

Training Needs Assessment Methodology - A Toolkit

TABLE OF CONTENTS		Page No
Multi-Level Needs Assessment - Introduction		2
1 Multi-Level Needs Assessment Process - An Overview		4
2 Determine Agency Benefits of Needs Assessment		8
3 Plan to Conduct Needs Assessment		14
4 Conduct Needs Assessment		27
5 Follow-up Activities		60
6 Sample Needs Assessment - Tools and Techniques		67
References		76

A brief note about the Toolkit

A systematic and periodic review of current and foreseeable organizational training needs links training to real world results and goals. It provides a realistic basis upon which to plan, budget, direct, and evaluate an effective training program.

Training Needs Assessment (TNA) takes cognizance of the need to develop competent, resourceful and responsible personnel in the government to steer the tasks of nation building. It seeks to strengthen the capacity for effectiveness of public service at all levels of government through the delivery of continuous, competency-based, responsive and demand-driven training.

The rationale for individual skills enhancement can be linked with organizational, task and job competency in the TNA deliverables. At the organizational level, capacity building requires the elaboration and establishment of enabling management systems, structures, processes, and procedures. At the policy and institutional level, capacity building includes making legal and regulatory changes to enable the leaders at all levels to enhance their capacities.

This toolkit is intended as a step-by-step guide for managers, senior officers, and trainers interested in designing, implementing and monitoring Training Needs Assessment (TNA) in government organizations. It has been designed, keeping in view the needs of Government organizations in India, and is based on the lessons and experiences drawn from a large variety of sectors in different countries across the world.

This toolkit encourages the user to adopt the needs assessment process prescribed therein. The user may add additional steps or expand or modify the existing ones to plan and conduct needs assessments that bring the greatest benefits to his/her department.

Multi-Level Needs Assessment - Introduction

Departments are working towards reducing the barriers associated with bureaucracy and increasing the flexibility of employees and work teams to accomplish the department's mission. As a result, there is a need for well-trained, responsive workforce capable of meeting tomorrow's challenges: improving the quality of work and service to the Indian citizens.

This movement brings human resources development (HRD) to the forefront of the national agenda. As departments look at training and development as a necessary investment in people, they must assess priority needs of the organization and direct training to those areas.

This is most effectively accomplished through a process to systematic determination of training needs.

Strengthening Training Needs Assessment

After much consultation and deliberation with various departments, CGG established guiding principles on training needs assessment. This handbook outlines a "step by step" approach, based on the principles and "best practices" in needs assessment to support departments' needs assessment efforts. As a result, departments can link training to performance goals, enabling them to prioritize training needs and make accountable decisions on investing training resources.

Multi-level Needs Assessment Process

The purpose of needs assessment is to identify performance requirements or needs within a department/organization in order to channelize resources into areas of greatest need – those that closely relate to fulfilling the organizational mission, improving productivity, and providing quality services. A purposive needs assessment seeks to address the following key questions.

Needs Assessment	How does the Organization's Needs Assessment process identify the department's broad cross cutting performance issues and opportunities for innovation?
Human Resources Needs	When HR Needs are examined, how are they linked to the broader organization's assessment of performance needs?
Training Needs Assessment - Organizational, Individual and Job	How does the Training Needs Assessment process explore organizational, occupational, and individual needs? How is the information used to make decisions for allocating training resources to meet organizational priorities?

The best approach to needs assessment is the one based on the identification of department needs and critical job and individual performance requirements. Therefore, a systematic process that includes three levels of assessment is strongly recommended. The three levels of assessment are:

- Organizational assessment
- Job assessment
- Individual assessment

The use of these three levels of assessment would be referred to as a multi-level needs assessment hereafter in this book.

A multi-level needs assessment:

- Focuses on the required or desired performance of the department, organizational unit, work group, or the individual being assessed.
- Determines the difference between required or desired and actual or current skill levels.
- Explores the causes and reasons for any existing discrepancy or gap as well as the strategies to eliminate it.

Why training needs assessment?

Assessing individual training needs is important because:

- trainees come from different backgrounds
- trainees vary in their strengths and weaknesses
- some trainees might need more help to cope
- it assists in monitoring whether or not trainees are reaching a proper standard at that stage of their training
- it informs for future training planning
- it encourages trainees to become aware of their own limits/knowledge – a sound base for future learning.

Using the Tool Kit

The tool kit comprises six core sections:

- **Section 1 – Multi-Level Needs Assessment Process – An Overview**
- **Section 2 – Determine Agency Benefits of Needs Assessment**
- **Section 3 - Plan to Conduct Needs Assessment**
- **Section 4 - Conduct Needs Assessment**
- **Section 5 - Follow-Up Activities**
- **Section 6 - Sample Needs Assessment Tools and Techniques**

1 Multi-Level Needs Assessment Process - An Overview

Needs Assessment: Definition

A needs assessment is the process of identifying performance requirements within a department and the “gap” between what level of performance is required and what present level of performance is. If there is a variance between the desired and actual levels, a needs assessment explores the causes responsible for the gap and methods for closing the gap. A complete needs assessment also considers the possible consequences of ignoring the gaps.

Multi-level Needs Assessment Process

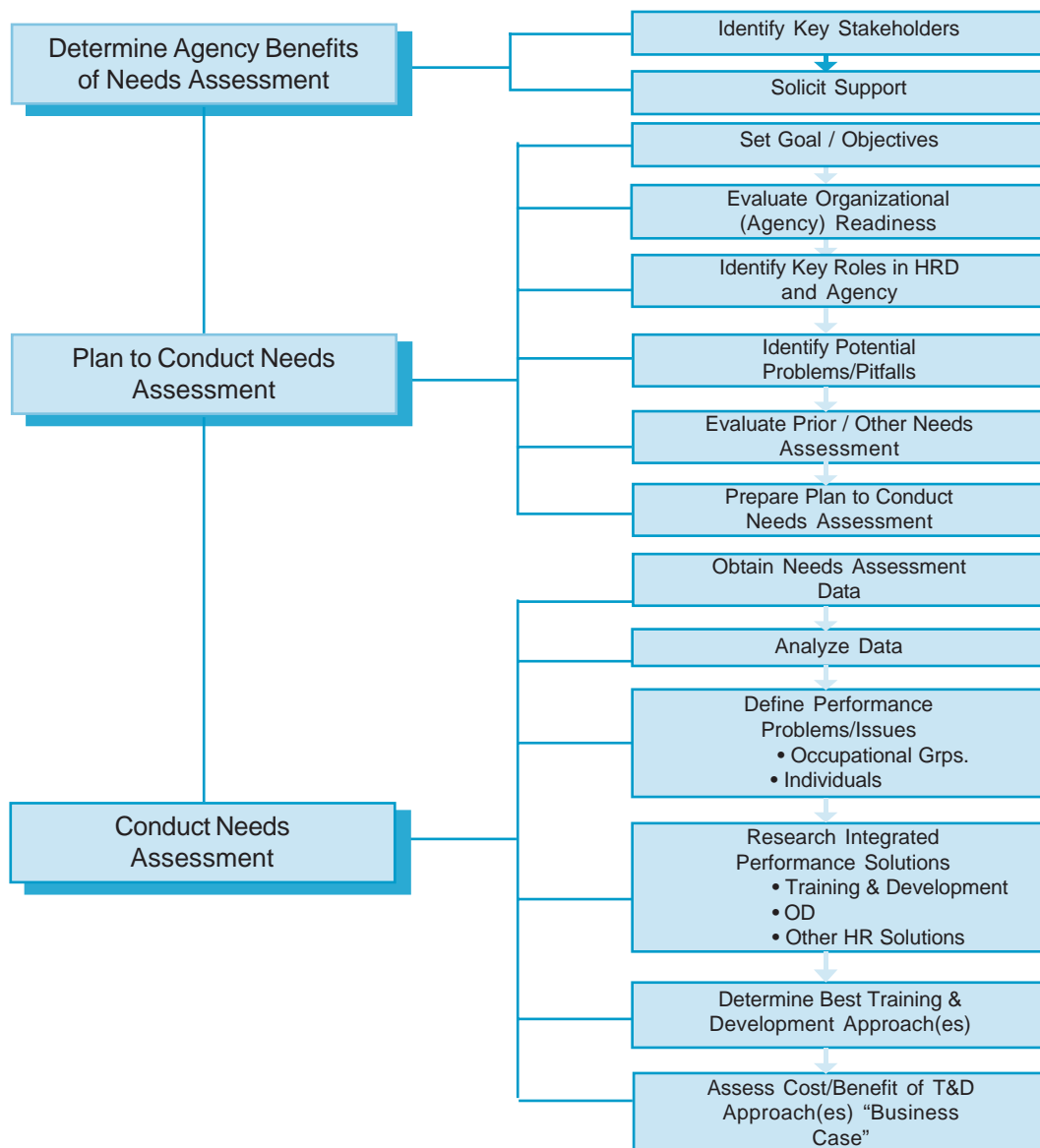
A multi-level assessment links data about the organization, occupational groups, and individual employee. Occupational and individual level assessment supports the needs identified at the organizational level. The Multi-level Needs Assessment Process illustrates a systematic approach for conducting a needs assessment.



The Multi-level Needs Assessment Process comprises three major steps:

- Determine Department Benefits of Needs Assessment
- Plan to Conduct Needs Assessment
- Conduct Needs Assessment

MULTI-LEVEL NEEDS ASSESSMENT PROCESS



The first step, Determine Department Benefits of Needs Assessment, is critical to compete successfully for scarce resources. Specifying what needs assessment will accomplish, to solve organizational problems or meeting organizational goals, helps to “sell” the concept of needs assessment to the decision-makers in an organization.

The second step, Plan to Conduct Needs Assessment, describes a systematic planning process, resulting in a comprehensive needs assessment plan. The major components of the plan are:

- Goals and objectives;
- Requirements regarding staff, materials, and budget;
- Milestones; and
- Constraints or obstacles to conducting the needs assessment.

During the third step - Conduct Needs Assessment - needs assessment data are collected from multiple sources and analyzed. The results help to accurately and completely define the performance problem and identify possible causes. Solutions, including training and non-training solutions, are also explored during this step. Finally, the best training and development approaches for resolving skill deficiencies are identified.

Ideally, the needs assessment process:

Organizational Level Begins at the organizational level.

Looks at broad performance issues and opportunities to make changes or improvements in the department.

Explores differences between required and current performance levels. If an important gap exists, a multi-level assessment explores the causes.

Looks at occupational groups affected by the organizational performance issues and opportunities for change and innovation.

Job Level

Explores differences between required and current performance levels of key occupational groups. If a gap exists, that is important to the organization, a multi-level assessment explores the causes.

Looks at individual employees (within the occupational groups) and others who are affected by the performance issues and opportunities for change and innovation.

Individual Level

Explores differences between required and current performance levels of employees.

If a gap exists that: 1) is important to the organization, and 2) assures growth of employees in their occupational field, a multi-level assessment explores the causes.

Note

If the assessment begins at the individual level or job level, information must still be linked to the needs of the organization.

Needs and Issues

The following chart outlines the needs, issues, and examples of issues for each level of a multi-level needs assessment.

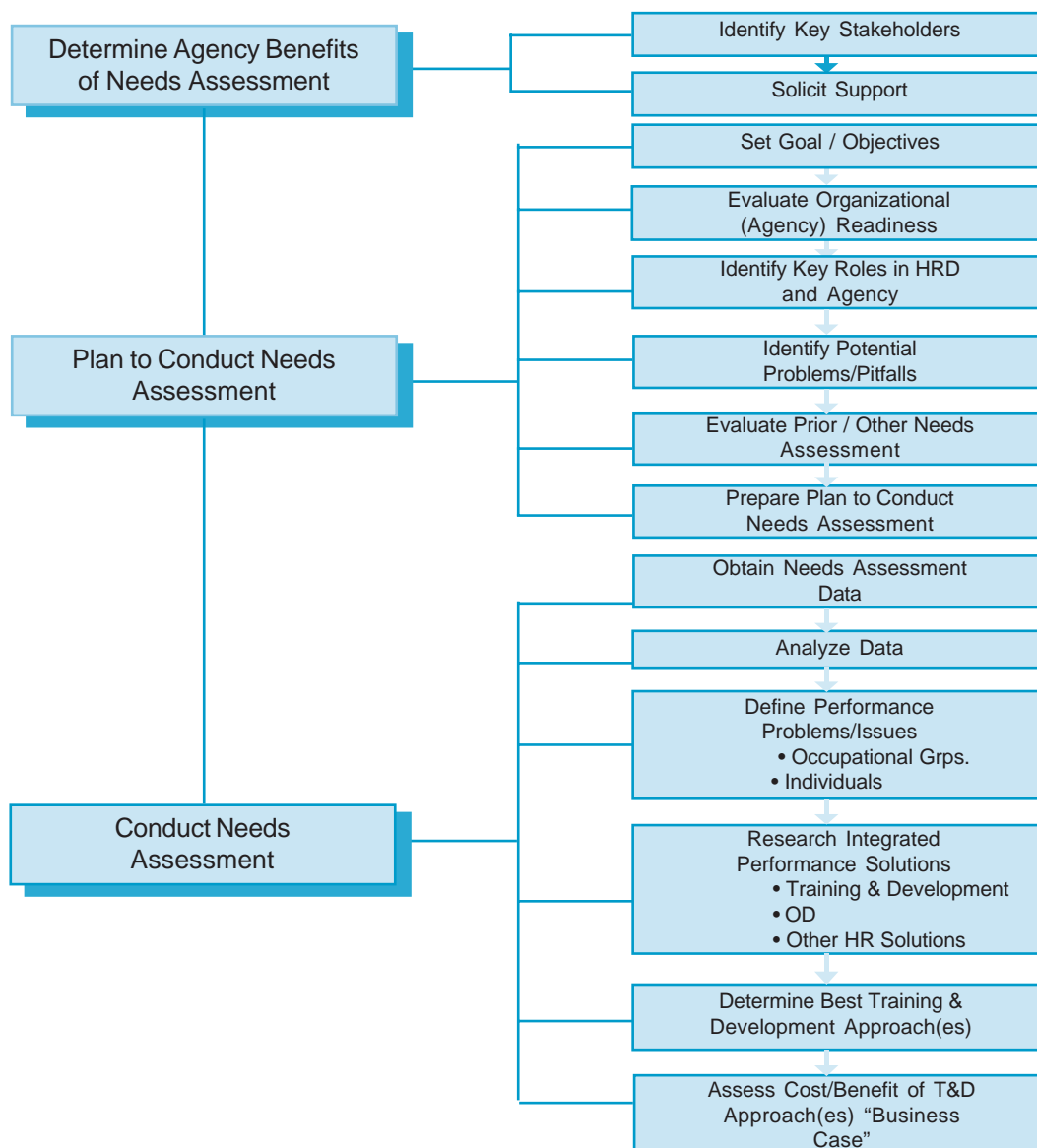
Multi-Level Needs Assessment		
Organizational Needs	Job Needs	Individual Needs
<p>Occur at the highest level in the organization where broad, cross-cutting, cross-functional guidance is established, new directions are set, and/or budget and resource decisions for training are made.</p> <p>ISSUES</p> <ul style="list-style-type: none"> • Turnover and absenteeism • Customer requirements • Diversity and cultural issues • Safety record • Efficiency • Quality • Productivity • New technology • Job satisfaction <p>EXAMPLES</p> <p>Assess organizational training implications across a variety of levels and functions within the organization due to the introduction of new computer hardware and software to perform previously non-automated tasks.</p> <p>Determine changes in management techniques, equipment, or tools needed to implement a new “focus on customer service.”</p> <p>Gain information on how well customer requirements are currently being met, the processes and functions that facilitate current successes, as well as those processes that impede meeting customer needs.</p>	<p>Focus on what competencies and characteristics are required for job groups critical to accomplishing the organizational mission.</p> <p>ISSUES</p> <ul style="list-style-type: none"> • Workforce trends • Occupational forecasts • Recruitment • Hiring • Training and Retraining <p>EXAMPLES</p> <p>Assess workforce skills for short- and long-term staff planning.</p> <p>Identify employees who will be impacted by downsizing or restructuring, or to identify career paths for key occupations within the department.</p> <p>Gain information obtained through analyzing mission-critical occupations:</p> <ul style="list-style-type: none"> • Knowledge, skills, and abilities required for the job. • Level of performance required of the worker. • Products or services resulting from the work. • Equipment, materials, and tools used in performing the work. • Physical or environmental conditions of the job. 	<p>Focus on the specific knowledge, skills, abilities, and attitudes required by each employee. Individual needs should be viewed within the context of the strategic goals of the organization in order to ensure professional growth and development of employees within established career paths.</p> <p>ISSUES</p> <ul style="list-style-type: none"> • Career paths • Individual development plan (IDP) • Training or retraining • Absenteeism • Productivity <p>EXAMPLES</p> <p>Pinpoint reasons why an employee is creating an unacceptable number of errors or generating an excessive number of customer complaints.</p> <p>Identify capabilities required for career progression or reasons for performance gaps caused by a change in job requirements.</p>

2 Determine Agency Benefits of Needs Assessment

A comprehensive, ongoing needs assessment yields many benefits to any department. A needs assessment based on the identification of department mission needs and critical occupational and performance requirements will help a department to:

- eliminate redundant training efforts,
- substantially reduce the unnecessary expenditure of training dollars, and
- assist managers in identifying performance requirements that can best be satisfied by training and other developmental strategies

MULTI-LEVEL NEEDS ASSESSMENT PROCESS



There are two sub-steps to be performed in this step.

Sub-step 1 - Identify Key Stakeholders

First, there is a need to identify the people who will benefit from the results of the needs assessment. These individuals are called the key stakeholders. The principal stakeholders include:

- HRD personnel
- Training Department personnel
- Head of the organization/department
- Component of the department being assessed
- Employee unions
- Professional organizations
- Key customers

To identify other key stakeholders:

- One should use his/her knowledge of the organization she / he belongs to.
- She / he should use networking skills like making telephone calls, asking people etc.

Benefits

Once the key stakeholders are identified, they should be informed about the potential benefits derived from a needs assessment. The following charts outline the needs assessment benefits to key stakeholders.

Key Stakeholders and Benefits
<p>Organization</p> <ul style="list-style-type: none"> • Develop system for allocating and prioritizing training and development resources. • Define standards of organizational performance. • Create shared vision of organizational success.
<p>Key Beneficiaries</p> <ul style="list-style-type: none"> • Improve responsiveness to needs. • Help organization achieve its mission and goals. • Provide data for problem solving to improve quality service.
<p>Employee Union Groups</p> <ul style="list-style-type: none"> • Provide input for setting performance goals. • Help establish guidelines for an organization's training and development programs. • Identify training and other development needs for membership.

<p>Professional Organizations</p> <ul style="list-style-type: none"> • Help establish standards of performance for professions and occupations. • Identify good examples of training and other development needed for professional growth. • Help guide organization’s programs in continuing technical and professional education.
<p>Executives</p> <ul style="list-style-type: none"> • Consolidate management views to identify priority training and development programs. • Make budget decisions. • Achieve organizational as well as program goals. • Identify organizational and program priorities. • Assist in strategic planning. • Identify desired levels of organizational performance in order to reach program goals. • Improve staff performance leading to improved productivity. • Provide relevant data to assist in problem-solving.
<p>HRD Organization</p> <ul style="list-style-type: none"> • Increase visibility and value in the department. • Improve responsiveness to department needs. • Align to organizational mission and goals. • Mainstream HRD function into the department.
<p>Employees</p> <ul style="list-style-type: none"> • Identify appropriate training and other development based on individual needs. • Provide important self-development data. • Identify opportunities for future growth.

Outcome

As a result of this sub-step, a list of key department stakeholders and the benefits they will gain from conducting a needs assessment. Next, you will solicit their support.

Sub-step 2—Solicit Support

Specific techniques are needed to market and promote a multi-level needs assessment in a department.

Promoting a Needs Assessment

One of the biggest challenges would be to promote the needs assessment to the key stakeholders in a department.

A multi-level needs assessment is a different way of assessing training needs. Because it is a change from more familiar activities, it may threaten people. To promote this concept, several things are necessary. One must:

- Believe in the needs assessment process and its benefits to your department.
- Project your beliefs in the process and convince the staunchest skeptics of its value.
- Promote a multi-level needs assessment.
- Provide high quality training solutions resulting from the needs assessment.
- Take into account the culture and values of your organization.

An Important Question

To top officials, marketing a multi-level needs assessment may boil down to one important question:

What's in it for us?

Your department decision makers want to know what the PAYOFF will be for conducting a needs assessment. You need to address this question.

Training and development efforts may not be a high priority in your department. Top management may not be committed to training and development activities. One of the reasons for this lack of support has been a failure to demonstrate the relationship between HRD functions and organizational success or to assume that the need for training is self-evident or “good for its own sake.” Therefore, you must get the commitment of management by convincing them that a multi-level needs assessment benefits them and the organization.

Communicating with Top Management

Multi-level needs assessment is most successful when it has management sponsorship and support. To solicit the attention and support of top management, consider two communications techniques:

- Briefing
- Case studies

Method 1 – Briefing

A face-to-face, formal briefing to management or department decision-makers is one of the most common and effective methods to gain commitment. Here is a list of topics that could be addressed in briefing:

- Benefits of the assessment to the department
- How needs assessment helps department accomplish mission and strategic goals
- Definition of a multi-level needs assessment

- Philosophy and purpose of the assessment
- Goals of the assessment
- Brief description of assessment activities
- Best approaches for data collection
- Time/cost estimates for the assessment
- Benefits of a multi-level assessment gathered from other departments
- How management can support needs assessment

Results

A briefing is an excellent way to persuasively present plans, answer questions, and allay any fears and apprehensions of top management

Suggestions

Two suggestions may be helpful in talking with top management:

- Market the needs assessment as a “management tool.”
- Develop a unified approach within the department to request resources such as space, equipment, and supplies. This will help management focus on the tools and resources, as well as training needed for people to perform their job.

Method 2—Case Studies

A second method to solicit top management support is the use of case studies.

It helps to promote a successful product to a potential customer. This is also true when marketing a multi-level needs assessment. If you can relate successful needs assessment projects and outcomes, you stand a much better chance of gaining support for the assessment.

A Strategy

- 1 As part of your marketing strategy, relate several successful case studies describing needs assessment projects at departments similar to yours. Select organizations whose goals and “business” are similar to your department.
- 2 If possible, enlist the personal assistance of these case studies’ principal players. Invite them to come to your department and brief your management on the assessment, its benefits and outcomes. (Also be prepared for relating some “lessons learned” items for the skeptics in your audience.) Testimonies are a powerful tool!

Communicating with Other Levels of Management and Employees

Once you have gained the support of top management, you need to solicit the attention and support of other key stakeholders—line managers and employees.

There are two commonly used, effective methods available to you:

- Briefing or meeting
- Letter or memo

Method 1—Briefing or meeting

A formal, face-to-face briefing is an excellent way to present information and answer questions concerning the proposed multi-level assessment. The list of subjects for the briefing could be basically the same except for one additional point—you now have enlisted the support of top management

Note: The videotaping of a formal briefing for use with other departments at headquarters and field locations can also be an excellent communication tool for soliciting support.

Method 2—Letter or Memo

A letter or memo is a second common and effective method to solicit support and gain commitment. Here is a list of subjects that could be contained in this letter:

- Definition of a multi-level needs assessment
- Philosophy and purpose of the assessment
- Goals of the assessment
- Brief description of assessment activities
- Data to be collected
- Benefits of the assessment
- Benefits that other departments have recognized
- Contact(s) in the organization
- What top management will do to support the needs assessment (e.g., letter of support, planning activities)

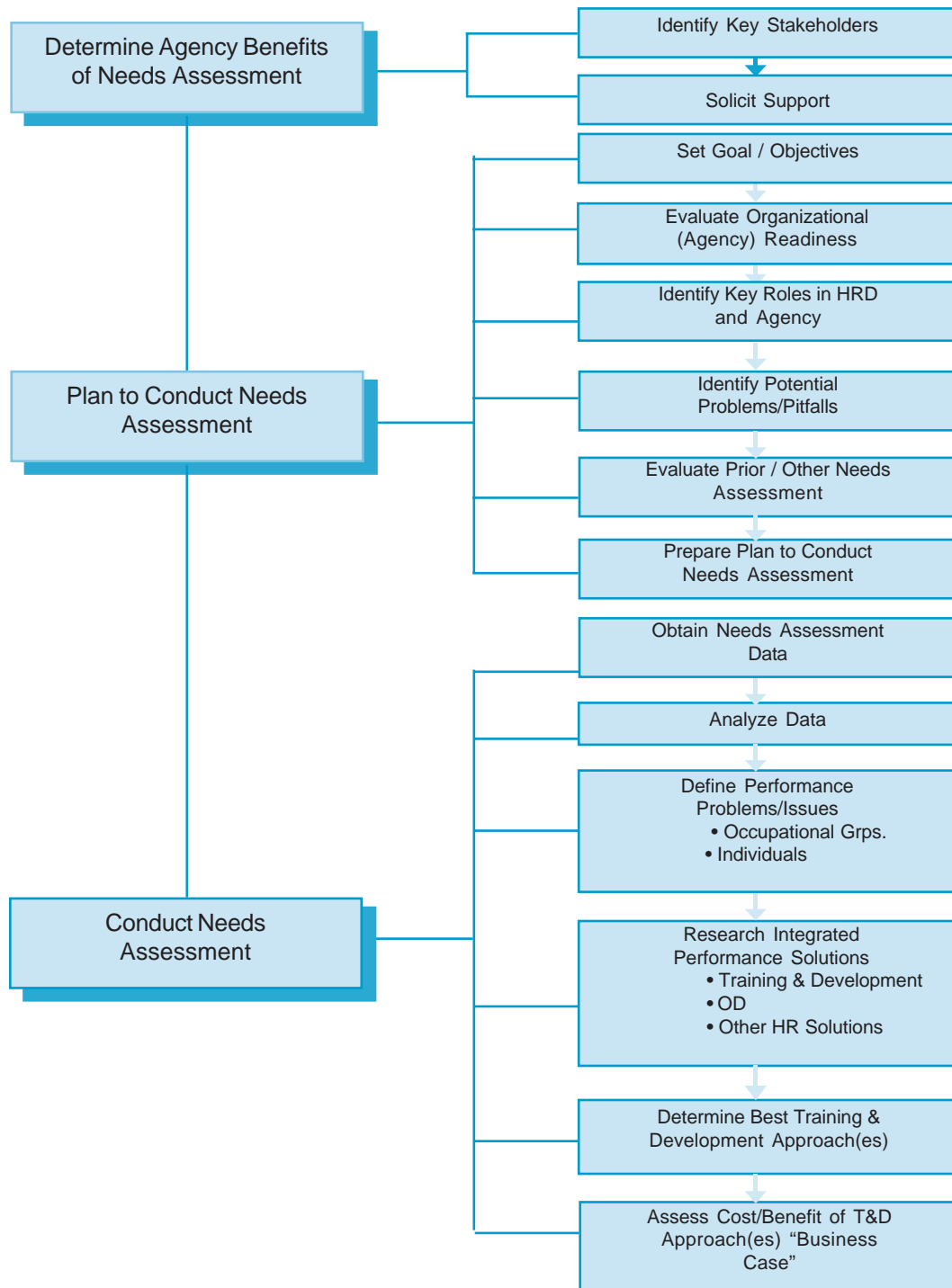
Outcome

As a result of this sub-step, you gained support of the key stakeholders in your department. You are ready to perform the second major step in the process, Plan to Conduct Needs Assessment.

3 Plan to Conduct Needs Assessment

Critical to the success of the needs assessment is thorough planning-step two of the model. The needs assessment is likely to be only as successful as the planning. There are six sub-steps you perform in planning the assessment.

MULTI-LEVEL NEEDS ASSESSMENT PROCESS



Sub-step 1— Set Goals/Objectives for the Needs Assessment

The first task of planning a needs assessment is to set goals and objectives for the assessment. A needs assessment should gather only the amount and kind of data that management needs to make well informed decisions about workforce planning and staff development. This data can be gathered to meet goals and objectives for a variety of groups or organizational levels within your department.

Some possible goals and objectives are:

Levels	Possible Goal / Objectives
Organizational	<ul style="list-style-type: none"> • Gather data for program and budget planning. • Determine performance requirements to begin a new department initiative. • Meet administrative, regulatory, technical, or other requirements affecting the organization. • Gather data necessary to prepare the annual training plan.
Occupational	<ul style="list-style-type: none"> • Assess workforce skills for short- and long-term staff to plan for a competent, skilled, well balanced, and representative workforce. • Identify career paths for key occupations within the department and plan for development of employees along career paths. • Identify employees who will be impacted by downsizing and organizational restructuring. • Identify those employees who will require retraining. • Design and develop competency-based training courses. • Identify under-utilized employees and their needs. • Identify employees with high potential and developmental opportunities.
Individual	<ul style="list-style-type: none"> • Determine individual skill requirements needed by employees. • Determine skill requirements that are necessary for individual development within career paths. • Determine skill requirements to accomplish the mission and goals of the department. • Obtain information needed for the development of training courses or programs. • Identify goals for individual career development.

Setting Goals and Objectives

Here are some suggestions for setting goals and objectives.

- Think why this needs assessment is important for your Human Resource program and the organization. Translate this information into goals and objectives.
- Explore past needs assessments that were conducted in your department. Identify successful and unsuccessful efforts. Their related causes may help to define your goals and objectives.
- If possible, link the goals of the needs assessment effort to an organization where there is or will be a highly visible, important project or initiative underway.
- If existing information from one or more levels (organizational, occupational, individual), is available, collect data for only those levels where data are required.
- Set goals with management's support. HRD and line managers can work collaboratively.

Outcome

As a result of this sub-step, he / she has a list of goals and objectives that serve as a road map for the assessment. They also serve as indicators of success once the assessment has been completed.

Sub-step 2—Evaluate Organizational (Department) Readiness

If the timing for the needs assessment is not right, the assessment may not happen or may not be effective.

Organizational Level

Before one begins to conduct an organizational needs assessment, his/her department and its components must determine what it means by the "organizational level."

Viewpoints

Some departments have defined the organizational level from these viewpoints:

- Entire department
- Function
- Program
- Geographic location (including field locations)
- Its place in the organization

Other Viewpoints

Typically an organizational level needs assessment is planned, sponsored, and “entered” at the highest level where training decisions are made or at the level where the influential decision-makers reside.

Look at the organization from a “budgeting perspective.” At what level are funding resource decisions made?

There are four possible “entry points”:

- Bottom up
- Top down
- Simultaneously (bottom up and top down)
- Vertical slice of the entire organization or department

How the needs assessment is actually conducted is usually decided by the department and the HRD and/or HR function with involvement from decision makers at different levels, functions, regions, components, and programs.

Prime Candidate Characteristics

Some organizations are prime candidates for a needs assessment. Here is a checklist containing some characteristics of prime candidates for a needs assessment. One can use this checklist to determine the readiness of his/her candidate.

- Does the organization anticipate change in a strategic direction, technology, or with other internal or external factors?
- Does the organization have strong management support for developing its employees?
- Does the organization value the need to review human resource issues and implications when planning and implementing programs?
- Has the organization participated in a previous needs assessment effort? Review the results and the type of data produced.
- Does the organization set strategic goals or make decisions on training investments?
- Is the timing right to conduct a needs assessment? Where is the organization in terms of its budget cycle

Here are two suggestions to consider when identifying an organization that is a candidate for a needs assessment:

- Identify both positive and negative reasons for selecting the organization for a needs assessment.
- Be sure to identify the appropriate protocol and behaviours for the selected organization. You must understand its culture in order to win their support.

Outcome

At the conclusion of this sub-step, one should have enough information to decide if his/her organization is ready for a needs assessment.

Sub-step 3—Identify Key Roles in HRD and the Department

This sub-step provides information for working with the key players, their roles and relationships.

Key Roles and Relationships

Once the readiness of the organization for needs assessment has been determined, one needs to identify the key players and the roles they will play, including the various relationships within the organization. The participation of key players is crucial, particularly for those who have specialized knowledge and skills.

Team Approach

An effective technique in planning and conducting a needs assessment is to **develop a team** within the department. This team, composed of key players, may consist of:

- Line management (supervisors and upper management)
- Employees
- HRD/HR personnel (including instructors)
- Subject matter experts

The makeup of the organization being assessed and the various internal relationships dictate the composition of the team.

Identifying Team Members

Identifying the team members will vary from department to department. For example, in one department, HRD staff members may do this, while in another, the head of the department or a task force will identify team members.

Formation of the Team

Following is a list of **suggestions** to consider when forming a team.

- Draw team members from many organizational levels and across different functions.
- Consider soliciting support in other HR areas, for example: Workforce Planning and Analysis, Organizational Development, and other Personnel Management functions.
- Be sure to include representatives from the organization being assessed.
- Consider forming a “core team” and supplementing the team with temporary or part-time assistance. The use of personnel details and rotational assignments may be exactly what is needed to support the effort. (For example, you may want several days of help from your Information Resources Management Office for data collection and analysis.)
- Determine the cost and feasibility of utilizing external resources, primarily private contractors or consultants. This resource offers assistance only when needed and provides an unbiased, fresh view of the organization.
- Decide team members’ roles and leadership responsibilities.

Private Consultant Roles:

Below are possible roles for private consultants.

- Supplement your staff in areas of expertise that are missing.
- Design data collection tools.
- Collect data (e.g., interviews).
- Analyze data.
- Perform follow-up activities such as designing, developing, and delivering training.

Key Role Assignments

Within the team, key role assignments are important to make. Consider the following criteria when making assignments:

- The competency level of the employee to effectively perform his/her duties.
- Organizational knowledge and subject matter specialty of employee.
- Availability of the key player.
- Previous experience in conducting a needs assessment or involvement in a similar activity.

- Good interpersonal communication skills.
- Effective management skills, including time management.
- Breadth of knowledge of the organization.
- Strong interest in training and development.
- Clear understanding and support of the needs assessment goals and process.

Below are the organizational, HR and HRD functions and their key contributing roles.

Key Role Responsibilities

- Organization being assessed
 - Identify candidates to interview during assessment.
 - Solicit knowledge, insight about key players, issues, or organization.
 - Solicit “climate factor” information about the organization.
 - Identify all personnel impacted by an issue, reorganization, etc.
- HR Department
 - Provide workforce data.
- HRD Department
 - Design and develop data collection tools.
 - Identify potential training and other development solutions.
 - Identify existing training methods and media.

Outcome

As a result of this sub-step, one needs to identify the key players in a department and their respective roles in needs assessment. S/he will likely have formed an inter-department team or teams. Now we come to sub-step 4, **Identify Potential Problems/Pitfalls**.

Sub-step 4—Identify Potential Problems/Pitfalls

If s/he can identify potential problems and pitfalls that might occur during the needs assessment, s/he can effectively deal with them.

Preparation

The organization being assessed should be prepared for the needs assessment. The purpose, plan, and expected outcomes of the assessment should be clearly stated. Principal participants should understand their roles and responsibilities. However, one must be alert in identifying a potential problem or pitfall that could affect or even sabotage the needs assessment. Some problems will be very apparent, while others will be subtle to detect. One should be observant and keep the communication lines open, so that s/he can identify, minimize, or eliminate potential problems and pitfalls.

Identifying Potential Problems and Pitfalls

In the table below are some sample problems/pitfalls that could occur during the needs assessment. Possible solutions are also given.

What If	Then
<ul style="list-style-type: none"> Personnel involved in the assessment feel threatened? 	<ul style="list-style-type: none"> Reassure (explain goals/process) as much as possible. Provide information through: <ul style="list-style-type: none"> Memos Briefings One-on-one meetings Small/large meetings
<ul style="list-style-type: none"> You can't obtain the data you need? 	<ul style="list-style-type: none"> Solicit support of highest level manager. Look at alternative sources. Research to see if similar data is available.
<ul style="list-style-type: none"> The necessary team members are not available? 	<ul style="list-style-type: none"> Choose the best alternates. Investigate consultant support.
<ul style="list-style-type: none"> The financial resources are lacking? 	<ul style="list-style-type: none"> Consider scaling back the effort (e.g., size of sample, sophistication of data analysis). Investigate sharing costs with other organizations.

Suggestions

Here are **suggestions** for preventing or minimizing potential problems.

- Develop a champion or sponsor in top management who supports the needs assessment process.
- Prepare managers and employees concerning the benefits, goals, plan, and expected outcomes of the needs assessment.
- Use the Key Stakeholders and Benefits charts as a reference.
- Keep management and staff informed of the needs assessment progress through briefings and written communication.
- Ensure that the role of HRD regarding needs assessment is clearly understood. You may need to reinforce the concept that a needs assessment is a management tool to help managers assess performance requirements to accomplish program goals and objectives. HRD supports managers.

- Provide guidance and support to the staff involved in the assessment. This can be in the form of large, open meetings, face-to-face meetings, newsletter articles, printed literature, and letters of support from top management.
- Understand possible resistance of the staff to the needs assessment process.
- Facilitate communication between the needs assessment team, HRD staff, and the organization to eliminate or minimize potential problems.

Outcome

As a result of this sub-step, one would identify potential problems and pitfalls in conducting a needs assessment. She / he might also consider possible solutions.

Sub-step 5—Evaluate Prior/Other Needs Assessment

If one is fortunate to have prior or other ongoing needs assessment data to review - take advantage of this opportunity. By carefully evaluating this data for its usage in his/her planned assessment, s/he may be able to save himself/herself time, money, and trouble.

Needs Assessment Data

Here is a list of prior needs assessment data she / he may want to review:

- Needs assessment plan
- Goals and objectives
- Data collection tools
- Data collection results from prior/other needs assessments
- Communication methods (newsletter, memos, letters)
- Briefings (materials, notes)
- Meeting notes
- Evaluation report (interim/final)

Listed below are prior/other needs assessment data and possible reasons for using it.

Prior/Other Needs Assessment Evaluation	
Prior/Other Needs Assessment Data to Review	Reason
Goals and objectives of assessment	<ul style="list-style-type: none"> • Provides insight into reasons for previously conducted assessments. • May be the same/similar to proposed assessment. • Provides insight into department focus, concerns.
Needs Assessment Plan	<ul style="list-style-type: none"> • May contain valuable information to include in your plan. • Provides insight into department dynamics. • May identify potential pitfalls.
Data collection tools	<ul style="list-style-type: none"> • Listing of tools utilized in department. • May provide tool(s) not considered.
Data collection results	<ul style="list-style-type: none"> • May provide accurate, valid data that does not need to be recollected. • Analysis of collection methods that worked/didn't work. • Provides history of department at that time.
Communication methods	<ul style="list-style-type: none"> • Provides some history of previous assessment. • May give glimpse of issues, concerns.
Briefings	<ul style="list-style-type: none"> • May describe techniques used to market previous assessment. • May provide valuable data for your briefings.
Meeting notes	<ul style="list-style-type: none"> • Provides history of previous assessment. • May provide issues of concern, areas of success.
Evaluation report	<ul style="list-style-type: none"> • Provides conclusive information of previous assessment. • Relates findings, areas of concern, issues. • Lists specific actions to be taken. • Provides a snapshot of department at that time. • Provides possible information on which to aim your assessment.

Outcome

As a result of this sub-step, you reviewed and evaluated any prior needs assessment data.

Sub-step 6—Prepare Project Plan to Conduct Needs Assessment

This last sub-step is crucial in planning a needs assessment. Activities and data from the previous sub-steps help him/her to prepare his/her plan. His/her plan should be structured yet flexible enough to adapt to changing situations.

Need for a Plan

To conduct an effective needs assessment, careful planning is required. A needs assessment project plan is one tool to ensure that the needs assessment process is well designed and implemented. This plan should guide the user of this book through every step of the process. The more extensive the project's size, the greater is the need for such a plan.

Plan Subjects

The plan should address these subjects:

- Staff requirements
- Materials, equipment, supplies
- Budget requirements
- Project timetable
- Organizational information

One should consider the following list of questions and comments when she / he prepares his/her project plan.

Questions / Comments	
Staff Requirements	<ul style="list-style-type: none"> • What are the constraints on the staff? • How many people possessing necessary skills for conducting the assessment are available internally? externally? • How many people will supply information to the needs assessment team? The more people who provide the data, the greater the strain on resources. • Are your key team members and other primary people available to perform all needs assessment activities?
Materials, Equipment, Supplies	<ul style="list-style-type: none"> • What materials, equipment, and supplies are needed? • Which of these needs to be ordered? How much lead time is necessary?
Budget Planning	<ul style="list-style-type: none"> • Is the budget estimate for the assessment truly realistic? • What are the constraints on money?

	<ul style="list-style-type: none"> • How much funding is available? • Is it possible to coordinate this assessment with other initiatives to help conserve/share budget expenses? • What if additional funds are necessary? How will they be obtained? • What automated tools (e.g., commercial or department-developed tools) are available to plan/track project expenses? Are staff members trained to use them?
<p>Project Timetable</p>	<ul style="list-style-type: none"> • What are the target date(s) of the assessment? • Will the needs assessment data be linked to the department's budget cycle? • What are the constraints on time? • Will the needs assessment data be needed to prepare the training budget? • How much time is available for activities such as: <ul style="list-style-type: none"> • Designing the data collection methods? • Designing the data collection instruments? • Conducting the assessment? • Analyzing the results? • Writing a report of the findings? • What automated tools (e.g., Gantt chart and PERT diagram) are available to plan and monitor the project? • Were assessment team members consulted during this planning to ensure that target dates are realistic?
<p>Organization Being Assessed</p>	<ul style="list-style-type: none"> • What constraints, if any, are imposed by organizational climate and culture? • Are there questions or methods that are likely to be resisted? • What tactics will be needed to overcome anticipated resistance, if any? • How much support in collecting information can be expected from interested groups or individuals? The greater the resistance to a change effort, the greater the difficulty of gaining access to information. • How important is anonymity for respondents? The greater the need for anonymity, the more it must be considered in the initial stages of selecting data collection methods.

Project Plan Writing Hints

Here are some hints when writing a Project Plan:

- Be specific in identifying your needs for each of the subject areas.
- Ensure that your plan describes the process to satisfy the goals and objectives of the assessment.
- Clearly explain any assumptions regarding the assessment.
- Solicit input from key players in the assessment.
- Identify and include all points of contact.

Characteristics of a Good Plan

A good plan is characterized by the following:

- Identifies the goal, purpose, and level (organizational, occupational, and/or individual) of the particular assessment.
- Shows a relationship between the levels of assessment.
- Demonstrates at what level the assessment begins and how that data will be linked to the other levels.
- Uses relevant department planning documents, productivity reports, work studies, evaluations, trend analyses, and needs assessment instruments to provide accurate and reliable information on organizational, occupational, and individual performance.
- Incorporates, as needed, other systems such as performance appraisal processes, succession planning strategies, and career planning systems to retrieve information on organizational, occupational, and individual performance.
- Forms the basis for ongoing planning

Note

A good needs assessment plan can be modified/updated and used for future needs assessment planning.

Outcome

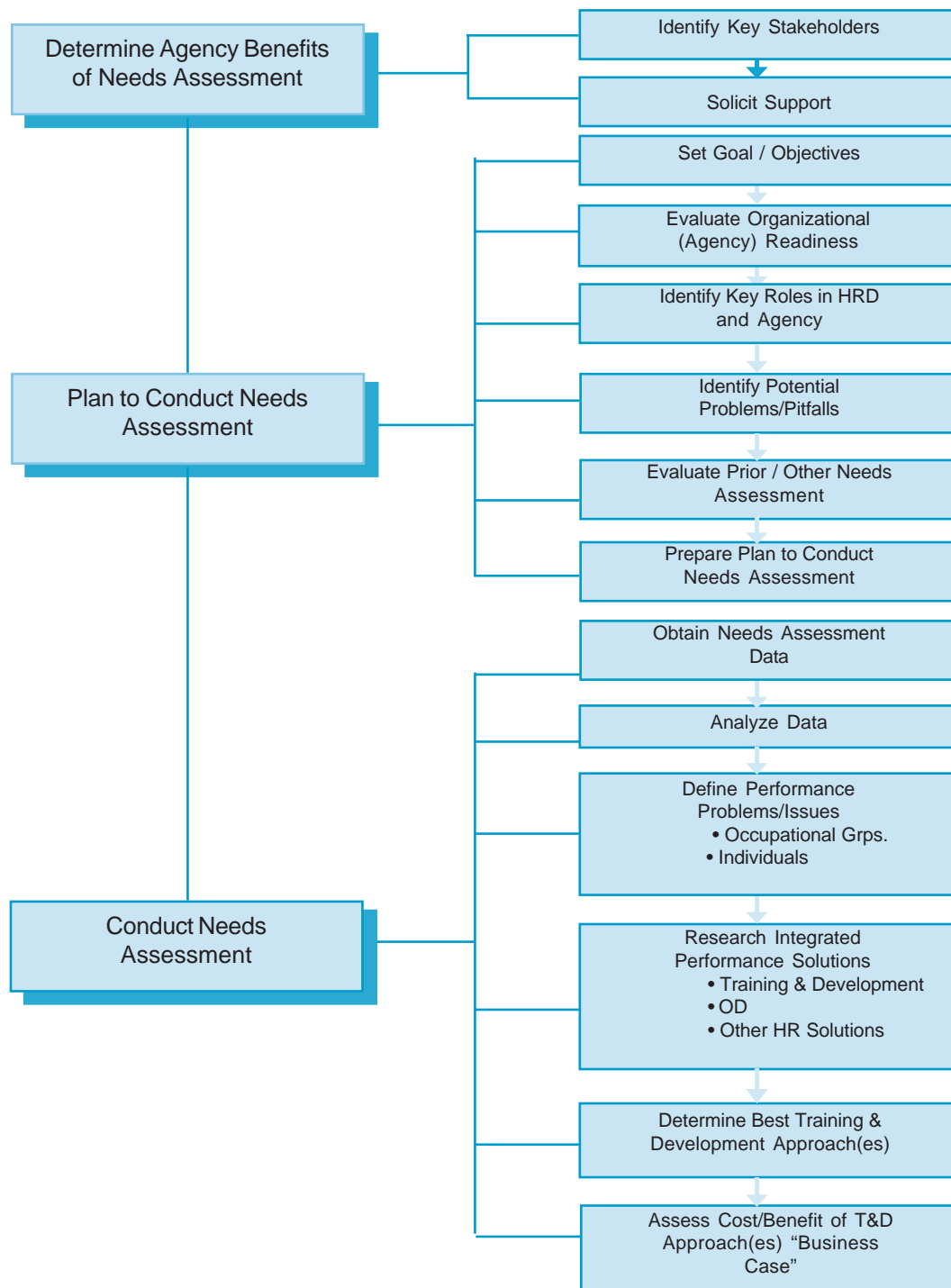
We have completed the important steps to plan a needs assessment.

4 Conduct Needs Assessment

Now that all the planning has been carefully conducted and a needs assessment plan has been established and is ready for implementation, the follower of this handbook is ready to conduct the needs assessment.

There are six sub-steps one needs to perform in conducting a needs assessment as shown in the diagram:

MULTI-LEVEL NEEDS ASSESSMENT PROCESS



Sub-step 1—Obtain Needs Assessment Data

The first sub-step deals with identifying and collecting needs assessment data. When identifying and collecting data, a key question is:

What data do department decision makers need in order to make informed decisions regarding prioritizing needs and spending?

If data is not important, then there is probably no need to collect it.

Sources of Information

Various sources of information provide valuable data. Each source has unique design and administrative advantages and disadvantages and it should be explored prior to selection.

Here are some frequently used sources for each level of assessment

Sources of Information
<p>Organizational Assessment</p> <p>Review documents such as:</p> <ul style="list-style-type: none"> • Organizational Charter • Mission and Goal Statement • Organization description • Organizational structure • Organizational objectives (long-term and short-term) • Strategic Business Plan • Department Annual Reports • Studies on social, economic, and environmental trends • GAO reports • Organizational Performance Reviews <p>Ask questions about the organization:</p> <ul style="list-style-type: none"> • Performance indicators • Quality assurance and evaluation studies • Prior training plans • Workforce demographic patterns and trends • Turnover/vacancy figures • Plans for new automated systems • Plans for reorganization, job restructuring • Critical success indicators

Key Stakeholders and Benefits

Occupational Assessment

Review documents such as:

- Job Descriptions
- Task Analysis findings
- Performance standards
- Organizational training priorities
- Department and program plans
- Work processes/procedures
- Literature concerning the occupation
- Other industries
- Professional journals
- Ph.D. theses
- Government sources
- Professional trend studies
- New technology information

Ask questions about the occupation:

- Of the job holder
- Of the supervisor
- Of higher management

Individual Assessment

Review documents such as:

- Performance Appraisals
- Other performance data
- Organizational and occupational priorities
- Performance plans
- Individual Career Goal Statements
- Workforce analysis studies
- Employee work products
- Observe and interview the employee.
- Observe and interview the employee's customers.

Here are some suggestions for obtaining data.

Suggestions for Obtaining Data

- Review, in greater detail, the needs assessment plan that has been developed. Collect any additional information that is needed.
- Review existing documents, reports, etc. that have been previously prepared. If the information is still accurate and valid, don't begin an intense effort to collect the same data.
- If little or no data are available, begin obtaining data at the organizational level.
- Review what data collection tools and techniques have worked and not worked for a particular case in the past. One should ask his/her team members the same question.
- Brainstorm to identify the sources of data to be collected. When appropriate, include upper management input.
- While finding and collecting data, all the members in a team want to be professional and credible.
- Use personal knowledge and expertise about needs assessment positively to gain cooperation.
- Be willing to listen to other points of view.
- Explain benefits and value of needs assessment.
- While it is not unusual to make discoveries during data collection, which were never anticipated, avoid the temptation to get sidetracked on unknown avenues of investigation. If they seem potentially promising, make notes of your ideas and follow them up later.
- Think about how the results will be reported to others as the data is collected (and analyzed). It is pointless to spend 200 hours of computer time collecting (and analyzing) data for results when all that is needed is a ten minute presentation to top officials.
- No matter which technique or instrument is used to gather data, thoroughly explain its use to your audience. Make sure that they understand what is being asked of them.
- Explain the purpose for which the data is being gathered and why it is important that it be accurate.
- Emphasize the need for frankness and thoroughness. When appropriate, assure anonymity

In the table below are several suggestions to assist you when interacting with personnel during the data collection process.

Personnel Interactions

- Get the explicit support and backing of top management.
- Link key data points and roles to facilitate data acquisition.
- Whenever possible, link your needs assessment data collection (and other activities) to a highly visible, important project with high momentum. Make sure to use one of your power bases to make this happen.
- Decide if additional outside resources are needed. Examples include:
 - Researcher
 - Analyst
 - Organizational development specialist
 - Statistician (now for consulting, later for analysis)
- If data collection requires support of the HRD department, be sure to build support.

Data Collection Techniques

You can use one or more of these standard data collection techniques to obtain data. Each technique has unique design and administrative advantages and disadvantages that should be considered. In the table on this page and the next are some frequently used techniques and the assessment level at which they may be most effective. It is possible to use a technique for each level of assessment.

Techniques	Assessments		
	Organizational	Occupational	Individual
• Questionnaire/Survey	8	8	8
• Advisory groups	8	8	
• Focus groups	8	8	
• Interview	8	8	8
• Direct job performance observation		8	8
• Subject Matter Expert panel	8	8	
• Review of turnover/vacancy rate	8	8	
• Tests on job knowledge and skills		8	8
• Critical incidents analysis	8	8	8
• Devised situations			8
• Case Study			8
• In-basket exercises			8
• Assessment		8	8

Technique Decision Factors

Consider these factors when deciding which technique to use:

- Time requirements
- Costs
- Reliability of technique
- Management/employee involvement
- Appropriateness for accomplishing assessment goals

Common Mistakes

Two common mistakes are often made in collecting data:

- The first mistake is collecting unnecessary data—data that has already been collected.
- The second mistake is to rush out and collect data giving little thought about how to structure or ANALYZE it—the result can be a nightmare.

Collecting of Unnecessary Data

Research to see if the required data has already been prepared. If it's valid, don't collect it a second time.

S/he should inquire about the availability of existing automated databases in his/her department from which he/she can access various kinds of information. Depending on the training and development needs s/he is addressing, databases can provide valuable demographic, historical, or functional data. As one analyzes his/her data and add to the database, s/he can help to establish benchmarks and create models that can be used to compare groups or conduct future assessments of the same group.

Some organizations have a single HR/HRD database system. This enables departments to:

- Operate an integrated personnel management system.
- Avoid duplication of effort.
- Conduct job analysis in a cost-effective manner.

Note

Make certain that s/he can collect only the amount and kind of data to answer important questions about organizational, occupational, and individual performance.

Collecting Data That Can't Be Analyzed

Collecting data that is ill-structured or that cannot be properly analyzed is a problem. For this reason, when it is to be decided which technique(s) are to be used to obtain the data, one should also determine his or her ANALYTICAL METHODS. She / he should do this before collecting data. Better yet, first run a small pre-test, then a slightly larger pilot test, and finally try to interpret

results using the methods she / he selected. If any problems arise, reevaluate. It is better to spend extra time at that point than to collect hundreds of pieces of information that cannot be used. Further information on data analysis is provided in the next substep.

Note

Some data that she / he collects may be viewed as “sensitive” or “confidential.” She / he should be considerate of sensitive information and careful of data that is confidential.

Outcome

As a result of this substep, she / he identified and collected relevant performance data. Now she / he has to complete substep 2, Analyze Data.

Sub-step 2—Analyze Data

Data collected during the assessment helps one identify a discrepancy or gap in performance. In some instances, causes and reasons for the gap may not be apparent. In this case, the organizational, occupational, and individual data need to be analyzed in greater detail in order to identify specific problems/issues at these levels.

Analysis of data identifies broad internal and external issues affecting the department. To get the proper perspective, first analyze data at the organizational level, if available, next, at the job level, and finally, at the individual levels

Here are some questions to consider when analyzing data from a broad, general perspective.

Data Analysis Questions

Organizational Assessment Level

- Based on the data, what new direction(s) do you see your department taking in the next 2-5 years?
- What will be required for your department to take the new direction(s)?
- What problems or weaknesses in your department need to be strengthened?
- What mission critical occupational group(s) will be affected by the new direction(s)?
- Does the occupational group(s) possess the necessary skills to plan and implement programs and activities required by the new direction(s)?

Occupational Assessment Level

- What are the specific skills, knowledge, and abilities required by the affected occupational groups to move toward the new direction(s)?

- What present skills, knowledge, and abilities does the group(s) possess?
- Can you begin to identify any discrepancies or gaps?
- Which employees' job(s) will be affected by the new direction(s)?
- How will they be affected?
- What new or different job requirements will be necessary?
- What are employees' present skills, knowledge, and abilities relating to these requirements?
- If there is a discrepancy or gap, what is the cause?
- How might the discrepancy or gap be closed?

Individual Assessment Level

- How will your job be affected by the new direction?
- What new or different job requirements will you need to satisfy?
- What is your current ability to perform the new/different duties?
- Will learning the new/different duties help you achieve your career goals? How?
- What other skills do you need to improve your current job performance?

Note

Answers to these questions may cause him/her to take a more in-depth view of required and current performance at the occupational and individual levels

Possible Causes for Performance Gaps

Listed on the next page are some possible causes for performance gaps:

Possible Causes

- Equipment issues
- Unavailable tools
- Workplace issues
- Physical obstacles
- Unclear training priorities

- Ill- or undefined expectations, roles
- Lack of necessary knowledge, abilities
- Career change or adjustments
- Lack of training
- Changing technology
- Inappropriate incentives, rewards
- Inadequate information, feedback

Possible Results

Based on the analysis and response to these questions, one can expect his/her department to:

- Take further action to define the performance implications at the occupational and individual levels. This may require additional data collection.

OR

- Take no further action because of any of the following reasons:
 - No gaps exist between present and required level.
 - Gaps exist, but they are not important to address at this time.
 - There are no negative results for ignoring the gap.

Data Analysis Methods

There are many methods to analyze needs assessment data. They can be categorized as follows:

- Automated analysis
- Non-automated analysis

Automated Analysis

Computers have the potential for assisting in tabulating and analyzing responses from large samples. The database can be manipulated to show patterns and trends, and identify relationships between variables. Computers also produce reports/printouts that help present the data in an organized way. Scanning devices are also useful in analyzing data. Automated analysis is useful for these data collection techniques:

- Questionnaire
- Survey
- Tests
- Rating scales
- Turnover vacancy rates
- Attitudinal study data

Generic Packages

There are several commercially available statistical packages available to help you analyze data. Generic statistical packages such as SPSS/PC, STATPRO, and STATPACK are useful for data analysis of various types of surveys.

Statistical packages such as STATWORKS, STATVIEW, and STATFAST are helpful to crunch numbers and explore frequencies and cross-tabulations. They can be purchased in computer software stores and certain bookstores.

Training-Tailored Packages

There are packages designed specifically for training professionals. Assessment Survey Kit (ASK) Synthesis, Computer Assisted Needs Assessment Instrument Design (CANAID), and THINKTANK are commercially available through computer software stores, college bookstores, and training magazines.

Non-Automated Analysis

Depending upon the data collections methods used and the size of the sample(s), it may be easier for him/her to conduct a non-automated analysis.

There are instances when it is more cost-effective to analyze results “by hand” than to purchase software packages or pay to have the results analyzed by outsiders. She / he will have to decide the best approach. The table below lists several questions to ask.

Non-Automated Analysis Questions

- Are the data broad, general, and non-quantifiable?
- Do the data include specific job task analysis information requiring statistical analysis?
- What budget is available for needs assessment analysis activities?
- How do you want to manage the data as baseline information for performance improvement evaluation?

In what format should the assessment results be presented? (e.g., formal report, listing of performance issues and/or job functions, briefing package)

Outcome

Now the user of this book can go on to the next substep, Define Performance Problems/Issues: Occupational Groups/Individuals. She/he will use the results from this substep to define in more detail the performance problems and issues.

Sub-step 3—Define Performance Problems/Issues:

Occupational Groups/Individuals

This sub-step focuses upon identifying performance problems and issues at the occupational and individual levels.

If a deficiency results from the lack of a skill, it is a suitable target for training. If it stems from a cause other than the lack of a skill, another type of improvement may be needed.

Based upon the above thinking, here is one model for identifying performance problems/issues and their possible causes.

Performance Analysis Model

The basic steps in this model are shown on page 38. Using a model like this, plus one's own organizational, occupational, and individual needs assessment data analysis results, specific performance problems/issues at the occupational and individual levels can be identified. She / he can use this model in two ways:

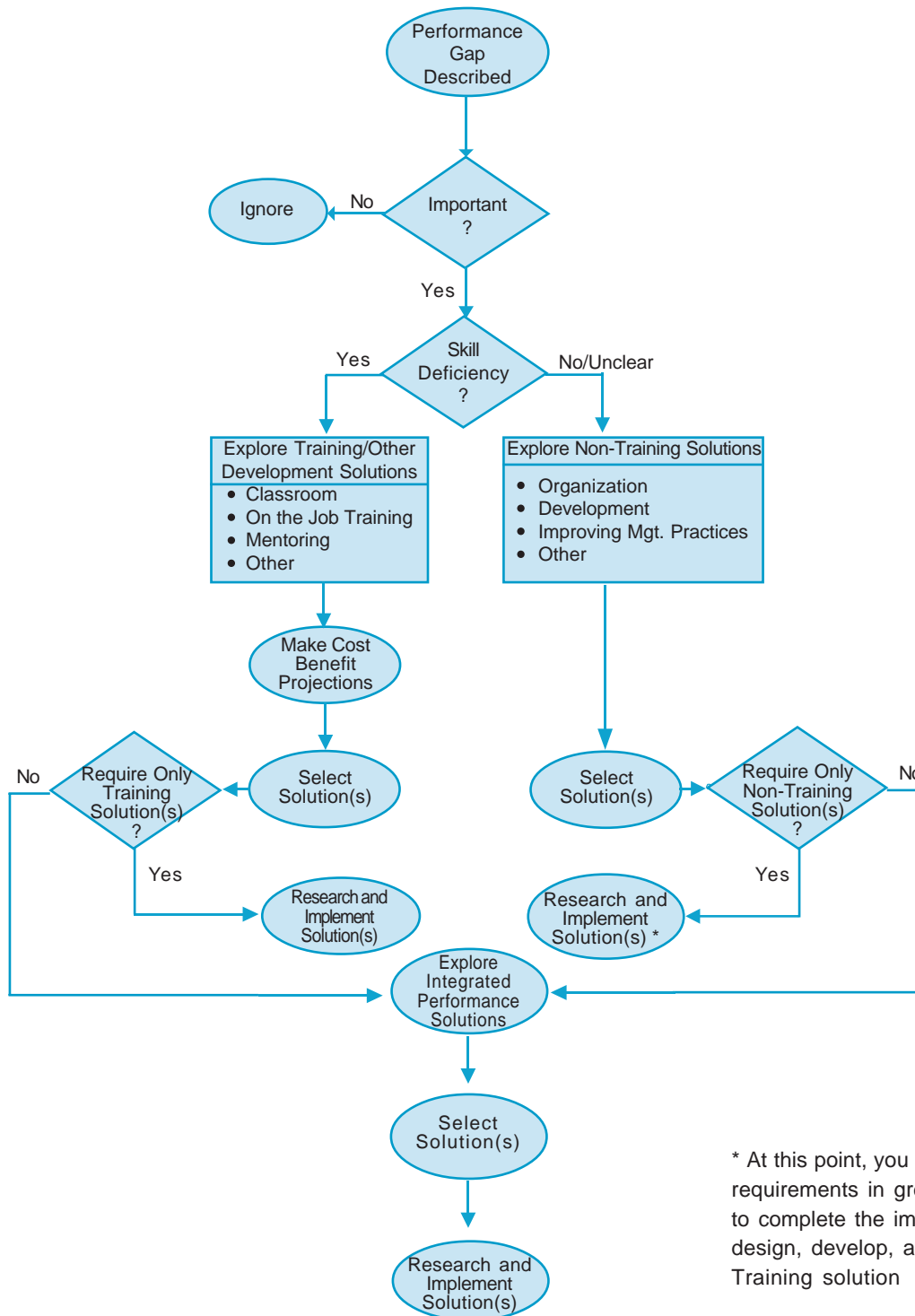
- Examining all three levels of the needs assessment process.
- Identifying performance problems/issues for one level, if your assessment is targeted for a single level.

For example, top officers can use the model to conduct individual assessment of their subordinate officers for each performance discrepancy and/or skill.

Linking Levels of Performance Needs

Assuming that the broader organizational needs assessment reveals important skills deficiency, the purpose of this sub-step is to review in greater detail the needs of occupational groups and individuals.

PERFORMANCE ANALYSIS MODEL



* At this point, you may study the job requirements in greater detail in order to complete the important steps to design, develop, and implement the Training solution

Occupational Groups Problem/Issues Identification

Here is a process to identify problems and issues at the job level

Process for Identifying Problems & Issues at The Job Level

- Review the occupational group(s) that are critical to organizational performance and are impacted by the issues/opportunities identified through the data analysis.
- Study demographic information about the identified occupational groups. Consider criteria such as:
 - Age
 - Gender
 - Diversity
 - Population size
- Identify performance problems in light of:
 - Department goals
 - Organizational goals
 - New programs and their required skills
 - Organizational values and culture
 - Beneficiary/quality effectiveness
 - The future
 - Productivity reports
 - Continuing professional education issues
- If it is a performance problem caused by a skill deficiency, explore training (and development) solutions and related costs and benefits.
- If it is a performance problem caused by a non-skill deficiency, explore non-training solutions and their related costs and benefits.
- Review occupational performance needs in terms of priority organizational needs.

Individual Problem/Issues Identification Process

Typically, conducting an individual needs assessment is the responsibility of the line manager. HRD may be responsible for providing the organizational and occupational needs assessment data to assist in conducting the individual assessment. The line manager, when given all the necessary data, then shares it with the individual employee as they, together, share in the process of conducting the assessment.

Here is a process to consider when identifying problems and issues at the individual level.

- First, identify the knowledge, skills, and abilities that an individual must possess in order to do the job. A task analysis is an excellent source of information. Your Personnel/ Training Department may have this information.
- Next, identify the ideal or required level(s) of performance. Again, a position task analysis is helpful.
- Now, determine the current performance level for the individual. Current performance appraisals are a good source of information.
- Next, define the causes for the gap in performance; that is, why the individual is not performing as desired. Think about the causes for this “gap.”
- If the performance problem is caused by a skill deficiency, explore training (and development) solutions and related costs and benefits.
- If the problem is caused by a non-skill related deficiency, explore non-training solutions (e.g., job restructuring, motivational counseling).
- Review individual performance needs in terms of priority organizational and occupational needs.

Outcome

Once she / he completes this sub-step, she / he has a list of performance problems and their causes. She / he has also determined which problems can be addressed by training and which cannot.

Sub-step 4— Research Integrated Performance Solutions: Training and Development, OD, and Other HR Solutions

This sub-step addresses integrated performance solutions.

An Integrated Approach

Once she / he has identified the cause(s) for the performance gap, it is time to research and identify a potential solution(s). Recall that if the cause is a skill deficiency, a training solution is appropriate. If she / he is unclear, or if the cause is not a skill deficiency, a non-training solution may be most appropriate.

However, there may be some cases when the best resolution to a performance problem is a combination of both of these solutions. This is called an integrated performance solution.

Definition

An integrated performance solution is one that includes both training and non-training solutions. This is a multiple-solution approach. For example, performance improvements may include training and development solutions, changing work structures, team building, and related HR strategies.

Problems/Solutions

Identifying possible solutions, including integrated solutions related only to human resources issues, is not an easy task. The chart on this page lists selected performance problems with examples of “singular” solutions.

When Performance Problem is Due to	Potential Solution Could be
Lack of knowledge Skill deficiency	Training and Development

This chart lists selected performance problems and integrated solutions.

When Performance Problem is Due to	Potential Solution Could be “ Integrated”
Improper attitude	• Training and Development
Lack of quality tools and services	• Organizational Development (OD)
Introduction to new technology	• HR solution (e.g., job restructuring, establishment of new management structures)
Organizational structure change	• Non-HR solution (e.g., better tools, more accurate and timely information)
Work processes	• Coaching, counseling
Management practices	

Researching Performance Solutions

While researching and identifying integrated performance solutions, here are several suggestions to keep in mind.

Suggestions for Researching & Identifying Integrated Performance Solutions
<ul style="list-style-type: none"> • Solicit input from HR sources. Talk with department personnel who can help investigate the performance problem. • Look at the solution from a cost/benefit standpoint. Will it be cost effective to implement this solution? • Determine the needed resources, both for training and non-training solution strategies. • Determine if the solution(s) will be the most effective one(s). Are these just “band aids” or long term solutions? • Involve line management and employees from all affected departments in your discussions. This is very important when identifying an integrated performance solution.

- Determine if the identified solution(s) are the most “wide-hitting,” “biggest bang for the buck” solutions.
- If the performance problem is a non-HRD-HR issue, work with the appropriate department in your department. Share your findings and encourage their follow-up.

Outcome

As a result of completing this sub-step, s/he explored HRD solutions. S/he also examined other solutions to improve performance. It’s now time to look in greater detail at training and development.

Proceed to the next sub-step, Determine Best Training and Development Approach(es).

Sub-step 5— Determine Best Training and Development Approach(es)

This sub-step addresses two topics:

- The selection of the best training and development approach(es)
- Prioritizing HRD investments

Approaches

Training and development approaches are techniques or strategies used to enhance the learning process. They include, but are not limited to:

- Formal training
 - Lecture/discussion
 - Seminar
 - Workshop
- Self-study approaches
 - Self-paced instruction
 - Independent reading
- Technology-based approaches
 - Computer-based training
 - Distance learning
- Job related/workplace approaches
 - Formal on-the-job training
 - Task forces
 - Mentoring
 - Long-term development programs

Considerations

Here are some considerations when determining the best training and development approach(es).

- Target audience (size, previous work, educational background, etc.)
- Needed knowledge, skills, and abilities
- Training setting
- Geographical considerations
- Length of training
- Need to integrate with other solutions
- Training cycle
- Cost-effectiveness
- Available resources

Priority Tool

Once a training and development solution is identified, she / he needs to determine its potential effectiveness in solving the problem/issue. A priority tool can be helpful. There are many types of priority tools. They may be simple or complex, using rankings, questions, scales, and identifications.

Sample Priority Tool

On this and the next page is a sample tool useful in determining the relative importance of a training and development solution in terms of six factors. Focusing on each training and development solution, consider each factor and answer the questions.

Priority Tool	
Factor	Questions to Ask
Impact	<ul style="list-style-type: none"> • What would be the effect if the solution fails to meet the need? • For the short term? • For the long term?
Scope	<ul style="list-style-type: none"> • How would people be affected? • Where in the organization is the solution needed?
Department Policy & Priorities	<ul style="list-style-type: none"> • Is training (if appropriate) mandated? • What are top management's program priorities? • What are the policy guidelines?
Time	<ul style="list-style-type: none"> • What is the immediacy of the solution? • Does the solution have to be implemented within a certain timeframe to have value or impact?

Type	<ul style="list-style-type: none"> • Is the solution an organizational one, i.e., must be implemented in order for the department to carry out its mission? • Is the solution individualized and oriented toward individual employee development? • Is the solution an integrated one, (e.g., training & development, OD, HR) requiring coordination?
Feasibility	<ul style="list-style-type: none"> • What kind of investment would it take to implement the solution? • Is it realistic? • Is it cost effective? • Are resources available?

Outcome

Using the information in this sub-step, one will be in a position to assess the cost and benefit of training and development approach(es) selected by his/her department.

Sub-step 6- Assess Cost/Benefit of Training and Development Approach(es):

Once it is determined through a multi-level needs assessment process that training is all or part of the solution to an organizational performance problem, the next step is to project the costs and benefits to his/her department for its training investment. Since training and development can be an expensive solution, wise organizations assess benefits gained through training before making the investment. This makes strong economic sense.

In this sub-step, one will learn how to make a “business case” that documents the costs and benefits of a training solution. The topics regarding business case are:

- The purpose and benefits of making a business case
- The roles and responsibilities in making a business case
- The steps involved in planning to use a business case
- The procedures for completing a business case form
- The benefits of conducting a Return on Investment (ROI)

An example of a completed business case form and a blank business case form are included at the end of this sub-step.

What is a Business Case?

A “business case” is a method for projecting what benefits his/her department will gain as a result of investing its training dollars. The process results in input to the budgetary formulation and resource allocation decisions made by the department. The output is a completed business case form that documents the costs and benefits for implementing a training solution that would require substantial investment of department resources.

What are the Benefits of Making a Business Case?

The benefits of creating a business case for his/her training and development solutions are that it can:

- Establish the projected economic benefit to be derived from closing a performance gap identified in the needs assessment process (the performance gap is the difference between desired and actual performance expressed in “dollar” terms);
- Provide HRD data in a format that aids in the budget formulation/resource allocation process;
- Provide a decision-making tool for training and development investments;
- Help set resource priorities in a “fair” manner, focused on getting the most “bang for the HRD buck.”

Who in the Department Contributes to the Business Case?

HRD professionals, line managers, and key representatives from other functional areas in the department will want to work together as much as possible in developing a business case. The table next page shows contributions that various types of personnel in the organization can make in constructing and presenting a business case.

Personnel Roles and Contributions	
Role	Contribution
Line or Program Manager	<ul style="list-style-type: none"> • Provide a list of benefits to the employees, organization, and department to be achieved through training.
	<ul style="list-style-type: none"> • Provide input on their experiences with the success or failure of various training methods for a particular target audience or subject matter.
	<ul style="list-style-type: none"> • Provide subject-matter expertise in setting high-level goals and objectives for the training.
	<ul style="list-style-type: none"> • Serve as review team members to critique the business case.

HRD Manager & Professional	• Provide data on training development costs.
	• Provide input on the optimal timing (e.g., the training budget cycle, within the department to submit the business case).
	• Provide input on department issues to consider in constructing the business case.
	• Serve as review team members to critique the business case.
Upper Level Management	• Provide input on the organizational goals and objectives that the training should help to meet.
	• Serve as a review team member to critique the business case.

How Do I Plan for Using the Business Case Methodology?

Here are the steps and suggested processes to take in planning each step of constructing a business case.

Planning Step 1—Gain Support for Using the Business Case Methodology

- Review the purpose and methodology for constructing a business case with the key players mentioned above.
- Ensure that top management/key decision makers support the development of a business case. A briefing or a memo can accomplish this.
- Determine organizational and department review and approval cycle for training projects. One needs to know when and where to submit the business case to maximize its effectiveness as a decision-making tool.

Roles and Responsibilities

As part of the process of gaining support for using a business case, one should determine who in his/her department is responsible for the following functions and make sure they understand the purpose and use of a business case.

Suggested Function Responsibility List

- Who provides oversight of training issues and programs to ensure that training is directed toward supporting department-wide initiatives?
- Who evaluates training plans and decides which training activities are required to effectively achieve the department’s short- and long-term initiatives?
- Who provides funding and other resources to support the accomplishment of approved training activities?

- Who makes final decisions on major training issues that significantly impact department-wide policies, goals, and resources?

Planning Step 2—Form the Business Case Team

- After gaining support for the business case, identify the personnel that will form the team and review their role(s) with them on an individual basis. Be sure to note any due dates for input and/or deliverables.
- Valuable team members would be:
 - Representatives from line management who can provide subject-matter expertise.
 - HRD personnel with expertise in the different facets of instructional design.
 - HRM or OD personnel who can provide input on an integrated training solution with broader implications for department benefits
 - A creative financial person who believes in the value of HRD and can translate intangible benefits of a training solution into future dollars.

Tip for Forming the Business Case Team

Determine if there is an existing department working group that is responsible for preparing training plans or training option papers. Members from this committee might be part of the business case preparation or review team.

Planning Step 3—Select and Train Review Team Members

- Ideally, personnel who review the draft business case would not be the same people who helped construct the business case. This allows a “fresh perspective” and will help ensure that there are no obvious errors or omissions before it is sent to the decision-makers.
- Review Team members should be as objective as possible, i.e., no one should have a stake in the outcome of the decision. If possible, members should represent finance, operations, and the potential target audience, including the union, if required.
- Other attributes to look for in forming a Review Team are well-developed communication and interpersonal skills, and a sound knowledge of the business of the department.
- Review Team members should be given instructions on the particular variables or factors to consider in reviewing the business case.

Planning Step 4—Prepare the Business Case Form

Examples of a blank and a completed Business Case form can be found on page 56-58.

Planning Step 5—Give Business Case to Review Team for Review and Recommendations

- The business case can be approved, rejected, or conditionally approved by his/her Review Team. *Approved* means that the training investment will be recommended to the department decision makers. *Rejected* means that it will not be recommended. *Conditionally approved* means that the team believes the case warrants a re-examination after more work.
- A suggested process for helping the Review Team make the decision is as follows:

The Review Team members individually study the business case form and rate each section using the following rating scale:

0 = No data available

1 = Insufficient data to make a case for investment

2 = A small amount of data to support an investment

3 = A moderate case to support an investment

4 = A good case to support an investment

5 = A very good case for making the investment

The Review Team meets to discuss each section of the business case until they reach consensus on its rating.

One member of the Review Team summarizes the ratings, strengths, and limitations of the business case.

Each member decides individually whether the business case should be approved, rejected, or conditionally approved.

The Review Team discusses their individual opinions and reaches a consensus on the final outcome.

Suggested Review Questions

Depending on the composition of his/her Review Team, various members can focus on different aspects of the business case in their review. Shown below are some questions the Review Team can consider in critiquing the business case.

Suggested Questions For Review Team Consideration

- Are any pieces of data or information missing from the business case?
- Are there any gaps in logic in making the business case?
- How does the training recommended in this business case rank with other competing training needs that members may know about?
- Will the impact of training affect a major goal or objective of the organization?

- Are there any other short- or long-term benefits that could accrue as a result of improved performance?

Planning Step 6—Submit Business Case to Department Decision Maker(s)

The department decision-maker receives and prioritizes, if necessary, business case submissions according to the needs of the entire department. He or she then allocates resources accordingly. The results should be built into the organization's budgeting plans and requests.

Use of HRD versus Contractor Resources

As you plan the business case, consider making cost-benefit comparisons through the use of in-house staff versus contractor resources. One of the major considerations is the ability to acquire needed expertise (e.g., instructional designers, computer programmers). Depending on the capabilities of the HRD staff, the use of particular training methods might necessitate going "outside" for resources using contractor support.

Contractor rates vary according to personnel expertise, years of experience, and other variables of that particular company. Gathering quotations from several contractors is a good practice.

Some departments establish contracting vehicles that are available to other Government departments. Through interdepartmental agreements, interested departments can procure the services of contractors quickly and efficiently. One's own department's contracting division is a good source of information concerning outside resources.

Time Constraints and Contractor Resources

Managing a consultant could give him/her more control over deadlines than relying on in-house personnel availability. One option is to contract for only those services that are not resident in his/her organization, such as video production or desktop publishing. Another option is to use a contractor as a project team member/teacher so that the in-house team members gain expertise in the development process that becomes resident in the organization.

Training Materials Maintenance and Contractor Resources

Try to anticipate the availability of in-house resources to incorporate future changes in training content or to serve as instructors, or to maintain the training equipment. Arranging for a "turn-key" operation that includes a specified period of maintenance with a contractor could be a cost-effective solution if downsizing or frequent turnover are issues in your HRD department.

Return on Investment

One's department may request him or her to document whether the projected business case saving has been achieved or not. A Return on Investment (ROI) calculation documents whether or not the benefit(s) projected in the business case was realized. The ROI is calculated by following up on the impact of training to determine the degree to which she/he has closed the performance "gap" through training in the cost-effective manner stated in the business case.

Report on ROI Results

The ability to show “bottom line” results of training efforts to decision-makers is becoming increasingly important in this era of heightened fiscal accountability. When evaluating the results of a training solution, write a report documenting the findings and provide copies to department decision makers. Showing the bottom line savings that training makes to the organization can be an extremely effective means to market, as well as justify, HRD services.

Tip for Determining When to Calculate ROI Data

Allow enough time for the training intervention to affect operational results. Even if participants in a training program begin to use their new skills immediately, it can take between three months to a year to show a change in performance indicators. Collecting data on a quarterly basis will allow him/her to determine patterns or trends in performance.

Sample Business Case Form

The following pages provide guidelines on how to complete a business case form. In addition, she/he will find a completed business case to help him/her through the process. Also provided is a blank copy of the form that can be reproduced or modified for his/her particular needs.

Guidelines on how to complete a Business Case Form

Overview/ Purpose		
<p>A Business Case Form is the place to document his/her methodology for making recommendations about his/her training solution(s). The five questions in the form guide him/her through a systematic process for describing and costing the performance problem and training solution. She/he can adapt the organization and content of the sections to best suit his/her needs. She/he should keep in mind that it is going to department decision-makers, so she/he should try to keep the information as concise as possible.</p>		
Business Case Questions	Steps to Follow	Guidance / Suggestions
I. What is the strategic or business objective the HRD investment would advance?	In completing this section, describe how the training solution that you are proposing will help to meet a strategic goal of the department.	A central feature of strategic HRD is the integration of training and development into business planning. Once the department has developed its strategic business plan, HRD investments that would promote the goals of the plan advance in priority. The business case allows the department to assess which investments are most closely linked to the department's goals and objectives.
II. What is the human performance opportunity or problem?	In this section, describe the specific problem or opportunity that your training solution will address, i.e., the human performance need and its impact that led you to request an intervention. The information for this section can come from data collected during your needs assessment.	Some kinds of information to include here are: <ul style="list-style-type: none"> • The urgency of the issue • The support available to address the issue • Who the target audience is • Target audience readiness
IIIa. What are the department benefits to be gained if the opportunity was realized or the problem solved?	In this section, describe benefits to the target audience and the organization resulting from the training program. Benefits can be short- or long-term, or both. Benefits should be quantifiable and, if applicable, described in terms of "value added." Three steps follow:	
IIIb. What are the department benefits to be gained if the opportunity was realized or the problem solved?	A. Describe the intended human performance improvement(s) and/or organizational benefits that will be gained from this training or development.	The effect of training or development can impact not only the skill and knowledge level of the target audience, but also can create benefits for the organization in terms of helping to meet strategic goals and objectives. Some examples of human performance benefits and their associated organizational benefits are shown below.

Business Case Questions	Steps to Follow	Guidance / Suggestions
		<p>Human Performance Improvements</p> <p>Error Rate reduction</p> <p>Improved morale</p> <p>Waste reduction</p> <p>Increased professionalism</p> <p>Organizational Benefits</p> <ul style="list-style-type: none"> • Increased productivity • Reduced turnover • Cost reduction • Increased customer satisfaction
	<p>B. Quantify, if possible, the human performance improvement(s) and/or organizational benefits that will result from this training.</p>	<p>The ability to put a dollar figure on the benefits of your training project's impact on the organization is a key element in selling the business case. Benefits can be quantified by thinking about them in terms of:</p> <ul style="list-style-type: none"> • Increased productivity/services, OR • Decreased or avoided expenses
<p>IIIC. What are the department benefits to be gained if the opportunity was realized or the problem solved?</p>	<p>B. Quantify, if possible, the human performance improvement(s) and/or organizational benefits that will result from this training.</p>	<p>Examples include:</p> <ul style="list-style-type: none"> • Reduce absenteeism by 10% over next year, creating a savings of \$200,000. • Increase customer satisfaction as a result of providing information to callers in a more timely fashion. The organization is able to handle approximately 10% more customer inquiries daily. • Improve quality of products. As a result, customer requests for products have increased 15%. • Reduce turnover by 10% over the next two years, avoiding the expense of hiring new employees, thereby saving the department approximately \$100,000. • Reduce the number of complaints by angry callers as a result of providing customer service training. Number of complaints down by 93%.
	<p>C. If applicable, describe other "value added" benefits that will result from this training.</p>	<p>Some benefits are difficult to quantify. The business case can include derived benefits that are for the good of the general public. Examples include:</p> <ul style="list-style-type: none"> • Improve air quality in the environment resulting from training employees to use new testing methods. • Improve methods for testing new drugs and medications. As a result, products are available to the public in shorter time frames.
<p>IVa. What are the costs that will be involved in the training or development effort?</p>	<p>The steps involved in calculating the cost of your training solution are shown below. You can show as many of the calculations on the business case form as you think are necessary to convince top management of your training solution choice. Several steps follow:</p>	<p>To make the best possible business case for your training solution, calculate the costs of your training options. Calculating the cost of different training methods will help ensure that the most cost-effective training solution is chosen and give top management the detailed information they need to make decisions and set resource priorities.</p>

Business Case Questions	Steps to Follow	Guidance / Suggestions												
	<p>A. Choose training methods.</p>	<p>In choosing the training methods to compare, be sure that the training methods you are considering are appropriate for the training objectives. You can narrow your choices by putting your training objectives through any method selection model that your department uses.</p> <p>For example, if you are training students on how to correctly complete inventory forms, a job performance aid (JPA) or computer-based training (CBT) would be appropriate training methods to compare; videotape would probably not be as appropriate, given the training objective.</p>												
	<p>B. Determine all training cost categories.</p>	<p>When calculating costs for training, look at four categories:</p> <ul style="list-style-type: none"> • Development costs • Direct costs • Indirect costs • Compensation for participants <p>An explanation of each cost category follows.</p>												
<p>IVb. What are the costs that will be involved in the training or development effort?</p>	<p>Calculating Development Costs.</p>	<p>All costs incurred during the development of the training go in this category. Development costs include the cost of the analysis, design, development, and evaluation of training. Some examples of development cost items are:</p> <ul style="list-style-type: none"> • Salaries and benefits of personnel directly engaged in training development, for example: <ul style="list-style-type: none"> • Instructional technologists • Computer programmers • Video technicians • Word processor operators • Subject matter experts • Consultants, subcontractors, temporary clerical staff • Equipment, hardware, or software required for training development, for example: <ul style="list-style-type: none"> • Computer hardware and software for developing CBT • Video production costs for developing videotape or videodisc training 												
<p>IVc. What are the costs that will be involved in the training or development effort?</p>	<p>Calculating Development Costs</p>	<p><i>Tip for Calculating Development Costs-Typical development costs for one hour of instruction using several different training methods are shown below:</i></p> <table border="1" data-bbox="788 1756 1398 2045"> <tbody> <tr> <td data-bbox="788 1756 890 1827">CBT</td> <td data-bbox="890 1756 1171 1827">Hours of development: Cost range:</td> <td data-bbox="1171 1756 1398 1827">200 - 300 hours \$12,000 - \$25,000</td> </tr> <tr> <td data-bbox="788 1827 890 1899">Class-room</td> <td data-bbox="890 1827 1171 1899">Hours of development: Cost range:</td> <td data-bbox="1171 1827 1398 1899">25 - 50 hours \$2,000 - \$4,000</td> </tr> <tr> <td data-bbox="788 1899 890 1971">Video-tape</td> <td data-bbox="890 1899 1171 1971">Hours of development: Cost range:</td> <td data-bbox="1171 1899 1398 1971">130 - 200 hours \$10,000 - \$25,000</td> </tr> <tr> <td data-bbox="788 1971 890 2045">PA</td> <td data-bbox="890 1971 1171 2045">Hours of development Cost range:</td> <td data-bbox="1171 1971 1398 2045">40 - 60 hours \$3,000 - \$5,000</td> </tr> </tbody> </table>	CBT	Hours of development: Cost range:	200 - 300 hours \$12,000 - \$25,000	Class-room	Hours of development: Cost range:	25 - 50 hours \$2,000 - \$4,000	Video-tape	Hours of development: Cost range:	130 - 200 hours \$10,000 - \$25,000	PA	Hours of development Cost range:	40 - 60 hours \$3,000 - \$5,000
CBT	Hours of development: Cost range:	200 - 300 hours \$12,000 - \$25,000												
Class-room	Hours of development: Cost range:	25 - 50 hours \$2,000 - \$4,000												
Video-tape	Hours of development: Cost range:	130 - 200 hours \$10,000 - \$25,000												
PA	Hours of development Cost range:	40 - 60 hours \$3,000 - \$5,000												

Business Case Questions	Steps to Follow	Guidance / Suggestions
	Calculating Direct Costs	<p>These are costs directly associated with the delivery of the training.</p> <p>They include such items as:</p> <ul style="list-style-type: none"> • Course materials purchase or reproduction • Equipment and/or facility rental • Travel • Instructor’s salary and benefits
IVd. What are the costs that will be involved in the training or development effort?	Calculating Indirect Costs	<p>These are costs that are incurred in <i>support</i> of the training project but cannot be attributed to any particular project. Your training project may be expected to pay for part of the indirect costs shown below. The two major types of indirect costs are:</p> <ul style="list-style-type: none"> • Overhead costs • General and Administrative (G&A) costs <p>Overhead costs are related to <i>things</i>. Below are some examples:</p> <ul style="list-style-type: none"> • Materials such as photocopy paper, telephone, postage • Equipment such as photocopy machine cost and maintenance, word processing station hardware and software cost and maintenance • Facilities such as general office space in your building <p>G&A costs are related to people. Below are some examples:</p> <ul style="list-style-type: none"> • Training department management and staff salaries and benefits • Administrative and staff support salaries and benefits <p><i>Tip for Calculating Indirect Costs: Overhead and G&A costs and types vary by organization. It is a good idea to ask his/her organization’s budget and financial office for assistance in calculating indirect costs related to his/her training project.</i></p>
	Calculating Compensation for Participants	<p>These costs comprise the salaries and benefits paid to participants for the time they are in a training program. If the program is two days long, salaries and benefits for your participants for those two days should be calculated as a cost of your program.</p>

Business Case Questions	Steps to Follow	Guidance / Suggestions
<p>V. Summarize the Costs and Benefits</p>	<p>To bring closure to the business case, state your recommended training solution or prioritize your recommended choices. You can show how the cost of training is amortized (spread out over a period of time) over the annual dollar savings. This information is important in order to calculate the return on investment after the training is implemented.</p>	<p>Basic steps include:</p> <ul style="list-style-type: none"> • Add all costs for design, development, pilot delivery, and actual training over the “life time” of the training project. • Calculate total benefits. If benefits are realized over a period of time, include total calculation for benefits. • Provide documentation of any “value added” benefits that are difficult to quantify. • Subtract costs amortized over the length of training from quantified benefits realized over time. • State net gain of the training investment for the department. <p><i>Resources to help you:</i></p> <p>Kearsley, Greg. <i>Costs, Benefits, and Productivity in Training Systems</i>. Reading, MA. Addison-Wesley Publication Company, Inc., 1982.</p> <p>Cascio, Wayne. <i>Costing Human Resources: The Financial Impact of Behavior in Organizations</i>. Boston, MA. PWS-Kent Publishing Company, 1991.</p> <p>U.S. Office of Personnel Management. <i>Establishing the Value of Training: Resource Guide</i>. January 1994.</p>

Outcome

As a result of completing this sub step, she/he will have a documented report to help department management make decisions for significant HRD investments.

Case Forms

Please turn the page for sample completed and blank business case forms.

Follow-up Activities

The next section, beginning on page 60 discusses the three follow-up activities to the needs assessment process.

Sample Completed Business Case Form

I. What is the strategic or business objective the HRD investment would advance?

One of our department's strategic goals for FY 95 is to improve compliance with program requirements in order to reduce negative audit findings. Training our program managers on the tasks they must perform in order to ensure program compliance will result in a significant reduction in the number of negative audit findings during FY 95. The proposed training would be implemented during FY 94 via a computer-based training (CBT) medium.

II. What is the human performance opportunity or problem?

Audit findings over the last three years show that over 50% of our 500 program managers at both Headquarters and Regional Offices are not in compliance with program requirements. This is primarily due to incomplete and inaccurate record keeping. Because of these findings, the department is in jeopardy of losing Congressional funding for FY 96.

A needs assessment has been conducted using focus groups and interviews with a sample of program managers and their supervisors. In addition, department audit reports were examined and interviews with auditors were held.

Data collected shows that program managers have several recurring performance weaknesses. The most common problems are listed below:

- Program managers fail to keep records in general, and their recordkeeping systems do not lend themselves to preparation of the Program Manager Performance Report (PMPR).
- Program managers have difficulty keeping and maintaining current department regulations, circulars, and letters from Headquarters.
- Performance among program managers differs significantly because of their varying interpretations of Federal regulations.

The needs assessment also indicated that performance must improve in order for program managers to administer their programs according to department standards.

The desired levels of performance are as follows:

- Program managers must interpret the Federal regulations consistently and correctly so that they can comply with department standards.
- Program managers must follow standard recordkeeping procedures.

Members of the target audience and their supervisors support training that would provide flexible, self-paced instruction available on demand.

III. What are the department benefits to be gained if the opportunity was realized or the problem solved?

The benefits to the department and our managers are as follows:

- Standardization of recordkeeping procedures, thereby reducing the number of negative audit findings by 30% each year over the next 3 years. We anticipated a savings of \$50,000 based on time and effort saved.
- Increased productivity of program managers due to more consistent interpretation of Federal guidelines and on-line access to applicable procedures. We calculated that on-line access will save approximately 100 hours of manager time in the first year to research guidelines and step by step procedures. This translates to a savings of \$200,000.
- Reduction in travel and labor costs of approximately \$75,000.00 annually for “crisis”-related visits by department specialists to program sites as a result of negative audit findings.
- Reduction in turnover of program managers due to improved morale. We anticipate a savings of \$30,000 in the first year. We based this figure on “average” costs to recruit staff and hire three managers per year, which is the current turnover.

IV. What are the costs that will be involved in the training or development effort?

We considered the costs to conduct formal classroom training. We calculated rough estimates of design, development, and piloting of the training, and travel costs for 350 managers to attend 1 week of training. We also considered classroom space, instructor salaries, manager salaries while in training, and other general costs such as printing and binders. We determined costs to be over \$230,000.

Based on the needs of the target audience, the number of managers to be trained, and the training goals to be achieved, CBT is the training medium that will best meet the identified performance gaps. The benefits of CBT to the learners are as follows:

CBT has many characteristics that are known to be important to adult learners, such as:

- High interactivity,
- Learner controlled, and
- Provides practice, individualized feedback, reinforcement, and multiple pathing.
- CBT provides consistent training, unlike traditional classroom training in which the training is subject to the interpretation of each individual instructor.
- Training can be made available on demand at multiple locations simultaneously.
- CBT has been shown to increase motivation and content retention.

Course development will be completed in five months at a cost of approximately \$150,000.00. The completed product will include a supplemental users’ guide along with the courseware. This cost reflects the contractor labor involved to design, develop, and pilot test the course. The

cost is based on three competitive bids from CBT courseware developers. The department cost to manage the contract will be approximately \$50,000.00. At present, we do not have the in-house capabilities to develop the CBT courseware.

Updates to the courseware, based on regulatory or procedural changes, will be made once a year at an average cost of \$5,000.00 a year. At present, all program managers have the microcomputer configuration that is required to run the CBT courseware, so no additional costs should be incurred to procure hardware or software.

V. Summarize the costs and benefits.

Summary

- Economic Benefit of Closing Gap \$355,000 (approximate calculations)
- Costs of HRD Investment \$200,000 (approximate calculations)

Net Gain to Department \$155,000

In addition to the net gain to the department:

- Program managers will follow the guidelines and procedures more consistently and accurately so that they can operate effectively.
- Program managers will follow standard recordkeeping procedures, and
- Program managers' attitudes will show improvement.

These factors will help to ensure a reduction in negative audit findings, and improve the likelihood of additional Congressional funding.

Business Case Form

For Department/Department : _____

Department/Department : _____

Prepared by : _____

I. What is the strategic or business objective the HRD investment would advance?

II. What is the human performance opportunity or problem?

III. What are the department benefits to be gained if the opportunity was realized or the problem solved?

IV. What are the costs that will be involved in the training or development effort?

V. Summarize the costs and benefits.

5 Follow-up Activities

The follow-up activities include:

- Planning solutions to performance issues (Activity 1)
- Implementing training and development solution(s) (Activity 2)
- Evaluating the success of the needs assessment process and performance outcomes using sample questions and criteria (Activity 3)

Activity 1

Plan Solutions to Performance Issues

Once it is decided that training and development is the best method to solve a skill deficiency-based performance problem/issue, s/he need to formulate plans to design training materials or review and select existing training material.

Note

The data collected during the needs assessment (at the occupational and individual levels) are extremely useful when designing training and instructional materials.

This handbook does not cover how to design training and instructional materials. If there is a need for special information about training design, s/he may contact one of the OPM training delivery centers for specific course offerings. This handbook does provide a brief overview of a systematic approach to training.

Systems Approach

The systems approach to training (SAT) is one logical, orderly approach to designing training. SAT dates back to the 1930's when it was first conceptualized. In the 1970's, the Air Force refined this process, developing the Instructional Systems Development (ISD) approach. A systems approach has successfully met complex training requirements in the aerospace, public health, and electric utility industries, as well as in the federal government.

While there are many models for systems approaches to training, most contain these five phases:

- Analysis
- Design
- Development
- Implementation and Evaluation

Let's look briefly at each phase.

Analysis Phase

The analysis phase defines training requirements or problems, identifies probable causes and possible solutions, and selects the solutions, which best meets, the needs of the organization and its human resources. The needs assessment data which s/he collected in Section IV of this handbook helps identify which occupational jobs s/he need to analyze in detail to design/develop training.

Design Phase

Job performance measures for task performance are developed in the design phase. Training settings are selected and learning objectives are derived to establish the direction of the training. Test items are prepared to measure the learner's mastery of the learning objectives.

Development Phase

In the development phase, instructional methods and media are selected. Instructional materials are developed and the field testing, evaluating, and revising of these materials are conducted.

Implementation and Evaluation Phases

During the implementation and evaluation phases, all training activities are conducted and evaluated. Further information describing these two phases is found in this section, follow-up activities 2 and 3, beginning on page ****

Existing Training Materials

Before you begin the design and development of new training, it is a good practice to review existing sources of training materials. Modifying or adopting existing material can reduce training costs.

Criteria

When reviewing existing training materials, consider the following criteria:

- Appropriateness to the expected trainee entry-level skills and knowledge.
- Coverage of desired learning objectives based upon needs assessment data.
- Consistency with identified learning activities (e.g., introduction, review, discussion, use of training aids).
- Compatibility with training plan (e.g., equipment, time, space, number of learners)

Activity 2

Implement Training and Development Solution(s)

After the training and development solution has been identified, designed, and developed, it is time to implement. This may involve integration and coordination with other HR solutions. This is the second follow-up activity to the Needs Assessment Process.

? At this time, two questions are commonly asked:

- How do you know if this is the best time to implement the solution?
- What is one way that you know that the training and development solution will be effective?

The answer to the first question may consist of several indications:

- When you have gained management support.
- When budgetary resources are available.
- When the trainees and instructors are available.
- When the solution is critical and time is of the essence.

The answer to the second question is to review and “test” the training development solution before it is implemented. This process is often referred to as formative evaluation and is performed during the developmental or “formative” stage when training is being designed and developed. Formative evaluation provides feedback that is used for the improvement of the product being developed.

Approach	Description
Internal Review	Other designers, supervisors, etc. review training/ materials and provide feedback.
<ul style="list-style-type: none"> • Tutorial • Small-group tryout or “pilot” 	<p>Materials tried out on naive learners for instructional soundness.</p> <p>Information is collected and revisions are made</p>

Activity 3

Evaluate Needs Assessment Process and Performance Outcomes

Evaluating the success of the needs assessment process and performance outcomes using sample questions and criteria is the third follow-up activity to the Needs Assessment Process

Evaluation of Needs Assessment Process

To support good training needs assessment principles and practices, a department should analyze the effectiveness and efficiency of their documented needs assessment system and procedures to determine:

- If they generate relevant information.
- If they are practical to conduct.
- How needs assessment findings are used by the department, including how they are used in decisions to allocate department training resources.

? When one is evaluating his/her needs assessment process, here are six questions to answer.

1. Were the goals and objectives of the needs assessment satisfied?
2. Was relevant information generated as a result of the needs assessment?
3. Was the assessment practical to conduct? Think in terms of time, staff, budget, reporting, and other resources.
4. How did his/her department/organization use the information generated as a result of the assessment? S/he should gather feedback from these parties.
5. Are the findings on new or previously identified needs accurate and reliable?
6. Are there new critical skill requirements for the organization and employees that have been developed since the department last conducted a needs assessment?

Establishing Criteria

One will want to establish criteria to determine if his/her needs assessment process is effective. These criteria should be based on the culture of his/her organization and its needs. Below are sample criteria that indicate a successful needs assessment.

Evaluation Criteria

- The assessment was conducted in an on-going fashion.
- The needs assessment was integrated into his/her department's program planning and budget process.
- Management at all levels within his/her department were involved in the process.
- Relevant and reliable information generated on organizational, occupational, and individual performance needs helped his/her department develop its strategic business and program goals.
- His/her department views HRD as an important management tool to accomplish its mission and goals.

To evaluate the effectiveness of his/her multi-level needs assessment process, here are some questions to consider.

Evaluation of Needs Assessment Process

Organizational Assessment

Did the assessment gather data for:

- Program and budget planning?
- Preparing an annual training plan?
- Satisfying mission goals and objectives?
- Identifying needs at the organizational level?

Occupational Assessment

Did the assessment:

- Identify occupational groups requiring training or retraining?
- Identify current trends regarding occupational groups?
- Identify valuable data to establish career development programs?
- Identify employees affected by downsizing and/or organizational restructuring?

Individual Assessment

Did the assessment:

- Assist in identifying performance standards?
- Identify individual skill requirements?
- Lead to performance improvement?

Uses of Needs Assessment Data		One can evaluate his/her needs assessment process by reviewing the outputs and applications of the assessment data. The charts that follow will help him/her do this.
Needs Assessment Outputs and Applications		
Informational Outputs		
Organizational Assessment	Occupational Assessment	Individual Assessment
<ul style="list-style-type: none"> • Training investment plans • Organizational training priorities • EEO considerations • Baseline criteria against which to measure the effectiveness of training and development activities 	<ul style="list-style-type: none"> • Occupational training plans • Career paths • EEO considerations • Effective instructional methods, procedures, and tools • Key developmental areas for continuous professional education of occupational groups 	<ul style="list-style-type: none"> • Individual development plans • Career development programs/activities • Skill assessment of individual performance requirements which link to organizational training priorities
Data Applications		
<ul style="list-style-type: none"> • Establish human resources development goals and priorities. • Integrate human resources development planning with work planning, budgeting, and other personnel management systems. • Make short- and long-term decisions on investment of resources to plan for training and other developmental activities within the department. • Design, develop, conduct, and evaluate training and other development programs for the department 	<ul style="list-style-type: none"> • Evaluate workforce trends and occupational forecasts to determine what short- and long-term strategies will be undertaken to attain the future skill requirements. • Develop strategies to address recruiting and retention issues for mission-critical occupations. • Identify and track career paths, where feasible, and the needs of employees on those paths. Include needs for continuing technical/professional development, based on an analysis of the occupation's tasks and an 	<ul style="list-style-type: none"> • Develop plans for career and personal growth and to improve performance. • Identify areas where training and other development could improve job skills and help prepare employee for future assignments within his/her career path or for occupational change. • Select training and other developmental activities for employees. • Ensure that resources allocated for individual training and other development are linked to organizational human resources development priorities.

Needs Assessment Outputs and Applications		
Data Applications		
Organizational Assessment	Occupational Assessment	Individual Assessment
<p>through external and internal resources.</p> <ul style="list-style-type: none"> Assess department plans to ensure consistency with the merit system principles, taking into consideration the need to maintain a diversified workforce in which women, minorities, and persons with disabilities are appropriately represented and developed in the department. Identify the proper individuals to attend training. 	<p>identification of the competencies associated with various stages of advancement in that occupation.</p> <ul style="list-style-type: none"> Establish training and other development programs to meet the knowledge and skill needs of employees in key occupations. Ensure that budget and program resources allocated for mission-related training and other development are supportive of organization or department-wide priorities. 	<ul style="list-style-type: none"> Integrate performance appraisal process with needs assessment process. Formal performance appraisal findings and informal appraisal observations and findings can be used to target areas where training and development may improve employee performance.

6 Sample Needs Assessment - Tools and Techniques

Selection Factors

The type of data collection and analysis tools and techniques that s/he uses should be determined during Step 2 of the needs assessment process, Plan to Conduct Needs Assessment. The decision should be based on these factors:

- Goals of the needs assessment
- Time and cost constraints
- Reliability of the data source(s)

Sample Tools and Techniques

The following are the principal sample tools and techniques:

- Survey Questionnaire
- Interview
- Focus Group

Survey Questionnaire

A survey questionnaire is one that is designed to ask the same questions to one or more persons. Space is also provided to make notes.

Audience

This questionnaire is designed to be completed by selected department staff members (at the appropriate levels within the organization). It can be self-administered or, if desired, used by needs assessment team members in an “interviewing” format.

Description

Sections of the questionnaire correspond to the three levels of a multi-level needs assessment. Depending upon one’s need and level, s/he may use one or more sections.

Rather than writing his/her own questionnaire, one may want to purchase a standard, off-the-shelf instrument. If this type of questionnaire meets his/her needs, it is usually less costly than developing his/her own and can be immediately implemented.

On the next several pages is a sample survey questionnaire. It can be used as it is or modified to assess organizational, occupational, and individual needs.

Multi-Level Needs Assessment Questionnaire	
<i>DIRECTIONS: The purpose of this questionnaire is to assist you in conducting a multi-level needs assessment. There are questions for each of the three levels.</i>	
Section 1 - Organizational Assessment Level	
1. What new direction do you see your organization taking the next year?	
2. How will you evaluate your organization's success in accomplishing its mission and goals?	
3. How will you prioritize your department's needs and make decisions concerning investment of training resources?	
4. What are the issues impacting your organization?	
5. What critical occupational groups will be affected by this new direction?	
6. How do you define "organization"?	
7. Is there a problem, change, or improvement for which there are human performance implications? Describe.	
8. How will you use the assessment data that looks at needs of the organization?	
9. How will organizational data be used to improve performance through non-training and development solutions? Describe.	
10. From what sources can information on current performance levels be derived?	
11. How do you plan to involve managers in the needs assessment process?	
Section 2 - Occupational Assessment Level	
1. What are the skills, knowledge, and abilities required by the affected occupational group(s) to move toward the new direction?	
2. What present skills, knowledge, and abilities does the group(s) possess?	

3. What occupational group(s) will be assessed? How did you decide?	
4. What are the needs of the occupational group(s)?	
5. How will the assessment data from these occupational group(s) be used?	
6. Are there established career paths for the occupational groups being assessed? How did you define them?	
7. Are there ideal/desired requirements for the occupational group(s)? From what sources did you derive this information?	
8. From what sources will you derive information on current performance levels for the occupational group(s)?	
9. How do you plan to involve managers in the needs assessment process?	
Section 3 - Individual Assessment Level	
1. How will your job be affected by the new direction?	
2. How will you be affected?	
3. What new or different job requirements will you need to satisfy?	
4. What are the required/desired levels of performance needed to carry out the new/different job duties?	
5. What is your current ability to perform the new/different job duties?	
6. Will learning the new/different duties help you achieve your career goals? How?	
7. What other skills do you need to improve your current job performance?	
8. If you received training to meet your needs, what new skills could you transfer to your job?	

Interview

An interview is a particularly useful data collection technique because interviewers can probe areas that show promise and use a variety of types of question formats, i.e., scenarios, critical incident techniques, and situational problems. However, interviews can be difficult to standardize and can be time consuming.

An interview protocol is found on the next four pages. It contains useful criteria that can be used to assess the current status of an organization.

Audience

Since the questions address issues at the organizational level, the intended audience is those department staff members who have duties, responsibilities, and “vision” at this level.

Usage

This interview protocol is designed to be used “one-on-one” (or in a small group) by a needs assessment team member interviewing selected department staff. It might be helpful to have two team members conduct the interview—one to facilitate the questions and the other to record answers and take notes.

Sample Interview Protocol to Assess Organizational Needs		
DIRECTIONS: Listed below are criteria in the area of organizational goals and structure. For each of the criteria, describe the current status and, if desired or appropriate, list suggested or required actions to satisfy the criteria.		
AREA: Organizational, Goals and Structure		OBJECTIVE: Evaluate current status
Criteria	Current Status	Required Action
Organizational		
A. Organizational goals, objectives, and plans.		
1. Are organizational goals stated in broad, yet measurable terms, so that effectiveness of the organization can be measured?		
2. What are the types of training provided in your organization? <ul style="list-style-type: none"> • Initial skills • Continuing • Other 		
3. Is there a list of job categories and maximum numbers of personnel to be trained in each category?		
4. Are there written long-term organizational objectives (concise, measurable)?		
5. Are there written short-term organizational objectives (concise, measurable)?		
6. Are training program plans formulated based upon: <ul style="list-style-type: none"> • Long- and short-term goals? • Available resources (staff, budget, facilities, schedule)? • Realistic estimates of level-of-effort required to accomplish each objective? • Expected output upon completion of each objective? The following factors should be included in the plan: <ul style="list-style-type: none"> • The interaction between short-term commitment/ short-term objectives/long-term objectives • Possible threats to the accomplishment of objectives and strategies for overcoming threats 		

Area : Organizational, Goals and Structure		Objective: Evaluate current status	
Criteria	Current Status	Required Action	
<ul style="list-style-type: none"> • A definition of the types of opportunities, which if they arose, would significantly contribute to accomplishment of long-term/short-term objectives and specifications of a process for handling such opportunities • Schedule (PERT, CPM, preferable) • Resources (in the context of schedule) • Responsibilities 			
7. Is the plan written, reviewed by responsible individuals, and approved by an entity having sufficient authority and resources to approve and fund the training activities?			
8. Is there a well-defined process for communicating organizational objectives, policies, and procedures? This process may consist of: <ul style="list-style-type: none"> • Written newsletters • Quality improvement teams • Periodic staff meetings • Periodic interviews • Informal discussion with employees • Formal discussions with employees • Memo routing system • or any combination of the above. 			
B. Organizational Structure			
1. Are organizational staffing levels based upon goals and objectives and other rational criteria that accommodate any or all of the following? <ul style="list-style-type: none"> • Managerial responsibilities • Clerical and document production support • Skills upgrade, continuing education • Vacation, holidays, sick leave • Professional society meetings, staff meetings • Long-term program development • Program development commitments • Short-term outstanding commitments 			

Area : Organizational, Goals and Structure		Objective: Evaluate current status	
Criteria	Current Status	Required Action	
2. Is organizational staffing predicated upon a logical division of responsibilities and organizational mission? Are any of the following guidelines considered in organizational development? <ul style="list-style-type: none"> • No more than an agreed upon number of persons should report to any one individual • Written position descriptions describing the job activity in terms of the combinations of experience, training, education or other skills that are necessary for successful job performance, inputs, outputs, and standards without prescribing the details of day-to-day performance 			

Focus Group

A focus group is a small group of 6-12 individuals brought together to gather ideas, suggestions, or express opinions and attitudes about a specific topic in a short period of time. This could be staff members from a particular level (e.g., all in the same occupation); one branch or section; or members of a task force. A focus group is useful for providing qualitative data, which gives him/her a feel for important issues, but doesn't give him/her any numbers for judging how widespread a concern or idea might be.

Audience

As stated above, focus group members vary according to the type of desired data to be collected. Below and on the next page are general guidelines for conducting a focus group.

Guidelines for Conducting a Focus Group:

General Guidelines
<ul style="list-style-type: none"> • Conduct the discussions on neutral ground-off the job site, if possible. • When you are ready to begin, go over the agenda. Explain how and why they, the participants, were chosen (do not mention the selection criteria), and how the group will operate. <ul style="list-style-type: none"> • The process or rules for the meeting must be clear to the participants. • Describe how disagreements will be handled.

- Stress the confidentiality of the information.
- Ask if they have any questions.
- If appropriate, ask permission to turn on your taping equipment.
- The first few minutes of the session are critical.
- Begin with introductions-facilitators first.
- Ask group members to tell information such as where they work, their position, and how long they've been with the organization.
- Move from general to specific questions. Later, you can ask more detailed questions. Group members will often volunteer the details once they are warmed up.
- Keep your comments non-judgmental and probe only for information clarification. Always clarify technical words, jargon, and complex ideas.
- Give everyone in the group a chance to contribute to every topic or question in your outline.
- Use a flip chart, computer, or some other recording aid to capture comments and ideas.
- It is recommended that someone other than the facilitator-a scribe-record these comments.
- Before the meeting ends, the facilitator or the scribe should review what has happened during the meeting. Display the flip chart sheets, or the data entered into the computer via overhead projection, as the review is being conducted.
- At the end of the session, the facilitator, should describe how the information from the session will be used.
- Tell the participants what else you need from them.
- Be sure to express appreciation for their effort.
- Follow up the meeting by doing whatever you are committed to do as a result of the meeting.

Preparing Questions

Below are suggestions for preparing questions for focus group discussions.

Focus Group Question Preparation

- Develop questions in collaboration with the organization or component being assessed.
- Use questions appearing in the questionnaire and interview protocol (on the preceding pages) as sample questions.
- Ask open-ended questions (those requiring opinions and ideas) that cannot be answered with a simple “yes” or “no” response.
- To help clarify information, ask follow-up questions such as:
 - Why?
 - Can you explain?
 - Can you say more about that issue?

One should make sure that she / he can organize the group responses in a meaningful way.

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