily available. In effect, Kirkpatrick offered us an abacus for measuring training and what we need now is a more versatile measurement technology that can cope with a greater variety of learning interventions.

Take leadership, for example. What pre-training baseline scores would you be able to collect for the next intake to your leadership development programme? A simple questionnaire on participants' understanding of leadership might not be that scientific, but it is probably better than nothing. Let us say that we do manage to get some data from this and when they complete the questionnaire again, after the leadership programme, we find they have learned something new about leadership. Does this mean we have evaluated the leadership training? Unfortunately, no; we have just come up against the third big hurdle.

Probably one of the biggest, yet most subtle, misunderstandings about Kirkpatrick's model is that it is an 'evaluation' model. It should be and it could be, but in practice it isn't. Let us go back to the leadership programme. Imagine the test scores show that one of the trainees now knows something about the role of Emotional Intelligence (EI) in leadership. Let us go even further and suggest that someone assesses his/her EI back in the workplace (that's at Level 3) by getting feedback from his/her team. Has this

'evaluated' his/her development? No. Only Level 4 really tries to answer the question 'What impact has this new EI had on the organisation?' So let us look at Level 4 in more detail and see what it really means.

WHAT LEVEL 4 REALLY MEANS

The only way to evaluate training is to show its true 'value', which, funnily enough, is what the word means. Value is a very simple concept and has a clear meaning. The term 'results' used by Kirkpatrick and 'organisational impact', used by other writers on the subject, are much too vague. The only way to add value to any organisation is to raise its income/revenue or reduce its costs (although we will look at the concept and practice of adding value in much more detail in Part 11). Both of these have clear pound signs. Even if we raise productivity levels or improve quality the ultimate effect is either an increase in sales or an increase in margin (the difference between income and cost). There is no escaping this simple truth. EI means absolutely nothing to a CEO if it does not translate into value. Having a happier workforce is only worth something if it means they are more productive, creative or innovative and this, in turn, means more income or less cost.

Kirkpatrick did not spell this out, nor did he apply this simple, but very rigorous, test to his own version of Level 4. That is why it was never really an evaluation model. It is merely a training *validation* model. In other words, it looks mainly at training outcomes, not business outcomes. So in sales training, Levels 1 to 3 might tell you something about an increase in product knowledge but

Level 4 has to tell us whether this was translated into more profit. Of course, the same rules apply to any non-commercial or public sector organisation, but their definition of value will be the level of service they provide per pound spent.

Of course, Kirkpatrick himself would take issue with me on this. In fact, he has done so when we have appeared on the same conference platform, pointing out to me that he has sales improvement figures to show his model does cater for real pound (£) signs. Well, if that is true then we need to amend his model one more time. You see, if he wants to prove that a sales training programme resulted in an increase in pounds, then he has to stick to his own principle of measuring before the programme started – only this time he has to measure pounds, not test scores. This is where *he* hits the fourth big hurdle.

DEMANDING ANSWERS

The baseline model demands answers on performance and value, and this is the last hurdle to overcome. Kirkpatrick was not specific enough about his pre-test questions at the baseline. In practice, an LC has to answer a double-barrelled question about *existing* performance and *expected* added value. You cannot provide an answer at Level 4, after the event, if you do not ask these questions *before* the training takes place. So we now have a model, in Figure 1 (on page 44), that can be used by an LC. So for a sales example the baseline questions are as follows.

Table 1: The real (five-level) Kirkpatrick model

BASELINE – PRE-TRAINING SCORES

- 1. Reaction
- 2. Testing
- 3. Transfer (to the workplace, otherwise known as the behaviour level)
- 4. Organisational results



Having a happier workforce is only worth something if it means they are more productive, creative or innovative and this, in turn, means **more income or less cost**

CASE STUDY: ROI at the World Health Organization

Those new to the discipline of return on investment (ROI) often think it is only suitable for highly commercialised organisations with clear profit-and-loss figures. I have to admit that it is certainly easier to use ROI in a profit-focused operation, but it can be used in any organisation – including not-for-profit. The results can be startling.

In 2002, I was asked by one of the regional operations of the World Health Organization (WHO) to help it produce some ROI figures for health training programmes. This was an interesting angle on ROI because the benefits of health training should be quite obvious and significant. However, the WHO, like any other organisation, has many competing demands for limited funds so one of the things it wanted to resolve was establishing relative priorities.

Two areas for potential training spend were HIV/AIDS and nosocomial infections (that is, infections picked up by patients during a stay in hospital). So how do you choose a priority between these two? Using ROI requires that you attach a benefit figure (in this case US dollars) to each, but where can we get these figures from?

In the case of HIV/AIDS an official economic report put the cost of the spread of AIDS in this particular region at US\$2 billion between 2000 and 2005. The ROI proposition is initially based on an expected 1 per cent improvement. So if the whole of the WHO training budget (US\$600,000) was spent just on HIV education and this resulted in a 1 per cent reduction in the incidence of AIDS (worth US\$20 million), then the ROI would be 3,233 per cent.

Figures gathered on the incidence and costs of dealing with nosocomial infections in the local hospital were used to do a comparison. By spending US\$5,000 training someone in infection control, again assuming a 1 per cent improvement, produced a potential ROI of 0.8 per cent over the same period. Of course, the WHO would like to do both but with limited funds it does have to make difficult choices. Using ROI helped to keep its priorities crystal clear and the decision-making process much easier.

as possible. However, you will only truly appreciate the point I am making when you try out the baseline model in practice. Here is a quote from a very recent client, a training manager, who started to use the model for the first time and gave me some feedback on the experience he was having.

The biggest barrier for us so far is our 'customers', not surprisingly. They are used to the 'old' way of doing things and do not like the discomfort of trying to tie training events to business objectives (as in some cases they are not even able to clearly describe their business objectives, not to mention the skills necessary to achieve them).

This quote is a fine example of someone making an enormous effort to act as an LC in an organisation with managers who are only at a Stage 2 level of maturity. He might not be finding it that easy (although he also reported great progress), but he is really starting to lead managers forward. Note also how his line managers are struggling to 'describe their business objectives'; this might surprise you, but it is a very common revelation for new LCs.

While I make a significant part of my living from working with organisations on evaluation and ROI, I always advise them to do as little, actual, evaluating as possible



ATTRIBUTABILITY

Before we move on, it is worth just dealing with the biggest red herring in evaluation: the question of attributability. This usually comes in the form of a question such as 'How do we know that it's the training that's making the difference when there are so many other factors involved?'

Many trainers use this line of argument as an excuse to avoid doing evaluation. They suggest that it is not worth evaluating because it is impossible to attribute a specific business result to a specific piece of training. There are several ways to deal with this objection.

- First, the purpose of evaluation is to help the organisation learn how to improve its effectiveness; it is not, as many trainers under pressure think, to grab some credit for the training department. So I rarely recommend trying to pinpoint exactly where training impacted and where it did not.

- ▶ How well is each salesperson currently performing (selling)? (Say £1 million in sales, per person.)
- How much better might they perform (sell) if we train them? (Let us say 2 per cent.)
- What would this expected increase be worth in terms of sales revenue? (£1 million x 2 per cent = £20,000.)
- More importantly, how much more profit will that generate (£20,000 x 10 per cent profit margin = £2,000.)

Hopefully this illustrates very clearly the difference between an evaluation model and one that just validates training. Evaluation always has a pound sign; validation doesn't. It is very easy to demonstrate the point with this simple sales example, but a really good model should be able to cope with any learning intervention you might want to throw at it.

How about an e-learning project or a corporate university? Well, the same principles, rules and questions apply at the baseline stage in the process. If you want to evaluate any of these you have to ask those first two questions before you move into the learning design phase (which will be covered in Part 8). This immediately leads to a practical problem, though: once you move away from simple sales figures what measures of performance and value can you use?

Now we have hit a snag: having to collect individual performance measures. Because this looks difficult many trainers just try to ignore it or skip this step (and that's why we cover it specifically in Part 6). In effect, this means they are trying to train while breaking their own rules and I am at risk of becoming unpopular by pointing this out to them. This does not worry me unduly, though, because as an LC I often say that it was not me who made up the rules of learning or evaluation. These rules are based on simple logic and common sense. I just follow them because I know they are right and they work. If you want to evaluate a piece of training, there is no way to do it other than follow these very obvious steps.

What might surprise you here is that while I make a significant part of my living from working with organisations on evaluation and return on investment (ROI), I always advise them to do as little, actual, evaluating

Figure 1: Baseline model – the only way to Level 4



- Second, no department or function can actually say any business result is down to its own efforts. The sales team cannot prove that sales have gone up just because they are so good at selling; nor can the marketer claim it was because their advertising campaign was so brilliant. What about the product design team who designed a brilliant product in the first place or even the production team who managed to keep the price down? Organisations where departments fight to claim sole credit for results or vie with each other for the accolades are very immature.



In the right hands, ROI can be **one of the most powerful tools** in the LC's toolkit

I am not going to waste anymore time on this one. One of the most observable differences between an ordinary training manager and an LC is that the latter will not choose to ignore these difficult, baseline questions when s/he is discussing learning needs and possible solutions. Training managers who do ignore them might as well forget about trying any form of evaluation because their own solution will not have been designed with this aim in mind.

In terms of the three-box system (see Part 3) their failure to get to grips with the tough questions will have consigned any subsequent training to Box 3 – the 'nice to have' or 'take-it-or-leave-it' category.


Likewise, any internal customers who did not want to answer the baseline questions will have just admitted that they are not going to take this learning opportunity seriously.

USING THE ROI FORMULA

One final note on the subject of evaluation comes in the form of a relatively new discipline in training – ROI. For example, using the sales training example on page 44, we can use the ROI formula to complete the evaluation at Level 4 simply by inserting the necessary figures:

$$\begin{aligned} \text{ROI} &= \frac{\pounds 2,000 - \pounds 1000}{\pounds 1,000} \times 100\% \\ &= 100\% \text{ net} \end{aligned}$$

Another way to apply the formula is when considering payback periods, which is of particular importance in large investment projects such as e-learning. The calculation above is based on a return over one year, but this could reasonably be expected to give a benefit for at least another two years, assuming this is an average length of service, thereby generating a net return of 300 per cent over three years.

ROI only earns a brief mention here because it was previously covered in my article on the purpose of training,¹ but I would emphasise that, in the right hands, it can be one of the most powerful tools in the LC's toolkit. All of this will prove to be very useful when we come to measuring and managing performance in next month's issue. 

Action points on evaluation

- Teach yourself how to play around with ROI figures. What would be the return in the example on page 44 if the cost of training was £1,500 per head? (Alternatively, visit www.trainingzone.co.uk/news/kearns/ and look at the Bitesize Business Partner series, number 5, for some sample calculations.)
- Look at any piece of existing training in Box 2 of the three-box system (see Part 3 of this series) and work out what a 1 per cent improvement in performance might look like in terms of either revenue generation or cost reduction. Then complete an ROI estimate.
- Cease any Level 3 validation you are currently undertaking and put the time you save into working on the baseline level.

Reference

1. Paul Kearns, 'The purpose of training: an assessment', *Training Journal*, July 2002, pp. 12-16.

WHAT THIS SERIES COVERS

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