

The ability to assess the benefits of training that accrue to business customers is important to both programs, which can use such information to market their services to customers, and to businesses, which want some evidence that their training investments have pay-offs. This *Update* focuses on WSI's work with a small group of practitioners and businesses to develop a practical way to assess business value.

How Does Business Benefit from Sectoral Workforce Development Services?

A key underpinning of effective workforce development programs, and sector-based programs in particular, is that they address the needs of both business customers and workers, often with a conscious effort to improve the economic fortunes of low-income workers.

There are a number of generally accepted measures of effectiveness that are used to gauge how well a workforce development program is meeting the needs of workers. Getting jobs, earning higher wages and benefits, and maintaining employment are all standard indicators of worker outcomes.

The ability of programs to name and assess the benefits that accrue to businesses is much more limited. To date, typical best practice business outcomes data have taken the form of counts of employer customers, counts of repeat customers, and general feedback about employer satisfaction. A small number of programs charge business customers fees for services or leverage a variety of employer in-kind contributions. Among these high-performing programs, enduring business relationships and continued "willingness to invest" are proxies for

measuring the value of a program to business customers. The vast majority of programs, however, do not have sufficient information about the value of their services to confidently set prices and charge fees for the work they do. Lack of specific information about value to businesses also hampers practitioners' ability to assess the effectiveness of and promote their programs.

The Business Value Assessment working group, made up of nine sectoral workforce development practitioners and their business customers, collaborated with the Aspen Institute's Workforce Strategies Initiative (WSI), to develop a practical methodology for identifying and assessing costs and benefits of training that accrue to business customers. Funded by the Charles Stewart Mott and Ford foundations, in 2003 the working group began developing

Sectoral employment development programs target a particular industry – and a set of occupations within it – in order to improve the quality of job opportunities available to low-income or disadvantaged constituencies. These programs become knowledgeable participants in the targeted industry in which they work, often pioneering labor-based innovations that benefit industry and workers. Programs strive to influence industry practice on behalf of low-skilled or otherwise disadvantaged workers through a range of strategies, including: operating education and training programs; running for-profit businesses; forging institutional links with educational institutions, employers, unions and industry associations; advocating for policy changes; and providing consulting or other services to firms within the industry.

Business Value Assessment Working Group Members

Sector Programs/ Training Providers

- Boston Private Industry Council, Boston, Mass.
- Jamaica Plain Neighborhood Development Corporation, Boston, Mass.
- Jane Addams Resource Corporation, Chicago, Ill.
- Jewish Vocational Services, San Francisco, Calif.
- New Century Careers, Pittsburgh, Pa.
- Paraprofessional Healthcare Institute, South Bronx, N.Y.
- Teamworks, Inc., Park Rapids, Minn.
- Tucson Medical Center University, Tucson, Ariz.
- University of Southern Maine, Center for Workplace Learning, Portland, Maine

Business Clients

- Barber Foods, Portland, Maine
- Children's Hospital Boston, Boston, Mass.
- Curtiss-Wright Electro-Mechanical Corporation, Cheswick, Pa.
- Dudek & Bock Spring Manufacturing Company, Chicago, Ill.
- Home Care Associates, Philadelphia, Pa.
- Lamb Weston-RDO, Park Rapids, Minn.
- Partners HealthCare Radiology Departments, Boston, Mass. (Brigham and Women's, Faulkner, Massachusetts General and Newton-Wellesley hospitals; North Shore Medical Centers/Salem and Union)
- S&C Electric Company, Chicago, Ill.
- Superbolt, Inc., Carnegie, Pa.
- TEAM Industries, Inc., Cambridge, Minn. and Bagley, Minn.
- Tucson Medical Center HealthCare, Tucson, Ariz.
- UCSF Medical Center, San Francisco, Calif.

and testing a new business value assessment framework, determining relevant and practical measures, and designing and testing tools for implementing test case assessments.

This publication describes lessons learned about planning and implementing business value assessments based on the working group's experimental activities. It highlights principles that will be useful for practitioners and firms interested in evaluating their own readiness to engage in this type of assessment. It provides an introduction to a toolkit that will be available from AspenWSI in Fall 2005. The publication concludes with notes for investors interested in supporting efforts to learn more about the business outcomes that result from the workforce development activities they fund.

The Business Value Assessment working group represents two broad industry sectors – health care and manufacturing. Participants were selected via an open competitive process. The business representatives have procured incumbent worker training and

other career advancement, counseling and developmental services, hired new workers trained by the sector program, or a combination of these services.

The business representatives participating in this learning project admittedly provide a best case testing ground. They articulate their own needs for better information to confirm internal anecdotal information about benefits they obtain from training efforts and to justify additional investments in training within their own firms. And they express commitment to the value of a trained workforce at all levels in their firms. These businesses have been working hands-on, long term on a voluntary basis, with their nonprofit training service providers, to identify, measure and ultimately describe or quantify a range of training outcomes relevant to them.

What do businesses want to know about outcomes?

Sectoral workforce development programs provide a broad range of services to businesses.

And businesses procure services for an even wider range of reasons and to address a variety of workforce challenges. In considering how to assess the results that accrue from these services, it is critical to understand that businesses' rationales for investment are far from uniform. A few examples serve to illustrate this diversity:

- Firms with labor shortages work with programs to expand the appropriately prepared labor pool – through both new worker hiring programs and a range of incumbent worker training, and developmental services.
- Firms employing large numbers of immigrants turn to programs for help delivering vocational English as a Second Language and other basic skills instruction, customized for a particular industry work environment, to facilitate better communication among employees and improve safety and productivity.
- Firms struggling to remain competitive in their markets by adapting new technology and equipment or reorganizing workplace practices turn to sector programs for help designing and delivering specialized hard and/or soft skills training to address specific challenges associated with shifts toward more competitive business practices.

At the outset of the Business Value Assessment learning project, the group developed an assessment framework that reflects the range of overarching questions about outcomes of workforce development services to which employers want answers.¹ These broad questions include:

1. How does sectoral workforce development improve and retain (and expand) a qualified workforce?
2. How does sectoral workforce development improve the quality of a company's product or service?
3. How does sectoral workforce development affect productivity? Over what time period?
4. What are the direct costs to employers of participating in sectoral workforce

development services?

5. How does sectoral workforce development improve the "soft skills" of the workforce?

As noted above, a business invests in training or other workforce development services to address a specific challenge it is experiencing. Thus, to make progress in a practical way toward assessing benefits accruing to an individual employer, it is necessary to start by determining not only which of the general questions within the above framework are relevant to a firm, but also how that question is translated within the specific environment of the firm's operations and objectives for investing in training. A few examples of how individual firms and program providers have refined appropriate assessment questions derived from the overall question framework serve to illustrate this important early step in the Business Value Assessment planning process.

Home Care Associates (HCA) of Philadelphia indicated that its interest in training outcomes was based on questions about quality, productivity and soft skills – three of the five questions in the Business Value Assessment framework. HCA management noted that it believed a valid indicator of training outcomes could be found by understanding customer opinions. Specifically, management wanted to learn whether clients served by HCA's home care aides, who receive more training than is required by local industry guidelines, were more satisfied than were clients of aides who receive limited or even no training. Concrete information to address this question would enable HCA to differentiate itself from competitors, enhance its ability to market its services and ultimately justify additional investments in training to potential funders.

In Minnesota, *TEAM Industries* initiated large-scale training designed to increase competitiveness by changing the way employees view their own role within the larger production process. The specific questions the firm wanted to answer about training outcomes

¹Additional research by AspenWSI indicates that these questions are of interest to a broader employer audience. Telephone interviews with 43 employers were conducted in 2003. Highlights of this work are available at www.aspenwsi.org.

were: Does participating in training result in changes in employees' understanding of how they contribute to overall competitiveness? Does it result in improvements in soft skills, such as flexibility and initiative-taking? Are these changes associated with changes in productivity? These questions reflect the Business Value Assessment framework of overarching questions, and relate changes in soft skills performance to firm productivity.

New Century Careers (NCC) a sectoral workforce development program in Pittsburgh, wanted to learn whether its new worker training and placement services resulted in long-term cost savings for a business customer who had hired a number of workers through NCC over the course of several years. The program wanted to know whether there was a difference in retention for workers hired through NCC versus other sources, and whether the company experienced cost savings related to differences in retention.

A final example highlights an employer's question about how sectoral workforce development services might serve to expand the local qualified workforce. In Boston, the *Private Industry Council*, working in partnership with *Partners HealthCare*, developed a sectoral training initiative designed to train and place new recruits in jobs as radiologic technologists at six participating hospitals, all of which were struggling to find qualified candidates to fill related job vacancies. *Partners HealthCare* wanted to learn whether and how the scholarship for radiologic technologist training influenced candidates' career choices and retention.

These examples illustrate a key principle to consider in initiating an assessment of outcomes of value to a business. *It is important to begin by understanding the rationale for the firm's investment in workforce development services. In other words, what did the business hope to gain from the training or service provided?* It is worth noting here that the workforce development service provider may have a range of additional questions it is interested in and that are key to its own mission, such as whether individuals are earning higher wages or have moved off public

assistance. But these generally are not the most relevant questions from the employer perspective. For example, in its partnership with *Partners HealthCare* offering scholarships to Boston residents and incumbent employees of *Partners HealthCare* affiliated institutions, the *Boston PIC* also was interested in assessing whether the program succeeded in increasing minority representation among new-hires in the radiologic technologist occupation and in helping lower-income workers access higher-wage jobs. While *Partners HealthCare* certainly expressed a goal of better reflecting the local population in its workforce diversity at all levels and was pleased to offer an opportunity to community residents, its primary objective was to solve a labor shortage with qualified personnel.

The framework of five questions developed by the Business Value Assessment working group is intended to serve as a launching point for working with businesses to understand their more specific reason(s) for investment in workforce development service and their own question(s) about outcomes. This ultimately should contribute to laying the groundwork and planning a meaningful assessment process with the business actively participating.

What happens next? Indicators, tools and guiding principle for an assessment

With the five questions serving as a guide, the working group developed a set of practical indicators and measures to inform their questions. An indicator is a piece of data that directly or indirectly measures whether an outcome of interest is occurring. To give a simple sample of direct versus indirect measures, one might want to know how the population of a given neighborhood is changing. Direct measures might include data on things such as residents' income, education levels and household composition. Indirect measures might include changes in the retail mix that indicate a different kind of consumer now lives in the neighborhood, such as a trendy coffee shop opening up in a gentrifying neighborhood, or conversely, a check-cashing facility opening up in a neighborhood that is becoming poorer. For the purposes of social and business research

and assessment, a question might be informed by more than one indicator. So, continuing the above example, one might also look at changes in the number and type of cars parked in a neighborhood. And one indicator might provide input that informs multiple questions; the indicators in our neighborhood example might inform questions about how residents' disposable income is changing, and about whether the neighborhood population overall is growing or declining.

For this work, the group discussed a wide range of indicators, such as: number of new workers hired; retention; turnover; the cost of turnover or the cost savings of retention; employee and customer satisfaction; communication, problem-solving, conflict-resolution, initiative-taking and teamwork skills; efficiency, scrap; and the employer's cost of training, among others. *Explicit attention was given to practicality – balancing the cost and burden of assessment against the rigor of the measurement process.* The goal of the Business Value Assessment learning and experimentation process was to develop a methodology and tools for use by program practitioners that would reasonably and fairly point the way to observations and conclusions that inform the businesses' question or set of questions. Thus the group consciously made practical decisions about indicators based on how difficult they might be to isolate, define, measure and interpret.

Some of the measures selected by the group are based on data that many firms collect and monitor as inputs into their regular decision-making processes. For example, many manufacturers use production monitoring tools that keep track of productivity data, such as the amount of materials scrapped and the number of jobs completed within varying timeframes. Most businesses track employment status and can provide data to quantify retention. They also can provide estimates of expenses needed to calculate measures, such as the cost to hire or terminate employees. For these types of measures the Business Value Assessment group has developed a standard

Excel workbook-based platform for compiling and analyzing data. The workbook requires the employer, following a set of general guidelines, to compile or organize standard data for specialized groups or time periods that are deemed relevant to the workforce development service or population being evaluated. This basic workbook tool can be customized in a variety of ways.

Other indicators that are relevant to employers' ability to estimate benefits that accrue from workforce development services are based on data that may not be collected as a matter of course. These include differences in soft skills such as initiative-taking and flexibility, changes in job-related skills believed to be due to training, and other outcomes such as customer or employee satisfaction. The Business Value Assessment group has developed a number of questionnaire tools intended to be completed by supervisors, employees and customers for collecting new data to inform a wide variety of indicators.²

The ultimate goal of the Business Value Assessment framework is to develop measures that reasonably and fairly indicate costs and benefits that accrue to the firm as a result of training or other workforce development services. The group considered the fact that outcomes resulting from workforce development services are often affected by a wide variety of other factors at play in an individual firm's operating environment. The group has not attempted to develop a formula for calculating a precise dollar figure representing bottom-line return on investment. Employers participating in the project clearly stated they are accustomed to making business decisions based on what may be imperfect (yet timely, relevant and defensible) information presented both quantitatively and qualitatively. So while the group worked hard to experiment with ways to monetize a range of benefits believed to result from training, the framework includes non-monetized outcomes and presents both in the context of the overall estimate of a business' investment in the specific service. For example, differences in retention among

²Both an Excel workbook and templates for primary data collection questionnaire tools will be available in the forthcoming Business Value Assessment Handbook.

trained and untrained workers are monetized as relates to a firm's costs for hiring and replacing employees. Changes in employees' ability to communicate effectively with their supervisor or take initiative at work are not monetized. And the direct cost to the employer for providing training or working with the program is estimated. The Business Value Assessment tools allow for businesses to make estimates or provide more specific data – accommodating higher or lower levels of rigor to reflect the burden of proof required in different assessment contexts, as well as practical considerations about the availability of data.

Key learnings about planning and conducting a business value assessment

In this section we report a number of the working group's key learnings to date. This section is intended to provide important background and context for considering both the promise and challenges that will be encountered over the course of planning and implementing an assessment of this type. The forthcoming toolkit of assessment tools and handbook will provide more specific and practical guidelines – built around these key learnings – to assist individuals who are interested in using the tools to plan and implement effective customized assessments.

In planning and conducting a business value assessment, the company context within which services are delivered is a critical factor. Businesses are typically interested in improvements to productivity, product quality, customer satisfaction and retention, and cost savings and revenue increases related to these improvements. However, each business invests in workforce development services for slightly different reasons that relate directly to their unique business situation. Each business setting may also encompass unique work settings, procedures or extraneous events, which may affect your assessment of the workforce services. Therefore, even the most standardized indicators of workforce development business value must be tailored for each business customer. This issue is explored in more detail

in the key learnings that follow.

Business customers must be involved in planning an assessment. A strong working relationship between the workforce development program and business customer is a pre-requisite to being able to plan and implement a business value assessment initiated by a program practitioner. The planning process must engage the business substantially – in order to clearly specify what questions are to be explored, what types of data the firm is willing and able to provide and whether there are issues related to confidentiality that need to be managed. In addition, it is important to understand other events or changes at the company that also may have an influence on the outcomes being measured and will need to be taken into account in the analysis.

When possible, the assessment should be planned concurrent with service design.

Throughout the course of business value assessment testing, we have seen that the experience of working with individual firms to understand the questions they want to address via the assessment builds ownership and commitment from the firm to learning the answer. When this process occurs prior to service delivery, the potential to design and implement an assessment that will provide useful information pertinent to employer interests is much greater. In addition, this discussion of how to measure the results a firm wants to achieve can influence the design of a planned training intervention and contribute to establishing clearly articulated and realistic expectations about the anticipated outcomes. In some cases, pre-service data needed to evaluate post-service outcomes must be identified and collected prior to service delivery. In other cases, businesses may want to make sure they have plans to deploy newly trained employees in activities that require new skills to ensure that the appropriate context for assessment exists. While this last point may seem obvious, having a conversation about outcomes up front can help identify cases where there are misunderstandings about what the trainee is expected to learn, and

how that learning applies in the workplace. For example, some educational programming delivered to incumbent workforces may not be designed to lead to directly observable or measurable work-related outcomes – particularly when viewed within a short time horizon. Rather, such programming may be part of a longer-term strategy to prepare workers for more advanced courses of study. In such cases, the primary objective may be mastery of content rather than immediate changes in job performance. Thus, advance planning allows for both the program and the employer to get the most out of the entire assessment process.

The scale of workforce development services affects the results you can expect from a business value assessment. Scale in workforce programs relates to how many employees were serviced, what proportion of the workforce these employees comprise, and the intensity of services provided. While businesses express great interest in learning about overall productivity and efficiency outcomes, many workforce development programs have limited objectives, which may not be measurable at a company-wide, shift-wide or even work-group level. A few examples demonstrate this issue.

Sector programs may train and place a large number of unemployed individuals for specific occupations. However, not enough of these workers are placed with any one company to enable meaningful data collection on even such a basic indicator as retention. This issue is not easily addressed by aggregating retention outcomes across firms, given that the different environments of individual companies have a strong influence on retention experience. Similarly, sector programs that train incumbent workers may train a small number of employees relative to each firm's total workforce. Further, these employees may be scattered across several different work units. Small numbers of employees in the workforce program limit whether one can see differences resulting from the training in either firm-wide or unit-specific productivity measures.

These issues are not presented to discourage workforce programs from conducting business value assessment. Business customers consider even relatively small improvements meaningful and important, especially if they are small- to medium-sized businesses. Rather, these challenges are presented as background for the approach taken with the Business Value Assessment package of tools, and what they can and cannot provide in terms of data to business. The Business Value Assessment tools were designed to measure improvements only among the individuals who participated in a workforce service, as compared to similar comparison groups, or over relevant time periods pre- and post-service.

Planning a business value assessment in conjunction with planning a workforce development service may allow the business and program together to define a workforce population to be trained and service delivery timeframe that maximizes the ability to learn about post-service outcomes.

TEAM Industries in Cambridge, Minn., recently concluded a 16-week Advanced Operator training course. The business wants to learn whether the training results in greater productivity measured by efficiency and scrap rate. The trainees are employed across a variety of work groups and shifts, and produce a range of components that may also change day-to-day or week-to-week. Due to these factors, TEAM Industries believes that to measure changes in productivity it must analyze efficiency and scrap rate data over a 90-day period, both pre- and post-training, on an individual operator basis, to discern whether the training results in measurable (and meaningful) improvements. The company uses production monitoring software that can provide this data. While the firm is interested in learning how training impacts productivity more broadly, it also has realistic expectations based on an understanding of the trainees and their roles in a wide range of company operations. Thus, the company will review pre- and post-training productivity data on an individual operator basis to obtain a reasonable assessment of the role of training in any measurable changes.

The timing of a training intervention must be considered in planning an assessment. Many companies have wide fluctuations in activity or are predictably cyclical in nature. While it will never be possible to understand or account for all of the non-service related factors that affect outcomes, it is important to consider the possible effects of those that can be identified. The following are a few examples:

- Firms working in seasonal or highly cyclical industries may hire and lay off workers in a predictable pattern – one that may have little to do with worker productivity. Under these conditions, it may be misleading to relate retention outcomes to workforce development services provided, or it may be that one needs to carefully consider the time periods during which retention outcomes might be comparable.
- Training may necessarily occur during periods of low production. Or a training event may have occurred immediately prior to a slow-down or increase in orders that had no relationship to the training. In such cases, measured changes in productivity could be unfairly attributed to a workforce development service provided.
- To minimize productivity losses during training, classes may be staged over a long period of time with workers scheduled to complete them on a variety of timetables. In this case it would be important to understand if workers' outcomes need to be reviewed relative to possible differences in a company's environment over time.
- Training may occur simultaneously with another major change within a firm, such as the acquisition of new equipment, a new contract, reorganization of work groups or a management change. During such periods of major change, it might be unrealistic to expect to assess changes in performance due to training.

The duration of an assessment, as well as when it will be administered, must also be considered. For example, the Business Value Assessment productivity assessment tool allows the program-business partnership to

designate a time period pre- and post-training that is relevant to the production process being assessed (particularly important in the manufacturing context). In our test experiences, this period ranged from one to six months.

Curtiss-Wright Electro-Mechanical Corporation,

located in Cheswick, Pa., recently completed an assessment to determine if there had been a quantifiable impact on efficiency as a result of a Mastercam training program delivered in conjunction with New Century Careers. Thirteen operators were trained to write machining programs. The facility machines extremely customized components that are completed within a wide variety of timeframes, thus requiring a very long time horizon to realistically assess any changes in productivity due to training. Eighteen months after training completion, the business collaborated on a study that used Shop Performance System data and compared production times pre- and post-training for 18 different parts. It learned that in this period the business experienced a significant return on the training investment due to increased efficiency gains by operators who could make programming changes and displayed greater "ownership" over their work. The company projects even greater potential savings over the next two years.

The timing of an assessment also should reflect other information-gathering and reporting activities conducted within a firm. Companies likely will wish to schedule the administration of questionnaires or other data collection projects so they do not conflict with such efforts as customer satisfaction surveys or major reporting periods for the accounting, operations or human resources departments. Thus, having information about possible conflicts with other departments or individuals who may provide input into an assessment is important in developing an implementation plan.

Tucson Medical Center (TMC) recently completed the first round of a large scale incumbent worker training program designed both to ensure that Patient Care Technicians have uniform skills and that supervisors are informed about job responsibilities. The goals of the training were oriented toward improving patient care, increasing efficiency of service delivery, and improving retention in this occupation. A major component of the assessment is a questionnaire that queries technicians and supervisors about both technical skills and workplace practices. The desired timing for administering this questionnaire relative to training completion conflicted with a hospital-wide survey that took priority. In this case TMC staff, communicating closely with other hospital departments, learned of this conflict in a timely manner and a satisfactory compromise was reached.

To interpret outcomes that relate to program services, relevant benchmarks must be identified. Firms must be able to compare performance outcomes believed to result from a workforce development service to a reasonable benchmark. The working group has approached benchmarking in a number of ways, including: collecting comparison data for similar groups of employees who did not participate in training; compiling data from the time period immediately prior to a training event; and comparing outcomes to data from a different time period when other environmental factors were similar.

At this point in the Business Value Assessment testing process, all benchmarks have been internally generated by the participating employers. The reason external benchmarks have not been used is that outcomes are only relevant to a company's individual experience and how this changes due to training. For example, benchmarking retention to a general industry or occupation average or median would not provide the employer with information about how the firm's experience may have changed due to an investment in a workforce development service, because the firm's performance may

have been substantially better or worse than the industry benchmark prior to the training intervention. In addition, the group considered looking at industry benchmarks for context, but found it difficult to find data of interest either for employment measures (such as retention) or for productivity measures (such as scrap rate). Where benchmarks were found, they often were deemed unsatisfactory because they were based on national samples or because job classifications were defined too broadly. Since external benchmarks are not sufficiently useful here, successful assessment rests on the availability of comparison information for employees who do not participate in training or from multiple time periods (e.g., pre-training and post-training).

Barber Foods in Portland, Maine, is a poultry manufacturing firm with a long history of providing education and training to its workforce, composed largely of recent immigrants to the U.S. The company contracts with the **University of Southern Maine's Center for Workplace Learning (USM-CWL)** for an on-site education program that allows workers to take a range of courses, including customized English as a Second Language, basic education courses, and courses that prepare workers to pursue other formal education opportunities. Barber Foods' philosophy centers on providing this opportunity, which it believes contributes to enhanced worker loyalty, increased performance and longer retention. Industry benchmarks for retention in the food processing industry are not relevant for Barber Foods, as the company is already a high performer relative to industry averages. But like any business that must remain cost-competitive to stay viable, it does want to learn how increased retention affects its hiring and replacement costs. The firm devised a practical methodology for measuring retention and other performance (using employee review records) that compares results for workers who have participated in a minimum number of courses to those who have not participated. It found that employees who actively participate in the education program have longer retention, earn better performance review scores, and save the company money because of their better retention experiences. Work by Barber Foods and USM-CWL has contributed greatly to the development of business value assessment tools that use practical, internally generated benchmarks to identify, quantify and monetize outcomes for different groups of employees.

An employer may be constrained from providing data that would answer a pressing outcomes question because of company confidentiality issues. A confidentiality agreement or other safeguards relating to use of data may be necessary to comply with company guidelines in this area. Or an employer who is interested in assessing outcomes may be willing to complete the tools independently and share findings in terms that are more relative than absolute – for example, providing the change in a productivity indicator as a percentage, rather than as an exact figure.

To answer relevant questions about outcomes, it may be necessary to collect new data via questionnaires. A surprising learning from the working group is how much new data businesses have willingly, even enthusiastically, collected to inform their questions about training outcomes. While this may not be the case with all business customers, we believe that when an assessment is designed to answer questions relevant to them, businesses are more likely to be willing partners.

At the outset of the assessment design process, all of the business participants in the working group expressed a keen desire to learn more about changes in employees' soft skills. This is an area in which many employers report anecdotally that they see differences in workers that result in improvements in their firms' operating environments. The group wanted to devise a way to document the behavior of trainees, and developed a brief questionnaire to be completed by supervisors for this purpose. This tool has been tested by a number of the employers in a variety of contexts, and is included in the forthcoming toolkit.

Data from questionnaires are intended to answer questions that will help employers assess outcomes of training that are important to them and for which they do not have existing data. As noted previously, *Home Care Associates* wanted to learn whether clients are more satisfied with their aides than are clients

of aides who receive less training. They worked with us to develop a satisfaction survey in conjunction with a major customer, which was administered to clients of a number of home care agencies in the Philadelphia area. *Tucson Medical Center* wanted to know if supervisors and trainees feel confident using the skills they were taught in a recent training. They worked with us to design and administer a skills-specific questionnaire to assess that outcome.³

Both firms and sector programs must be prepared to supply resources for an assessment. It is important that both firms and program practitioners understand and agree on the amount of time and resources each is in a position to dedicate to an assessment. Businesses will need to participate in planning and decision-making around the structure and content of the assessment. This will involve conversations regarding their own specific questions about the outcomes of training. And it will require that they review and discuss the status of existing data to: understand the types and format of information that already is being collected; determine the extent to which they will collect and compile new information; and understand the level of effort and additional staff time that will be required to organize the information for reporting purposes. The program's contact within the firm may not be familiar with the full range of data the firm collects and may need to involve other staff. If questions of interest can only be answered through new data collection, the business will necessarily be involved in modifying or developing and administering questionnaires.

Practitioners in the working group have been active participants in planning assessments, modifying tools and helping businesses determine exactly what types of indicators should be measured or explored. When new data are collected via questionnaires, the practitioner would likely be responsible for data processing and analyzing results. In most cases, these are not capacities that programs have in-house. Practitioners may

³The forthcoming handbook and toolkit will include examples of these types of questionnaires and detailed guidelines for customizing questionnaires to learn more about specific outcomes.

need to contract with and manage an outside party to obtain technical capacity, and/or in some cases, to increase the credibility of the assessment by ensuring that there are fewer questions raised about objectivity.

Preview of coming attractions: Tools in development

This year AspenWSI will publish a handbook for conducting a business value assessment. This publication will include a range of tools developed and tested by the working group practitioner-employer partnerships. Tools will include an Excel workbook adaptable for use with both new-hire training programs and incumbent worker training programs, along with guidelines for defining both test and benchmark populations and processes to be evaluated. The workbook is designed to be used to compile and analyze data relating to retention, diversity, absenteeism, a range of productivity measures, costs of hiring and replacing workers, and cost of training to an employer.⁴ A report feature in the workbook calculates a number of ratios and monetizes some outcomes, such as changes in hiring and worker replacement costs due to changes in retention.

The handbook also will include a range of questionnaire templates developed by AspenWSI in collaboration with members of the working group, along with contextual information about the types of training they are designed to evaluate and the types of questions about outcomes they are intended to inform. The publication will include step-by-step instructions for planning new data collection activities via questionnaires. Guidelines for managing data processing and analysis will accompany these templates.

The tools to be included in the handbook will have been tested by employers, and the publication will provide insights about the context(s) in which they were applied and the types of outcomes they assessed. The publication will provide more specific information to help a practitioner and

employer partnership navigate the range of issues affecting assessment and discussed in this report, as well as guidelines to use in determining whether an assessment is feasible.

Notes for investors in workforce programs

The workforce development field has shown great interest in learning more about the value of services that accrue to firms. The Business Value Assessment methodology for collaborating with firms to design and implement assessments presents a practical approach for collecting the types of data to address questions that firms have identified as meaningful. Throughout the planning and testing phases of this work, AspenWSI has seen firsthand the level of commitment and resources from businesses and practitioners required to first identify and then collect, organize and analyze data that answer what are fairly straightforward questions about benefits and outcomes.

Understanding the benefits that employers derive from training is critical to furthering the field's knowledge about best practice and for building a constituency for investments in training. Thus, we believe there is an important role for investors to play in supporting and encouraging practitioners who are reasonably well-positioned to conduct further investigation into how their business customers benefit from their services. Investors may wish to engage grantees in discussions about where this type of assessment may be effective and feasible, and support more exploratory studies in areas of specific interest.

It is clear from experience to date that measuring business value requires firms to invest time, and in some cases resources, in the process. This means, in a practical sense, that program practitioners cannot provide meaningful demand-side outcomes information without collaborating with business customers. While this is important to recognize because it is a real factor in a

⁴At this point in the Business Value Assessment tool development process, productivity measures are largely appropriate for the manufacturing environment. The forthcoming handbook will include discussion about customizing measures that are appropriate for other workplace environments. In the future, AspenWSI also anticipates hosting an electronic forum to share measures that are anticipated to be developed via further use of these tools by a wider range of practitioners and businesses.

program's ability to report outcomes regarding the business benefits of their work, we believe that developing some capacity to describe and assess a program's value to business is an important indicator of effective performance.

Aspen WSI anticipates that the Business Value Assessment tools will be useful in a variety of contexts, but it is important to understand that due to the level of diversity among businesses and programmatic objectives, standardized findings across employers may not be possible in the short-term. Nevertheless, working group members indicate that local results are useful for them not only for assessing their own performance, but also for demonstrating to funders and local businesses the types of outcomes that have resulted from workforce development services.

Program practitioners in the Business Value Assessment working group have noted a range of ways that learning about business outcomes can benefit their work – improving quality of service, strengthening and deepening

relationships with business customers, promoting services to a larger customer base, and ultimately serving disadvantaged clients more effectively. Thus, while we are mindful of the range of challenges and level of resources that may be required to implement a business value assessment on a large scale either within or across programs, we suggest that the methodology offers a practical approach to describing and documenting outcomes that have proved elusive to date.

Aspen WSI hopes that the forthcoming handbook, toolkit and follow-up communications, learning and dissemination activities will move the field forward in its understanding of the range of real ways businesses can benefit from investing in training and other workforce development services. Armed with this valuable information, the field ultimately should be better positioned to continue improving the delivery of workforce services in ways that promote the interests of both worker and business clients.



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