

Study on Training Evaluation Methodologies Adopted In BFSI Sector in Mumbai, India

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ABSTRACT

In most of the organization the training evaluation methods are not structured to find out the actual outcome of the training programmes in light of attainment of the objectives. Further the training evaluation is limited to only the feedback forms that are used by most of the organizations as assessing the reaction of the employees attending the training programme to judge the effectiveness of the training programme. But training evaluation is lot more than just judging the reaction. It is important to transfer the learning of training programme at the workplace since huge amount of expenditure is allocated every year on training the employees. There is a need for study to bridge the gap in the training program and the use of proper evaluation in bringing about the improvement in the same. It is equally important to evaluate the training methods to know if they are in the right direction to achieve strategic objective of the human resource development and keep improving them with the required changes in response to changes in external and internal environment so that the organizations' overall objectives are achieved and improved. The present study finds that there are not sufficient methodologies used to evaluate training programmes to check the performance change at the workplace.

Keywords: Training, evaluation, BFSI sector, Mumbai, assessment, ROI

INTRODUCTION

Training evaluation is often considered as the idea of getting feedback of training session immediately after its completion with the objective of collecting the trainees views on their learning from the program. Businesses use this type of evaluation the most. However the idea of training evaluation is much beyond the feedback of reaction of candidates. Training aims at improving the knowledge and skills to enhance employee capabilities. Even though the cost benefit analysis of training may not be adopted by all organizations but it is commonly assumed that training must be able to improve the job performance and benefit should be greater than the cost involved. The cost of training employees include the cost and time involved in designing the training program, instructional material, equipment involved, cost of trainers and also the lost productivity of the employees while they are attending training programs. With all this huge investment involved in training program, it is expected that training should be able to increase performance with respect to time saving, improved efficiency and productivity and service quality. Evaluation of training and development means assessment of the impact of training on trainee's performance, behavior and achievement of objectives. Evaluation is a process that critically examines a program and also reflects and provides information on degree of instructional effectiveness. Training evaluation is designed to analyze the information about the training program activities, its characteristics and outcome. The purpose is to make proper judgments' so as to improve its overall effectiveness. It also helps in deciding how to make the best use of available training resources to achieve the organizational goals. The evaluation design refers to the collection of information - including what, when, how and from whom - that will be used to determine the effectiveness of the training programme. Thus, evaluation is to find out whether the training has filled the training gaps that was originally identified in the training need analysis. Assessment of training and development is an important aspect of training programme. Generally all training programmes starts with identification of training and development needs and ends with training evaluation. It ensures that training must ensure that learning are transferred to workplace and bring about the attitudinal change. Evaluation of training and development is the most essential aspect of training programme. Generally all good training and

development programmes start with identification of training and development needs and ends with evaluation of training. Training evaluation ensures that whether candidates are able to implement their learning in their respective work place or to the regular routines.

REVIEW OF LITERATURE

Wang, Greg G., Wilcox, Diane(2006) published an article on training evaluation titled “Training Evaluation: Knowing more than is practiced” examines the evaluation of training programmes into two categories :formative and summative evaluation. Formative evaluation is intended to provide information for the improvement of programme design and development while summative evaluation is centered on training outcomes to identify training benefits in the form of learning and enhance on-the-job performance

Collins and Holton (2004), in their evaluation of 83 studies from 1982 to 2001, including education, government, medical, and military organizations, came to a similar conclusion. Even a moderately effective training program can have a substantial effect. the organization was over \$34,600 in the first year, \$108,600 by the A training program for 65 bank supervisors was found to cost \$50,500, but the utility to third year, and more than \$148,000 by the fifth year (Mathieu & Leonard, 1987). Training and management development programs aims at improving the employee capabilities and organizational achievements. With the investment in human resource development the returns are expected in the form of more productivity and effectiveness in employee performance through enhanced knowledge and skills. Most of training programs are therefore team performance focused.

VARIOUS MODELS FOR EVALUATION

Over the years, researchers have developed systematic procedures for training evaluation. There are different models of evaluating training and development put forward by different experts.

1. Kirkpatrick's Four Level Model.
2. Kearns and Miller KPMT Model.
3. Roger Kaufman's Five Levels of Evaluation.
4. Hamblin's Five Level Model.
5. Guskey's Critical Levels.
6. CIRO Model.
7. Daniel Stuffle beam's CIPP Model.
8. Indiana University Model.
9. Industrial Society Stages.
10. Nine Outcomes Model.
11. Contemporary ROI Models.
12. TVS (Training Validation System)
13. Virmani and Premila's Model of Evaluation

IMPORTANCE OF TRAINING EVALUATION

Globalization in the present scenario has brought heightened competition and development of information technology which has resulted in paradigm shift towards intellectual assets. There is increasing need for development and utilization of skills of present workforce for success. The management structures and businesses are required to effectively exploit the intellectual assets which have led to increased focus on development of human resources. Training needs substantial allocation of resources i.e. human and financial. With training evaluation the knowledge gap is identified i.e. what trainers teaches and trainees learn. Various assessment and validation tools are used in training evaluation to determine the effectiveness and also to know the extent of training and organizational objectives are achieved. Evaluation helps to link the learning

outcome to the objectives and also in providing a form of quality control to ensure cost effectiveness. There are numerous expectation at each level from the sides of sales managers, directors and executives from their immediate subordinate to achieve the set target well in time and most efficiently. Training evaluation helps to achieve these objectives in time. Training evaluation also helps the trainers to assess their effectiveness. Training evaluation helps to understand the ROI of training programs from administrative point of view. Training evaluation works as an diagnostic technique to permit the revision of programmes to meet the needs of large number of stakeholders involved in it and achieving the goals and objectives..

Horwitz (1999) states that the challenge facing human resource development practitioners is to ensure that all training and development activity meets the organization's requirements for strategic functioning in order to give it centrality in organizational life. It is therefore necessary to identify the factors associated with human resource development for its effective implementation. A strategic approach to the transfer of learning raises an important but often situational contingent question about roles, responsibility, accountability and performance management and reward systems for training (Horwitz 1999). Eseryel (2002) evaluation activities in training situations involve multiple goals associated with multiple levels, evaluation should perhaps be viewed as a collaborative activity between training designers, training managers, trainers, floor managers, and possibly others. There is a need for a unifying model for evaluation theory, research, and practice that will account for the collaborative nature of and complexities involved in the evaluation of training. Only a small percentage of organizations succeed in establishing a sound evaluation process that feeds back into the training design process.

RESEARCH METHODOLOGY

Explanatory and exploratory research design is used for the study as the research is focused on studying the different methods followed and investigating into the facts. Survey method is used to collect the data from the employees of different companies. Primary data is collected using questionnaires and interview schedules. Employees' opinion and views of various stakeholders like managers, trainers and CHROs from BFSI sector in Mumbai are taken into consideration for the analysis. Sampling methodology used is non-probability sampling based on the convenience. Study was conducted in Mumbai covering companies from different suburbs covering public, private, local or global in nature based on convenience. Questionnaires of 100 respondent employees and opinion of trainers, CHROs and managers are taken into consideration for analysis.

HYPOTHESIS

There are not enough effective methods of training evaluation carried out at workplaces

Research Analysis/ Interpretation/ Findings and Discussions

Training methodologies adopted/ preferred by your organization

Training methodologies includes all the on the job and off the job methods, however through personal interactions it was found that on the job methods are used more than off the jobs. Very few respondents seem to have experienced more of the off the job methods of training which may belong to the senior or mid senior level. It can be said that employees at the lower level are less exposed to off the job methods of training. 61% of the respondents feel that they have both the training methodologies adopted at the workplace which means that they are exposed to both the methodologies of training. Through personal interviews from the managers and senior level executive following commonly used methods of training revealed are – Business games, field trip, in basket exercises. Most of the companies in BFSI sector have compulsory online training and employees have to cover certain number of modules of online training followed by test in a stipulated time period. It was found that field trip is used by most of organizations whether big or small, private or multinational in order to build team spirit and mutual cooperation among the employees.

No. of times an employee has to undergo training program in a year

There are mixed results for the number of times the training happens for the same employees in the organization. However the majority of the respondents' i.e.31.9 % responded that it happens more than 3 times and an equal percentage says it happens it happens once a year. It can be assumed that depending on

the size of the organization the training frequency differs and also since the majority of the respondents are from BFSI sector so more training frequency can be visible in BFSI sector

If organization conducts training evaluation

Almost 60% of the organizations conduct training evaluation for both on the job and off the job methods of training. Hardly 4% of respondents feel that there is no training evaluation. This shows that organizations in India understand the importance of training evaluation to bring about the cost effectiveness in its training processes

Training evaluation methodologies followed by organizations

Analysis shows that there is awareness regarding the importance of adoption of evaluation methodologies beyond a written feedback form. Majority of the responses i.e.48% says that group chat and face to face interaction takes place about the training program and 40% of the respondents say that there is observation of behavior at the workplace. 27.7% goes beyond saying that they evaluate the ROI, Return on Investment.

Performance test conducted after the training programs

53.2% of the respondents informed that there is performance tests conducted after the training programmes. Hence we can say that training evaluation in most of the organizations in India is beyond just judging the reaction of the trainees and has reached evaluating the learning from the training. Moreover through personal interaction it was found that BFSI sector employees who go through compulsory online training has performance test. Below chart shows the type of performance test is conducted at the end of the training program to assess the learning from the same.

Behavior assessment conducted through the following

There is a behavior assessment after the training programmes in India as majority of the respondents feels that there is pre and post evaluation through feedback (50%), repeated evaluation (28.9%). Almost 40% respondents say that there is observation of behavioral changes and 26% says that there is pre and post evaluation of performance.

Post training ROI measuring techniques adopted by the organization

There is moderate rate of testing ROI post training programmes i.e.28% approx., out of which the major focus of evaluating the return is on total quality improvement and quality of work life gains the larger attention. Very few evaluate the overall return on investment. More focus areas are employee turnover and communication improvement.

Findings & Discussions from personal interviews and secondary data analysis

Performance Development Plan:- In many companies the employee and manager has to fill the sheet where both of them have to provide information which all areas the employee has improved In certain project evaluation like Small term projects like quality assessment where at the end of it the employee has to give presentations to the training team. Most of companies are still limited to questionnaire for getting Feedback from the employees on the quality and content of training. Analysis is done on the basis of feedback. When compared organization wise, the views of different levels of employees in different organizations differ in their views on effectiveness of training evaluation practices.

HYPOTHESIS ACCEPTANCE

Looking at the mixed responses in behavioral assessment and considering the hardly 28% of the organizations testing the ROI i.e. returns on investment it is proved that even though training evaluation is conducted in the organizations in Mumbai but is not effective in assessing the performance change at the workplace

CONCLUSIONS & RECOMMENDATIONS

Training programmes when well-planned return value to the organization by way of increased efficiency and productivity, greater stability, adaptability and flexibility in response to changing external requirements. Based on the organization goal and individual needs training programmes should be organized and designed to increase the knowledge and capacity. It is also important to make the perception regarding training

effectiveness more positive in order to achieve the overall purpose of training and development. Better learning environment is needed with better participation and employee involvement. In order to transfer learning during the training programmes to workplace, it is important to link to the training with proper motivation. People if motivated can achieve the desired result with increased skills and capacities. Improved performance may not necessarily come from increasing training from more number of training programmes in different functional areas or different leadership roles. Training can be evaluated in many different ways to assess the leanings.

Feedback and test results help the learner know where they are, and directly affect the learner's confidence and their determination to continue with the development. Consider people's learning styles when evaluating personal development. Learning styles are people's preferred working communicating and thinking styles. Competences may not be demonstrated from the writing styles of people. Again evaluating knowledge retention is very limited form of training assessment as it may not indicate how well people applied learning in practice. To make learning and development more meaningful and appealing for people, training must be capable of bringing the attitudinal change that can be reflected in the following:

- Absenteeism.
- Lateness.
- Cleanliness in the workplace.
- Frequency of confrontational situations.
- Employees' turnover rates.
- Customer Complaints.
- Sales figures.
- Service calls.
- Scrap rates.
- Safety records.
- Participation in company-sponsored community events.
- Participation in voluntary company programs.
- Quality of work.
- Initiative.

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