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PREVIEW

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**A survey of banks examining the attitude, competence, and practice of evaluation of training among directors of human resource development and the ongoing fiscal support for their programs**

**Frazier-Koontz, Peter Jeffrey, Ph.D.**

**The University of Nebraska - Lincoln, 1991**

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PREVIEW

A SURVEY OF BANKS EXAMINING THE ATTITUDE, COMPETENCE, AND PRACTICE OF  
EVALUATION OF TRAINING AMONG DIRECTORS OF HUMAN RESOURCE DEVELOPMENT  
AND THE ONGOING FISCAL SUPPORT FOR THEIR PROGRAMS

by

Peter J. Frazier-Koontz

A DISSERTATION

Presented to the Faculty of

The Graduate College in the University of Nebraska

In Partial Fulfillment of Requirements

For the Degree of Doctor of Philosophy

Major: Interdepartmental Area of Community  
and Human Resources

Under the Supervision of Professor Allen Blezek

Lincoln, Nebraska

December, 1991

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A SURVEY OF BANKS EXAMINING THE ATTITUDE, COMPETENCE, AND PRACTICE  
OF EVALUATION OF TRAINING AMONG DIRECTORS OF HUMAN RESOURCE  
DEVELOPMENT AND THE ONGOING FISCAL SUPPORT FOR THEIR PROGRAMS

BY

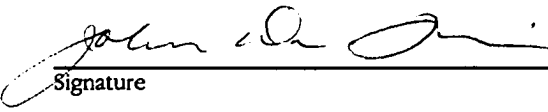
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A SURVEY OF BANKS EXAMINING THE ATTITUDE, COMPETENCE, AND PRACTICE OF  
EVALUATION OF TRAINING AMONG DIRECTORS OF HUMAN RESOURCE DEVELOPMENT  
AND THE ONGOING FISCAL SUPPORT FOR THEIR PROGRAMS

Peter J. Frazier-Koontz, Ph.D.

University of Nebraska, 1991

Advisor: Allen Blezek

The purpose of this study was to examine three variables among directors of human resource development from 150 of the largest banks in the United States related to evaluation of their training programs. A survey was sent to a random sample taken from Polk's Bank Directory (1990). Using a five-point Likert scale, the directors rated themselves on their attitudes regarding doing evaluations of training in general and on each of Kirkpatrick's four stages of evaluation specifically. They also rated themselves on their competence to design and implement each of the four stages of evaluation and rated their practice in using each of the four stages of evaluation in their programs. Fiscal support for the training programs and for the operations of the bank over a five-year period was requested. Demographic data on the directors were also obtained.

Descriptive statistics (means and standard deviations) were used to analyze the responses. An analysis of variance test was used to determine differences in belief, competence, and practice across the four stages. Correlations were also performed within each stage.

With a return rate of 57 (38.0%), results were not generalized to the banking industry. Major findings revealed that while directors

strongly supported evaluation of training, their practice was to use reaction evaluations significantly more frequently than any other stage of evaluation, although they had significantly less belief in its usefulness. Learning, behavioral, and impact evaluations were seen as being equally good in providing information. They also judged themselves less competent in designing, implementing, and using impact evaluations. There appeared to be little standardization in the education and experience of directors of human resource development as well as in the fiscal accountability of the departments.

PREVIEW



## ACKNOWLEDGMENTS

It is a humbling experience to come to this point in my journey and to pause to consider all who have made this project possible for me. My sincerest thanks and appreciation go to those who accepted the responsibility of serving on my supervisory committee. Dr. James Horner started this process with me and chaired my committee until he retired from the university. Dr. Allen Blezek took the baton and saw me through to the end. It is a privilege to count those two friends as well as advisors. I am also fortunate to count as friends the others who served on my committee including Professors John DeFrain, R. McLaran Sawyer, Roy Dillon, Vern Williams, and Jerry Gilley.

My thanks goes to the 57 directors of human resource development in the banking industry who took the time to complete my survey and talk with me about my study.

My friends and colleagues on the staff of the Community Mental Health Center of Lancaster County, the Southern Heights Presbyterian Church and Homestead Presbytery have been more than patient and tolerant with my preoccupation these past months. I also am indebted to Clyde Heppner and Suzie Sybouts for their technical counsel and assistance.

It is said that behind every successful man stands a woman. I am proud and grateful for the presence of the woman who stands, not behind me, but along side me in my life. Without my wife Mickie, this project would not have been attempted. She has supported me

patiently, confronted me when necessary, challenged me, offered her considerable wisdom, and most of all forgiven my faults and loved me through this time. It is to her that I dedicate this work.

P.J.F-K.

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PREVIEW

## CHAPTER I

### INTRODUCTION

The principal responsibility of human resource development departments in corporate America is to provide training for employees. The objectives of most training programs can be stated in terms of desired results. These results include: reduction of costs, turnover, absenteeism, and grievances; increased productivity through motivation and skill development; and increased morale (Kirkpatrick, 1983). Although a great deal of money is spent each year on training, little effort seems to be expended in most companies for critical evaluation of that training. There are several good reasons for doing evaluations of training programs.

First, training is expensive. In 1988, the total amount budgeted for formal training by United States organizations with more than 100 employees was estimated at \$39.6 billion. The number of individual workers receiving employer-sponsored training during the year was estimated nationally at 37.5 million, with an investment of 1.2 billion hours for training. The total dollars budgeted by training departments for outside expenditures (equipment, seminars, computers, packaged training programs, etc.) was \$9 billion (Feuer, 1988).

Second, few attempts are made to justify this staggering cost. Managers, needless to say, expect their manufacturing and sales departments to yield a good return and will go to great lengths to find out whether they have done so. When it comes to training,

however, they may expect a return, but rarely do they make a commensurate effort to measure the actual results. Cohen observed (1985) that while cost-benefit analysis of institutional training is fairly widespread, systematic cost-benefit studies on company training are scarce.

Follow-up evaluations to assess impact have been avoided in the past for several reasons including lack of time and resources to conduct evaluations by trainers and a lack of technical expertise (Tallman & Holt, 1987). Galagan (1983) found in a survey of Training and Development Journal readers that one-third of the respondents regarded evaluation as their most difficult task. Evaluation often seems complicated or expensive, and trainers may not consider carefully the rewards from research.

Third, if the managers of human resource development programs are unable or unwilling to provide evidence that their training accomplishes anything, they are on dangerous ground when fiscal cuts become necessary. "We have no evidence that HUMAN RESOURCE DEVELOPMENT works." "Management development is smoke." "Our efforts are supported mainly by faith." These statements, made by senior human resource development managers from across the country meeting at the invitation of the American Society for Training and Development, reflect a common state of affairs in training evaluation (Galagan, 1983).

Human resource development managers have been slow to utilize cost-benefit analysis and have been able to get away with it thus far. There is no guarantee, however, that it will continue, and training

directors might be well-advised to take the initiative and provide more objective evaluations of their programs. In increasingly competitive times, fiscal cuts are directed at the departments in which productivity cannot be proved or in which the weakest cost-benefit ratios are offered. Historically, training departments have been targeted for reduction or elimination because they have not shown the connection to the bottom line of the organization (Barta, 1982; Kelley, Orgel, & Baer, 1984; Zenger & Hargis, 1982).

Fourth, can a trainer ethically continue to do what is not demonstrated or verifiable? Can a professional continue to practice a craft without critical evaluation informing the practice? Because organizations are run on the basis of budgets, Kearsley (1986) stated, "The ability to conduct cost/benefit studies should be considered an essential skill for anyone who purports to be a professional trainer today." Trainers, however, have not consistently conducted effective evaluation programs to demonstrate that training can have an impact on the organization.

How do human resource development managers conduct needs assessments if they have no evaluation to demonstrate that their training has met the needs? Although there can be little doubt that training is important, and even essential, for companies and their employees, is it ethical to continue to invest resources without demonstrating tangible evidence of success?



### Purpose of the Study

The purpose of this study was to compare four stages of evaluation of training used by the directors of human resource development and to examine the relationship among the evaluation levels. First, the attitudes of human resource development managers in major financial institutions in this country toward doing evaluation of their training was measured. Second, their perceived competence to design and implement evaluation of training, using each of Kirkpatrick's four stages of evaluation, was assessed. Third, the managers were asked to describe the frequency of use Kirkpatrick's four stages of evaluation received in their training departments. Fourth, the fluctuations in the level of funding for their training departments over a five-year period were compared with the level of funding for the operations of the banks over the same period and with the managers' attitudes, competence, and practice. Demographic data on the human resource development managers were also collected.

The objectives of the study were:

1. to assess the attitudes of the managers of human resource development toward evaluation of training within their companies.
2. to assess the self-perceived competence of the managers of human resource development in designing and implementing evaluations on each of Kirkpatrick's four stages (reaction, learning, behavioral, and impact) of evaluation.

3. to assess the frequency with which managers of human resource development used reaction, learning, behavior, and impact evaluations in their training programs.

4. to assess the relationship between the type of evaluation used in individual companies and the support for training and development which those companies provided over the past five years.

### Research Hypotheses

The following research hypotheses were developed:

1. Human resource development department managers who believe that evaluations of training are a necessary part of their responsibilities will routinely conduct such evaluations.

2. Human resource development department managers who have the belief that higher stages of evaluation are necessary will routinely conduct them more frequently than reaction evaluations.

3. Human resource development department managers who have the competency to design and implement higher stages of evaluation will conduct them more frequently than reaction evaluations.

4. Human resource department managers who can demonstrate, through higher stages of evaluations, that their training has resulted in behavioral changes in the trainees or has made an impact upon the organization will have experienced more stability or growth in their training budgets over a given period of time than those who rely on reaction evaluations alone.

### Null Hypotheses

Ho<sub>1</sub>. There will be no difference in the attitudes of the directors of departments of human resource development related to the stages of evaluation used in their training programs.

Ho<sub>2</sub>. There will be no difference in the competency of managers of human resource development departments in designing and implementing the various stages of evaluations in their training programs.

Ho<sub>3</sub>. There will be no difference in the frequency of use of the reaction, learning, behavior, and impact evaluations by the managers of human resource development departments.

Ho<sub>4</sub>. There will be no difference in the level of funding of training among the managers of human resource development departments.

### Definitions

Attitudes toward doing evaluation. Receptivity and acceptance of the need to do evaluations of training programs; a belief that evaluations are necessary for a training program; a willingness to conduct evaluations of training on a regular basis.

Behavior evaluation. A comparison of job performance (or some other variable) on a "before" and "after" basis with appraisals coming from the trainer, superiors, peers, and/or subordinates. The more groups one involves with the evaluation, the better. The post-training evaluations should be made three months or more after the training has taken place. Behavior is a difficult variable to measure because there must be an established baseline from which a comparison

can be made to determine if a behavioral change has resulted. The primary difference between learning and behavior is that behavior is an outward manifestation of learning. In other words, when learning occurs, it changes one's behavior (Kirkpatrick, 1959).

Competence in doing training evaluation. The perceived ability of the human resource development manager to design appropriate evaluation techniques to assess, through the use of objective measures, the extent to which the trainee has achieved the stated learning objectives; to describe the changes that have taken place in the trainee's behavior; and to describe in measurable terms the impact that the training has had upon the organization.

Learning evaluation. A measure of the principles, facts, skills, and attitudes which were obtained from the training effort. The learning should be measured so that quantitative results can be determined on an objective basis, either through the use of a control group or by administering pre- and post-tests to determine what, if any, learning took place (Kirkpatrick, 1959).

Reaction evaluation. A measure of the satisfaction of the trainees to a training program or presentation, usually measured on a Likert scale. This method does not use a measure of any learning that takes place (Kirkpatrick, 1959). According to Robinson (1987), over 75 percent of human resource development departments utilize this approach at least 81 to 100 percent of the time.

Result or impact evaluation. A measurement of the effects training has had on the organization. These indices may include

increased production and sales figures and a reduction in turnover rates, grievances, absenteeism, accidents, and disciplinary actions (Kirkpatrick, 1959).

#### Underlying Assumptions

1. Attitudes of human resource managers relative to doing evaluations of training programs can be measured.
2. Perceptions of human resource development managers as to their competence to do different types of evaluation can be measured.
3. The sample of financial institutions is from a reasonable population as determined by the supervisory committee.
4. Support of funding for training and a positive correlation between the budget for training and the operations budget for the same institution is a reasonable measure of the success of the training program.
5. Kirkpatrick's four stages of evaluation are valid for assessing training.

#### Delimitations

1. The study was limited to the preceding five years.
2. The study used Likert scales for evaluation of attitudes. Measurement was subject to any weaknesses inherent in this measure.
3. The measures of attitudes and competence were based upon self-report and, as such, were subjective.

4. This study was subject to the weaknesses of a survey design, such as lack of control over treatment and absence of control groups.

#### Significance of the Study

This study should demonstrate the importance for human resource development managers within financial institutions to conduct evaluations of a higher level than the reaction type in order to demonstrate to their corporations the effectiveness of training. By doing so, the development managers can conduct more effective training, position themselves and their departments more favorably within the organization, and better protect themselves against the possibility of reduction in funding.

## CHAPTER II

### REVIEW OF THE LITERATURE

The principal responsibility of human resource development departments in corporate America is to provide training for employees. Clearly, training is expensive. In 1988, the total amount budgeted for formal training by organizations in the United States with more than 100 employees was estimated at \$39.6 billion. The number of individual workers receiving employer-sponsored training during the year was estimated nationally at 37.5 million, with an investment of 1.2 billion hours for training. The total dollars budgeted by training departments for outside expenditures (equipment, seminars, computers, packaged training programs, etc.) was \$9 billion (Feuer, 1988).

Few attempts have been made to justify this staggering cost. Managers, needless to say, expect their manufacturing and sales departments to yield a good return and will go to great lengths to find out whether they have done so. When it comes to training, however, they may expect a return, but rarely do they make a commensurate effort to measure the actual results. Cohen (1985) observed that while cost-benefit analysis of institutional training is fairly widespread, systematic cost-benefit studies on company training are scarce.

Follow-up evaluations to assess impact have been avoided in the past for several reasons, including lack of time and resources to

conduct evaluations by trainers and a lack of technical expertise (Tallman & Holt, 1987). Galagan (1983) conducted a survey of Training and Development Journal readers in which one-third of the respondents regarded evaluation as their most difficult task. Evaluation often seems complicated or expensive; thus, trainers may not carefully consider the rewards of research.

A large part of the training in business settings is evaluated by persons with very little or no formal education in program evaluation (Saunders, 1989). If the managers of human resource development programs are unable or unwilling to provide evidence that their training accomplishes anything, they are on dangerous ground when fiscal cuts become necessary. "We have no evidence that human resource development works." "Management development is smoke." "Our efforts are supported mainly by faith." These statements, made by senior human resource development managers from across the country at a meeting of the American Society for Training and Development, reflect a common state of affairs in training evaluation (Galagan, 1989).

Historically, training departments have been targeted for reduction or elimination because they have not shown a connection to the bottom line of the organization (Barat, 1982; Kelley, Orgel, & Baer, 1984; Zenger & Hargis, 1982). Because organizations are run on the basis of budgets, Kearsley (1986) stated, "The ability to conduct cost-benefit studies should be considered an essential skill for anyone who purports to be a professional trainer today."