

HRCOLUMN



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Find a fit test that fits HR

When return on investment isn't the most suitable way to measure training and development, how should organisations assess it?

According to the old maxim, if you don't measure it, you can't manage it. So, how do we measure, and thus manage, that most crucial and fundamental of our organisation's assets: our people?

For me, it's definitely a case of "best fit" rather than "best practice": first determining the specific priorities for your own organisation, and then building measures around them. Beware of being seduced by what's simply in vogue. Indeed, measuring what others aren't measuring can be a source of competitive advantage. And periodically review your corporate priorities to check that your carefully considered "best fit" solution still does.

The macro measures identified, next decide where and to what level you will collect the data: top line, by team, level of seniority, specialism, or some other category? Although it's better to do anything than nothing, consider that the more data you collect, the more time, resources and money it will cost to analyse it. Keep thinking: "What am I actually going to do with this?" Maybe also think what you'd like the answers to look like so that, if they don't, you've got a clear indication where future effort should be best spent.

All measures should focus on what you've defined as adding value to your key stakeholders. This is why I believe we must measure the output rather than the process: evaluating what's been learnt and actioned, not simply totting up "number of training days".

And this is where we must face the fever-inducing demands for "return on investment", or, put simply, the ability to measure whether our effort has been worth it. ROI, like the cure for the common cold, is talked about a great deal both despite and because no one's really cracked it.

For a start, if there's a successful change, how do you single out a particular HR intervention as the cause from all of the other elements in the mix? And although you might, for example, be able to prove the

benefit of a specific training event, how can an organisation hope to calculate the value of continual organisational learning? Frequently the focus is wrong: so tell your chief financial officer that we shouldn't ask the cost of training, but rather the cost of *not* training.

Recent research by University of Portsmouth Business School bangs in another nail: "ROI may still be a good indicator for a small range of learning interventions, but it is not the most highly valued or most appropriate."

More useful is to measure return on expectation, establishing "upfront the anticipated benefits of HR interventions and then assessing how far these benefits have been realised".

All business activities cost money and most are acts of faith. So maybe investing in improved HR practices and learning and development should instinctively be viewed as a Good Thing, based on a corporate philosophy that, if you invest in people, something positive must happen.

Measuring ROI can easily result in confused accounting and inconclusive statistics, and thus itself be a waste of time, resources and money. As Einstein so wisely said: "That which counts can often not be counted. And what can be counted often does not count."

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