

HOW TO **PROVE** AND **IMPROVE** YOUR **ROI**

Testing and assessment is the best way to demonstrate the link between learning and success. Robin Martin explains...

The ability to demonstrate the return on investment (ROI) from learning is ever more important as organisations scrutinise budgets due to economic pressures. A failure to demonstrate ROI will almost certainly impact negatively on future learning investment.

Each year organisations are prepared to devote more resources to the development of their workforces in an effort to increase competitiveness and improve service. In other words, they incur these costs in exchange for an expected business benefit. However, there is a growing concern about the impact of learning and development.

Organisations should be asking: Is the training effective? Has the workforce actually learned the right things and to the

desired degree? Are people able to apply new skills successfully? Can ROI be demonstrated and, more importantly, can it be improved?'

TEST AND ASSESS

Investment in training typically aims to develop required know-how, increase skill levels and assure compliance. However, far too many training initiatives fail to effectively deliver for three main reasons. Firstly, a needs-analysis has not been conducted to find out what training is required in the first place. Secondly, there is no measurement to show the recipient has learnt and retained the new information.

Finally, there is no correlation between the training delivered and sustained performance improvement of an individual,

team or enterprise. Typically, training organisations are tied up with urgent tactical activities such as on-boarding or compliance. They find it challenging to focus on the more strategic activities of ensuring employees have the competencies to achieve organisational goals. The problem is not so much *why* training should be evaluated, but *how*.

SYSTEMATIC METHODOLOGY

To measure the impact of training, an organisation must primarily be able to test and assess. A systematic and continuous 'assessment methodology', incorporated into learning initiatives, can identify resources and direct them to those activities which deliver the most value. The 'assessment methodology' establishes



baseline levels of proficiency and performance so that progress can be measured over time.

It identifies skills and knowledge shortfalls in individual and corporate knowledge. In addition it confirms whether or not performance goals are accurate and attainable; and determines whether or not value is being realised. Assessments come in many forms and can be used with a wide variety of applications. Their primary purpose is to retrieve reliable and meaningful information on proficiency. This, in turn, is used to identify areas of improvement and substantiate decisions on how best to drive personal and organisational effectiveness.

Leveraging assessments throughout the evaluation process validates their significance as vehicles for continuous improvement. The impact on learning professionals is that they can improve their services and ensure they are delivering what is needed by the business.

BENEFIT TO INDIVIDUALS

While shining a light on training, effectiveness is important for organisations. It is equally important for individuals. Evaluation, feedback and knowing how they are progressing are all essential for a learner's confidence. Employee commitment to learning relies heavily on confidence, motivation and a belief that the learning is achievable.

The method by which tests are designed, managed and presented back to learners is a vital part of the development process. Pre- and post-testing, and measuring training effectiveness enables employers to develop individual learning plans, which in turn serves as a motivator.

KEY METRICS

'Happy sheets' are useful for gathering immediate data such as the quality of the trainer, the suitability of the venue or the length of the course. However, to measure the effectiveness of the training itself, organisations need to carefully consider the criteria and resulting metrics. It is important that training managers 'get a seat at the strategy table' to help them identify and understand what is driving the business.

Using this knowledge, better places them to develop more targeted training initiatives incorporating these key metrics. For this to work, the measurement system should have input from decision-makers and be straightforward enough to be easily understood by everyone involved. If internal customers are not involved in the design of the measurements, they will be less likely to understand and accept the results.

It is critical to decide what data you are going to gather and to ensure that it is available and measurable. Clearly, it will be difficult if the training organisation decides that it wants to measure criteria 'Y', and then goes to a particular department that can only provide information on criteria 'X'.

TARGETED DATA NOT TRIVIA

You will need to identify the minimum acceptable level of effectiveness for your learning organisation. Based on expected results, this should be a standard that everyone understands and accepts. Assessment results should not be an accumulation of trivia. Best practice principles need to be applied in order to deliver meaningful data.

To have meaning, an assessment must have a clearly defined goal, which must be measurable. It must be fair, valid and reliable; and its purpose must be clearly communicated. It must be targeted at the right audience and delivered in a format consistent with the goal.

COLLECT, ANALYSE, REFINE

Assessment is a science. Any given assessment must be conducted professionally for it to produce sound, conclusive results; from authoring and administering, to analysis and reporting. Half-way measures and *ad hoc* assessments may on the other hand lead down a

perilous path where decisions are made on incoherent and even irrelevant information.

Testing and assessment is critical to the success of the training investment. Yet, all too often, insufficient time and focus is given to it. This results in pressures downstream in the event of budget scrutiny as a result of an organisation failing in its mission. Clearly, it is complex to get it right, relying as it does on structured thought and research.

To support L&D in this objective, it is essential to implement a framework and ensure the consistent collection of data which can be analysed over time. Continuous analysis allows training and learning managers to refine training programmes and ensure they demonstrate ROI. This will help to defend and increase expenditure in L&D where required.

How to measure ROI

Testing and assessment must be integral to every learning initiative in order to demonstrate the link between learning and success.

- Ensure compliance – test against learning objectives to ensure the desired competencies have been achieved
- Help learners learn – automatically create study plans for learners to focus on areas of weakness
- Show learning progress – administer before-and-after training tests to demonstrate knowledge gained
- Improve training programmes – determine shortcomings and identify what can be improved
- Enable comparisons between training programmes
- Justify training budgets – evaluate the effectiveness of training against bottom line metrics

Training is an on-going process. So too is the evaluation of training.



Robin Martin is Regional Vice President, Northern Europe, Saba.
www.saba.com
Twitter: @sabasoftware