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Most Companies Lack Adequate Diet of ROTI

Research indicates that the ‘transfer of learning’ from management and executive training programmes to the workplace hovers in the pitiful range of 10-30%. Even so, the amount of resources in time and money invested in such training continues to grow. This begs the question: are organisations addressing the issue of Return on Training Investment (ROTI) adequately? If not, why not? Why are training investments not assessed for accountability and returns, as other investments? This question is particularly timely for organisations in India. The market for management and executive training in India is primed for explosive growth, propelled by the arrival of topranked institutions such as Harvard, Duke, and Wharton. Indian organisations will soon be blitzed with marketing efforts from these top-ranked providers of executive training, and we can expect to see increasing numbers of Indian managers and executives receiving premium-priced training from these and other institutes. The key question: Will organisations attempt to address the issue of ROTI from these programmes? Most probably, they will not, offering the stock argument that ROTI is a complex and nebulous idea, and that they don’t have the capability to do so. This argument has only limited merit; even if organisations don’t have the capability to measure ROTI comprehensively, some of the steps involved could be assessed, providing insights into the value of training programmes.

ROTI: STEPS INVOLVED

It is important to recognise that the end goal of a typical training programme is not simply learning, but rather, the application of learning in the workplace. To understand why some managers successfully “act” on their learning after attending a programme and why others don’t, organisations must appreciate that a training programme is part of a process, rather than a discrete event. This process includes at least two steps before the training programme: Recognition (recognition of the need for training), Matching (matching the right managers to the right programme), and at least three steps after the training programme: Application (application of the learning in the workplace), Impact (assessment of the impact made by the application of the learning), and Return (measurement of ROI based on impact to the organisation, taking into consideration all relevant costs.) The pre-programme steps are not necessarily complex and can typically be achieved by currently available expertise in most organisations through their HR or other relevant departments. The post-programme steps of ROTI are more involved. First, they require managers to return from training programmes with clear “action plans” that include a schedule for applying one or more aspects of the learning. Second, organisations need to ensure that they have access to the expertise needed to help assess application of the learning in the workplace, and evaluate its impact so that ROTI can be addressed. For organisations that have never addressed ROTI, enforcing all the steps could be difficult initially. However, at the very least, both pre-programme steps can be enforced, and the first post-programme step can be checked. Most important, data collected on the first two pre-programme steps can be tied to managers’ successful (or not so successful) application of learning in the workplace, and help shed light on why the application of learning may vary across managers. These efforts can lay the foundation to ultimately address ROTI, and ensure training—like other investments—is also subjected to scrutiny, and is assessed for accountability and returns.

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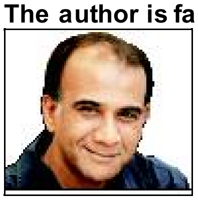

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