A Stakeholder Approach to Evaluating Training

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Introduction

There are probably no more widely accepted "realities" or truisms in the world of training than the following:

- When it comes to evaluating training, the dominant model is "The Kirkpatrick Model" (TKM).
- TKM is rarely implemented in its entirety and training evaluations are usually confined to the "smiles test" (TKM Level 1: Trainee Reactions).
- There is widespread interest in evaluating training, particularly at the higher levels of TKM (i.e., on-the-job behavior change and business results) and in going beyond TKM (e.g., in determining the ROI of training or even its societal impact).
- There exists adequate if not abundant knowledge and an available supply of viable tools for evaluating training at all levels of TKM (and beyond).
- Yet, despite the above-mentioned interest in and availability of tools for more robust efforts, evaluations of training remain mired in TKM Level 1.

This Article's Key Points

- Training, whether it is a particular offering or the entire function, must satisfy multiple constituencies known as "stakeholders."
- A stakeholder is a group or an individual with an interest in seeing a particular endeavor succeed.
- A stakeholder's interest in the success of the endeavor in question is rooted in a *quid pro quo* (i.e., a stakeholder puts something into the endeavor with the expectation of getting something out of it).
- What stakeholders put in are known as "contributions" and what they take out are known as "inducements."
- Although various stakeholder groups readily agree in general about the kinds of results expected from training, they hold very different views about what is important when it comes to evaluating training. Their inducements are different.
- To adequately evaluate training (or any other endeavor having multiple constituencies), it is necessary to assess the extent to which *all* stakeholder groups are satisfied with what they receive from the training.
- The only way to ensure that all training stakeholder groups are satisfied is to factor in their various requirements during the design, development and delivery of the training.

Why is this? If evaluation is so important and if the means of carrying it out exist, why do evaluations typically consist of little more than the famous "smiles test"? Is it because the interest in evaluating training is feigned? Is it because the costs of evaluating training outweigh the benefits? Is it a case of diminishing returns, that is, the higher up TKM an evaluation goes, the more costly the evaluation and the less valuable the information? Or is it perhaps the case that trainers are the only ones interested in TKM – and in going beyond it?

It is my view that the training community is committed to an approach to evaluating training that, after more than 40 years, has failed to capture the commitment and support of other important constituencies, most especially, that of the trainees, their managers and the senior managers of the organizations in and for which training is conducted. If this is true, then the issue isn't one of figuring out how to apply TKM – or even of extending it – instead, the issue is one of finding some other approach to evaluating training.

It is also my view that there is a better approach to evaluating training – a stakeholder-based approach. Although the focus of this paper is on evaluating training, a stakeholder approach can be applied to evaluating HRD and other functional areas as well, especially those considered as having "internal customers" or constituencies to be satisfied.

The basic premise of the stakeholder approach is that several groups within an organization have a stake in training conducted for organization members and any effort to design, develop, deliver and evaluate training must factor in the needs and requirements of these stakeholder groups or the results of any subsequent evaluation are bound to fall short of expectations. The approach proposed here has two theoretical roots: stakeholder theory (Donaldson & Preston, 1995; Freeman, 1984) and the contributions-inducements view of organizational membership (Barnard, 1947; March & Simon, 1958).

Finally, it should be noted that this is a proposed approach, a new approach; it speaks to what could and should be done, not what is currently being done. There are, then, no cases to point to, no testimonials to present, no data to manipulate. There is simply a proposal to go about evaluating training in a very different way and some suggestions as to how to do that. But first, some measurement and evaluation basics.

Measurement & Evaluation

There is a difference between measurement and evaluation. Measurement focuses on obtaining information as a result of comparing a given against a standard (e.g., information about the length of a board can be determined by comparing it against the standard provided by a tape measure). Evaluation concerns itself with making judgments based on the information provided by measurement (e.g., the board in question is too long or too short or just right). Judgments are usually about value and can be couched in terms of utility or economics or even aesthetics. In organizations, the "givens" typically consist of information about actual performance and the "standards" consist of the goals and objectives established for performance. Value judgments come into play in deciding whether the performance is "good enough" or whether improvement is required.

To evaluate anything is to determine its value. From a transaction perspective, the value of anything derives from its importance or worth in an exchange. Whether you are bartering or using money as a medium of exchange, value is measured by the amount of one thing that can be exchanged for another. Ultimately, value is a highly individual matter; it boils down to how much of one thing a person is willing to exchange for another. *I* might be willing to give up time with my family to put in long hours at work in return for the chance of advancing my career. *You* might not. *You* might be willing to pay $45,000 for an automobile; *I* might not. *You* might be willing to burn the midnight oil to acquire an advanced degree; *I* might not. *I* might be willing to travel extensively as part of my work; *you* might not. In ascertaining the value or worth of anything, including training, one must always ask, "Ascertain its value to whom?"

To evaluate training, then, is to ascertain its value or importance or worth; however, and this is extremely important, the question that usually goes begging is, "To whom?" It is one thing to ascertain the value of training to the trainees. It is something else to determine its value to management. And, it is yet a third matter to fix the value of training to trainers, be they instructors or developers. Trainees, trainers and management, these are just three of several groups with a stake in training. Other stakeholders include training vendors (whether selling off-the-shelf or custom-developed materials) and, of course, the managers of the trainees. Let us return now to TKM and the added notion of ROI.

TKM & ROI

As noted at the outset of this article, current thinking about the evaluation of training is dominated by what most call "The Kirkpatrick Model" (TKM). TKM focuses on four "levels" of evaluation: Reactions, Learning, Behavior and Results (Kirkpatrick, 1975a, 1975b, 1975c, 1975d). TKM is widely known and widely accepted, even if it is rarely fully implemented. Another, more recent addition to TKM, what some call a fifth level, is the notion of determining the financial return on investment (ROI) of training (Philips, 1997). And, there are those who suggest that it is possible and desirable to go beyond TKM and ROI to societal impact (Watkins, Leigh, Foshay & Kaufman, 1998).

It is not the intent in this paper to engage in lengthy critiques of TKM or efforts to determine the ROI of training. That has been done elsewhere (Alliger & Janak, 1989; Holton, 1996, Kaufman & Keller, 1994; Nickols, 2000). Instead, this paper uses TKM as a point of departure, a launch pad for introducing a stakeholder-based approach to the evaluation of training. We will, however, take a brief look at what typically happens in evaluating training.

Evaluating Training: What Typically Happens

What typically happens is that the interests of most of the stakeholders are subordinated to the interests of the trainers and their managers.

Trainers and their managers are understandably anxious to demonstrate the value of what they do. While it is entirely conceivable that a funding manager will want to know something about the ROI of the training, it is equally conceivable that the trainees could care less. The instructors and the developers are probably very interested in the nature and extent of learning that has taken place and, perhaps, in the degree of transfer to the work place. However, unless they're hoping for a promotion into management or a transfer to a performance consulting unit, their interest in the ROI of the training is apt to take a back seat. The trainees are likely to care mainly about two things: the applicability or relevance of the subject matter (concepts, principles, methods, tools, techniques, etc.) and the extent to which the training makes good use of their time. Training vendors want to know if their client, the training department, is happy with the training they bought. Everyone wants to know what the trainees think – and for good reason. Why? Because if the trainees are sharply and uniformly critical of the training, very little else matters.

So, most of the time, efforts to evaluate training takes the form of the required "smiles test," a measure of trainee reaction, perhaps some assessment of the learning that has taken place, occasionally an attempt to determine the extent of transfer of training or behavior change on the job and job performance impact, and a rare effort to quantify the bottom-line impact of training and use it to establish the ROI of the training.

An interesting and useful question to ask about the four (or five) levels of training evaluation is this: "Who is interested in this particular evaluation?" In other words, who is the audience for the information obtained at each level? Further: What judgments are to be based on this information? Who will make them?

As one considers the various audiences for training evaluations and the judgments these audiences will make about training, it becomes apparent that there are many constituencies with an interest in training. Trainee reactions, TKM Level 1, are obtained from the trainees but they are of interest to many in the organization, not the least of which are the trainers and the trainees' managers. Learning (i.e., skills or competencies acquired) is clearly of interest to the trainees and trainers and perhaps of importance to others as well. Behavior change on the job is no doubt of interest to the trainees' managers – and to trainers as well, especially if they are interested in demonstrating the impact of training. Results, too, are of interest to trainers and to management, albeit for different purposes. Managers want results from training for the sake of the results themselves; trainers are more likely to want results more for the purpose of demonstrating the value of training than for the value of the result itself. As for the ROI of training, the only ones likely to be interested in that are those who are under pressure to demonstrate it or those who have a need for it. If such pressure exists, it most likely focuses on trainers, not the trainees or their management.

There are, then, several constituencies implied by TKM: trainers, trainees, the trainees' managers, managers of the training function or department and, perhaps, senior managers throughout the organization. These constituencies all have a vested interest in having things go well in training; none of them want it to be a waste; all want it to add value. In short, they have a stake in the training, an interest in having it succeed, and that makes them stakeholders.

Stakeholder Defined

Freeman (1984, p.46) defined a stakeholder as "any group or individual who can affect or is affected by the achievement of an organization's objectives." This is a very broad definition; too broad, perhaps, because it would include competitors as stakeholders. Neely and Adams (2003), in developing their "Performance Prism," took care to point out that any look at stakeholders must include stakeholder contributions as well as stakeholder satisfaction. In their view, stakeholders put in something and they take out something. This transaction view of a stakeholder is quite similar to the contributions-inducements theory of organizational membership articulated over a period of several decades by the likes of Chester Barnard, James March and Herbert Simon (more on contributions and inducements in a moment).

For the purposes of this paper, a stakeholder is defined as *a person or group with an interest in seeing an endeavor succeed*. For example, most employees have an interest in seeing their companies succeed. So do that company's suppliers, its customers and the community in which the company is embedded. Similarly, most trainers have an interest in seeing that the training they develop and deliver is successful. There are others who want training to be successful, too. Chief among them are the managers who sponsor or fund the training, the managers who manage the training department and last, but not least, the trainees. A list of typical training stakeholders follows:

- Trainees
- The Trainees' Managers
- Funding Managers
- Training Developers
- Instructors
- Training Managers
- Training Vendors
- The Training Community

In cases wherein the training is expected to have a fairly direct and substantial impact on some critical aspect of the organization's performance, senior managers and executives are also important stakeholders.

There are even situations in which the community as well as state and federal regulators become stakeholders (e.g., as is likely the case when training nuclear power plant operators).

Stakeholder Contributions and Inducements

As the definition of stakeholder provided earlier implies, stakeholders are people with an interest in seeing an endeavor succeed; they expect to get something out of the endeavor or effort in question. That something might be a return on their investment, as is the case with investors. But, and this is extremely important, s*takeholders must also put something into the endeavor*.

Stakeholders put something in and they take something out. Investors put their money at risk in hopes of a return just as the managers who fund training do so in hopes of a positive impact on performance or costs or productivity or some other payoff. Trainees contribute their time, attention, energy and other forms of input (e.g., participating in discussions and exercises) and they hope to take out useful knowledge and skills, methods, techniques and tools. Instructors put in their time and energy, too, along with their skills at leading or facilitating discussions, presenting subject matter in interesting, relevant ways and handling the occasionally difficult trainee. They hope to walk away with a return in the form of a sense of accomplishment, a reputation maintained or enhanced and high marks from the trainees. Developers invest a great deal of time and energy in designing, developing and field-testing instructional materials and most of them hope to receive in return a decent paycheck, a modicum of recognition and a sense of satisfaction with a job well done. In the formal language of organizational theory, stakeholders exchange *contributions* in return for *inducements*.

The contributions-inducements schema has a long history and has been observed and commented upon by noted management and organizational theorists starting with Chester Barnard (1947) and continuing through James March and Herbert Simon (1958). Its essence is that the various participants or stakeholders must perceive value in the exchange. Generally speaking, inducements must be seen as having equal or greater value than contributions. From the stakeholders' perspective, what they receive is of equal or greater value to them than what they contribute. That is why they are in the relationship. And if that relationship does not offer them inducements of equal or greater value to them than the contributions expected of them, they leave the relationship. That is why employees, customers and suppliers go elsewhere and it is also why training departments are periodically cut back or even eliminated. They are not perceived as contributing or adding value that is equal to or greater than their cost.

The importance of this contributions-inducements relationship cannot be overstated. As James Burke, CEO of Johnson & Johnson during its Tylenol crisis, once remarked, "The ultimate measure of an organization's success is the extent to which it serves *all* of its constituencies better than its competition" (PBS Video, 1995). It falls to management, then, to manage stakeholder or constituent relationships. This is as true for the training department and its management as it is for the larger organization.

To meaningfully evaluate training one must assess the nature of the contributions-inducements relationship between each of the stakeholder groups and the training. What are they putting in? What are they getting out? Are they putting in what they should? Are they getting out of it what they want or need? Do they view the transaction as balanced or unbalanced (i.e., are they putting in more than they're getting out)?

Typical Training Stakeholder Contributions & Inducements

The table that follows identifies some of the typical contributions and inducements that could be involved for the various stakeholder groups with respect to a particular training course or training in general. It does not and cannot represent all such contributions and inducements. These will vary with the course and the people involved. A stakeholder "scorecard" must be constructed to fit the situation. However, the table below does serve as a model and a starting point.

Other groups who might be stakeholders and who might have to be added include senior managers and executives, the community and government regulators.

Table of Stakeholder Contributions and Inducements		
Contributions (Put In)	**Stakeholder Groups**	**Inducements (Take Out)**
Their time, energy, skills and knowledge, manifested in individual training events.	***Trainers***	Pay, recognition, personal satisfaction in accomplishment, new insight and knowledge, professional development, continued employment.
Resource commitments, direction, support, leadership.	***Training Managers***	Pay, pride in accomplishment and status or standing in the organization, influence (e.g., a seat at the table), both for themselves and their unit.
Money, sanction, support.	***Funding Managers***	Operational and financial impact of greater value.
Opportunity costs of releasing the employee for the training, sanction, support.	***Using Managers***	Improved performance on the job.
Their time, attention, energy and knowledge, participation.	***Trainees***	Useful information and knowledge, tools and job aids, good use of their time, improved skills, improved standing.
Courses and course materials, development costs and their reputation.	***Vendors***	Money, repeat business, enhanced reputation, referrals.
The courses, materials and their time, energy, skills and knowledge.	***Developers***	Pay, recognition, personal satisfaction in accomplishment, new insight and knowledge, growth and development, improved standing.

A Process for Applying a Stakeholder Approach

At this point it is probably prudent to remind the reader that this paper presents a proposed approach to evaluating training. So far as the author knows, no one has yet done so. Stakeholder-based approaches, evaluations and scorecards have been developed for general business use but not for evaluating training. Consequently, the process outlined below is a conceptual view of how one might go about evaluating training using a stakeholder-based approach. It is not a detailed plan. Conceptually, at least, the process is very simple:

- Identify the key stakeholder groups
- Identify the contributions and inducements for each group
- Prioritize these contributions and inducements
- Ruthlessly reduce them to a short list for each stakeholder
- Devise simple ways of measuring the satisfaction of the various stakeholders with their inducements
- Devise simple ways of measuring the value of the contributions made by the various stakeholders
- Incorporate them into a Stakeholder Contributions-Inducements Scorecard
- Check frequently; communicate often; use to drive productive conversations
- Incorporate into meetings, the training itself and training post-mortems
- Modify, modify, modify

Practically and politically, however, it will likely prove to involve a lot of hard work.

There are those who will duck accountability and shirk responsibility. Some of them are trainers. The last thing many managers want is someone else to whom they have to be accountable, especially when they see little coming their way in return. So, the place to begin is always with the value expected from training, be it a single offering or the entire training function. If that value proposition cannot be made clear and compelling there is little hope for the training let alone a stakeholder or any other approach to evaluating it.

Mutual Accountability and Shared Responsibility

A stakeholder approach leads to mutual accountability and shared responsibility. Trainers are not and cannot be solely responsible for the success of training. The trainees have something to do with that, too. So do developers and vendors and managers and clients. The ROI of training is neither the sole nor the paramount measure of training. The "smiles test" provides some useful information but it also allows trainees to criticize the training without any accompanying assessment of their behavior and performance as trainees. There is such a thing as "a responsible trainee" and the evaluation of training rarely takes stock of that ingredient, yet it is essential to the success of training. The managers who fund the training have a right to expect something for the money they spend but they also have an obligation to contribute to the success of that training (even if it's only to sit still and be interviewed regarding their expectations of the training or to explain the rationale that led them to conclude that training is the solution to some problem of performance). There is, then, the notion of a "responsible client" as well. Under a stakeholder approach, the various stakeholders are accountable to one another and they share the responsibility for success.

What Value Is Added by A Stakeholder Approach?

- It focuses everyone on the value proposition, that is, the value to be provided by training.
- It shifts the emphasis in training from transforming trainees to providing value to stakeholders.
- It elucidates and clarifies the "stakes" – the value expected from the training by the various stakeholders.
- It focuses trainers and the training on the needs and requirements of its many constituencies.
- It accommodates all the various stakeholder perspectives; it offers a balanced view.
- It accommodates the Kirkpatrick model and the ROI approach – when and as they are relevant to the stakeholder groups.
- It comes to grips naturally with the politics of evaluation.
- It takes evaluation out of the realms of special exercises and specialized expertise.
- It forces training design to focus on results and thus moves evaluation "up front" where it belongs.
- It encourages and supports mutual accountability and shared responsibility.
- It opens up some long ignored success factors (e.g., the "responsible trainee" and the "responsible client").

Implications & Conclusion

If one accepts the notion that training has multiple constituencies or stakeholders whose needs, wants, requirements and preferences must be taken into account, one must also accept that the only effective way of doing so is take them into account during the design, development and delivery of the training. Anything else is bound to come up short at evaluation time. Moreover, it is well to keep in mind that, although training providers and their constituencies might agree in general about the results to be obtained from training, they also hold very different perceptions regarding the criteria to be used in evaluating training programs (Michalski, G., 1997). For this reason, evaluation issues belong on the front-end of training endeavors as well as on the back-end. The real question, then, is how does one design, develop and deliver training so as to meet all the stakeholders' needs and requirements? Do this and do it well and any subsequent evaluation is certain to be favorable. How does one do that? Well, that's beyond the purview of this paper but a few principles to keep in mind are listed below:

- Find the shared interest.
- Involve the stakeholders.
- Think optimization, not maximization.
- Be willing to make trade-offs and take shortcuts.
- Remember, design is as much or more art as it is science: Trust your gut.

The stakeholder view, though not without its flaws (Key, 1999) and critics (Jennings, 1999), is gathering momentum in management thinking (Donaldson & Preston, 1995) and is increasingly reflected in managerial tools and actions aimed at assessing organizational and managerial performance (Atkinson, Waterhouse & Wells, 1997; Fraser & Zarkada-Fraser, 2003; Neely, Adams & Crowe, 2003). As one group of observers writes, "The days when companies could survive and prosper by focusing on the wants and needs of one stakeholder – the shareholder – are long gone" (Neely, Adams & Kennerly, 2002). Trainers, too, must satisfy multiple constituencies. Adopting a stakeholder approach to evaluating training is a step in the right direction.

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Author's Note

A revised version of this article with a slightly different title appears in *Advances in Developing Human Resources*. Citation information is as follows:

Nickols, F.W. (2005). Why a stakeholder approach to evaluating training. *Advances in Developing Human Resources*. 7(1), 121-134.