

THE VALUE OF EVALUATION:

MAKING TRAINING EVALUATIONS MORE EFFECTIVE



EXECUTIVE SUMMARY

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The pursuit of excellent learning evaluations continues, but so far few organizations think they've mastered them, according to our study. In fact, only about one-quarter of respondents to our *Value of Evaluation Survey* said they agreed that their organization got a solid “bang for the buck” from its training evaluation efforts. Reactions were only slightly better when respondents were asked if their learning evaluation techniques helped meet learning and business goals.

These findings are in line with some other recent studies, including a 2009 survey that *Chief Learning Officer* magazine conducted among its Business Intelligence Board. In that survey, 41 percent of respondents said they were dissatisfied with their organization's learning measurement versus 35 percent who said they were satisfied (Anderson, 2009). In a 2007 survey conducted by Expertus and Training Industry Inc., 77 percent of respondents said their evaluation efforts fall short in providing meaningful information for business planning (Radhakrishnan, 2008).

But organizations are not giving up on successful measurement of the learning function. They continue to explore ways to communicate and document the value of the training and development they provide to employees. Our study finds that most companies do at least some form of evaluation, although they may be unsure how to go about it and not sure what to do with the results. We believe the data in this report can help many firms become much more proficient in these areas.

WHAT EVALUATION TECHNIQUES ARE COMPANIES USING?

The five-level Kirkpatrick/Phillips model of learning evaluation is the most common practice. The five levels include participant reaction (Level 1), level of learning achieved (Level 2), changes in learner behavior (Level 3), business results derived from training (Level 4), and the ROI from training (Level 5). Ninety-two percent of respondents said they measure at least Level 1 of the model. But the use of the model drops off dramatically with each subsequent level. This tendency suggests that managers may not fully grasp how the model should be used. Many experts recommend that organizations evaluate at all five levels but trim the number of programs

that get evaluated as they move up the levels. Instead, it appears that organizations are evaluating at the first few levels and then dropping off completely. Companies also employ the Brinkerhoff Success Case Method, which can be described as “evaluation studies with successful trainees.” About half of respondents use some version of this method, which highlights individual training success stories to communicate the value of learning.

WHAT ARE THE BARRIERS TO EFFECTIVE EVALUATION?

Respondents cite numerous barriers to the evaluation of learning. For example, metrics such as business results and return-on-investment (ROI) are sometimes seen as too complex and time-consuming to calculate. Difficulty in isolating training as a factor that affects behaviors and results also impedes learning evaluation.

Perhaps most disturbing is that many training professionals claim that leadership isn't actually interested in training evaluation information. This is worrisome in an age when employee skills are more critical than ever, being one of the few differentiators among businesses in a global economy. Learning professionals need to gain a better understanding of the roots of such apathy toward evaluation.

WHAT ARE COMPANIES SPENDING ON TRAINING EVALUATION?

Depending on their size, companies can spend anywhere from a few thousand dollars to tens of millions of dollars on training annually. About 5.5 percent of that gets spent on evaluating the training – a little more among small companies and a little less among large companies. Most of the money is spent on internal resources, but the smaller the company, the higher the external expenditures. Organizations tend to spend the largest share of their evaluation budget on Level 1 (reaction) evaluations and then less on subsequent levels. On average, companies spend half of their evaluation budget measuring the reactions of participants. The question for learning professionals is whether this is the best use of their limited resources. Our study suggests otherwise.

HOW CAN ORGANIZATIONS IMPROVE TRAINING EVALUATION?

This study uncovers how companies use information gathered from learning evaluations. It also identifies which techniques are most strongly linked to successful evaluation and, more generally, better market performance.

Our study found that, in most cases, using Kirkpatrick/Phillips (K/P) levels is associated with greater success in the area of learning metrics. That is, if respondents said their organizations used a given K/P level of evaluation, then they were also more likely to give their organizations a higher score in terms of learning evaluation success. The exception to this rule is when organizations only measure Level 1.

This study also looked at specific practices. It found, for example, that firms using evaluation to gauge whether

employees are learning what is required or to calculate learning's effects on business outcomes are far more likely to view their evaluation efforts as successful and to have better market performance. Other important actions include making sure learning positively influences employee behavior and demonstrating the value of learning to others in the organization. The most valuable use of evaluation, however, is to improve overall business results. Companies that say they do this to a high extent tend to see results, as this action was the most positively correlated to market performance.

The key findings suggest that today's organizations do not need to settle for learning evaluations that are done as more of a ritual than as a business-improvement strategy. Good evaluation techniques are available, and they can be used to make the whole organization stronger.

| ABOUT THE CONTRIBUTING ORGANIZATIONS |

The American Society for Training & Development

ASTD (the American Society for Training & Development) is the world's largest professional association dedicated to the training and development field. In more than 100 countries, ASTD's members work in organizations of all sizes, in the private and public sectors, as independent consultants, and as suppliers. Members connect locally in 133 U.S. chapters and with 30 international partners. ASTD started in 1943 and in recent years has widened the profession's focus to align learning and performance to organizational results, and is a sought-after voice on critical public policy issues. For more information, visit www.astd.org.

The Institute for Corporate Productivity

The Institute for Corporate Productivity (i4cp) improves corporate productivity through a combination of research, community, tools, and technology focused on the management of human capital. With more than 100 leading organizations as members, including many of the best known companies in the world, i4cp draws upon one of the industry's largest and most experienced research teams and executives-in-residence to produce more than 10,000 pages of rapid, reliable, and respected research annually, surrounding all facets of the management of people in organizations. Additionally, i4cp identifies and analyzes the upcoming major issues and future trends that are expected to influence workforce productivity and provides member clients with tools and technology to execute leading-edge strategies and "next practices" on these issues and trends. For more information, visit www.i4cp.com.

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- Executive Development: Strategic and Tactical Approaches
- The State of Sales Training
- Learning in Tough Economic Times: How Corporate Learning is Meeting the Challenges
- Transforming Learning with Web 2.0 Technologies
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