Chapter 10

Evaluating APS Training

> It is important to recognise that with learning and development there may well be no defined end. It is quite likely that strategies would be adjusted in an evolutionary way – but, ideally, as the result of an evaluation.[1]

10.1   Evaluating performance is vital for managing the work of any organisation. It is particularly important for agencies spending public money, for not only ensuring that money is spent effectively and efficiently but also providing transparency to the parliament and public on how such money is used.

10.2   In the training realm, evaluation should be an important mechanism for assessing the impact of programs on performance, gauging their cost effectiveness or value for money and providing information for fine tuning current approaches and planning future strategies. In the ANAO's view:

> A major goal of learning and development evaluation is to improve current learning and development processes in order to achieve maximum business impact. Through evaluation, agencies can also assess the efficiency and cost-effectiveness of their learning and development strategies. These results then form an important part of the information base for management decision-making and future learning and development planning and delivery.[2]

10.3   This chapter examines the extent to which training and development is evaluated in the APS, the methods used in evaluation and the results. As the chapter will show, the Committee's inquiry has revealed that a significant gulf lies between the evaluation role in training 'better practice' *theory* and the *reality* of how it is applied in the APS.

10.4   This state of affairs reflects a number of shortcomings, some of which relate to the inherent difficulties involved in evaluating the results of training activities. The chapter therefore turns to the challenges that face training evaluation and considers proposals to refine current methods. The chapter also discusses the processes used by agencies to evaluate training providers and training courses.

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1   *Building Capability: A Framework for Managing Learning and Development in the APS*, A guide for senior managers, line managers, human resource practitioners, Joint ANAO-APS Commission Guidelines, April 2003, p.29

2   ANAO, *Management of Learning and Development in the Australian Public Service*, Audit Report No.64 2001-2002, p.87

Training Evaluation in the APS

10.5   As noted in earlier chapters, the ANAO report, *Management of Learning and Development in the Australian Public Service*,[3] provided a major assessment of training in the APS. It included a critical examination of how agencies are evaluating training strategies, expenditure and outcomes.

10.6   The ANAO report provides the most comprehensive overview of APS training evaluation and critical perspective of shortcomings in evaluation methods currently available.[4] The Committee uses its findings as a starting point for identifying practices and problems in this field, before examining the perspective of agencies and others on the matter.

10.7   The ANAO was highly critical of the overall state of APS evaluation of training – or 'learning and development' in its terms. It criticised the state of play on three levels: strategic, methodology and data collection.

10.8   At the strategic level, the ANAO concluded that APS agencies were not evaluating their training programs in a way that could demonstrate a link between training results and business outcomes or performance. Agencies 'were unable to demonstrate the efficiency and effectiveness of their investment in learning and development and its contribution to organisational effectiveness'.[5] In other words, the agencies under review were generally unable to show how their training programs had helped achieve 'business impact' or outcomes.

10.9   A major reason for this shortcoming, according to the ANAO, was at the levels of evaluation methodology and data. The two are interlinked. Because the methods used to evaluate training outcomes are fairly unrefined and focused at the individual level, even when collected the data is of limited use for evaluating training outcomes at a business level.

10.10   In terms of methodology, the ANAO found that evaluation of training programs concentrated mainly on participant evaluation and satisfaction of training courses.[6] It did find that some agencies also assessed training results in the context of regular individual learning development agreements or performance communication

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3   ANAO, *Management of Learning and Development in the Australian Public Service*, Audit Report No.64 2001-2002

4   The ANAO audited agencies at two levels: first, it conducted an APS-wide survey of all APS agencies with 100 or more staff; and second, it subjected five agencies for more detailed examination – Australian Bureau of Statistics, Department of Family and Community Services, Department of Foreign Affairs and Trade, Department of Health and Ageing and Department of Veterans' Affairs.

5   ANAO, *Management of Learning and Development in the Australian Public Service*, Audit Report No.64 2001-2002, p.13

6   ANAO, *Management of Learning and Development in the Australian Public Service*, Audit Report No.64 2001-2002, pp.13, 84-85, 88

schemes,[7] although it remains unclear the extent to which these results (which often have limited circulation due to the confidentiality surrounding them) feed into formal training evaluations. Both approaches mean that the evaluation methods that agencies most commonly use are targeted at the *individual* level, rather than at the higher business-unit or agency levels.

10.11   The ANAO concluded that:

> Evaluation of learning and development has been mainly limited to participant satisfaction with courses rather than with cost-effectiveness considerations. Evaluation at the current level does not support the development of comprehensive learning and development strategies that target priority needs to ensure the right people, have the right skills, at the right time.[8]

10.12   In drawing this conclusion the ANAO recognised that a 'general lack of appropriate performance targets and data' constrains agencies from doing comprehensive training evaluations.[9]

10.13   One constraint relates to technical difficulties in retrieving information from human resource management (HRM) databases. However, the problem here seems to be as much to do with the failure to collect key data, as it is do with any other shortcomings in database technology. The ANAO said that less than two-thirds of the agencies it surveyed could provide data on aggregate training costs, while only a third could supply data on staff training days. It noted that the more detailed the training data it requested of agencies, the lower the response rate.[10]

10.14   A major gap in evaluation data concerns the return on investment (ROI) and value for money of training programs. Having noted the difficulty of quantifying the value of training outcomes, the ANAO observed:

> The ANAO found that only 63% of agencies were able to provide aggregate data on the cost of learning and development. The ANAO considers that even fewer agencies would be able to quantify the value of their learning and development outcomes. However, eight of the surveyed agencies advised that they evaluate the ROI of their learning and development.[11]

10.15   Some agencies undertook value for money assessments of programs. Yet this approach seemed to depend on subjective judgements, such as assessments of value based on participant and supervisor feedback, and comparisons between in-house and

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7   ibid, p.78

8   ibid, p.13

9   ibid, p.13

10   ibid, p.82

11   ANAO, *Management of Learning and Development in the Australian Public Service*, Audit Report No.64 2001-2002, pp.84-85

external programs or with other agencies.[12] None of these approaches appears to involve rigorous assessment of the return on investment or value for agencies in terms of business outcomes.

10.16   As emerges in several places later in this chapter, assessing the value of training, particularly return on investment, has proven problematic for not only APS agencies but private sector organisations too and human resource management practitioners generally.

Agency perspectives on training evaluation

10.17   This section examines agency views of their training evaluation efforts and experience in the light of the ANAO's overall assessment of APS approaches. It surveys the main evaluation methods employed by agencies, noting both better practice and critical assessments of those methods where appropriate.

10.18   In general, APS agencies told the Committee of their training activities and evaluation methods but had little to show in the way of meaningful findings or the link between training and 'business impacts'. This reflected the general lack of both evaluation at the strategic level and reliable data, two shortcomings highlighted in the ANAO audit. It was most starkly revealed by several agencies that highlighted their training efforts but omitted any reference to evaluating their training activities.[13]

10.19   Consistent with the ANAO conclusion that agencies are unable to demonstrate the contribution training has made to organisational effectiveness, few if any agencies pointed to the results flowing from their training programs. In their evidence to the inquiry, the Committee detected a sense that by describing their training *activities* agencies believed that the benefits for business *outcomes* were self-evident.

10.20   The Department of Industry, Tourism and Resources (DITR) proved an interesting exception to this rule. Although it conceded that calculating the value for money in dollars of its training is 'hard to quantify', it went onto assert that 'there is no doubt that money spent on training and development within DITR has produced a dividend including:

- better skilled staff;
- better motivated staff;
- the remedying of identified skill deficiencies;
- the meeting of identified skill required to undertake certain tasks;
- a Department better able to serve the needs of the Government; and

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12   ibid, p.85

13   For example: GE, Submission no. 12; PM&C, Submission no. 18; AEC, Submission no. 24; and AMSA, Submission no. 34.

- a Department better able to serve the needs of the public.'[14]

10.21   The Committee considers that these 'dividends' are the sort of general outcomes to be expected from sound training programs. They also represent broad performance indicators against which data should, to some extent, be collected. Some of the means by which such data could be gathered and assessed include:

- **skills audits of staff;**

- **monitoring of error rates;**

- **feedback from ministerial offices and other departments about the timeliness and accuracy of agency advice; and**

- **surveys of staff attitudes and client views of staff professionalism.**

10.22   Although DITR did not substantiate its training dividends with quantitative and qualitative results, it was able to point to a well-developed evaluation framework that would have the capacity to identify the outcomes listed above. However, as the sections that follow will show, few agencies appear to have an evaluation framework that would enable them to report on training outcomes in the manner that DITR has attempted.

10.23   Agencies spoke in varying degrees of detail about their evaluation approaches and methods. All agencies reported using participant satisfaction evaluations of individual courses, while some also employ reviews of particular training programs, multi-level evaluation and the use of performance measures and other instruments.

Participant satisfaction

10.24   The principal method of training evaluation used by agencies is based on participant satisfaction of and reaction to individual programs. Several witnesses referred to this method colloquially as 'happy sheets' as they gauge the reaction of participants to the content, style of presentation and relevance of the course undertaken.[15]

10.25   The APS Commission described the general criteria against which training is measured, a format that appears typical of this style of evaluation:

> Participants are encouraged to complete a participant's evaluation reaction sheet at the end of each program. These are summarised and analysed to inform the on-going quality management of existing learning and development programs. They identify:
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> - Extent to which the objectives of the program are met;

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14   DITR, Submission no. 5, p.7

15   Ms Hamilton, Centrelink, *Committee Hansard*, 14 August 2003, p.22; and Ms Andrews, PSETA, *Committee Hansard*, 15 August 2003, p.141

- Levels of relevance and quality; and

- Effectiveness of presenters.[16]

10.26   The APS Commission indicated that it intended to extend the criteria to include an assessment of training materials and the mode of learning.

10.27   While the focus on participant satisfaction is commonplace, the approach to capturing this information varies. At the 'high tech' end of the spectrum, DFAT uses its PeopleSoft Training Module to capture participant evaluation of training workshops on-line. DFAT claimed that compliance is high because its training database requires a workshop evaluation to be completed before it records an officer's participation as finished.[17]

10.28   In its audit, the ANAO noted both the strengths and weaknesses of this form of evaluation. Participant satisfaction provides a fairly easily acquired source of data that can inform training planning, but its usefulness can suffer if the evaluation tool is limited and not all participants complete their evaluations.[18]

10.29   In this regard, DFAT's requirement that staff complete evaluation reports for training to be recognised provides a solid data set with high completion rates that training managers can access easily. Similarly, the adoption of on-line training (eg. Centrelink's Virtual College) would seem to offer the potential, where relevant, for agencies to use on-line participant evaluation to improve completion rates and data capture.

10.30   The ANAO also reported the view of one agency, the Australian Bureau of Statistics (ABS), on the advantages of participant evaluation:

> ABS indicated that low level evaluation from participants and supervisors is relatively easy and cheap to obtain and useful for immediate fine-tuning of programs. ABS also found that evaluating and/or reviewing the content, delivery and relevance of individual programs is also relatively straight forward and useful for medium term strategy.[19]

10.31   On the other hand, participant evaluation is limited in what it can measure and tell agencies about the impact of training programs. This form of evaluation only involves a limited number of participants. This is because it often only relies upon the feedback from a small field of responses from participants and sometimes their immediate supervisors.

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16   APSC, Submission no. 15, p.34. See also DFAT, Submission no. 4, p.11

17   DFAT, Submission no. 4, p.10

18   ANAO, *Management of Learning and Development in the Australian Public Service*, Audit Report No.64 2001-2002, p.84

19   ANAO, *Management of Learning and Development in the Australian Public Service*, Audit Report No.64 2001-2002, p.84

10.32   Participant evaluation provides essentially a snapshot of a particular course or program from the single perspective of those receiving the training. Unless it is extended to include different perspectives from the participants' managers – on the workplace results following training – and agency executives – on business line and/or agency results, it can only provide relatively subjective information on one-dimension of the training.[20]

10.33   The second limitation of participant evaluation is that it stops short of measuring what really counts – the skills that staff have learnt and how these are applied back at the workplace to improve productivity. One APS training practitioner put it bluntly:

> Evaluation of these [training] programs inevitably involves only one step … ie. distributing a questionnaire at the end of the session to gauge participant satisfaction. Any additional evaluation activity, without an assessment component, is virtually fruitless since it misses the whole point of the exercise – learning.[21]

10.34   To measure on-the-job application of learning and new skills requires a longer timeframe of evaluation than participant satisfaction provides. The report considers the implications for longer term approaches later in the chapter.

Program reviews

10.35   Some agencies referred to the role evaluations and reviews play in providing feedback to fine tune training activities. DFAT's Training and Development Section, for instance, produces an annual report for the department's senior executive. The report reviews activities and proposes a forward training plan that identifies changing priorities, emerging skills gaps and resources.[22]

10.36   Treasury also said that its training calendar and individual courses are reviewed regularly using evaluation feedback to keep them 'well targeted and provid[ing] value for money'.[23]

10.37   CSIRO, a non-APS agency, hired an international consultant to conduct a wide-ranging review of learning and development in the organisation, leading to the development of a new learning and development strategy.[24]

10.38   None of these agencies, however, provided detail on the methods used in these reviews or the data and results that helped them refine their training programs.

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20   ibid, p.79

21   R Henry, Submission no. 1, p.7

22   DFAT, Submission no. 4, p.11

23   The Treasury, Submission no. 21, p.3

24   CSIRO, Submission no. 33, p.3

Multi-level evaluation – the 'Kirkpatrick model'

10.39   Several agencies such as the ATO, Department of Health and Ageing (DOHA)[25] and Department of Industry, Tourism and Resources (DITR)[26] attempt to use more complex frameworks of evaluation based on the 'Kirkpatrick model'. This model has four levels of analysis:

- Level 1 Evaluation   Reactions
- Level 2 Evaluation   Learning
- Level 3 Evaluation   Transfer
- Level 4 Evaluation   Results

10.40   In addition, DOHA has added return on investment as an extra level of assessment.

10.41   DITR has also adapted the Kirkpatrick model for its evaluation framework. DITR employs the following range of approaches for assessing its training initiatives:

> …following the Kirkpatrick Model, reaction surveys, post course evaluation forms, follow-up activities designed to extrapolate the degree of change that may have been brought about by the training experience. For example, the Learning Integration Strategy designed for the Department's Pathways program allowed for each individual to be followed up 1-3 months after the training intervention in order to assess how and to what degree it had changed behaviours.[27]

10.42   Other avenues by which DITR evaluates its training effort include 'organisational health' survey data to track trends, feedback from staff, managers and agency networks and localised staff attitude surveys.

10.43   Based on evidence to the Committee, it seems that the use of sophisticated evaluation methods that go beyond participant satisfaction is limited to a few agencies, and that those agencies employ such approaches selectively.

10.44   For instance, DOHA told the Committee:

> Most, if not all, training and development short courses offered in-house are evaluated at least at Level 1. More substantial programmes that represent a significant investment are evaluated at higher levels. For example a major evaluation of the Department's leadership and management development

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25   DOHA, Submission no. 28, p.11

26   DITRA, Submission no. 5, p.5

27   DITR, Submission no. 5, p.5

programmes conducted over the period 1996 to 2000 covered Levels 1 to 4, and included an assessment of value for money.[28]

10.45   In DOHA's case, the implication seems to be that longer term training programs or strategies warrant the higher cost involved in more systematic evaluations, whereas it may not be cost-effective to adopt such an approach to training courses of limited application.

10.46   On the other hand, the ATO indicated that there are complex methodological issues that hamper the extent to which programs can be assessed. It said that it applies level 1 and 2 evaluations routinely but has found level 3 and 4 evaluations harder to do. According to the ATO, 'at levels 3 and 4, it remains a challenge to define performance indicators, collect the data on these indicators and convince management that it is a worthy investment of effort and funds'.[29]

10.47   Later in the chapter, the Committee explores some of the complex technical challenges for training evaluation that the ATO's experience highlights.

10.48   The Committee is pleased to note, however, that in spite of these obstacles the ATO reports making some headway on evaluating the business results (ie. Level 4) flowing from its training and development. The ATO is targeting training at business problems or opportunities and following up with post-training assessments of the problem or opportunity to see if things have changed.

10.49   Data is also being collected on some of the results from the ATO's strategic outcome-driven approach to training. For example, an annual survey of client perceptions includes indicators to measure the perceived professionalism of ATO staff.[30] Such data would enable the ATO to track the degree to which staff professionalism had changed following training, although tracing the causal link may be blurred by other factors such as changes to tax law, work loads and so on.

10.50   Within the AFFA portfolio, the Bureau of Rural Science has also used results from client attitude surveys to trace changes in performance attributable to its training effort.[31]

Performance measures

10.51   Key performance measures can provide a framework by which changes in operational effectiveness and output can be gauged following training. AFFA, for example, stated: 'Evaluating effectiveness [of on the job training] often involves the use of key performance measures – measures you can see, eg. faster and more reliable

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28   DOHA, Submission no. 28, p.11

29   ATO, Submission no. 22, p.7. See also *Committee Hansard*, 14 August 2002, p.72

30   ATO, Submission no. 22, p.7

31   AFFA, Submission no. 19, p.7

output from the operator after they have been trained, higher ratings on employees' job satisfaction questionnaires etc'.[32]

10.52   However, such an approach requires a cycle of performance measurement that records an officer's capacity *before* and *after* training. AFFA saw this approach as essential:

> It is critical that a person's performance is evaluated prior to training, immediately after training and then again three to six months later.[33]

10.53   In this regard, individual performance management systems are a mechanism that can complement or substitute, to some extent, for evaluations of specific training programs. Some agencies such as Veterans' Affairs indicated that individual performance development schemes are used to identify whether training is meeting staff needs. The onus of such an approach falls on both the staff member and his or her manager, assisted by appropriately skilled human resource management staff, where required, to monitor the degree of change following training. This approach has the benefit of building on an existing management framework, but would require a system by which training data could be extracted and compiled across business areas and assessed at the agency-wide level. However, as noted in Chapter 8, most agencies lack the human resource management information systems capable of this sort of data management.

10.54   Another performance related approach that some agencies have started to adopt is called '360 degree evaluation and feedback'. Defence described it as an emerging tool. This approach involves superior, peer, subordinate and self evaluation to provide assessment on performance from multiple levels within an organisation.[34] Such an approach could complement performance management frameworks for assessing training results and help overcome some of the limitations described earlier of participant evaluation, with its single focus on self evaluation.

10.55   The APS Commission also saw evaluating training results in the workplace as the key point of focus with managers having an important role to play. Mr Kevin Isaacs, Group Manager for the Commission's Leadership, Learning and Development Group, indicated:

> Often the proof of the pudding in evaluation of learning and development is what people do with what they have learnt when they go back into the workplace. Often that does not tend to manifest until there has been some period of time in the workplace. So, again, agencies and the participants'

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32   AFFA, Answers to questions on notice, no.16, p.9

33   AFFA, Answers to questions on notice, no.16, p.9

34   DOD, Submission no. 36, p.11

line managers are in the best position, we think, to evaluate how their participants take their learning and apply it.[35]

10.56   Measuring the longer term effects of training is particularly important. Often training courses can stimulate an immediate positive response or 'afterglow' in trainees leading to a marked improvement in work application and enthusiasm for the job. This can lead to a spike in productivity but can taper off as daily routines, habits and the pressures of work reassert themselves.

10.57   That is why tracking post-training performance over a period of time is needed to gauge the longer term benefits of training and the investment in it. It is, however, considered by some to be one of the more intractable difficulties facing the field of training evaluation. The Committee considers this problem later in the context of the challenges for evaluating training.

10.58   This sort of difficulty aside, it also needs to be said that tracking the longer term effects of training requires planning and a commitment to evaluating training *strategically*, ie. over the medium to long term, rather than the short term focus reflected in the reliance on the individual participant satisfaction method. Again, the Committee is mindful of the ANAO's view that a lack of planning for evaluation stands as one of the main barriers to effective training evaluation in the APS.[36]

Value for money

10.59   Agencies provided a range of responses to the question of the value for money represented by training dollars spent. The APS Commission pointed to the tender process it employs for selecting its panel of approved training providers as designed to promote value for money. It also said that the evaluation process for its own courses encompassed value for money considerations by asking participants and agencies whether courses delivered quality for the price charged. The Commission saw it as significant that, while the administration costs for its courses had been stable, agencies were spending more money on Commission courses. This implied that agencies viewed the Commission's courses as representing value for money.[37]

10.60   The ATO appeared to be the only agency focusing on value for money and return on investment at a business outcomes level. It stated:

> The ATO has used a systemic approach to ensuring that [value for money] is achieved. At a corporate level, training and development expenditure is clearly linked to the achievement of essential business outcomes through the ATO's People and Place plan. At the level of individual employees and managers, the manager will only approve learning plans where they agree

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35   *Committee Hansard*, 14 August 2002, p.13

36   ANAO, Answers to questions on notice, no.5, p.2

37   APSC, Submission no. 15, p.41

the skills and knowledge to be acquired are important to meeting current and future workloads.[38]

10.61   In addition, the ATO indicated it was developing guidelines to keep its training and development programs within industry benchmark standards. The ATO also reported the current development of a human resource management information system (HRMIS) to help track return on investment, a capability it hopes to have in the future.[39] DFAT likewise said that it intended to explore approaches for measuring return on investment and the long term value of its training expenditure.[40]

10.62   Several agencies, on the other hand, pointed to the difficulties in attempting to measure value for money or return on investment. Both DITR[41] and DOHA were hesitant to try to quantify the value their training represented, with DOHA citing data capture and definitional issues as particular problems.[42] DVA also illuminated a major difficulty in analysing the value of training for agency outcomes. It stated:

> Value for money is best demonstrated when a learning process results in a direct improvement in client service. It is often difficult to make that direct connection, however, clearly identifying [learning] needs through the performance development and review process and delivering [training] quickly has helped the department.[43]

10.63   The limited information that agencies have on value for money and return on investment match the ANAO's findings discussed earlier. In the next section, the Committee discusses some of the deeper methodological constraints that training presents for assessing the value and return on training investment.

Challenges to evaluating training

10.64   Whilst the Committee is concerned to find that evaluation in the training area is not as advanced as program evaluation generally in the APS, it is aware of the challenges the training field poses for evaluators.

10.65   The Committee notes that the above shortcomings in APS approaches to training evaluation reflect, up to a point, the state of the art in this field and its limitations. One witness told the Committee that in the literature on training evaluation methods are largely limited to two approaches: participant responses and

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38   ATO, Submission no. 22, pp.243-244

39   ATO, Submission no. 22, p.243

40   DFAT, Submission no. 4, p.13

41   DITR, Submission no. 5, p.7

42   DOHA, Submission no. 28, p.13

43   DVA, Submission no. 13, p.5

occasional reviews of particular programs or initiatives.[44] These are the same basic approaches that APS agencies pursue.

10.66   The underdeveloped state of these evaluation tools reflects the fact that the training field generally has struggled to build more sophisticated evaluation methods. One departmental witness observed that 'the whole issue of evaluation of education or training outcomes is notoriously difficult'.[45] Ms Andrews, the Chair of PSETA, said that 'it is an area in the professional literature that is a bit vexed'.[46]

10.67   Ms Andrews noted that the human resource industry, particularly in the US, has attempted to develop models to measure return on investment and tools to assess training outcomes but that these remain 'complicated and unproven'.[47] In contrast, the ANAO told the Committee that 'there is a whole consulting industry' in position to assist APS agencies establish return on investment processes for training.[48]

10.68   Measuring the longer term results of training was another critical area Ms Andrews highlighted as requiring attention. In her view:

> The one outstanding gap in evaluation of training and development is the longer term effect. Until a reliable human resource information technology system is in place from which analysis over time of individual employee's training exposure against career progression can be extracted, the best that can be done is specific studies of a particular cohort.[49]

10.69   This point highlights some of the IT and data management barriers to not only longitudinal evaluation studies but also to more integrated approaches to assessing training dividends for organisations. It suggests that evaluating the multiple impacts of training for organisations may be some way off in terms of modeling and IT systems to support such an approach.

10.70   In contrast to the critical perspective that some training practitioners provided the Committee, most agencies did not refer to problems or shortcomings in their discussion of evaluation and methods for training and development. The few agencies that did reflect critically on the area provided interesting insights on the challenges training poses for evaluators and agencies. For example, in talking of the methodological and data capture difficulties it has experienced, the ATO observed that:

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44   PSETA, Submission no. 43, p.3

45   Mr Hickey, Centrelink, *Committee Hansard*, 14 August 2002, p.22

46   Ms Andrews, PSETA, *Committee Hansard*, 15 August 2002, p.141

47   PSETA, Submission no. 43, p.3 and *Committee Hansard*, 15 August 2002, p.141. The ABC indicated it was still piloting ROI models for evaluation purposes before implementing them broadly. ABC, Submission no. 32, p.7

48   *Committee Hansard*, 15 August 2002, p. 92

49   PSETA, Submission no. 43, p.3

> This is an area with which the ATO, in company with many public and private sector organisations, continues to struggle.[50]

10.71 Likewise, AFFA also referred to the limited methodological resources available to human resource management practitioners. AFFA made the point that:

> A training and development program is considered successful if it assists to promote job satisfaction, reduce turnover and minimise poor performance. Measuring and evaluating these aspects across the APS is difficult. There are not many tools available across the APS to help see where organisations are receiving value for money for training and development activity. Evaluation tends to be ad hoc… AFFA would like to see some effort targeted towards better evaluation tools for the APS.[51]

10.72 CSIRO pointed to a variety of methods it uses to evaluate training but noted that it too had not followed a 'consistent, systematic approach'.[52]

10.73 One of the difficulties agencies face is in defining activities that constitute 'training' or 'learning and development' for evaluation purposes. It is clear that, in addition to formal courses, programs and strategies, there are diverse informal practices that contribute to the overall learning and development effort of agencies. Some of those practices, such as on the job transfer of skills and experience and informal mentoring, are by their nature harder to track and assess than discrete courses and programs.

10.74 The Department of Family and Community Services (FaCS) emphasised the role of casual learning in its response to the ANAO audit. FaCS stated it was important, when considering training approaches, to take account of:

> …the move away from formal learning and development activities to those of a much more on the job nature, such as coaching. These less formal activities are far harder to quantify, both in terms of time and cost involved.[53]

10.75 FACS went onto point out that not only is it the nature of some training activities that is hard to assess but that some of the *objectives* of learning and development strategies are also inherently difficult to evaluate. In the context of the ANAO's criticism of current evaluation practices in the APS, FaCS noted:

> FaCS agrees that this is an area of deficiency. However, it believes that the [ANAO] report does not give sufficient consideration to the fact that

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50   ATO, Submission no. 22, p.7

51   AFFA, Submission no. 19, p.6

52   CSIRO, Submission no. 33, p.4

53   ANAO, *Management of Learning and Development in the Australian Public Service*, Audit Report No.64 2001-2002, p.16

learning and development activities are often aimed as much at effecting cultural change as they are at assisting to achieve specific business outcomes. Measurement of this aspect would be difficult.[54]

10.76   FaCS's concerns about measuring cultural change programs highlights a more general point that some types of training are relatively easy to evaluate while others pose significant challenges. Training in agencies such as Centrelink and the ATO to improve skills and accuracy in processing tasks (eg. data entry) is relatively straight forward to evaluate as it involves easily quantifiable outcomes (eg. lower error rates, higher and faster output and so on). Evaluating training aimed at improving policy advice to ministers, for instance, involves more detailed qualitative assessment.

10.77   The ANAO told the Committee that its audit of learning and development had shown that 'most agencies do assess participant satisfaction, but then moving on to higher levels of evaluation, such as uptake and changing skills in the workplace or addressing corporate objectives, is far more difficult'.[55]

10.78   Ms Hamilton, the Dean of Centrelink's Virtual College, illustrated the increasing degree of difficulty agencies face the higher the level of evaluation they seek to measure:

> we do a couple of levels of evaluation of our training programs, the first— the happy sheets, if you like—gauge the reaction and the second ask how much learning has actually been taken on board, which is tested in the workplace by on-the-job assessment. Then there is behavioural change. Here we are getting into a really difficult area: has the training resulted in change to behaviour in the workplace? Then we are looking at the organisational level. So we are conscious of this and we have checked around other agencies; we have great liaison with other agencies in the APS, particularly large ones such as Defence, Tax and the Bureau of Statistics. Very little formal work is going on in this area.[56]

10.79   Ms Hamilton's observation reinforces the point that across the APS considerable scope exists for more work to be done on developing and trialing evaluation methods in the training sphere. It also indicates that there is scope for collaboration and cross-fertilisation of thinking and approaches in this endeavour, regardless of the devolved environment for training generally.[57] The Committee now turns to examine some of the avenues where progress might be made in improving how agencies approach and undertake training evaluation.

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54   ibid, p.16

55   *Committee Hansard*, 15 August 2002, p.92

56   *Committee Hansard*, 14 August 2002, pp.22-23

57   Regarding inter-agency sharing of ideas and cross-fertilisation, see DEH, *Committee Hansard*, 15 August 2002, p.132

Scope for improvement

10.80   The Committee considers that there is considerable scope for agencies to approach training evaluation in a more systematic and rigorous fashion. The difficulties involved in training evaluation notwithstanding, there is a sense that agencies in many cases have gone for the easy option with assessing training results, relying on participant satisfaction without investing the effort and resources in more thorough analysis of their training initiatives. As the ANAO observed:

> The ANAO acknowledges a difficultly for agencies in evaluating the effectiveness of learning and development activities is in assessing their longer term impact. To compensate, agencies have focused on evaluating what is tangible and measurable. The ANAO observed that agencies are striving to achieve improved organisational performance from their investment in learning and development, but are generally not actively assessing this through their current evaluation methodologies.

10.81   The Committee is pleased to report, nonetheless, that several agencies indicated an eagerness to see more work done on evaluating training, particularly by way of inter-agency collaboration and with guidance from the APS Commission. In terms of the latter's role, the Commission and the ANAO released in April 2003 a joint publication, *Building Capability: A framework for managing learning and development in the APS*.

10.82   The Committee considers that the framework provides, among other things, a key tool for agencies when it comes to refocusing their approach to evaluating training. It offers a framework by which training evaluation might be done with more rigour than has been the case, as well as a toolkit of options for matching evaluation methods to types of training. The Committee draws on the framework in the areas for improvement that follow.

10.83   If evaluation is going to play a strategic role in guiding agency training and help to capture the longer term results of training activities, it is crucial to incorporate the evaluation method and timetable in the initial design of programs and strategies. As the ANAO-APS Commission state:

> It is… important that evaluation is programmed in from the start. Proper consideration should be given on what to evaluate, when and how.[58]

10.84   Programming evaluation into training programs at the outset is particularly important if results are to be gauged over time. As noted already, better practice suggests that an assessment of skills or other capabilities should happen *before* training commences to provide a baseline against which any change can be measured by subsequent evaluations.

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58   *Building Capability: A Framework for Managing Learning and Development in the APS*, p.29

10.85   The Committee considers that agencies should include in guidance on training management the requirement that evaluation approaches and timetables are an integral part of the initial planning for any training program.

Recommendation 20

10.86   The Committee recommends that all agencies include in their guidelines on training management a requirement that all training programs must include an evaluation phase, timetable and methodology.

10.87   One area where training areas could build their capacity to evaluate programs is by working closely with evaluation experts. Ms Andrews claimed 'people who design and implement the training programs are usually not program evaluators'.[59] The lack of input from evaluation experts may in part account for the lag in training evaluation compared with other areas of public sector management that have been working with program evaluation for at least a decade. It also suggests that there is room for human resource management areas to better integrate training with other arms of the human resources field.

10.88   The Committee considers that there is scope for agencies to utilise staff with evaluation skills in the design stage of training strategies and programs, as well as when it comes to conducting evaluations themselves.

Recommendation 21

10.89   The Committee recommends that agencies utilise experts with evaluation skills both in the design stage of training strategies and programs and during the post training evaluation stage.

10.90   As discussed in Chapter 8, agencies need to capture more data to provide a fuller picture on the extent of training in the APS generally. Collecting more and better information on training factors is also clearly necessary if agencies are going to build their capacity for evaluating training more rigorously. In their joint guide on managing learning and development, the ANAO and APS Commission emphasised that:

> Evaluation requires the collection of meaningful data on the inputs, outputs and outcomes of programs. Return on investment or value for money assessments are based on an assessment of the value of outcomes compared to the value of inputs. An area where there is scope for agencies to improve is in the collection and reporting of input data.[60]

10.91   The ANAO-APS Commission framework provides a recommended minimum data set that, while not pretending to be comprehensive, is proposed as 'a starting

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59   *Committee Hansard*, 15 August 2002, p.141

60   *Building Capability: A Framework for Managing Learning and Development in the APS*, p.29

point in tracking inputs and outcomes'. The data set comprises the following five key criteria:

- Number of days formal (classroom, conferences, seminars) training per person per year (direct and indirect costs);

- Expenditure on formal learning and development as a percentage of running costs (including salary and on-costs);

- Expenditure on outsourced providers;

- Expenditure on learning and development consultants; and

- Qualitative reviews (by key stakeholders such as the executive, management and others) on changes in organisational and individual capability and performance.[61]

10.92   To help agencies assemble a clearer picture of training results, the ANAO-APS Commission also suggest a reasonably detailed range of performance indicators for evaluating training. A strong feature of this framework is that it also includes methodology options for different performance indicators. The indicators address the key elements that make for a sound training framework. These involve:

- relevance;

- appropriateness;

- reaction;

- capability acquired;

- performance on the job; and

- outcomes of learning and development.[62]

10.93   The Committee recommends that agencies adopt both the recommended minimum data set and performance indicator set as complementary approaches for capturing key information and identifying the sort of factors that need to be measured. The Committee understands that agencies may wish to trial the suggested approaches to test the fit between agency needs and the generic data and indicators that are recommended. The Committee also recommends that agencies should share information, through the auspices of the APS Commission, on their experience with using these approaches and identify areas where further refinement is required and better practice is evident.

10.94   The Committee emphasises that establishing minimum data sets is a critical measure for overcoming the paucity of information on training highlighted in Chapter 8. As recommended in that chapter, the Committee believes that the APS Commission should adopt a key role in the process,

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61   *Building Capability: A Framework for Managing Learning and Development in the APS*, p.29

62   *Building Capability: A Framework for Managing Learning and Development in the APS*, pp.32-35

building on the positive steps taken already in developing with the ANAO recommended minimum data and performance indicator sets.

Recommendation 22

10.95   The Committee recommends that agencies adopt the ANAO-APS Commission recommended minimum data set and performance indicators for training. The Committee also recommends that the APS Commission coordinate an evaluation of the effectiveness of these measures, to establish better practice principles and identify areas for refinement where necessary.

Evaluating training providers and courses

10.96   The Committee now turns to examine how agencies evaluate external training providers and the courses they offer. There are two key stages in this area of evaluation: the selection stage and the post-training evaluation stage. Most agencies employ roughly the same approaches for both stages, particularly the latter stage where agencies rely on the participant evaluation methods described earlier in the chapter for quality control purposes.

10.97   For selecting external providers and courses, most agencies follow standard Commonwealth tender processes and/or consult the Commonwealth Panel of Providers administered by the APS Commission. With tenders agencies tend to employ standard criteria which encompass the need to demonstrate value for money, subject matter expertise and leading skills but also include measures that reflect each agency's particular business needs.

10.98   For example, the ATO stated that 'key criteria in evaluation of [external] panel providers include the ability to assist the ATO in meeting business outcomes, use of up-to-date practices and theory in design of products, and willingness to build the internal capability of the ATO'.[63]

10.99   DOHA, by contrast, includes in its standard criteria for determining value for money a requirement that the provider demonstrates an 'understanding of cultural, community and organisational sensitivities relevant to the assignment'.[64]

10.100 For the Commonwealth Panel of Providers, the APS Commission said that the key criteria used in the most recent tender process required:

> Demonstrated subject matter expertise and capacity to successfully design and develop, tailor, deliver and evaluate high quality, innovative and leading edge contemporary learning and development programs for APS agencies

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63   ATO, Submission no. 22, p.8

64   DOHA, Submission no. 28, p.12

on time and within budget for one or more areas for which the Tenderer is tendering.[65]

10.101 The Commission employs both an independent evaluation team to assess applications and a probity auditor to oversee the process.

10.102 The Committee heard criticism of some aspects of the tender process. People and Strategy argued that agencies are issuing requests for tenders that are too formal, complex and prescriptive. In their view, this practice has lowered rather than raised the standard of tenders, reduced competition because it favours larger training firms over small to medium sized firms and increased costs for agencies.[66]

10.103 In response, the APS Commission stated that it did not believe that its tender process is overly formal or prescriptive. It did emphasise that the tender process has to conform with government procurement processes and ensure that tenders undergo 'robust assessment'. It cited an independent probity auditor's report on the tender process, which concluded that tender 'documents provide good opportunity for a fair and competitive open tender process to be conducted. Accordingly the probity of the process to date and that reflected in the documents has been of a high standard.'[67]

10.104 The APS Commission also reported that of its panel of 100 selected consultancy firms, 94 are medium sized businesses (with 20 to 25 employees) and 6 are small sized businesses (with fewer than 20 employees).[68]

10.105 The Committee notes that the APS Commission's response, while confined to its own tender process rather than covering other APS agencies, highlights the importance government agencies must place on probity of process in tenders. This may appear to some private sector firms as overly formal or too much red tape. But given that public funds are involved, the Committee considers that it is appropriate that agencies err on the side of conforming with government procurement guidelines, rather than risk compromising the tender process.

10.106 Where companies do experience difficulties with tenders, the Committee would encourage the companies and agencies involved to negotiate any issues of concern. It notes that in cases where firms have had compliance issues with the APS Commission process, the Commission has been prepared to negotiate, in its terms, 'reasonable compromises' on a case-by-case basis.[69] The Committee encourages other agencies to adopt a similar approach, and to seek the APS Commission's advice where required.

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65 APSC, Submission no. 15, p.39

66 People and Strategy (ACT), Submission no. 6, pp.2-3.

67 APSC, Answers to questions on notice, Q.10

68 ibid

69 ibid