



What's All This Fuss About Measurement?

by Alan Ramias

One of the preoccupations of the International Society of Performance Improvement (ISPI) 2002 annual conference was measurement. There were numerous sessions on the subject, as well as a special display (Got Results?) set up by Timm Esque and Carl Binder in the exhibit hall. While far from expert in the subject, I viewed the display with interest and attended several sessions on measurement. Throughout all this focus on the subject, I sensed a good amount of frustration that measurement is not treated as important by members of the International Society for Performance Improvement, or at least not as much as it should be.

Just about every session I attended used the Kirkpatrick four-level model of evaluation for training, in which at Level I, trainee satisfaction is measured; at Level II, learning; at Level III, application of learning on the job; and Level IV, results for the organization (Kirkpatrick, 1994). Even though employing the Kirkpatrick model, some session leaders took pains to state that they didn't think it really is a model or that the levels are really levels. In the sessions themselves there seemed to be a good deal of angst about the difficulties of measurement, especially at the more challenging Levels III and IV. Participants brought up examples of managers who viewed their measurement data with great skepticism or denied that the interventions associated with some of the measures, given all the intervening variables, had anything to do with the gains.

I do not understand what the fuss is about, especially when we're talking about results (that is, Level IV) data. When I viewed the display of different projects showing a variety of measurement techniques and results, my eyes did glaze over pretty quickly. One of the truths about measurement, I suspect, is that, however important it may be, gazing at somebody else's charts and graphs is like looking at their chest X-ray: just not all that galvanizing. Unless we come up with dancing Ito's or some other trick for making measurement funny or sexy, measurement may always be a little dull. But I do not think that is the real problem.

One of the projects included in the Got Results? display was the \$950 million Motorola saved back in the 1980s by employing Geary Rummler's process improvement and management approaches. Illustrated in the display was a specific project that showed cycle time for an order fulfillment process dropping from 17 weeks to 10 weeks within 6 months and then to 5 days after another 18 months. I happened to be the insider at Motorola who instigated that project and gathered the results data. It was amazingly easy. We ran a process improvement workshop with the management team of this product division. Six months later I dropped in on the folks in Manufacturing Support who tracked things like cycle time, asked them if the project had had any impact on cycle time, and then published the results in a company newsletter.

Getting results data has not been that tough. I just ask for it.

Nobody ever came up to me and denied that the results were due to that improvement effort. Nobody ever argued about the other variables that contributed to the gains. Nobody refused to measure, because they were already doing it. Eighteen months later, I went back to the same folks and asked, How's it going now? and found the results were even more unbelievable, but nobody ever doubted them.

Since then I've worked on other projects in other companies and had generally the same experience. Getting results data hasn't been that tough. I just ask for it. There do seem to be some fundamentals (many of which were discussed in the ISPI sessions):

- Work on important things. At least part of the ennuis encountered by those who would interest others in their data may be that what they affected does not matter very much. It would be hard to get others excited about your results if you have little effect on important business needs or issues.
- Do not make up your own measures; use existing ones. If you are starting in a situation where there are no existing measures, I would in all honesty question either the significance of the project or the knowledge of the people telling me there are no measures. In all likelihood, if this is indeed a significant area of the business, something passes for measurement in even the crudest form. But if all else fails, establish a baseline.
- Do not do the measuring yourself. Why create any doubt about the authenticity of the data, especially if you are

one step removed from the work being performed? Instead, work with the people who already do measurement; they love the company and the attention.

- Do not get hung up about other contributing variables. In a six-month period, lots of things affected the cycle time at that Motorola division, many of which I am sure I didn't even know about. So what? As long as I didn't try to claim exclusive credit for the improvement, nobody accused me of exaggerating the contribution of the project. I will take partial credit for a significant business improvement rather than risk losing an argument about whether my contribution was the key one. Actually, the less insistent I was about the project's importance, the more others gave it credit and credence.

In subsequent years the process improvement method was expanded to other divisions within the Semiconductor Products Sector. Things got a little more complicated, however, because in addition to cycle time, senior managers were interested in the impact on costs. I went to a manufacturing engineer in one division and asked if there were any ways to calculate the cost of a day of cycle time. If we had such a calculation, we could estimate how much money we were saving for each day of cycle time we cut out of the manufacturing and order fulfillment activities. After much fussing and fiddling with materials, processing costs, and other complications, the engineer arrived at a figure. He did it; I didn't.

We applied that to his division as well as to the two others, while recognizing that differences in product mix and production processes made for a very rough comparison at best between divisions. Nonetheless, the estimate told us that about \$150,000 had been saved by each division over the past 16 months, or about a 10:1 return on investment (ROI) on the original cost of running workshops and doing other preparation. Later he checked with compatriots in the other divisions, and while they did not much care about the cost of a day of cycle time, they verified significant gains in cycle time and declines in materials and processing costs. In 1988, I presented these results at the American Society of Training and Development Technical Training Conference, and one participant from the semiconductor industry said he guessed the ROI was underestimated by a factor of five. But, hey, was I going to fiddle with results like these?

It just does not seem that difficult to measure results. This is not to deny the problems of measurement, which are numerous, complex, and sophisticated. At most levels of Kirkpatrick's "model" (especially Levels III and IV), there appear to be significant challenges in establishing reliable and valid indicators for learning. Certainly one of the differences between measurement of learning and measurement of business results is that it is devilishly hard to prove, or even

suggest, that trainees acquiring a particular skill, one trainee at a time, are in a cumulative fashion having an impact on bottom-line results. That means there is a great deal to be said for having a definite event (like the workshop for division managers at Motorola) that one can point to as the moment when change can be measured.

Still, why shouldn't some of the same guidelines mentioned above apply to measurement of learning, such as linking the intervention to an important business result? Certainly that ought to be possible with most technical training. Unless the training has some effect on quality, revenue, cost, volume, or cycle time, why offer it?

So shouldn't results measurement be routine, standard, not even an option, that is to say, kind of boring? Or am I the only one who thinks this fuss over measurement is really too bad, that it's kind of a shame that it even seems necessary? 🙄

References

Kirkpatrick, D.L. (1994). *Evaluating training programs: The four levels*. San Francisco: Berrett-Koehler Publishers.

Related Readings

Binder, C. (2002). An open letter to my colleagues: How're we doing? *Performance Improvement*, 42(5), 6-9.

Brinkerhoff, R., & Dressler, D. (1990). *Productivity measurement: A guide for managers and evaluators*. Newberry Park, CA: SAGE Publications, Inc.

Alan Ramias is President of Polygon Consulting, a firm specializing in organization and process design. He has 25 years of experience in performance improvement and organization effectiveness initiatives. As a partner and Managing Director of Consulting Services at The Rummler-Brache Group, he hired, trained, and managed a large staff of project consultants and had extensive responsibility in product and methodology development. Prior to joining The Rummler-Brache Group, Alan was employed by Motorola for 10 years as internal consultant on organizational performance, involved in major restructuring projects, function and job-level definition, compensation planning, and workplace literacy.

As a professional consultant, Alan has led major successful performance improvement engagements within Fortune 500 companies that span several industries and the full spectrum of corporate functions, including strategic planning, manufacturing, product development, financial management, and supply chain. Major clients include Shell, Hewlett-Packard, 3M, Citibank, Motorola, Steelcase, Citgo, Hermann Miller, Louisiana-Pacific, Bank One, Amway, Standard Chartered, and UOP. He may be reached at alanramias@mindspring.com.