You’re sitting in your office after the big training initiative you just launched and wondering: “How do we know that they understood the material? Was the training effective?” Perhaps you sent a survey to your attendees to get feedback on the training and everyone loved it! But is a survey really enough?

Ultimately you are relying on your team to drive performance and to sustain your firm’s competitive edge. So how do you know your training’s contribution to building your organization? Let’s explore this!

The Question at the Core of Training Performance Measurement

You, your manager, director, and the powers that be want to know: Did your training result in benefits to the organization? This is the core question at the heart of training evaluation because training must contribute to building your organization.

Training is the mechanism by which investment is made in ensuring competence and efficacy of employees. The results of training must, therefore, be measured/evaluated in the context of impact on your organization. A good place to begin is to ask: How do I know that the training resulted in benefits to the organization?

Don’t Fall Into the Trap of Reporting for the Sake of Reporting

While it may seem like we’re stating the obvious, many managers leap to delivering performance metrics forgetting WHY they are delivering training in the first place! Don’t fall into the trap of reporting metrics just for the sake of reporting.

Measuring Enables You To:

- Identify what the organization gained
- Determine costs versus benefits of the gain
- Determines justification for continuing training
How to Measure the Impact of Your Training Program

Measuring the Worth of a Training Program

Regardless of how impressive or popular training programs appear to be, outcomes rule the day and they must be measured in systematic and quantitative terms. This boils down to two areas: 1. costs and 2. results. The standard formula for calculating your training ROI is \( \text{ROI (percentage)} = \frac{\text{(Monetary benefits - Training Costs)}}{\text{Training Costs}} \times 100 \). ROI can also be measured in terms of decreased product cost or time. Let’s take a look at how you might calculate your training costs.

1. Establish Training Costs

According to this Inc.com article on establishing training costs: “Once all of the relevant factors have been isolated and supported by data, it is much easier to decide when and how the training will be conducted, if at all. Similarly, with the right data the decision to conduct training in-house or by an outsourcer can be determined.”

Evaluating training costs can be challenging without having a system in place. Here are some areas to consider when building an all-inclusive training cost analysis framework:

1. Development costs – e.g., salaries, benefits of personnel, and equipment.
2. Direct implementation costs – e.g., training material, technology costs, facilities, travel, communication and marketing of the program, instructor’s salary, and benefits.
3. Compensation for participants – e.g., the salaries and benefits costs that will be dedicated to the time spent on training.
4. Lost productivity during training – e.g., cost of time spent away from work.
5. Learning curve cost – e.g., cost of time needed for your employees to adapt to new practices and ways of working after the training program.
6. Company culture shift (change management) – e.g., cost of incentives (tangible and intangible) put into place to foster wanted behavior after training.

2. Assess the Results

- Significant changes in cognitive outcomes, such as the amount of information learned as evidenced by improved work processes
- Changes in skill-based outcomes, such as improvement in quantity and quality of production
- Changes in effective outcomes, such as higher levels of motivation and positive attitude

Assessing the Results of Your Training Program

How do you know whether or not your training made an impact?

Donald Kirkpatrick, past president of the American Society for Training and Development (ASTD), pioneered what is referred to as the four levels of evaluation for training programs.
How to Measure the Impact of Your Training Program

We will consider each of these levels one at a time. As we move up the levels, it becomes more difficult to measure the results. But at the same time, it becomes more aligned with the business objectives. While it is tempting to focus on the higher levels of assessment straightaway, it is imperative that we first focus on getting the maximum insight out of the lower levels and properly implement their measurement.

Let’s consider how we can take actionable steps to improve the quality of your training at each level.

1. Reaction

This involves how your participants feel about the training program. This level may not be an immediate or obvious link to ROI. That being said, if your trainees feel positive about the training program, this will have an impact on how they will perform. This could result in a future impact on your bottom line.

**Action Step:**

This level of performance is all about your employee’s reaction to the training program. Level one training data is easy to gather and analyze. Start the feedback process by delivering post-training surveys or getting a verbal reaction from trainees. Online learning programs also enable you to build short questionnaires into your training that will allow you to gauge the “temperature” of your program all the time. For instance, with the MindTickle online learning platform, you can get analytics about how many people are getting stuck at a question or a topic, how many people have skipped a question, as well as how many people liked or disliked a video. Having access to this level of granularity is very helpful for you to get actionable level 1 feedback about your training program.

2. Learning

This level of evaluation involves any skills, knowledge, or change of attitude that resulted in the training. In practical ways, this can be measured through tests or some form of demonstration of skills/knowledge.

**Action Step:**

With a little planning before your training program begins you can conduct level 2 measurement. Prior to your program, consider what are the skills that you want your team to master? You can then use assessments or tests before and after the training to benchmark performance changes as a result of your
program. Level 2 performance assessments are relatively easy to establish if the skills you are trying to teach are readily quantifiable. When using quizzes and other assessments, remember to keep them engaging and fresh to ensure your learners absorb the material fully.

3. Behavior

In many ways, this is the practical (and long-term) application of level two assessments. This involves measuring how your trainee applies what they have learned in the workplace. This would be done mostly through observations, interviews and constant monitoring.

**Action Step:**
Measuring performance changes at level 3 is an extension of level 2 in that you are not just wanting to inspire a one time change in your employees. Instead, you are striving to establish lasting changes that boost performance and impact your business bottom line. To measure at level 3, set up a plan to conduct observations and interview employees in ongoing ways in order to evaluate the sustainability of the skills you want to instill. This will typically involve coordination with your management team in order to get access to speak with their direct reports. In order for you to be able to measure the impact at this level, the prerequisite would be that you should have created the training while keeping in mind the business objectives and the skills gaps of the employees in the first place.

4. Results

This level is the most closely linked with ROI. For example, have there been significant sales increases after employees have gone through training? Has there been a noticeable boost in productivity? These are tangible areas which can be measured by looking at the before and after stats.

**Action Step:**
Before you get started with level four measurement, it is important to already have established a system for management and reporting employee performance over time. Your measurement system should clearly define goals and costs and have a way to attribute clear accountabilities to both. Once that criteria is met, you can analyze the correlation between the goal attainment levels and the training that employees underwent.

**Measuring Results Helps You Build Your Case!**

Taking practical steps to measure the ROI of your training will help you make the necessary adjustments in your training program and allow you to rest assured that your investment is a sound one. Being able to speak to the data to back up the stellar experience you provide is empowering and enables you to build a credible business case for funding. Also, there are the organizational benefits like increased output, time savings, improved quality control, and reduction in error rate. These benefits can be converted into dollar values to indicate their worth to your organization! And if you’re still not convinced – check out this eBook on how sales enablement best practices can help you get there.

Training and development is a substantial investment of both money and time. You need to know the value of training programs, specifically whether or not they are worth pursuing or sustaining.

What steps will you take to make sure that your performance metrics are meaningful?