The Evaluation of Sales Force Training in Retail Organizations: A Test of Kirkpatrick’s Four-level Model

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With the economic downturn in recent years, US retailers have learned to place their retail personnel selling skills as an essential contributor to both business success and survival. They know that their business is now defined by customer relationships and value-adding provided by their sales force. For their sales personnel to become successful in their jobs, sales training for these individuals has become necessary and essential. Despite spending thousands of dollars training their sales force every year, retail organizations often fail to follow through in evaluating the effectiveness of their training programs, thereby not allowing corrective actions to improve to take root. Without evaluating sales training effectiveness, retailers would not be able to make the necessary revision and renewal efforts to their sales training programs so that training can continuously be effective, accountable and significant to their organizations. Failing to evaluate, retail organizations could be spending considerable amount of time and resources continually on ineffective training programs perpetuating unimpressive sales force performances and contribution to their organizations. As such, this article investigates (1) the application and scope of sales training evaluations, (2) types of evaluation methods commonly used to measure the effectiveness of sales training programs, (3) and the remedial actions undertaken to improve training effectiveness. This study essentially utilized Kirkpatrick’s Four-Level Training Evaluation Model (Donald Kirkpatrick, 1994) to examine whether the interrelationships among its four levels of training evaluation (reaction, learning, behavior change, and organizational outcomes) are applied in determining training effectiveness. A survey of over 150 retail organizations was undertaken showed significant training evaluation neglect and indifference amongst retail organizations with little support for using all 4 levels of Kirkpatrick’s Model for training evaluation. Implications of our study are discussed that may help retail organizations better evaluate training solutions while developing more effective and accountable sales training efforts that will increase overall sales force productivity.

Introduction

Not only does the retail industry dominate other industries in the U.S., retail organizations that are based in the U.S. also dominate the global retail arena. Nearly one-third of the world’s largest 250 retail organizations are based here (Global Powers of Retailing 2011, Deloitte Touche Tohmatsu Limited, 2011). Based on sales turnover, 30 of the world’s largest retailers are from the U.S., and 82 of the retailers on the entire Global Powers list of top 250 retailers call U.S. their home (Global Powers of Retailing, 2011).
The retail industry is a vital sector of the U.S economy. In 2010, the total amount of sales generated from the retail industry was $4.13 trillion. With two-thirds of the nation’s Gross Domestic Product arising from retail consumption (approximately 8% of our GDP comes from retailing) the retail industry is a significant sector of our economy (Farfan, 2011). There are approximately 1,122,703 retail establishments with a total of 14.2 billion square feet of retail space while 6% of U.S. work force is employed as retail personnel (2011 U.S. Retail Industry Store Closings and Liquidations Roundup, 2011) with sales and customer service oriented responsibilities being their primary vocations. Given the global economic downturn in the last 3 years, US retailers have learned to place their retail personnel selling skills as an essential contributor to both business success and survival.

US retailers also know that business is now defined by customer relationships and value-adding. Over the last decade, the role and philosophy of professional selling has evolved and shifted from information provider to that of a problem solver and relationship builder (Manning, Reece and Ahearne, 2011). It’s no longer about finding leads and making the sale. It’s about knowing customer needs, presenting opportunities and solutions to them while sustaining long-lasting quality relationships. Retail organizations know that their sale force need significant amount of training in order that they can be highly consultative, customer-centric while adopting a “win-win” mentality (Global Survey of Sales Effectiveness, AchieveGlobal, 2011). Ultimately, the goal of training for US retailers is to make their sales personnel successful in their jobs.

Nearly all US companies offer some form of sales training (Hopkins, 1978). Perhaps this is because firms believe that sales training is a significant contributor to a salesperson’s success (Ingram, Schwepker, Hutson, 1992). Studies in various industries, including banking and healthcare, confirm the importance of sales training. This importance is necessary because, with an objective of improving sales force productivity, firms annually invest more than US$30 billion dollars and 15 billion work hours to their training efforts (Attia, Honeycutt Jr., Attia, 2002). However, what is astounding is that while millions of dollars are spent on training sales workforce, the effectiveness of these training efforts is not often evaluated. 80% of companies do not measure their return on investment (ROI) on sales training, yet many managers have reported that their sales-training programs fail to make a lasting, visible impact on overall sales figures thereafter (AchieveGlobal, 2011).

What is the most effective and efficient means to develop a highly skilled sales force within an organization? How do organizations ensure that their training dollars are not wasted? How do sales managers ensure that they can continue to capitalize on their sales force strengths while improving weaknesses? How do organizations ensure that they have a successful and productive sales force team? The answers to these questions will depend on a variety of variables and will differ from organization to organization depending upon the industry, selling cycle, method and content of training, and so on. However, today’s sales managers must realize that to be able to answer these questions, the evaluation and assessment efforts of sales training must be carried out (Attia, Honeycutt Jr., and Leach, 2005).
As such, in the retail industry, an important indicator of an effective sales training program in any retail organization is the evaluation of whether or not the training has directly impacted professional selling in terms of sales volume, sales personnel performance as well as other bottom line metrics. Without evaluating sales training effectiveness, retailers would not be able to make the necessary revision and renewal efforts to their sales training programs so that training can continuously be effective, accountable and significant to their organizations. Failing to evaluate, retail organizations could be spending considerable amount of time and resources continually on ineffective training programs perpetuating unimpressive sales force performances and contribution to their organizations.

**Our Research Objectives**

There has been an increasing trend toward accountability in organizations (Attia, Honeycutt Jr., and Leach, 2005); with every support function attempting to demonstrate its worth by assessing the value it adds to the organization (Geber, 1995). Phillips (1998) advocates capturing the return on investment (ROI) of training. This involves the systematic conversion of behavioral change and organizational results captured into dollar amounts, isolating the effects of training, and calculating and comparing to training costs (Honeycutt et al. 2001; Phillips 1998).

In today’s business environment, firms critically evaluate the feasibility, costs, and payoff of retaining customers (Liu, Leach, and Bernhardt 2005). As current customers limit the number of suppliers they work with, supply firms have to commit to substantially increasing the value of their offering, or decide that the payoff is too minimal or too risky and forgo future business. Increasing value involves elevating the role of the salesperson within the exchange relationship (Liu and Leach, 2001). For these and other related reasons, a firm’s sales strategy is increasingly becoming a vital element of an organization’s overall competitive strategy. Therefore, sales training must also become more strategic in nature. Sales firms must determine how best to assess the needs of the sales force, ascertain the most effective ways to communicate vision and strategic agendas to them, determine who is responsible and accountable for implementing strategic initiatives, and assess how to most effectively budget for sales force development efforts (Leach and Liu, 2003).

Our research on retail organizations wanting to develop more strategically focused sales training efforts should agree that their training efforts must effectively change the behaviors of salespeople in ways that aid the sales force in cost effectively meeting the strategic objectives of the firm. They must evaluate their sales training efforts in three broad areas. First, firms must clarify their objectives and determine what training is most appropriate. Second, they must evaluate the impact of training on salespeople, focusing on the level of behavior change that results. Third, firms must assess whether objectives were reached and if this was done cost effectively (Attia, Honeycutt Jr., and Leach, 2005).

This paper hypothesizes that retail organizations often fail to follow through in evaluating the effectiveness of their sales force training programs. This would mean...
there will be little or no corrective actions to improve or update their training programs, thereby marginalizing the effectiveness of sales training efforts as a whole. Without evaluating sales training effectiveness, retailers would not know or be capable to make critical revision and renewal efforts to their sales training programs so that training can continuously be effective and meaningful to their organizations.

Our research aims (1) to examine the application and scope of sales force training evaluations by retail organizations, (2) to determine the types of evaluation methods commonly used to measure the effectiveness of sales training programs, and (3) to discover if remedial actions were undertaken by retail organizations to improve training effectiveness. With our research findings, we hope to follow up with further research on the development of a simple and effective model that allows retailers to determine training impact on sales personnel and the training impact on their organizations.

The following are some of our pertinent research questions: Do retail organizations evaluate and measure the effectiveness of their sales force training programs? If Not, why not? Do they know the importance of training assessment, renewal and evaluation? If they do, what is the scope of their evaluation, what evaluation methods are commonly used, are these methods effective? Do they take corrective actions to improve and update their training programs after evaluation? Do they revise their training programs when capability gaps arise? Did revised training lead to significant improvement in selling and productivity among sales personnel? Has sales training directly impacted retail organizations in terms of sales volume, sales personnel performance and productivity?

This paper extends the increasing body of research in the area of sales training evaluation by determining the extent and scope of sales training evaluation carried out by retail organizations. When retailers evaluate sales training, they can then plan training interventions that are aligned with organizational strategic focus, identify training shortcomings, make necessary continuous improvements, and compute the value of training. This study essentially propose utilizing Kirkpatrick’s Four-Level Training Evaluation Model (Donald Kirkpatrick, 1994) to examine whether the interrelationships among its four levels of training evaluation (reaction, learning, behavior change, and organizational outcomes) are applied in determining training effectiveness. The paper also provides implications for retail sales managers, discusses assessment research challenges, and proposes a future research agenda which is a simplified, yet comprehensive, tool or scorecard that is suitable for retail organizations to make critical training evaluations easily and subsequently, effective training assessment decisions.

**Literature Review**

For the past 40 years, the fundamental assessment and evaluation framework employed by sales training practitioners has been the four-level model developed by Donald Kirkpatrick (Attia, Honeycutt Jr., and Leach, 2005). The model consists of four evaluation levels (i.e., reaction, learning, behavior, and results) arranged in ascending order of information provided by Kirkpatrick and of difficulty to accomplish (Honeycutt and Stevenson 1989).
Kirkpatrick’s Model has Four Levels of Evaluation:

Level 1 - Reactions: Measures how participants have reacted to the training.

Level 2 - Learning: Measures what participants have learned from the training.

Level 3 - Behavior: Measures whether what was learned is being applied on the job.

Level 4 - Results: Measures whether the application of training is achieving results.

Each successive level of evaluation builds upon the evaluations of the previous level adding precision to the measure of effectiveness but requires more time consuming analysis and increased costs. This framework for training evaluation was widely used and has the reputation of being a logical, practical, and useful model (Bramley and Kitson 1994; Kaufman and Keller 1994). In Kirkpatrick’s model, Level 1 (Reactions) measures how sales force has reacted to training, instructor, course, and learning environment. Every program should at least be evaluated at this level to answer questions regarding the learners’ perceptions and reactions towards training. More importantly, evaluation at this level gains knowledge if training is likely to be well received and relevant to their work. Negative reactions reduce the possibility of learning (Griego, Orlando V, 2004). Evaluation tools usually include program evaluation sheets, face-to-face interviews, trainees’ comments throughout training, amount and appropriateness of interactive exercises and participants’ perceived value and transferability to the workplace.

Level 2 (Learning) measures what sales force have learned from the training and it evaluates the extent sales trainees have advanced in knowledge, skills and/or attitudes. Instructors can affect three cognitive areas during training - they can teach new knowledge, skills, and attitudes. Therefore, when measuring learning, training evaluation would determine if one or more of the following has occurred: Was knowledge learned or gained? Were new skills or ways to improve existing skills gained? Were attitudes changed? Level 2 evaluation methods range from self-assessment to team assessment to informal to formal assessment.

Level 3 – Behavior (Transfer) measures whether what was learned is being applied or transferred on the job. Level 3 focuses on the learner’s ability to transfer the learning to where it is actually needed in the real world circumstances. Therefore, evaluators measure achievement of performance objectives in real-world settings. To measure behavior changes, evaluators must collect data from the setting where the learner must exhibit the new behavior. Besides observation checklists, evaluators might use questionnaires or interviews to gather data.

Lastly, Level 4 (Results) measures whether the application of training is achieving quantifiable financial results. This evaluation measures the success of the training program in terms that executives and managers can understand such as increased production, increased sales, decreased costs, improved quality, reduced frequency of accidents, higher profits or return on investment, positive changes in management style or in general behavior, increase in engagement levels of direct ports and favorable feedback from customers, peers and subordinates (Griego, Orlando V, 2004). Evaluations measure
change in customer retention, sales volume, return on investment and profitability on each sale after the training program has been implemented. Other evaluation focuses on measuring changes in staff turnover, number of complaints, growth, attrition, wastage, failures, non-compliance, quality ratings, achievement of standards and accreditations and customer retention.

Based on Kirkpatrick’s evaluation model, our research aims to examine the scope and extent of sales force training evaluation. The specific methods of evaluations deployed by retail organizations and remedial actions were undertaken by retail organizations to improve training effectiveness would also be explored. Our findings would help establish and accentuate the importance of aligning training interventions with the strategic focus for U.S. retail organizations. We would want to highlight the need for them to make continuous improvements in training efforts while acknowledging the high investment values of sales force training programs. Ultimately, trainers and training managers in retail organizations must seek to evaluate training solutions, make improvements and ensure more effective and accountable sales training efforts for their organizations.

Our Research Findings

A major challenge for firms is determining the effectiveness of their sales training (Chonko L, Tanner J, 1993). A majority (57%) of sales training executives surveyed stated that additional research was needed to determine sales training effectiveness (Honeycutt E, Ford J, Rao, 1995).

To justify the expense of sales training, it must be cost-effective; that is, total benefits must exceed total costs. If a firm does not evaluate, then it is difficult to gauge the contribution made by the sales training program (Honeycutt E, 1996). However, few managers are absolutely certain that the value of their sales training program exceeds the investment. Even when training evaluations are conducted, they are crudely performed because of difficulties encountered in measuring the effects of sales training. This may explain why the evaluation phase lags behind the training development and implementation phases of the sales training cycle, in terms of allocated time and financial resources (Attia, Honeycutt Jr., Attia, 2002).

We found that there is general agreement that evaluation is an essential and important training phase; however, it is often the most neglected. Between 35% and 76% of large firms evaluate at least one level of sales training (Attia, Honeycutt Jr., Attia, 2002) while a majority do not measure training effectiveness against sales volume or sales personnel performance or other bottom line metrics.. Most managers reported evaluating trainee perceptions and conducting field observations of training graduates (Honeycutt E, Stevenson T, 1989) only at Levels 1 and 2. Conversely, 13% to 30% of corporations do not follow through and conduct formal or systematic training evaluation (Scovel K, 1990).

Our research found significant training evaluation neglect and indifference amongst retail organizations. Approximately 20% of retail sales managers would not evaluate sales training even if the necessary time and resources were available (Honeycutt E, Stevenson
In fact, only 11.3% of the effort and 8.5% of the training budget are allocated to evaluation efforts (Erffmeyer R, Al-Khatib J, Al-Habib M, Hair J, 1993); (Erffmeyer R, Russ R, Hair J, 1991). These practices are consistent in the US banking (Futrell C, Berry L, Bowers, 1984) and paper and plastics wholesaler–distributor industries (El-Ansary A, 1993).

Three reasons could help explain training evaluation neglect: (1) training history; during the 1960s and most of the 1970s, training was a growth industry with adequate government funds and corporate resources. However, by the end of the 1970s, training budgets were reduced or suspended, and training department responsibilities were outsourced; (2) academic analysis, created terminology proliferation and criticized evaluation efforts, yet provided weak practical guidance; and (3) trainer anxieties, which resulted in a misunderstanding of the evaluation objectives and a desire to avoid performance appraisal unless positive outcomes were guaranteed (Attia, Honeycutt Jr., Attia, 2002). Given the existence of these contradictory forces, upper management continues to ask sales trainers on training ROI with “what did we get for our investment?” (Evered J., 1990).

Managers cite at least five reasons for not evaluating sales training programs. First, a successful company implies that the training program is effective. Basically, when a firm experiences sales growth and profitability, there is less reason to question a salesperson’s skills and abilities influenced by training. Second, managers share a general belief that all training is good. That is, sales managers may philosophically perceive that some training is better than no training. Third, negative training evaluations could result in reduced salary increases and job security. In most cases, managers and trainers prefer not to chance a negative evaluation outcome. Fourth, managers may believe that evaluations are not their responsibility, but that of the training staff. Finally, since evaluations may not prove anything, either positive or negative, sales managers may question the allotment of time and money to conduct assessments with uncertain outcomes (Honeycutt E, Stevenson T, 1989).

The second major evaluation difficulty, evaluation restrictions, relates to a lack of resources and procedures necessary for managers to conclude that sales training produces a positive outcome on their sales trainees. Approximately 38% of sales managers in large retail companies and 34% of sales managers in smaller companies report that various restrictions work against efforts to evaluate. The most common evaluation impediments reported are “time and money” (Honeycutt E, Stevenson T, 1989).

Conducting sales training evaluations necessitates additional time, money, and effort that many companies are unwilling or unable to spend when sales training is viewed as an expense. Managers may also believe that sales training evaluation is wasted effort because of the difficulty in proving the effects of training (Camp R, Blanchard PN, Huszczko G, 1986). 22% of respondents said that a lack of adequate evaluation methodology constrained the evaluation of management training programs; whereas, 42% of respondents reported that the most significant evaluation shortcoming was the lack of evaluation standards and metrics (Clegg W, 1987).
There were also many challenges to sales training evaluation faced by retailers. Further research found a survey of senior retail executives revealed that nearly half (46%) of retailers usually hire more sales associates for the summer retail season, spending more than 20 hours training each new hire (StorePerform (TM) Technologies, Inc., Business Wire [New York] 22 May 2006). While retailers rely on additional staff to support summer shopping and execute seasonal promotions, these new additions were reported as draining company resources and complicating store operations. The majority of retailers (54 percent) identify extensive training time as the top concern when hiring additional sales associates. Given the high rate of store labor turnover from 50% to 150% annually, retailers hiring for the summer seasons run the risk of making significant training investments only to have new employees leave. We propagate that with high store labor turnover and use of temporary hires, retailers would be reluctant to place greater importance in training evaluation and improve training effectiveness.

In addition to challenges associated with new hire training and retention, the survey revealed key issues retailers faced in preparing for seasonal promotions, including Memorial Day, July 4th and Labor Day. According to survey respondents, the top concern in preparing for a promotion is obtaining the necessary information (54%), underscoring communication disconnects common in many retail operations. Nearly half (46%) of respondents indicate that the largest disconnect in information sharing exists between retail headquarters and stores, while the other half (46 percent) point to the communication divide between marketing/merchandising and store operations as the most significant. Ensuring store execution of the promotion and determining and reporting the results also rank among the top three concerns in preparing for promotions. 77% of respondents spend between one and six months preparing for a seasonal promotion, emphasizing the need for successful execution on the store floor (StorePerform (TM) Technologies, 2006). The survey also identifies the most common training methods retailers use. As a significant number of retailers still conduct training through a hands-on approach (46%) or via a provided hard copy manual (15%), more efficient and tailored methods of information dissemination are needed.

Retailers are also reported that a common evaluation restriction is the methodological process of collecting and using pertinent relevant data. Specific data problems encountered when evaluating training programs include lack of data, unreliable data, incomplete data, and untimely data; inability to identify the type of information needed; and seasonality and/or irregularity of sales data. These anomalies restrict comparisons of sales figures and timely/accurate evaluation. It is not possible to evaluate training without accurate and timely data flow. A firm’s information systems department must be tasked by upper management to supply the needed data in the correct form when required by sales managers and trainers (Attia, Honeycutt Jr., Attia, 2002).

Conclusions

After reviewing and using Kirkpatrick’s four levels that affect the evaluation process in our research, it appears evident why many retail organizations would dodge from
objectively evaluating their sales force training programs. Unless upper management understands the value of sales training evaluation, then appropriate support and emphasis will be restricted. Even when training evaluation is conducted, minimal managerial expectations fail to address time and budget restrictions as well as methodological issues and problems. With retail managers failing to address these issues and concerns, improperly conducted evaluations result in a continuing lack of empirical evidence to support training revision and improvement. Without evaluation evidence, negative managerial perceptions or indifference toward sales training evaluation are only further reinforced. Thus, what occurs is a vicious cycle that is difficult to break. Another way of looking at this dilemma is that current managerial perceptions about evaluation outcomes determine how the retailers undertakes future sales training evaluation (Attia, Honeycutt Jr., Attia, 2002).

Implications

Because sales training is a process, it is possible to efficiently design the process. However, to reach this goal, management must adopt the following normative managerial actions: (1) Managers should not assume that all training is good, but should demand that objective sales training evaluations be conducted. That is, support for sales training evaluation must begin and emanate from the top of the firm. (2) Time and money restrictions are rationalizations or excuses for not evaluating training. Management must allocate funds for evaluation, and trainers and sales managers must devote the requisite time to evaluate their trainees. To insure that this happens, evaluation outcomes should become a part of the trainer’s/manager’s annual performance review and should impact their raise/promotion system. (3) Although myriad potential methodological problems exist, most can be reduced through proper planning. That is, if managers understand what can go wrong, plans and changes to the evaluation process can be designed into the training process. (4) It is quite likely that large global firms have significantly improved their training evaluation procedures, but due to proprietary concerns, have been reluctant to publish this information (Attia, Honeycutt Jr., Attia, 2002).

Future Research

If conducting sales training evaluations necessitates additional time, money, and effort that many retail organizations are unwilling or unable to spend, our future research would then be to devise a model or framework for simple and effective training evaluation. A possibility would be in the form of a Sales Training Scorecard that is suitable for retail organizations to conduct training evaluations that is quick, inexpensive and easy to perform that would subsequently lead to effective training assessment decisions. The retail sales training scorecard model would incorporate Kirkpatrick’s four levels and its elements for assessing sales training effectiveness. More importantly, it will evaluate and measure success of the training programs in terms that executives and managers can appreciate and account for.
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