Summary

Making sense of ROI calculations in a training environment

Research shows that in many cases, training interventions are not evaluated and that the feedback collated during or after the training event is not even used to review or improve the training intervention. The evaluation and measurable impact of training is becoming increasingly important as training budgets have to be justified and in an environment of reduced funding and competitive tendering, this can often prove to be a difficult challenge. The requirement for the evaluation of training is not just a requirement in the private sector or large corporates; it is also a requirement in the public sector, given that they are justifying the use of public funding and are therefore accountable for what is spent. All too often training projects fail to deliver the intended outcomes or objectives and therefore fail to show a return on investment (ROI). Even with well-designed training programmes, it can often prove to be difficult for the training intervention to be assessed and evaluated with a true measure of the ROI demonstrated. If the organisation embedding the training does not have the systems in place to capture, critical data or is able to provide access to the appropriate information then a meaningful ROI calculation will not possible. Smaller organisations often do not have the resources or capacity to calculate the ROI for the training implemented and will often use simple indicators as a measure as success criteria. If ROI is required then it will be essential that the tracking of the training design and implementation process is captured in order to measure the true impact of the training intervention. There are several well-established mechanisms and frameworks available to assist with measuring the ROI of training interventions; however, they will not help in the case of poor design or poor implementation. It is therefore critical to ensure that training interventions are clearly understood and defined by the different stakeholders involved in the design of training solution and the implications regarding ongoing evaluation beyond the actual training event is fully understood. Making the assumption the client knows what they want could well be a wrong assumption and may lead to ineffective solution design and poor implementation. It is therefore essential that all assumptions are challenged to ensure that any wrong assumptions do not manifest themselves during the implementation and therefore at the evaluation stage. At Pearson, we have designed the Efficacy Framework, as a tool that uses a tried and tested method to help understand how products or services can achieve their intended outcome or results. The Pearson Efficacy Framework asks questions that are designed to help you explore what you are trying to achieve and identify barriers to delivering your desired outcomes for learners. It will also help you to identify possible ways to improve your product, service or programme, so that it has a better chance of delivering high-quality learning, and therefore making a greater impact on the individual and befits for the organisation.