

MEASURING THE IMPROVEMENTS

- ***It is important for organisations to have processes / systems to measure learning / training effectiveness***
- ***Evaluation is about attempting to measure the overall cost-benefit of a learning programme or event***
- ***There are many positive reasons:***
 - ***Promotes integration with business objectives***
 - ***Builds line management ownership of training***
 - ***Role of HR function seen to be: improving performance***
 - ***Sharpens the focus of training objectives***
 - ***Measures contribution of training towards business effectiveness***
 - ***Helps determine best practice and priorities***
 - ***Improves commitment of participants & their managers***
 - ***Participants clear about their responsibility for delivering results***

MEASURING THE IMPROVEMENTS

KIRKPATRICK'S MODEL

LEVEL 1	REACTION
LEVEL 2	LEARNING
LEVEL 3	PERFORMANCE
LEVEL 4	ORGANISATIONAL IMPACT

MEASURING THE IMPROVEMENTS

EXAMPLE MEASUREMENT METHODS

REACTION	<ul style="list-style-type: none">• POST-LEARNING QUESTIONNAIRES
LEARNING	<ul style="list-style-type: none">• PRE AND POST-LEARNING ACTIVITY TESTS
PERFORMANCE	<ul style="list-style-type: none">• PERFORMANCE MANAGEMENT / APPRAISALS• 180° OR 360° FEEDBACK
ORGANISATIONAL IMPACT	<ul style="list-style-type: none">• TRACKING KEY PERFORMANCE INDICATORS• SENIOR MANAGEMENT REVIEW

HOW TO CALCULATE THE FINANCIAL BENEFITS

GENERAL

- ***A reminder of two “What” questions posed earlier:***
 - ***What financial or other benefits will result from the achievement of our Key Performance Indicators?***
 - ***What negative consequences might result from failure to achieve our KPIs?***
- ***At both individual and organisational levels, performance against KPIs can be compared with investment in training, highlighting correlations between learning & business results***
- ***Assign a monetary value to achievement of the learning success criteria, wherever possible***
- ***Performance management also helps managers & employees to determine whether individuals / teams have delivered the contribution expected***
- ***Competency assessment tests can measure whether learning interventions have resulted in more effective performance in the relevant area***
- ***Managers can compare differences in performance between employees with optimal competency profiles and others***

HOW TO CALCULATE THE FINANCIAL BENEFITS

TREND LINE ANALYSIS

This process involves examining the trend of a performance measure at the time of a learning intervention and projecting it into the future; then comparing the actual performance post learning against that trend. This impact assessment therefore takes into account what results / benefits might reasonably have been achieved anyway.

- Examine the data relating to past and current performance in the area you are targeting for learning
- Plot the past and current performance data on a graph
- Extend the trend lines into the future
- Measure performance at intervals post learning
- Calculate the difference between:
 - What the performance would have been had the previous trend continued (i.e. had there not been a learning intervention) and
 - The actual performance post learning

HOW TO CALCULATE THE FINANCIAL BENEFITS

ORGANISATIONAL ELEMENTS TABLE

This process highlights the linkages (or otherwise) between inputs and results. A tool or aid to discussion for examining post-learning benefits. It is also useful as a diagnostic tool: for considering the potential costs of addressing a learning need and whether this can be justified by the likely benefits.

Elements	Planned	Achieved
Outcomes		
<ul style="list-style-type: none"> • <i>Impact on organisational results</i> • <i>Contribution towards CSFs / Mission</i> • <i>Longer-term pay-offs</i> 		
Outputs		
<ul style="list-style-type: none"> • <i>Application of individuals' learning</i> • <i>Impact on competency profiles</i> • <i>Contribution towards "SMART" objectives / KPIs</i> 		
Products		
<ul style="list-style-type: none"> • <i>Completion of learning activities</i> • <i>Learning attained / tests passed</i> • <i>Training statistical data</i> 		
Processes		
<ul style="list-style-type: none"> • <i>Numbers of learning participants</i> • <i>Learning methods</i> • <i>Learning & Development Systems</i> 		
Inputs		
<ul style="list-style-type: none"> • <i>Numbers and types of nominees</i> • <i>Resources deployed</i> • <i>Learning & Development Policies</i> 		

HOW TO CALCULATE THE FINANCIAL BENEFITS

CALCULATING RETURN ON INVESTMENT

- **Bring forward the benefits attributable to the learning from earlier analysis**
- **Calculate the costs of the learning programme / intervention**

All or some of the following may be applicable: salary & on-costs of learners, in-house administrators & instructors, development costs, 3rd party costs, resource materials, venue costs and participant accommodation & travel costs. You may also wish to consider opportunity costs and costs of cover.

Return on Investment % =

$$\frac{\text{Net programme benefits (benefits - costs)}}{\text{Programme costs}} \times 100$$

EXAMPLE

$$\frac{\begin{array}{l} \text{Net programme benefits (benefits - costs)} \\ \$30,000 (\$50,000 - \$20,000) \end{array}}{\begin{array}{l} \text{Programme costs} \\ \$20,000 \end{array}} \times 100$$

Return on Investment = 150%