EXPLORING THE BELIEFS ABOUT TRAINING IN ORGANIZATIONS:

A PERSPECTIVE FROM CHIEF FINANCIAL OFFICERS

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DEDICATION

To those who have yet to dream the possible and those where the dream feels impossible, this is dedicated to you. To those struggling in school, feeling “less than”, and scared for what the future may hold, this is dedicated to you. As a high-school dropout, I wear the label proud knowing the societal weight of carrying that title gave me the strength to accomplish this monumental challenge.

To Adam Stedham, without your extensive encouragement, this would not be my reality. Thank you for believing in me when I did not even know this was a dream to believe in. You have changed the trajectory of my future; I will be forever grateful.

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ABSTRACT

EXPLORING THE BELIEFS ABOUT TRAINING IN ORGANIZATIONS:

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Billions of dollars are spent each year on training the most important organizational asset: employees. However, employees are resigning from organizations at an unprecedented rate, citing the lack of developmental opportunities as one of the reasons. Understandably, organizational leaders want to identify the benefits and quantify measurable outputs resulting from training initiatives to ensure they receive a return on investment (ROI), but many training leaders are not successfully executing the task in a meaningful way relevant for chief financial officers (CFOs). As a result, training is often defunded during economic downturns or cost-savings initiatives and training data are not included in financial reporting mechanisms. The purpose of this study was to provide a body of research to advance awareness for CFOs on the value of training and the importance of the inclusion of training into organizational strategy. This study employed an exploratory qualitative study of 22 CFOs to gather empirical data on their beliefs about training, including what influenced their beliefs and what benefits they believed resulted from training. Participants also disclosed their levels of engagement with the Training function through the exploration of the relationship and the extent to which measurement and reporting on training occurred. Lastly, this study investigated the influences, including the beliefs of CFOs, that impacted the training budget. Four major findings resulted from this study that demonstrated complexities and challenges for CFOs and their relationships with training. First, CFOs acknowledged employees are an organizations' most important asset, and CFOs identified that training can produce numerous benefits, including those that support the employee and the organization. Conversely, the second finding was that CFOs overlook the concrete value that results from training. As the third finding indicated, for CFOs to better realize the value of training, CFOs need clearer measurement metrics and reporting processes. To enable improved measurement and reporting, the fourth theme identified that overwhelming opportunity exists to bridge the relationship gap between CFOs and the Training function. These data can be leveraged by the Training function to strengthen the relationship with CFOs, leading to an increased awareness of the beliefs about training, opportunities for greater investment in training for continued employee growth and development, and stronger organizational performance. After all, CFOs and the Training function ultimately work toward the same goal: creating value for the organization.

Keywords: training, return on investment (ROI), training evaluation, training measurement, measurement tools, human capital investment, budget, chief financial officer (CFO), training value, value

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CHAPTER 1: INTRODUCTION

If training practitioners were asked whether they believed training provided value to the organization, many would posit training does provide value. The training practitioners would likely provide data from Kirkpatrick's (1977) or Phillips's (1996) return on investment (ROI) model, or some other industry-based measurement and evaluation tool, to strengthen their argument. Within the training industry, most training practitioners have found that training initiatives create value (Huseild, 1995; Martocchio & Baldwin, 1997; Phillips, 2003; Phillips & Phillips, 2019; Voller, 2010). Outside the training industry or Training function, others may not agree nor have awareness of the value training provides to the organization. If, however, in such an insulated practitioner bubble, practitioners are the only ones who can measure, evaluate, and interpret data demonstrating value, does the value exist? The chief financial officer (CFO) of the organization is ultimately accountable for defining the budget and quantifying the value of each business unit within the organization; therefore, the CFO should understand and recognize the value of the Training function. The question is—do they? This study explored the beliefs CFOs held about organizational training, the extent to which CFOs had relationships with the Training function, and factors influencing the training budget. Chapter 1 provides an overview for this research study.

Executives claim people are organizations' most important asset (Kossivi et al., 2016; Setiawan et al., 2020). Afterall, organizations thrive on productivity and people are the primary contributing factors of an organization's productivity (Dess & Shaw, 2001). However, the act of quantifying the value of employees, also known as human capital (Dess & Shaw, 2001) is not normalized across organizations nor accounting practices.

For organizations to stay competitive, increase productivity, grow, and respond to restructuring, the most important asset (i.e., employees) need to be trained (Burden & Proctor, 2000). Training practitioners believe training is critical to long-term success for organizations (Lewis & Thornhill, 1994; Reade & Thomas, 2004; Voller, 2010). Executives, though concerned about having an unprepared workforce, also recognize training as a way to close the knowledge gap; however, investment in employee training is at risk of being defunded during economic downturns or through organizational cost-savings initiatives, particularly if training does not demonstrate a return on value to the organization in language understood by the CFO. Therefore, a question emerged: If people are organizations' most important asset, why do budgets to train people easily get cut? One possible reason may reside in the lack of understanding of the value the organization receives as a result of training. Another might be the lack of relationship between the Training function and the CFOs. Although the Training function posits value has been achieved through an evaluation or measurement approach (Phillips & Phillips, 2019), executives are not necessarily aligned with a belief that value has been created or demonstrated (Phillips & Phillips, 2010b; Vance, 2015). The question remains: Does the Training function share relevant data with CFOs in a meaningful way that clearly demonstrates the value of the training?

The responsibility of CFOs is driving organizational value creation and associated budget oversight, and measuring and reporting of value through financial statements (Howell, 2006; International Federation of Accountants, 2013; Zoni & Pippo, 2017). Although a formulaic process may exist for budgeting, personal beliefs can also influence the decision-making process. In this qualitative research study, I sought to understand the belief system CFOs have about training, the extent to which CFOs are engaged with the Training function, and influences of budget processes for training. If the belief system of the executive responsible for quantifying the value of business units and determining budgets is better understood, training may be in a stronger position to remain intact during economic downturns. Additionally, training leaders would have a more viable chance of arguing for budget increases and communicate in a meaningful way relevant to financial leaders, enabling the Training function to continue to create recognized value for the organization. This study aimed to contribute to existing literature and provides new knowledge on the value proposition of training in organizations through the CFO lens.

Definitions of Terms

In this study, several terms were used that warranted further clarification. The definitions in Table 1 allow for deeper understanding and clarification of key terms.

Table 1

Definitions of Terms

Term	Definition
Evaluation	Evaluation is an "information-gathering process" (Goldstein, 1978, p. 134) that leads to the ability to understand and interpret data collected through the measurement process. Often, the information gathered is used to influence or make decisions related to the program being evaluated. Kirkpatrick (1977) posited evaluation as a measure of, or evidence for, effectiveness of training outcomes. Phillips (1996) revised the definition to refer to evaluation as a systematic process used to determine the value of training and its effect on the organization, which was used as the definition for this dissertation.
Chief financial officer (CFO)/ financial leader	The CFO is responsible and accountable for planning, implementing, managing, measuring, evaluating, and reporting on all financial activities for the organization, such as budgeting, business planning, and forecasting.

Term	Definition
Measurement	Measurement refers to data collection to determine the value of something. In this study, this term refers to the training process.
Return on investment (ROI)	ROI is a financial management calculation to identify whether a payoff has occurred following a financial investment and to measure organizational performance (Flesher & Previts, 2013). When used to evaluate training, ROI is a level of evaluation measuring the monetary gains of a program compared to the monetary costs associated with a program over time.
Training	Within organizations, training is a widely used, systematic approach to develop, teach, or enhance employees' knowledge, skills, or behaviors (Fitzgerald, 1992; Kodwani, 2017; McCarty & Skibniewski, 2015; Sahoo & Mishra, 2017).
Value	As a noun, *value* can mean "the amount of money something is worth" (Bookbinder, 2017, p. 7) or "usefulness or importance" (p. 7). The term value has a broad connotation across literature and is referenced interchangeably as effectiveness, productivity, cost benefit, cost effectiveness, and return on investment (Cullen et al., 1978; Easterby-Smith, 1981; Phillips, 1996). When discussing the value of training, some may reference training as the utility, or usefulness, of training rather than the monetary benefit. The definition used in this research aligned with the position Phillips and Phillips (2019) took, as they referred to value as the financial benefit received as an output of the training initiative in the context of learning functions.

Problem Statement

Each year, CFOs determine capital budgeting and capital structure decisions for their organizations (Graham & Harvey, 2002). Because competition can exist between business units for funds, especially in years of economic downturns, business units often provide measurement and evaluation data to demonstrate their overall value to the organization. Knowing executives want to see increasingly more value for the organization, business units that demonstrate greater value receive greater investment; conversely, business units displaying lower value may have their budgets cut. If the

Training function does not demonstrate a return on value to the organization in a manner understood by CFOs, the training budget will be at risk.

Training touches all parts of the organization and can be considered an input mechanism for providing workforce performance support or skill enhancement. When training is removed, it directly impacts performance and value-creation capabilities of the workforce, impacting overall organizational performance. Although this study was framed around CFO perspectives, this research remains important to the entire organizational ecosystem because defunding training impacts employee skill development, employee retention, productivity and competitiveness of the organization, and level of service and quality for customers—all which may ultimately lead to impacting the bottom line of the organization (Burden & Proctor, 2000; Fitzgerald, 1992; Hassan et al., 2013; Hopkins & Figaro, 2021; Kodwani, 2017; McCarty & Skibniewski, 2015; Sahoo & Mishra, 2017).

Overview of Existing Literature

Existing literature relevant to the topic of the value of training spanned the past 70 years (Bramley & Newby, 1984; Foxon, 1989; Katzel, 1952; Kirkpatrick,1959a). The literature generally agreed there were challenges and complexities of attributing and reporting on the output and benefits received from training—otherwise recognized as the value of training—within organizations. Throughout the literature (Hopkins & Figaro, 2021; Kodwani, 2017; McCarty & Skibniewski, 2015; Sahoo & Mishra, 2017), practitioners affirmed the theory that organizational training can be beneficial to the organization; however, discrepancy between firms believing training is valuable and actual reporting on the value demonstrated a divide between belief and action (Phillips et al., 2019; Phillips & Phillips, 2010b). The literature on the value of training remained constrained by practical and theoretical limitations.

Moreover, a lack of a standard, agreed-upon approach for measuring, evaluating, and reporting the value of training initiatives existed in the reviewed literature, primarily due to different terminologies, methodologies, and reporting practices. For example, some practitioners referenced ROI as a calculation for return on individuals (Bookbinder, 2017) whereas others referenced ROI as return on investment (Phillips, 1998). Some practitioners (Phillips & Phillips, 2019) believed program evaluation should not be about the individual performance of the trainer, whereas others (Griffin, 2011) supported the idea evaluations were intended for the performance of the trainer. Additionally, although practitioners (Kaminski & Lopes, 2009; Phillips, 2003) agreed training evaluation reports can demonstrate successful learning transmission to stakeholders and show the value of training, others (Aguinis & Kraiger; 2009; Foxon, 1989; Griffin, 2012) found that fewer than 15% of training practitioners provided evaluation reports to necessary stakeholders. As a result, practitioners had difficulty communicating and demonstrating the value of training with executives, the accounting function, and other practitioners (Griffin, 2011). Adding to this complexity, practitioners advocated for the use of accounting terms and calculations to measure the value of training, but the accounting industry did not recognize training as an asset due to the inherent subjectivity of the value of training.

Although the finance function is said to be a business partner to all business units within an organization, the literature demonstrated a stronger relationship between financial executives, accounting, and training needs to be established. The lack of a standardized approach on common language, evaluation methodology, and reporting approach divided the Training and accounting functions. Executives, such as those in the CFO role, have an opportunity to implement standardized practices on the precision of measurement and reporting practices within organizations. Until the present lack of clarity aligns around what should be reported, how it should be reported, the lack of organizational support, and the lack of precision in measurement practices executed, the Training function will continue to be at risk of being defunded, and challenges will continue to exist for quantifying the value of training in a manner meaningful and reportable for CFOs. A gap existed in empirical research on the role of the CFO as a stakeholder in the training valuation framework; namely, their beliefs on the value of training. This study aimed to close that gap.

Gaps in Literature

Much of the literature (Eseryel, 2002; Griffin, 2012; Hoyle, 1984; Phillips, 1991) referenced measurement and evaluation as an activity sitting within the Training function. The value received from training can be relative depending on stakeholders and, although the business is an important stakeholder, ultimately the CFO is accountable for quantifying, attributing, and reporting on value for the firm. Largely absent from the literature was the need to broaden the stakeholder group to include CFOs. Measuring, evaluating, and attributing value to training involves multiple components of the business, including finance. The importance of viewing an organization as an interconnected holistic system was a gap within the literature.

Also missing within the literature was an emphasis on the importance of developing a relationship with CFOs to understand the terminology and datasets meaningful to their operating and reporting structure. If the Training function uses lexicon and data that cannot be repeated, verified, or reported—or these data do not align with the reporting requirements of finance or the overall business objectives for the organization—an opportunity is missed to be included in the valuation activity. For example, publicly traded firms require their finance departments to follow strict guidance for Securities and Exchange Commission (SEC) filings. The literature did not address the need to understand the accounting process for SEC filings on human capital and how (or if) the value of training could be included in the reporting. Understanding the reporting requirements necessary for finance leaders can create a stronger relationship between CFOs and training.

Justification for Research

Training can provide many benefits to the organization, such as increased performance and sales, reduced turnover, improved operational efficiencies, and driven competitive efforts (Fitzgerald, 1992; Hassan et al., 2013; Kodwani, 2017; McCarty & Skibniewski, 2015; Sahoo & Mishra, 2017). However, training cannot happen without continued organizational investment.

This study is important because it provided Training function insight into the beliefs CFOs had regarding the value of training; it also provided insights into the training budget process with the intention these data could be leveraged to build stronger relationships between the Training function and CFOs, ultimately strengthening the argument for continued investment in the training of talent throughout the organization. Additionally, this study is important as a contribution to the existing body of knowledge on the topic of the value of training within organizations, particularly to fill the gap in the literature using perspectives of CFOs. Without this type of research, training may continue to be an at-risk function within organizations. The power of organizational personnel to understand the value of training is demonstrated by the outcome when the value is not understood—that is, training budgets are cut (Langmann & Thomas, 2019). For continued investment in training, demonstrating the value of training in a manner relevant and meaningful to the financial executive is imperative. Otherwise, if training is cut, everyone loses—from the customers who leave due to poor customer service, to the employees not trained properly and subsequent employee turnover as a result of lacking development opportunities, to the shareholders seeing diminished returns due to the lack of innovation, product development, and operational inefficiencies (Huseild, 1995; Martocchio & Baldwin, 1997; Phillips, 2003; Phillips & Phillips, 2019; Voller, 2010).

This research also served a mechanism to fill a gap existing within the literature on exploring the budget process that CFOs undergo to determine spending within training business units. This research aimed to help demystify this process. Additionally, this research may help CFOs recognize the need for developing relationships with the Training function, establishing consistent reporting mechanisms for training data, and including human capital data in their reports to stakeholders to demonstrate the investment the organization is making to develop their employees.

Research Questions

Learning leaders have posited training provides value to the organization (Huseild, 1995; Martocchio & Baldwin, 1997; Phillips, 2003; Phillips & Phillips, 2019; Voller, 2010). CFOs may believe training is valuable to the organization, but if not clearly demonstrated in a quantifiable measurement, CFOs will view training as an expense. For a training program to be considered a successful financial investment, the financial benefits of the program should outweigh costs to the organization (Andrews & Laing, 2018). For continued investment in training to occur, communicating in a manner relevant and meaningful to the financial executive is imperative. To gain the commitment, involvement, and support of financial leaders, learning professionals must understand the context, perceptions, and beliefs financial leaders have on the value of training. My research focused on this exploration using the following research questions:

1. What beliefs do CFOs have about training?
2. To what extent are CFOs engaged with the Training function?
3. What influences the training budget?

By completing an exploratory qualitative research study on these research questions, I aimed to narrow the gap on the data available on the beliefs CFOs have about training and provide additional data to enable learning leaders to communicate in a more meaningful and relevant manner with CFOs. My ultimate objective for this research was to advance the awareness, value, and inclusion of training as an organizational priority and strengthen the relationship between CFOs and the Training function.

Research Assumptions

As I began this exploratory qualitative research study, it was important to identify assumptions I had that may have influenced and governed this study. When conducting qualitative research, acknowledging and examining the influences of the researcher's assumptions is an important and necessary step to minimize personalizing or viewing the data from a myopic and distorted interpretive lens (Maxwell, 2012). The following assumptions were present.

Table 2

Research Assumptions

Assumption	Description
Assumption 1	Financial leaders were not being provided with quantitative or qualitative data demonstrating the organizational value resulting from training programs in a manner meaningful to financial leaders or organizational reporting.
Assumption 2	Financial leaders were not communicating directly with learning leaders on the data or format of the data meaningful to the financial leaders.
Assumption 3	Financial leaders determined the training budget without recognizing or understanding the value from training.
Assumption 4	Financial leaders determined the training budget based on a set percentage of spending.
Assumption 5	Financial leaders did not report on nor recognize value from training programs on financial statements.
Assumption 6	Training budgets were reduced during economic downturn and cost-savings initiatives as a result of a lack of clear metrics on the value of training understood and recognized by financial leaders.
Assumption 7	SEC reporting requirements influenced what financial leaders report on and the manner in which they report training valuation.
Assumption 8	The training budget was set based on beliefs rather than a quantifiable measure.
Assumption 9	Financial leaders who believe training brings value will invest more in training than those who do not believe training brings value.

Author and Researcher Positionality

I have been a member of the learning and development field for my entire professional career. From as far back as I can recall, a fear of the finance function has always existed. Whether the fear originated from layoffs, budget cuts, or the repeated mantra that *training is the least important function and always the first to get cut*, finance was not considered a business partner nor stakeholder within any organization I have worked (see Appendix A). As I continued to grow in my career, I recognized the importance of viewing finance as a partner. I excitedly had the opportunity to learn about CFOs and gather data that may empower and foster a strengthened relationship between Training and finance leaders, while reducing ambiguity enshrouding the valuation of training in organizations from the finance perspective.

Conclusion

Throughout existing literature, a recurring theme emerged that although training can have a valuable impact on employees, thereby leading to benefits for the organization, there was fear that training budgets can be reduced at any moment (Langmann & Thomas, 2019; Phillips, 2003; Phillips & Phillips, 2019; Wehrenberg, 1983). Training leaders, learning professionals, human resources (HR) personnel, and talent development professionals alike may benefit from this research study because it provides insight into understanding what financial leaders deemed important, necessary, or relevant in terms of training measurement, evaluation, and valuation data. In having insight, these individuals can use these data to speak a common language with CFOs, which will enable stronger communication and relationships and justify investments into training by demonstrating meaningful value to personnel accountable for reporting on organizational valuation. Rather than assuming, guessing, or ignoring the perspectives of CFOs, this research provided insight into the beliefs financial leaders had on the value of training and what influenced their beliefs. This study may also be of benefit to academic perspectives by providing data researchers can use toward future empirical studies, such as (a) the value of organizational training, (b) human capital measurement, (c) executive belief systems, and (d) attitudes-behavior theory.

If training practitioners have any chance of demonstrating value to the broader organization in a manner meaningful and understood, it is necessary to embrace and make finance a stakeholder in the training strategy. Without understanding beliefs on the value of training from CFO perspectives, the Training function will continue to be limited in its ability to make a solid argument for the continued investment for employee training.

This research study is outlined in the following manner. Chapter 2 includes my analysis of the existing literature on the topic of the value of organizational training and the multidisciplinary connecting tenets germane to this research topic, such as measuring and evaluating organizational training and human capital accounting standards. The literature review and gaps in the literature are covered in depth in Chapter 2. The methodology section in Chapter 3 presents my rationale for the research design and method of this study. Chapters 4 and 5 include my results, findings, discussion, and areas for potential future studies.

CHAPTER 2: LITERATURE REVIEW

This literature review explores the challenges and complexities associated with measuring the value from training within organizations. Chapter 2 begins with a review of literature examining the concepts of measuring value resulting from training initiatives. Next, I examined the multiple evaluation models used by training practitioners to measure the value of training, followed by reviewing the practice of applying evaluation models and the associated challenges of evaluation models in measuring the value from training. Additionally, I sought to explore how human capital theory and financial accounting standards influence decisions and approaches to measuring value from training.

Measuring the Value of Training in Organizations

Within organizations, training is a widely used systematic approach to develop, teach, or enhance employees' knowledge, skills, or behaviors (Fitzgerald, 1992; Kodwani, 2017; McCarty & Skibniewski, 2015; Sahoo & Mishra, 2017). Training can (a) have a valuable impact on an organization by increasing sales and productivity; (b) improve quality and market share; and (c) reduce turnover, sick days, and conflict, resulting in overall improved organizational performance (Huseild, 1995; Martocchio & Baldwin, 1997; Phillips, 2003; Phillips & Phillips, 2019; Voller, 2010). Phillips and Phillips (2019) posited, "The job of talent development professionals is not to 'train' people, but to drive improvement in output, quality, cost, time, customer satisfaction, job satisfaction, work habits, and innovation" (p. 17).

Increasing employee productivity through skills and knowledge training has been considered a form of investment in human capital and value creation dating back to the early 1900s (Hunt, 1968). In more recent years, companies have spent billions of dollars on employee training, assuming there will be a return on the organization's investment (Griffin, 2011; McCarty & Skibniewski, 2015; Reade & Thomas, 2004; Voller, 2010). According to the American Society for Training & Development (ASTD; 1994), "After all, a well-trained staff is always a definite boost to the bottom line in a skin-tight economy" (p. S9). For training to be considered effective, however, training needs to have value for the organization (Lewis & Thornhill, 1994). The challenge for the Training function is quantifying the value of training in a way meaningful to executives outside the Training function, given there is not yet an agreed-upon accounting practice to measure the value of training. As a result, a form of chaos has ensued within the training industry with multiple measurement and evaluation approaches being used—or, in some cases, no approach being used.

Some executives expect to have quantifiable value measurements for training, and they use the information, or a lack of information, to determine how much they will continue to invest in training (Phillips & Phillips, 2010b). As a result, training budgets are often at risk of being defunded during economic downturns, amid cost-savings initiatives, or due to the Training function's inability to articulate the value of training in a common language financial executives can understand. Wehrenberg (1983) claimed when businesses are in financial trouble, "people-training" (p. 608) gets cut; they stressed the importance of understanding the value in a cost–benefit analysis to avoid being a "sitting duck" (p. 608). Other warnings were also found throughout the literature. In 1960, Gordon M. Bliss, Executive Director of ASTD, shared a message to members encouraging them to develop an appreciation of accounting methodology and a “vernacular which are used to report profits” (ATSD, 1994, p. 12). Wehrenberg (1983) called attention to a warning made in 1957 by D. M. Goodacre, stating, “If we don't take stock of our training, it will suffer the same fate as any program that fails to produce tangible results” (p. 608). The message, as interpreted by Wehrenberg (1983), was to show value or risk losing the job. The messages of value appeared to stem from individual worth rather than organizational value.

One major tenet has been prevalent across the literature since the 1950s: Training functions should demonstrate the value of training. According to Langmann and Thomas (2019), when an organization does not recognize nor understand the value of training, training budgets are cut. Demonstrating value may not be easily achieved without a standardized, repeatable approach aligning with the firm’s broader measurement approach. This literature review explored the challenges and complexities associated with quantifying and reporting on the firm’s value of training. Three main themes were explored: conceptualizing the value of training, measuring the value of training in the Training function, and understanding the value of training from the accounting function. The descriptor “training” was used synonymously with performance support and learning and development throughout the literature (Antonacopoulou, 2001; Bramley, 2003; Griffin, 2011; Sahoo & Mishra, 2017). Throughout this literature review, “training” encompassed learning, development initiatives, and performance support.

Conceptualizing the Value of Training in Organizations

A common principle found in the literature on training within organizations was that the output of a successful training initiative can be beneficial and valuable for the organization. As a noun, *value* can mean “the amount of money something is worth”

(Bookbinder, 2017, p. 7), as well as "usefulness or importance" (p. 7), also referred to as "utility" (p. 7). An immediate challenge presented throughout the literature was the lack of clarity when using the term value. When discussing the value of training, some researchers referenced training as the utility or usefulness of training and not the monetary benefit—value was often also referenced interchangeably with effectiveness, productivity, cost–benefit, and return on investment (ROI; Cullen et al., 1978; Easterby-Smith, 1981; Phillips & Phillips, 2009a). For this paper, value referred to the organizational financial benefit received as an output of the training initiative, which aligned with the definition from Phillips and Phillips (2019).

For a training program to be considered a successful financial investment, the financial benefits of the program should outweigh costs to the organization (Andrews & Laing, 2018). Quantifying the financial value of the output of training was commonly referred to as measuring ROI (McCarty & Skibniewski, 2015; Phillips, 1994). However, ROI is not limited to the measurement of training; it is a commonly used calculation formula representing a measurement tool for finance and accounting (Phillips & Phillips, 2019). McClendon (2017) defined ROI as the "benefit (return) of an investment deducted by its cost, divided by the cost of the investment (input), in which the results (outcomes) are expressed as a percentage, ratio, or value" (p. 22). McClendon (2017) also provided an alternative description for ROI as demonstrating the "value is greater than or equal to outcomes minus cost" (p. 22). The relationship between how ROI is used by the Training function and the finance function is explored in subsequent sections.

Practitioners largely agreed the concept of attributing value to training was indispensable (Lewis & Thornhill, 1994; Wehrenberg, 1983); however, many also argued it was a complicated task. Scholars (Marsick & Watkins, 2003; Swanson, 2001), believed that training indirectly contributed to improved financial performance. Kwon (2019) concluded as investment in an organization's Training function increased over time, the financial performance of the organization was also likely to increase, albeit a delayed result rather than an immediate one. Kwon did not predict profit yields from training; instead, they posited a positive correlation existed between investment in training and future financial performance. Assessing and isolating the impact from the training event, followed by quantifying financial value from the impact, presented a challenging task (Cullen et al., 1978; McCarty & Skibniewski, 2015; Phillips, 1996; Phillips & Phillips, 2019). Many variables beyond the training event may influence the impact of training, such as participants attending the training, level of support from the trainees' manager, whether the knowledge previously existed or was learned outside of the initiative, or characteristics of organizational culture (Bramley & Newby, 1984; Cullen et al., 1978; Easterby-Smith, 1981; Kodwani, 2017; Phillips & Phillips, 2019).

The value of training was referenced in the literature as an output to the organization; however, more recently, McCarty and Skibniewski (2015) suggested value should be looked upon through a "multidisciplinary stakeholder-centric perspective" (p. 347) that can manifest at an individual, team, organizational, or societal level. Each level may be interconnected and have a cascading effect on other levels. Increased self-efficacy, job satisfaction, self-actualization, and problem-solving skills are examples of reported values from training to the individual identified through prior studies (Aguinis & Kraiger, 2009; McCarty & Skibniewski, 2015; Phillips, 1996). Teams have reported improvements in communication, effectiveness, safety, and productivity due to training, whereas identified benefits to the organization found in the literature included improved organizational performance, such as productivity, profitability, and effectiveness (Aguinis & Kraiger, 2009; Phillips, 1996). Although much of the literature stopped at the organizational level, Aguinis and Kraiger (2009) proposed additional value stemming from organization training can be found at the societal level: "Overall, this body of literature leads to the conclusion that training efforts produce improvements in the quality of the labor force, which, in turn, is one of the most important contributors to national economic growth" (p. 459). Although societal value may be valid, the focus in the context of this literature review remained on the value within individual, team, and organizational structures.

Scholars have posited that training can provide many benefits to the organization that ultimately influence the bottom line of the organization, including:

- enabling the organization to have a competitive advantage through increased productivity operational efficiencies and innovation;
- reducing employee turnover and increasing employee retention;
- reducing accidents; and
- improving employee engagement and increasing sales (Burden & Proctor, 2000; Fitzgerald, 1992; Hassan et al., 2013; Hopkins & Figaro, 2021; Kodwani, 2017; McCarty & Skibniewski, 2015; Sahoo & Mishra, 2017).

The challenge for the Training function was measuring the value of these benefits and is discussed further in future sections.

Measuring the Value of Training in the Training Function

Measuring the value of training was defined as the process of collecting data through metrics and units of measurement that are analyzed to demonstrate value resulting from training initiatives (Phillips & Phillips, 2009a). Although the consensus among many (e.g., Huseild, 1995; Martocchio & Baldwin, 1997; Phillips, 2003) articulated the idea that training is valuable for organizations, researchers have disagreed on a singular conceptual model to measure and report the value, effectiveness, benefit, and impact of training (ASTD, 1994; Swanson, 1998; Tennant et al., 2002; Voller, 2010). The lack of agreement has led to increased subjectivity, lack of consistency, and lack of standardization of measuring the value of learning in organizations, which has resulted in underexecuted measurement (Bramley & Newby, 1984; Foxon, 1989; Griffin, 2011).

The success of workplace learning initiatives and related facets equates to a complex, multifaceted model contingent on numerous variables, insinuating a standardized conceptual model may not be possible (Griffin, 2011). The associated complexity of measuring the value of training indicates why finance and other executives are challenged with the process of the valuation of the Training function. Still, Phillips and Phillips (2019) and Vance (2015) posited an approach exists that can be leveraged to measure the value of training effectively, which is reviewed in the Evaluation Models section.

Evaluating Training

To evaluate is to understand or interpret the data captured during measurement, although the word *measure* was often used synonymously with *evaluating* throughout the literature (Foxon, 1989; Phillips & Phillips, 2010a; Voller, 2010). Earlier literature approached evaluation with a broader definition. Kirkpatrick (1977) posited evaluation as a measure of, or evidence for, the effectiveness of training outcomes. Goldstein (1978) defined evaluation as an “information-gathering process that should not be expected to reach decisions that declare a program totally good or poor” (p. 134). Phillips (1996) revised the definition to refer to evaluation as a systematic process used to determine the value of training and its effect on the organization, which was used as the definition for this literature review.

The concept of evaluating training programs dates back to the 1950s. In 1953, Lindborn published one of the first attempts by an academic to evaluate training outside of the classroom (Griffin, 2012). Lindborn (1953) said an “assumption is made, rightly or wrongly, that performance in the examination is correlated with performance in future situations . . . this is the report of the results to evaluate beyond the classroom level” (p. 428). Unfortunately, Lindborn’s contribution remained mostly unnoticed. Later, Kirkpatrick (1959a, 1959b, 1960a, 1960b) published four articles in the ASTD journal on the topic of evaluation that would start the formalization of his four levels of evaluation method (Griffin, 2012; Phillips, 1991; Reio et al., 2017). Kirkpatrick’s method and other models are explored further in a future section.

Purpose of Evaluations

Throughout the literature, various practitioners shared ideas on their theories on the purpose of training evaluations. For example, Bramley and Newby (1984) suggested evaluations can help the training organization evolve from a passive function to an active function through clarifying organizational goals and processes with stakeholders. As such, the use of evaluations for Training functions may result in stronger relationships built with colleagues in other parts of the organization. Serving multiple business units within the organization is an important aspect for any function, including training. Phillips and Phillips (2019) later supported the same concept and suggested talent development should be more proactive and assertive within the firm—to think more like a business. Emphasizing talent development increases the probability learning will be included in high-level decisions and gain support from executives. Phillips and Phillips (2019) continued by explaining:

> Talent development can easily position the function to be a strategic player in the organization by thinking through an opportunity or financial problem that needs to be solved; translating that into the business need; assessing the job performance that needs to be applied to meet the business need; determining the skills necessary to ensure successful job performance; and finally, deciding the best approach to deliver the knowledge needed to build skills. (p. 20)

Evaluations can be used to measure and demonstrate value to the trainer, trainee, and organization. Foxon (1989) conducted a review on the evaluation of training and development program literature published between 1970 and 1986. In her evaluation, Foxon (1989) found only 15% of results identified the purpose of evaluations as a mechanism to justify the investment of time and money and the cost and benefit to the organization. Similarly, Bramley (2003) proposed training evaluations can be a mechanism to demonstrate value to the organization and ROI made in training employees. Training evaluations also have potential to provide a means to (a) evaluate the effectiveness of training; (b) assess the training method used; (c) identify if a change in cost, time, or behavior occurred; (d) gain credibility or build trust; (e) identify areas of improvement; (f) prove the value or worth for job stability; and (g) demonstrate evidence for successful learning transmission to stakeholders (Kaminski & Lopes, 2009; Phillips, 2003).

Several complementary and contradictory theories were found amid existing literature to use evaluation to create accountability within organizations (Easterby-Smith, 1981; Kodwani, 2017; Phillips & Phillips, 2019). Griffin (2011) supported the idea evaluations can be purposeful to trainers by providing feedback on their performance, providing opportunity to improve the trainers' skills, creating accountability, and thereby improving future training initiatives. Some practitioners, like Easterby-Smith (1981), cautioned against attributing any success or failure of the training program to the trainer. In doing so, Easterby-Smith noted several external factors—such as the learners' willingness to learn, interest level in the topic, support system, and experience—are outside of the control of the trainer and may influence performance outcomes.

In more recent literature, Phillips and Phillips (2019) agreed program evaluation is not about the individual performance of any one person, such as the trainer. Program evaluation should be looked upon as a collective initiative; all inputs and outputs and individuals involved, such as the program design and developer, should be evaluated to accurately determine the success or failure of the training initiative. Brinkerhoff (2005) agreed the accountability for achieving results from training is "[a whole] organization challenge. It cannot be accomplished by the training function alone" (p. 87). Kirkpatrick (1977) previously hinted at a similar theory that evidence from evaluations could demonstrate program effectiveness, but proving the training had distinct value as the sole indicator for the change would be "almost impossible to get" (p. 12). Although value, benefit, and accountability consistently appeared as essential purposes of evaluations, McCarty and Skibniewski (2015) added an essential concept that distinguishing the purpose of evaluations was contingent on the training intervention's goal being clearly articulated and defined, which is discussed further in future sections.

Evaluation Models

Although numerous training evaluation models existed throughout the literature (e.g., Alvarez et al., 2004), Kirkpatrick's (1959a) four-level evaluation model, Phillips's (1996) ROI model, and Brinkerhoff's (2005) success case model were the three most widely used models and are explored further in subsequent sections (Alvarez et al., 2004; Brinkerhoff, 2005; Griffin, 2012; Philips, 1991).

Kirkpatrick's Four-Level Model

Although Kirkpatrick's (1959a) four-level evaluation model is the most well-known evaluation model for the training industry (Foxon, 1989; Griffin, 2012; Philips, 1991; Reio et al., 2017), the model was based on a preexisting framework. According to Phillips and Phillips (2019), Kirkpatrick attributed the four-level approach to Raymond Katzell in 1956. Katzell (1952, as cited in Bard, 2019), by focusing on the ability to evaluate training from an industrial psychology perspective, identified skill and knowledge acquisition occurred through a hierarchy of distinctive stages. Kirkpatrick (1959, as cited by Bard, 2019) simplified the steps and definitions to be more relevant for the field of training and development. In the late 1950s, Kirkpatrick published a series of articles for ASTD in which he encouraged trainers to assess training programs based on four aspects: reaction, learning, behavior, and results (Kirkpatrick, 1959a, 1959b, 1960a, 1960b). Table 3 provides an overview of these levels.

Table 3

Overview of Kirkpatrick's Four-Level Model for Evaluation

Level	Evaluation level	Description	Tools and methods
1	Reaction	The degree to which participants find the training favorable, engaging, and relevant to their job	Smile sheets, feedback forms, verbal reactions, post-training surveys
2	Learning	The degree to which participants acquire the intended knowledge, skills, attitudes, confidence, and commitment based on their participation in the training	Assessments before and after the training, interviews, and observations
3	Behavior	The degree to which participants apply what they learned during training when they are back on the job	Observations and interviews over time to assess change, relevance of change, and sustainability of change
4	Results	The degree to which targeted outcomes occur as a result of the training and the support and accountability package (results would include such factors as profits, return on investment, sales, production quality, quantity, schedules being met, costs, safety record, absenteeism, turnover, grievances, and morale)	Long-term post-training surveys, observations, organizational data

Note. Adapted from *Evaluating Training Programs: The Four Levels* (3rd ed.) by D. Kirkpatrick and J. Kirkpatrick, 2006. Barrett-Koehler Publishers.

Not everyone agrees with Kirkpatrick's (1959) evaluation model; other researchers have expanded on the model or pointed out its shortcomings (Salas & Cannon-Bowers, 2001). One of the biggest challenges to Kirkpatrick's (1959) model is the implicit assumption of the stages' hierarchical nature and that one level implies a correlated benefit to the next (Alliger & Janak, 1989; Clement, 1982). Instead, each level should be analyzed independent of one another. Lewis and Thornhill (1994) disagreed evaluation at the lowest level can demonstrate “a clear and reliable linkage between training effectiveness and the fulfillment of strategic organizational objectives” (p. 25).

Kirkpatrick (2016) claimed he did not intend his four articles be initially interpreted as levels, and gave credit to the learning and development industry for branding the terms “four levels” and the “Kirkpatrick Model.” Kirkpatrick asserted practitioners in the industry brought the methodology to life on his behalf (Kirkpatrick & Kirkpatrick, 2006). To possibly rectify the perceived hierarchical challenge of the levels, Kirkpatrick later proposed during the evaluation planning phase, the four levels should be reversed, starting with results (i.e., Level 4) as the initial focus with stakeholders, and then working backward to reaction (i.e., Level 1). Taking this approach would create better alignment with the overall measurement strategy and organizational goals (Kirkpatrick & Kirkpatrick, 2006, 2013).

Regardless of critics, Kirkpatrick’s (1959) model is still widely used. Some researchers have attributed the model’s success to its simplistic nature that allows it to be easily understood, along with its explicit use of a common language for achieving learning outcomes (Bates, 2004; Foxon, 1989). Griffin (2012) said, “It’s simple and easy to apply . . . other models of learning, in contrast, are more complex” (p. 51).

Phillips’s ROI Model

Phillips’s (1996) ROI model is the second most well-known evaluation model (Voller, 2010). Phillips argued Kirkpatrick’s model did not have enough focus on business impact or financial results; therefore, Phillips (1998) made three changes to Kirkpatrick’s four-level model: renamed behavior to job application (i.e., Level 3), renamed results to impact (i.e., Level 4), and added ROI (i.e., Level 5) to focus solely on the financial calculation of the value on return for training. After the addition from Phillips (1998), the model was referred to as the five-level evaluation framework, as illustrated in Table 4 (Phillips & Phillips, 2019).

Table 4

Overview of Phillips's ROI Model: Five-Level Evaluation Framework

Level	Evaluation level	Description
1	Training reaction and planned action	Measures participant satisfaction with the program and captures planned actions
2	Learning	Measures changes in knowledge, skills, and attitudes
3	Behavior (job application)	Measures changes in on-the-job behavior
4	Business results (business impact)	Measures changes in business impact variables
5	Return on investment	Compares program benefits to the costs

Note. Overview of Phillips's ROI model: Five-level evaluation framework. Adapted from "The Return-On-Investment (ROI) Process: Issues and Trends" by J. J. Phillips, 1998, *Educational Technology*, *38*(4), 7–14 (https://www.jstor.org/stable/44428994), and "ROI is MIA: Why are Hoteliers Failing to Demand the ROI of Training?" by S. Kline and K. Harris, 2008, *International Journal of Contemporary Hospitality Management*, *20*(1), 45–59 (https://doi.org/10.1108/09596110810848569).

Phillips and Phillips (2009a) explained ROI as a level of evaluation measuring monetary gains of a program compared to monetary costs associated with a program over time. Phillips's ROI model is most often demonstrated as a benefit/cost ratio (BCR) or an ROI percentage formula. The BCR calculation is the program benefits divided by program costs (benefits/cost). Building on BCR, the ROI percentage formula is 100 × (benefits/costs), which indicates the percentage return on the dollar, assuming both benefits and costs can be calculated in dollar amounts (Kline & Harris, 2008; Phillips & Phillips, 2019). BCR and ROI were referred to by some researchers as labor intensive due to the complexity of gathering necessary and reliable data required to execute the calculations (Kline & Harris, 2008), but others disagreed (Phillips & Phillips, 2019; Vance, 2015). Although the model was referenced as Phillips's ROI model, ROI is a financial formula that has been used within the accounting and finance function for many years, long predating Phillips's branding (Flesher & Previts, 2013). Despite widespread interest, the challenge of accurately measuring ROI persisted within the industry (Phillips, 1996) and is reviewed in following sections.

Brinkerhoff's Success Case Method

Brinkerhoff's (2005) success case method (SCM) was another common model used for evaluation by focusing on the art of storytelling of successful case studies (Lynch, 2015). SCM sought to identify the least successful and most successful examples of output from the training initiative and examined them in detail to understand the factors driving or obstructing organizational impact. Brinkerhoff (2005) posited the entire organization plays a role in ensuring training successfully delivers performance results. He described SCM as a process "for evaluating the business effect of training aligned with and fulfills the strategy discussed" (Brinkerhoff, 2005, p. 90). Brinkerhoff (2005) claimed other evaluation methods require too much time, too many resources, and might be beyond the capabilities of some. Brinkerhoff (2005) developed SCM to address those concerns in a simpler and quicker manner by focusing on locating, interviewing, and documenting the "actual nature of success" (p. 91), or recognizing what success actually looks like and how certain factors enhance or impede success. Arguments against SCM have posited the model focuses on the outliers and extremes rather than the median; as noted by Lynch (2015), "Case studies, which might be wonderful for contextualizing what happened, are generally not accepted by scientists for explaining causal relationships" (p. 23).

Although Kirkpatrick's (1959) four-level model, Phillips's (1998) ROI model, and Brinkerhoff's (2005) SCM were widely referenced across existing literature (Brinkerhoff, 2005; Lynch, 2015; Tamkin et al., 2002), there was no shortage of evaluation models found throughout the literature. For example, Tamkin et al. (2002) brought focus to balanced scorecard and response evaluations. Kaplan and Norton (1996) focused on a balanced scorecard approach, a tool often used by chief financial officers (CFOs), to concentrate on the perspectives and internal processes of important stakeholders, such as finance and customers. Similarly, response evaluation (Pulley, 1994) concentrated on the priorities of organizational decision makers and what they sought to measure. Additional analysis of evaluation models did not fall within the scope of this literature review.

Practice of Evaluation

Evaluation is an integral part of the training process and necessary to determine training effectiveness; however, according to the literature, organizations often used a fractured approach to measuring and evaluating training programs (Eseryel, 2002; Griffin, 2012). In an early research initiative, Catalanello and Kirkpatrick (1968, as cited in Burgoyne & Cooper, 1975) surveyed 110 industrial organizations involved in training research and concluded very few participants evaluated anything beyond trainee reactions. According to a British survey in 1989, only 15% of British employers attempted to assess any training evaluations (Lewis & Thornhill, 1994). Griffin (2012) estimated only 3% to 5% of organizations seek to measure impact from training.

After conducting a literature review spanning 30 years, Hoyle (1984) was surprised that after 30 years of training evaluation existing within the literature, much of the content on evaluation was "lightweight and ephemeral and that the range of important contributions to both the philosophy and methodology of evaluation [was] very limited" (p. 275). Following a review of articles from 1970 to 1986 on training evaluation, Foxon (1989) also concluded a similar notion: "[There] is a widespread under-evaluation of training programs, and the current practice is of uneven quality . . . evaluation is regarded by most practitioners as desirable in principle, difficult in practice" (pp. 95–97).

According to Nickols (2005), even when organizations did attempt to evaluate training, it rarely went beyond measuring learners' reactions (i.e., Level 1). Eseryel (2002) reported 93% of training programs received Level 1 evaluations, but only 52% had Level 2 evaluations. For Level 3, the percentage dropped to 31%, and down to 28% for Level 4. According to Aguinis and Kraiger (2009), fewer than 5% of all training programs were assessed regarding their financial benefits to the organization (i.e., Level 5). Eseryel (2002) believed the disparity in levels of measurement indicated a bias for data analysis. Although every organization should measure the impact of training programs, Phillips and Phillips (2009b) concluded that not every program should be measured for Level 5 (i.e., ROI). They estimated only 5% to 10% of training programs should be measured for ROI.

Challenges of Evaluations

It became evident through the literature that evaluating training remained a challenge for the industry, spanning many years. According to Griffin (2012), "Evaluation is often seen as the weakest link in the whole Learning & Development (L&D) process. It is the step most likely to be neglected or underdone" (p. 51). Lewis and Thornhill (1994) agreed, noting, "There seems to be a widespread agreement with the proposition that evaluation is the least well-conducted aspect of all training activities" (p. 25). Literature on evaluation provided clarifying information on challenges associated with the practice of evaluation.

The reviewed literature indicated evaluation can be challenging due to the lack of standardized evaluation practices. Lewis and Thornhill (1994) identified four reasons for evaluation challenges:

1. The results of training are too difficult to quantify;
2. The cost of a complete evaluation program outweighs the benefits.
3. Evaluations are viewed as direct results of the trainer, which may cause trainer sensitivity.
4. Organizational culture may not support a feedback culture.

Bramley and Newby (1984) and Hoyle (1984) posited the literature, terms, and concepts for why the practice of evaluations were confusing and complicated. Foxon (1989) shared a similar sentiment:

> I was initially surprised by the relatively small number of articles on the subject of evaluation . . . and by the uneven quality of this material . . . much of it is rather superficial and general . . . and would be difficult for many practitioners to understand and apply. (p. 89)

Beyond the complexity, trainers have cited the lack of organizational support, lack of tools, and lack of capacity as reasons why evaluations were not more widespread in use (Griffin, 2011).

Scholars argued a significant challenge existed with contemporary evaluation methods that neglected broader stakeholder awareness and engagement during the evaluation process (Guerci & Vinante, 2011). Modern training evaluation models discussed in the literature lacked a strong emphasis on the importance of identifying the stakeholders and their respective interests (Nickols, 2005). Because the evaluation approach was often not mapped out prior to the training event, a lack of aligned clarity on the evaluation's aims and objectives existed, along with a gap in stakeholder inputs on necessary evaluation metrics to demonstrate value (Griffin, 2011). Holton (1996) theorized without having a clear understanding of multistakeholder interests, validation of evaluations can be a challenge.

The literature review identified many scholars who postulated an inherent amount of subjectivity existing with the human variable within evaluation models (Easterby-Smith, 1981; Kirkpatrick, 1977; Langmann & Thomas, 2019; Parry, 1996). A positive reaction from the learner (i.e., Level 1) may not indicate program success or behavior changes; rather, the reaction may only suggest participants liked the program. Additionally, a learner's positive reaction does not indicate the same reaction will transfer when applied to job activities (Kline & Harris, 2008). Scholars have identified business impact (i.e., Level 4) and ROI (i.e., Level 5) included estimations in many calculations (Phillips & Phillips, 2019). Executives have raised concerns about the subjectivity of evaluation methods, which has led them to question the validity of training value (Phillips & Phillips, 2010a, 2010b; Vance, 2015). Part of the subjectivity in the conceptual model of evaluation included not only the results, but also the agreed-upon and repeatable framework for what constitutes a good evaluation (Easterby-Smith, 1981). To summarize the challenge with the practice of evaluation, Foxon (1989) stated, “In the minds of many, evaluation is viewed as a problem rather than a solution, and an end rather than a means” (p. 90).

Understanding the Value of Training From the Finance Function

Although many executives support and contribute to value creation, the CFO is ultimately responsible for the oversight, measurement, and reporting via financial statements of all activities supporting and driving organizational value creation (Howell, 2006; International Federation of Accountants, 2013; Zoni & Pippo, 2017). For many years, the role of the CFO was regarded as an accountant and confined to activities such as financial reporting, financial compliance, and treasury and controls (Hovey & Boser, 2014). Over the last number of years, the CFO has evolved into one of the top roles in the organizational hierarchy acting as financial strategist and business advisor, second only to the chief executive officer (CEO; Daff, 2020; Howell, 2006). The CFO, by holding the finance function, is considered a business partner of all functional departments and interacts with all leaders in the organizational value chain (Lee & Zhang, 2012; Sharma & Jones, 2010).

ROI Overview

Although much of the literature review connected the use of ROI in training to Phillips’s (1996) ROI model, ROI had a lengthy prior existence within the finance function. ROI, initially called the DuPont formula, is a financial management calculation to identify whether the value returned is greater than the cost of investment and to measure organizational performance (Flesher & Previts, 2013). ROI was attributed to Donaldson Brown in 1914, although it became more widely recognized as a national standard-of-performance measurement tool by the 1950s with the support of Harvard Business School (Flesher & Previts, 2013). ROI continues to be a prominent tool within organizations for measuring the accountability of investments and their prospective returns. Although initially applied to corporate investments, the approach has expanded to all types of investments, such as stocks, technology, and human capital (Phillips & Phillips, 2019).

Demonstrating the ROI of training can help justify the cost of training and improve the performance of training programs (Andrews & Laing, 2018; Parry, 1996). According to Phillips and Phillips (2019), "ROI evaluation provides the economic justification and value of investing in the mechanism selected to solve the problem" (p. 20). ROI, as an accounting term, establishes a link in language between the training function and the accounting function; therefore, if finance executives can see the value in language they understand, they might be more likely to continue investment. In support of this belief, Bookbinder (2017) argued if executives better understood the value of training, they would be better positioned to know how and where to allocate financial capital to support human capital assets, potentially furthering investment in training.

ROI Contradictions

Throughout training and evaluation literature, executives claimed they believed there is value in training; yet, the same executives did not actually ask for or receive training measurement and evaluation data. Harvard Business Review's (HBR, 2017)

“Analytic Services Report” surveyed CEOs and chief human resource (HR) officers across 168 organizations to gain insight into the connection between business and people strategies, including training data. The survey identified a disconnect between what CEOs found valuable and wanted reported, compared to what HR officers measured and reported. Fewer than half of HR respondents reported they provided any metrics to the CEO.

In a similar study, the ROI Institute conducted a survey with CEOs and found business impact data (i.e., Level 4) and ROI data (i.e., Level 5) were identified as the two most important measurements (Phillips & Phillips, 2010a, 2010b). Levels 4 and 5 were also the least reported. About 96% of CEOs surveyed wanted learning and development connected with the business impact data (i.e., Level 4), but only 8% were receiving data with the linkage. Additionally, the researchers found only 4% of executives reported they currently measure ROI, although 74% believed they should measure ROI (Phillips & Phillips, 2010a, 2010b).

In a separate exploratory study, Kline and Harris (2008) found training managers do not have the necessary skillsets to execute ROI measurements. Requiring training managers, or someone in the training department, to have a deeper understanding of ROI measurement practices with the skillset to perform necessary calculations could help close the gap on the lack of ROI valuations.

Two potential conclusions can be drawn from these data. Those responsible for training may be waiting for executives to ask for metrics, or those responsible for training may not have the skills necessary to effectively capture the ROI and therefore do not provide metrics (HBR, 2017; Phillips & Phillips, 2010a, 2010b).

ROI Challenges

Although the literature (Andrews & Laing, 2018; Phillips & Phillips, 2010a, 2010b) identified benefits for providing ROI calculations for training initiatives, the literature also identified several ROI challenges (Lynch, 2015; Parry, 1996; Vance, 2015. A significant challenge identified in the literature was the use of the term *ROI*. ROI is an accounting term, and many researchers have argued using it causes a disconnect between the Training and finance functions. Some argued the learning function should not use ROI. For example, Vance (2015) advocated for the use of return on learning (ROL). After finance leaders at Caterpillar objected to the use of ROI by the learning function, Vance (2015) changed the term to ROL and received no further objection from finance executives. Lynch (2015) had strong feelings on the use of ROI in learning, which caused a continued divide between the Training function and financial executives—both stakeholders approached the term with different perspectives. Lynch (2015) noted, "Trying to measure returns on corporate learning using ROI is like trying to turn lead into gold" (p. 27).

Many learning organizations do not know which programs should be evaluated and may erroneously be applying ROI. As previously identified by Phillips and Phillips (2019), not every program needs to be measured for ROI. They estimated only 5% to 10% of programs should be measured for ROI, citing expensive programs, repeated programs, or tied to more extensive strategies within the firm as candidates for measuring ROI.

Scholars have raised concerns for ROI measurements' perceived subjectivity as one challenge readily found in the literature (Parry, 1996; Vance, 2015). Scholars and executives have referred to ROI as imperfect, with the recognition that ROI is not an exact measurement (Phillips & Phillips, 2010a, 2010b). Phillips (2003) suggested estimates on the impact of training are acceptable and should be provided by participants, supervisors, senior managers, and experts. When referring to the nature of ROI, Vance (2015) said, “We don’t have to be exactly right . . . this sounds very subjective. Well, of course it is” (pp. 105–106). The subjectivity of the ROI of training left some practitioners and executives with concern over the validity and accuracy of ROI data (Parry, 1996; Phillips & Phillips, 2010a). Phillips and Phillips (2019) later appeared to have moved away from the subjective estimates and focused solely on the importance and necessity of control groups, a group of participants who did not take the training. They claimed use of a control group was required to isolate and validate the impact of ROI measurements, and without one, the study cannot be considered valid. If there is no intention to use a control group, “then do not report business impact or ROI. You will set yourself up to lose credibility” (Phillips & Phillips, 2019, p. 45).

Some practitioners argued ROI was difficult to calculate, with multiple factors or influences aside from the training event itself influencing the success or failure of the training event, such as manager support, organizational culture, and willingness of participants to learn (Bassi & Van Buren, 1999). Others disagreed ROI is difficult to calculate and posited the challenges associated with ROI were due to a lack of understanding of how to execute the model (Phillips & Phillips, 2019; Vance, 2015). The inference was that training on the ROI model could help educate practitioners on executing the calculation successfully.

The cost of calculating ROI on training initiatives was referred to by researchers throughout the literature as a challenge (Vance, 2015). Parry (1996) noted the challenge may result from training costs being quantified in dollars; yet, associated benefits from training might also be considered subjective, possibly not immediately recognizable as an output from the training, or too difficult to convert into dollars. Vance (2015) claimed the learning industry falsely believes running ROI measurements is too costly, noting calculating “a return on learning could be completed in fewer than 10 hours with no outside assistance” (p. 108). Supporting the idea that cost should not impede ROI measurement, Phillips and Phillips (2019) estimated the cost of proper ROI measurement should only be approximately 3% of the overall learning and development budget.

Another caution identified in the literature (Silvius, 2006) was to avoid only using ROI as a single valuation method because single valuation methods “all have assumptions and limitations” (p. 99). He further posited that the ROI calculation, as a standalone tool, does not capture all elements of value. Instead, Silvius (2006) proposed the inclusion of a value assessment sheet that allows for capturing multiple, variable valuation metrics that establish a broader picture.

To circumvent some challenges with the use of ROI, Phillips et al. (2019) proposed the learning organization should foster a relationship with the finance and accounting teams to partner together on implementation of the ROI methodology, starting with alignment on terminology, processes, and concepts. For example, Phillips et al. (2019) identified examples of accounting acronyms being misused by learning organizations, such as ROI referred to as return on innovation or return on equity (ROE) referred to as return on expectation or return on events. Bookbinder (2017) referred to

ROI as return on individuals. Establishing relationships with CFOs and creating consistency with ROI formulas and lexicons may increase support and involvement while minimizing confusion within the learning and finance functions.

Understanding Human Capital

Human capital theory posits the knowledge, skills, attitudes, and other traits of employees applied on the job are important and create value (Brás & Rodrigues, 2007; Wyatt & Frick, 2010). These traits are otherwise defined as human capital (Bassi & Van Buren, 1999). Education, training, and on-the-job learning are examples of ways human capital can accumulate within a firm (Acemoglu & Pischke, 1998). Woodhall (1987) posited employees' productivity can rise due to education or training; therefore, budgets used on employee training can be considered a financial investment in human capital.

Employees' knowledge and skills to impact the production process and the quality of output were well documented by Smith's (1776) seminal work. Smith (1776) argued learning and education were to be considered investments in employees. For many, Smith's view has continued to exist and emerged in theories such as intellectual capital theory and human capital theory (Brás & Rodrigues, 2007; Firer & Williams, 2003; Nerdrum & Erickson, 2001; Phillips & Phillips, 2019). Still, economists and accountants have long been at odds regarding whether to quantify human capital spending as an asset or expense (Ballester et al., 2002; Brás & Rodrigues, 2007; Steen et al., 2011). The Training function was stuck in a stagnant position between the two points of view; yet, most Training practitioners leaned toward economists' direction of advocating for training to qualify as an intangible asset in ROI measurement (Phillips & Phillips, 2019).

Throughout much of the literature, value was quantified as tangible or intangible. Tangible benefits were identified as credible and identifiable, simplistic to quantify, and easily given a monetary value, such as decreased waste and increased productivity. Intangible benefits were benefits difficult to quantify in monetary terms, such as increased employee satisfaction, increased organizational commitment, improved teamwork, and reduced conflicts (Phillips, 2002). Some benefits can fall in either the tangible or intangible category depending on the valuation model the organization uses. ROI calculation often limits the inclusion of intangible benefits.

According to human capital theory, employees are the main factor contributing to an organization's productivity (Dess & Shaw, 2001). Supporting the human capital theory, myriad researchers identified employees as an organization's most important asset (Kossivi et al., 2016; Setiawan et al., 2020). Interestingly, studies have shown that human capital depreciation is caused by a lack of investment in training (Au et al., 2008). Some scholars (Angel & Rampersad, 2005; Chen & Lin, 2004) identified the CFO as a focal point for helping organizational personnel realize the importance of human capital.

Angel and Rampersad (2005) posited the quick evolution of the CFO—from focusing on managing traditional budget metrics and balanced scorecards to defining strategic business activities—resulted in positioning CFOs in a new role that included a focus on people performance or human capital. Angel and Rampersand (2005) believed CFOs need support to help them recognize people as assets and fundamental parts of organizational performance.

Angel and Rampersad (2005) also concluded organizations that do not support CFOs in understanding the human side of the organization put both the CFO and the organization at risk. For example, they posited organizational performance was the culmination of contributions to the organization. Organizational leaders often overlooked individual needs and aspirations of employees, leading to disengagement. Angel and Rampersad (2005) calculated the employee disengagement cost at $30,000 per employee, but these data did not show on any financial reports, concluding disengagement was a serious issue CFOs overlooked.

The goal for training leaders should be to create training that has value, with many researchers positing training can achieve this goal and be an asset for the organization (Brás & Rodrigues, 2007; Phillips & Phillips, 2017; Vance, 2015). If training is an investment where output drives value and is an asset to the organization, an assumption could be made the accounting practice would recognize and record training as an asset; however, the value of training can be largely absent from financial statements and may illustrate whether the firm recognizes training as a valuable asset (Bookbinder, 2017). This assumption is explored further in the next section.

Accounting Standards

As discussed earlier in this study, some researchers have proposed a divide between the approach to finance and Training functions used for ROI calculations (Vance, 2015). Although many researches have advocated for measuring the ROI of training (Parry, 1996; Phillips & Phillips, 2019), training is often not recognized as an investment or an asset on corporate financial statements; instead, training is listed as an expense (Bassi & Van Burne, 1999). The reasoning may be found in the parameters the accounting industry has placed on defining assets.

The concept of assets is the accounting industry's foundation and is considered a confusing, complex, and ambiguous topic (Samuelson, 1996). The International Accounting Standards Board (IASB) and Financial Accounting Standards Board (FASB) provided a framework for establishing and enforcing generally accepted accounting principles (GAAP), including definitions and requirements for defining expenses and tangible or intangible assets (Wyatt & Frick, 2010). FASB (1985) defined *assets* as "probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or events" (p. 40). In other words, an asset can represent something bringing value in the future. If the firm controls the training delivery and the training brings value to the firm through its employees, an assumption would be probable that training is an asset. The FASB (1985) disagreed, clearly stating costs such as training "do not by themselves qualify as assets under the definition" (p. 118). For a firm to recognize an asset, the following FASB (1985) criteria must be met:

> An asset has three essential characteristics: (a) it embodies a probable future benefit that involves a capacity, singly or in combination with other assets, to contribute directly or indirectly to future net cash inflows, (b) a particular entity can obtain the benefit and control others' access to it, and (c) the transaction or other event giving rise to the entity's right to or control of the benefit has already occurred. (p. 24)

Some researchers have debated the FASB's definition of an asset was outdated, and an argument can be made for the need to make more explicit the distinction between assets and expenses (Gornik-Tomaszewski & Choi, 2018). The confusion can be demonstrated by the circular argument in consideration of training as an asset from the FASB (1985). To assess whether training is an asset, the relationship between training and future economic benefits needs to be demonstrated; however, the FASB (1985) later stated training was an example of something where the future economic benefit was "especially uncertain" (p. 89). The FASB posited such a future benefit needs to be assessed, and because they argued the future benefit from training cannot be assessed, it cannot be considered an asset.

The IASB took a similar stance. As it related to the question of training being recognized as an intangible asset, IASB (2004) took the position on training that training does not lead to a recognizable, intangible asset that can be recorded on financial statements. According to the GAAP, human capital—particularly at a broader level that includes training—did not meet the criteria to be included in valuations and tracked on financial statements. The reasoning was predicated by the assumed difficulty behind assigning a number to human capital (Higson, 2016). Given training was explicitly called out as not qualifying as an intangible asset and not part of the GAAP, this may explain why a divide existed between finance, the learning organization, and subsequent measurement practices to quantify the value of training.

Given the rising importance of human capital as a mechanism to increase competitive advantages among firms, there is a growing need for a consistent and reliable methodology to identify and measure the value from training that contributes to organizational performance (Bassi & Van Burne, 1999). Wyatt and Frick (2010) showed human capital investments add value to firms. Brás and Rodrigues (2007) argued training should be considered an accounting asset. Recognizing the increasing necessity for policymakers around the globe to have a standardized approach for quantifying human capital, the Conference of European Statisticians established a Task Force in 2013; the task force developed guidelines and best practices to help countries develop approaches using common methodologies to quantify human capital in a standardized manner

(United Nations, 2016). The U.S. Bureau of Economic Analysis (BEA) recognized the importance of human capital and supported the position that training should be included in accounting practices through human capital measurement, resulting in improved economic growth analysis (Kendrick, 1994). The BEA established a satellite account to encourage and capture information on experimental investment measurements such as research and development and human capital within the same framework used for capturing gross domestic product. Jorgenson (2010), Chairman of the BEA Advisory Committee and Harvard University professor, summarized his view on the importance of and need for the evolution of accounting practices:

> My main conclusion is that accounting for human capital should be viewed as an important addition to national accounting for nonmarket activities, perhaps the most important addition. Investment in human capital is the ultimate intangible form of investment. This includes, but is not limited to, investment in formal education. (p. 55)

Although firms can provide voluntary disclosures of human capital data in public annual reports, many firms may not want to go against GAAP rules, explaining why the additional reports did not include the data. Wyatt and Frick (2010), however, concluded evidence existed, demonstrating there were benefits of disclosing information related to human capital investment.. Moreover, benefits were likely to outweigh the costs.

As long as aspects of human capital (e.g., skills, training, and competencies) were not included as requirements within the boundaries of the accounting principles, a discrepancy may continue to exist between how the Training function measures the value of training and what accounting reports (Brás & Rodrigues, 2007; IASB, 2004; Wyatt & Frick, 2010). Brás and Rodrigues (2007) posited pursuing a human capital accounting standard would be a step in the right direction, narrowing the gap.

Reporting

Although CFOs have a core set of practices for reporting financial statements, additional reporting practices beyond financial statements, such as sustainability reporting, have become more common. Nidumolu et al. (2015) defined sustainability reporting as:

> The ability of companies to do business in ways that minimize social and environmental harm, while maximizing business opportunities associated with rising market demands for solutions to sustainability-related challenges including climate change, resource scarcities, the collapse of critical natural ecosystems, rising global demands for food, water, energy, housing, transportation, and health care, and greater urban resilience. (p. 2)

The concept of sustainability has grown into a function of corporate strategy and corporate governance as a result of mounting social pressures from shareholders and investors to disclose organizations' environmental impacts (Oprean-Stan et al., 2020). However, sustainability reporting is not yet widely adopted as a responsibility by CFOs (Starbuck, 2012).

The literature (Nidumolu et al., 2015; Starbuck, 2012) directly connected sustainability reporting to the responsibility of the CFO for several reasons: (a) the CFO was responsible for investor relationships and stakeholder communications, both of whom have an interest in the sustainability data; (b) the CFO was responsible for financial risk management of the organization, and sustainability factors can directly impact the financial health of the organization; and (c) sustainability reporting required in-depth understand of the different functions of the organization, enabling the CFO to have an improved vantage point of the holistic operations of the organization. Some researchers (Nidumolu et al., 2015) posited CFOs' lack of focus on sustainability reporting was a major weakness, because sustainability reporting had a direct correlation to organizational performance through three key areas: (a) supporting innovation and growth, (b) increasing capital productivity, and (c) promoting financial risk management. Findings from empirical studies indicated a positive impact existed between sustainability and the financial performance of the organization (Buallay, 2019).

More recently, sustainability reporting practices have evolved into the more formalized title of Environmental, Social, and Corporate Governance (ESG) report. Sustainability and ESG were often used interchangeably throughout the literature (Oprean-Stan et al., 2020; Siew, 2015). Similar to growing pressure to report on the organizational environmental impact that resulted in standards for sustainability reporting, rising pressure to report on training could result in standardized reporting. The ESG report offered a mechanism for CFOs to report on various topics, including training metrics. According to the World Economic Forum (WEF; 2021), investment in employee upskilling and equitable access to reskilling and upskilling programs were two training metrics within the social section of the ESG report. ESG reporting, although not yet a standardized practice, offered a channel for housing training metrics through a consistent reporting mechanism; however, as a possible result of inconsistent standardized reporting practices, CFOs were not uniformly aware of the option.

To advance the agenda of ESG reporting, Starbuck (2012) offered the following five actions CFOs can take: (a) develop an understanding of current sustainability initiatives and the link they have to the financial performance of the organization, (b) advocate all high-ranking executives to participate and take responsibility for sustainability throughout the various organizational functions, (c) encourage and create more dialogue with shareholders and improve transparency in key sustainability areas, (d) decide whether sustainability performance should be added to external reporting and public disclosure documents, and (e) explore the use of nontraditional performance metrics, including environmental and social issues. When making one final point for the importance of CFOs to take initiative to include ESG reporting within their responsibility, Starbuck (2012) noted sustainability reporting can be used as a strategic mechanism to better align internal functions of organizations to work together in a manner that ultimately improves the bottom line.

Conclusion

A communication challenge existed for organizations when the value of training was measured. With billions of dollars invested in organizational training annually, a link between the investment and the ROI may appear quite clear; however, existing literature illuminated an alternative reality. There was a lack of a standard, agreed-upon approach for measuring and reporting the value of training initiatives. The lack of standardization was a challenge primarily due to different terminologies, methodologies, and reporting practices; therefore, practitioners had difficulty communicating and demonstrating the value of training both with each other and with those outside the Training function, such as the executives and the finance office.

Throughout the literature, practitioners advocated for the use of accounting terms and calculations to measure the value of training, but the accounting industry did not recognize training as an asset due to the inherent subjectivity of the value of training. Although the accounting function was said to be a business partner to all business units within an organization, the literature demonstrated a stronger relationship between finance and training needed to be established. Within the partnership, training and finance could develop an aligned impact and measurement scorecard. This alignment would enable clarity on the correct lexicon and measurement methodology to use; for example, use of ROI in training may be a misnomer if training was not considered an investment, was subjective, and was not accepted as an asset on balance sheets. Such a lack of universal agreement continued to divide the learning and finance functions and their approaches to reporting on the organization's value of training. Executives could, however, begin to more readily and voluntarily disclose the value of training and human capital investment on financial statements and provide documentation of the associated measurement system for transparency. Doing so may help influence and drive the necessary change needed by the FASB to improve the reporting on human capital.

Although the CFO and training leaders have the same goal of creating value, there is an opportunity to create an overall stronger partnership and standardization on the precision in measurement practices within organizations between executives, finance, and the learning function. Strengthening the relationship may help finance leaders better understand the value of training, leading to an increase in the investment of employee training and potentially changing the view from a cost to an investment. Until views about what should be reported, an approach for organizational support, and measurement practices are aligned, challenges will continue to exist for measuring and defining the quantifiable value of training within organizations.

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

In Chapter 2, the literature review identified a gap of clear understanding on the beliefs chief financial officers (CFOs) have about training and what influences organizational training budgets. Additionally, the literature posited the value from training is subjective, with a gap existing on the extent to which CFOs are engaged with the Training function.

Chapter 3 provides sufficient detail about the research methodology used in this study, enabling other researchers to replicate the study. This chapter includes the following topics: research questions, methodology description, research limitations, and researcher biases. Within the methodology description, the following are discussed: (a) overview and rationale, (b) participant selection and screening, (c) interview protocol, (d) data collection, (e) data analysis, and (f) data validity.

Research Questions

The study was designed to answer the following research questions:

1. What beliefs do CFOs have about training?
2. To what extent are CFOs engaged with the Training function?
3. What influences the training budget?

The purpose of this study was to explore the relationship among the beliefs financial leaders have about training, the impact of their beliefs on their decision making related to financial investment in training, and the extent CFOs are engaged with the Training function. Without understanding the beliefs financial leaders have about training or how investment in training is determined, the Training function is limited in its ability to make a solid argument for increasing training budgets.

Methodology Description

This methodology description provides an overview of the methods, design, and rationale for the methodology chosen for this study. The section is divided into six parts: (a) overview and rationale, (b) participant selection and screening, (c) interview protocol, (d) data collection, (e) data analysis, and (f) data validity.

Overview and Rationale for the Research Design

Within the literature, there was a paucity of empirical data and research on the beliefs of financial leaders regarding organizational training. In an effort to increase available data on the relationship between CFOs and training, gain a deeper understanding of the beliefs CFOs have about training, and identify factors influencing investments made in organizational training, I needed to understand the contexts, interpretations, and perceptions of CFOs and their experiences with training in this particular setting. Rooted in the functionality of qualitative research is connecting the meaning people place on processes or structures and connecting the meaning to the broader world (Miles et al., 2018). I wanted to step inside the world of financial leaders through qualitative inquiry to understand the perspectives and beliefs they had on training within organizations.

Ravitch and Carl (2016) defined *qualitative research* as the “pursuit of understanding the ways people see, view, approach, and experience the world and make meaning of their experiences as well as specific phenomena within it” (p. 7). With the intention of gaining insight and understanding based on the experiences and views of CFOs, this study was a particularly strong fit for a qualitative methodological approach. Patton (2015) attributed qualitative inquiry to human *meaning making*. My goal, through exploratory qualitative interpersonal interviews, was to collect and interpret data from financial leaders to find meaningful themes and patterns, thereby providing insight into their beliefs about training (Patton, 2015).

Exploration into this area of focus made this study a particularly strong fit for a qualitative methodological approach. Using a qualitative approach enabled me to "develop a full, detailed, and contextualized description of experiences and perspectives" (Ravitch & Carl, 2016, p. 29) regarding the perspectives CFOs had about training. It enabled me to gain an understanding of the perceptions of participants who had a shared experience and describe those subjective experiences (Creswell, 2007; Merriam, 2002).

Exploratory research is used when a researcher seeks to discover data on a new research topic (Swedberg, 2020). A paucity of research existed regarding CFOs' beliefs on training. As a result of minimal data or research available on this topic, I designed this study to be exploratory in nature to gain a better understanding of the problem while offering data for future research continuation. To avoid an overloaded question, I replaced the word "value" with "benefit" for my interview questions. Doing so allowed participants to make a connection with benefits rather than going directly to the word "value," which may have indicated a monetary component.

The following are my research hypotheses, which were based on my personal experiences as an learning and development practitioner and from the literature review; they provided a point of view in relation to the primary research questions. The intent was to assess whether the hypotheses were supported through the thematic data analyses, rather than to formally test these hypotheses in the manner of quantitative analysis.

RQ1: What beliefs do CFOs have about training?

• Hypothesis 1: CFOs recognized some form of value may result from training initiatives, but they did not correlate training output with numerical financial value. More specifically, CFOs recognized training as a cost rather than a human capital investment.

• Hypothesis 2: CFOs did not have an active relationship with the Training function.

• Hypothesis 3: Numerous influences on the training budget existed; in particular, the beliefs CFOs have on the benefits and value of training influence the training budgets.

Participant Selection and Screening

Participant selection and screening process for this study followed a qualitative and exploratory approach and contained the following elements: sampling strategy, selection criteria, and screening process. The participant selection strategy for my research was based on Patton's (2002) purposeful sampling selection strategy. In purposeful sampling, the researcher identifies data the study needs to collect and then chooses individuals to interview based on a set of predetermined criteria, such as experiences, knowledge, or qualities (Patton, 2002). Purposeful sampling, sometimes referred to as judgment sampling, is a nonrandom approach not requiring a set number of interviewees or an underlying theory (Tongco, 2007). Purposeful sampling allowed me to establish generalized findings based on a set of criteria. This study required selecting people who met a certain criteria; therefore, purposeful sampling was appropriate (Maxwell, 2012). Each interviewee met the following selection criteria:

• They were in their organization for more than 6 months or had retired from their role within the last 36 months.

• They identified as a CFO or financial leader with budget decision-making authority for their organization.

• They were willing to share their personal experiences, belief systems, reflections, and perceptions associated with the value of training, influences of their belief system, processes of determining budgets, and relationships with learning leaders.

I contacted a total of 240 CFOs to participate in this study. Twenty-seven responded to confirm participation. Two CFOs withdrew after declining to consent to recording the interview for transcription purposes. One withdrew after not wanting to commit to more than 30 minutes. Two others were used as pilot participants, and their data were not included in the study. In total, 22 CFO participants were included in this study. Although Patton (2002) posited there is no set rule nor guideline for sample size in qualitative studies, 22 CFOs felt like a manageable number given my short range of timespan (i.e., approximately 4 months) to find, contact, screen, and interview financial leaders of large organizations. It was a small representation, but large enough to gain general insight.

To identify and gain access to interviewees, I leveraged two primary resources: the University of Pennsylvania PennCLO program and alumni and my professional and extended network, primarily through LinkedIn. All potential interviewees received an introductory email from me that included the purpose of the study, the scope of the interview, and interview criteria and expectations. Through the email response, if a response was received, I was able to gauge their willingness to participate. After identifying participants willing to be interviewed for this study, I sent a follow-up email with the administrative aspects and logistics for the interview, along with the legal and ethical information aligned with the Institutional Review Board (IRB) behavioral research code of conduct. Interviews were scheduled through Zoom and invitations were sent from my Outlook email program to their provided email addresses.

Overview of Study Participants

For the gender breakdown of participants, eight were female and 14 were male. No one self-identified as nonbinary or other (see Table 5). Age was not collected as demographic information based on the fact all participants were senior executives within their organizations and had been in the workforce for over 20 years based on the information available in their LinkedIn profiles. Presumably all participants were over the age of 40.

For the race and ethnicity breakdown of participants, one identified as Asian and three identified as Indian (see Table 5). No Hispanic/Latino CFOs accepted my invitation to participate. Two CFOs identified as Black and 16 identified as White. For the active (i.e., was currently working as a CFO) or retired demographic information, 19 were currently active as CFOs, whereas three were recently retired (see Table 5). Additional analysis of participant demographic data is provided in Chapter 4.

Table 5

Participant Demographics

Variable	Total
# of participants	22
Gender	
Female	8
Male	14
Nonbinary or other	0
Race and ethnicity	
Asian	1
Indian	3

Variable	Total
Hispanic or Latino	0
Black or African American	2
White	16
Active or retired	
Active	19
Retired	3

Organizational demographics consisted of industry and location of headquarters. One organization was classified in the agriculture industry, two classified in construction, one in education, two in healthcare, three in financial, three in industrial, one in insurance, three in manufacturing, two in professional services, one in retail, one in the technology hardware space, and two in the technology software space (see Table 6). Nineteen of the organizations were headquartered in the United States, whereas one was in Canada and two were in the United Kingdom (see Table 6).

Table 6

Organizational Demographics

Variable	Total
Industry	
Agriculture	1
Construction	2
Education	1
Healthcare	2
Financial	3
Industrial	3
Insurance	1
Manufacturing	3
Professional services	2
Retail	1
Technology–hardware	1
Technology–software	2

Variable	Total
Headquarters	
United States	19
Canada	1
United Kingdom	2

Interview Protocol

Interviews are conducted in qualitative research when researchers want to ask participants questions to uncover their experiences and gather in-depth information on a specific topic (Patton, 2002). Semistructured interviews consist of the researcher developing an interview guide that has a list of predetermined questions and topics to be covered during the interview, usually in a particular order. Doing so allows participants freedom to share their views on their own terms without the limits of structured interviews. During the interview, open-ended questions can provide more options for the participants to respond with hopes for gathering impartial answers (Creswell, 2007).

For this qualitative research, I used an open-ended, semistructured interview approach focused on the central theme of this study (Creswell, 2007). The interviews allowed me to connect directly with participants to gather insights into their lived experiences. Following an open-ended, semistructured approach with predetermined questions allowed for an acceptable amount of consistency across all interviews while providing flexibility of adjusting questions based on unplanned or unanticipated, organic discussions occurring from interviewees' responses (see Appendix B). The questions were designed around key themes identified in the literature review, and, to ensure proper design, the interview protocol was reviewed and approved by my dissertation committee. The interview protocol was piloted with two colleagues familiar with qualitative research and then piloted with two CFOs. The questions were not shared with participants prior to the interview to avoid participants preparing answers to the questions. I wanted the answers to be as natural as possible, while attempting to minimize social desirability bias and having more of a dialogic engagement than a prepared answer.

Data Collection

According to Miles et al. (2018), standardized instrumentation is uncommon, although the researcher is typically the main instrument and audio-recorded interviews are most often used. In this research, I was the primary instrument as the interviewer. Interviews were conducted one-on-one at a mutually agreed-upon time. According to Shuy (2003), in-person interviews would have potentially allowed me to build stronger relationships with the interviewees; however, due to time restrictions and travel restrictions amid the COVID-19 global pandemic, interviews were conducted remotely through the Zoom virtual collaboration platform, allowing me to see the interviewees through video and use their body language to monitor engagement. Interviews lasted 45–60 minutes.

Sturges and Hanrahan (2004) posited a substitute for in-person interviews can be phone interviews, which can provide an opportunity to collect evocative and quality data in qualitative research. To ensure confidentiality, the video portion of the interviews was not recorded; only audio was recorded through Zoom. The audio files were then imported to Otter.ai for transcription purposes. Participants were required to provide verbal consent to the recording at the beginning of the session and sign a consent agreement (see

Appendix C). Analytic memos describing my experiences were handwritten during the interviews to document my experience with each interviewee.

Pilot Study

According to Ravitch and Carl (2016), piloting is critical in "designing and refining" (p. 90) a research study. I conducted a pilot interview with two participants. Although pilot activities do not meet the definition criteria of human subject research and do not need IRB approval, I adhered to IRB protocol to obtain consent and store data as if they were being used for my research. Ravitch and Carl (2016) recommend in piloting interviews, "you engage in full-length interviews and approach all aspects of the interview as you would in a post-pilot interview" (p. 93). I followed the same interview protocol with the pilot participants as with the actual research participants. The pilot participants were also CFOs who met the same criteria as the actual study participants.

Subject Confidentiality

The following safeguards were put in place to protect the confidentiality and privacy of participants and their information from unauthorized access, use, disclosure, modification, loss, and theft:

- All associated files and recordings were encrypted with password protection and stored on an external, password-protected hard drive.
- Each interviewee was assigned a participant number and was only referenced by their participant number in the data.
- Recorded interviews will be destroyed within 190 days following completion of the interviews.
- All potential direct or indirect identifiers were removed.

Additionally, I transcribed the raw recordings within 24 hours following the interview. I also stored the deidentified data separately from coding lists and I will delete all participant data within 190 days after the successful completion and approval of the final dissertation. This data include all notes, recordings, transcripts, consents, and memos associated with the study. The primary electronic devices used to manage the study data contained encryption software providing a requisite level of data security. Additionally, 100% of the data associated with the study were saved on an encrypted external drive.

Data Analysis

In qualitative research, much of the analysis is accomplished with the words of the interviewees. The words of the participants allow the researcher to analyze, contrast, compare, and construct meaning and patterns based on identified analytic outcomes (Miles et al., 2018). The data analysis approach for this study was a thematic analysis, developing themes to address the research questions (Boyatzis, 1998). Clarke and Braun (2017) stated:

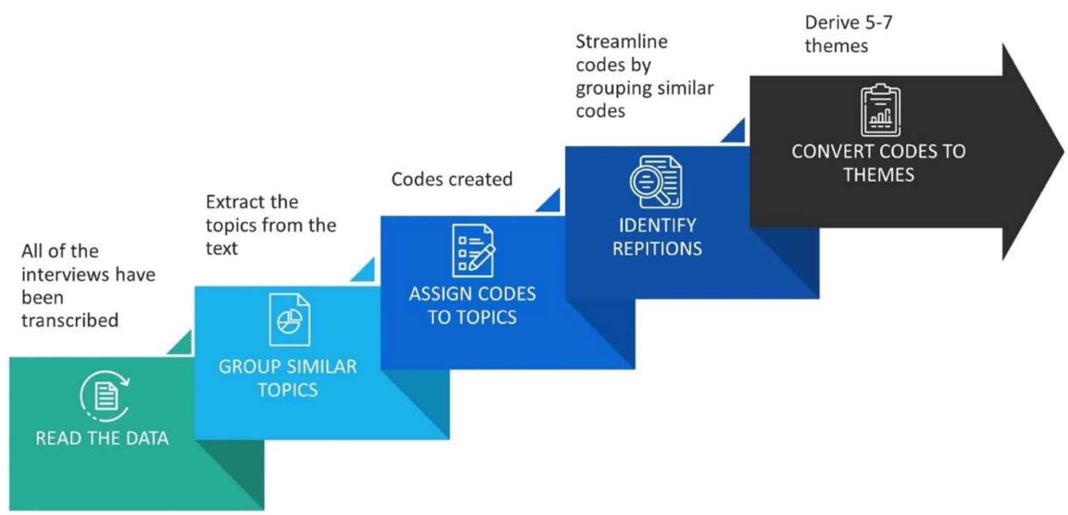
> The thematic analysis provides accessible and systematic procedures for generating codes and themes from qualitative data. Codes are the smallest units of analysis that capture interesting features of the data (potentially) relevant to the research question. Codes are the building blocks for themes, (larger) patterns of meaning, underpinned by a central-organizing concept—a shared core idea. Themes provide a framework for organizing and reporting the researcher's analytic observations. (p. 297)

Using thematic analysis to analyze the qualitative interviews enabled me to identify themes, subthemes, and patterns within the data. The interviews provided insight into understanding the beliefs financial leaders had about training, exploring the influences on the training budget, and the extent to which CFOs had relationships with the Training function, which enabled me to answer the research questions.

Through the process of coding, analysis occurs that leads a researcher to draw and verify final conclusions and give meaning to participants' points of view (Miles et al., 2018). The data coding process I used followed the five-step process adapted from Creswell (2015), as shown in Figure 1. Steps included reading the data, grouping similar topics, assigning preliminary code labels, eliminating overlaps and redundancies, and converting codes into themes.

Figure 1

Process for Qualitative Data Analysis



Note. Adapted from *Educational Research: Planning, Conducting, and Evaluating Quantitative and Qualitative Research* (5th ed.) by J. W. Creswell, 2015.

Inductive reasoning allows the researcher to develop conclusions from the data collected by connecting the new information (Ravitch & Carl, 2016). The coding process I followed was an inductive approach, which meant the codes were created spontaneously as I reviewed the transcripts based on what participants shared during the interviews. As suggested by Ravitch and Carl (2016), I tried to stay as close to the data as possible during this inductive approach to identify themes based on interviewees' insights. The coding process consisted of four approaches: open coding, in vivo coding, focused coding, and axial coding. According to Saldaña (2016), open coding, also known as initial coding, "breaks down qualitative data into discrete parts, closely examines them and then compares them for similarities and differences" (p. 295). I used open coding as the first round of coding to create codes based on what immediately stood out to me as important, relevant, or interesting. Next, I used in vivo coding. In vivo coding focuses on the actual words, or quotes, of the participants, allowing the researcher to prioritize and place emphasis on the participant's voice (Saldaña, 2016). In vivo coding allowed me to highlight, understand, and define insightful and meaningful points through the words of the participants. Focused coding helps develop themes and concepts following open coding and in vivo coding (Saldaña, 2016). Focused coding supported the third round of coding by bringing together prior codes and establishing concepts and themes. Lastly, axial coding further describes the characteristics or attributes of the properties of the categories and how they relate to each other (Saldaña, 2016). I applied axial coding to further refine categories and themes to find deeper connections.

In my research, once interviews were completed and audio was transcribed, the next step was to familiarize and immerse myself in the interview transcripts, which required reading and rereading to gain familiarity with the data and look for themes and patterns. According to Clarke and Braun (2017), familiarization is an important activity allowing the researcher performing thematic analysis to move beyond surface interpretation of the data and make sense of the data by creating a rich and convincing narrative about what the data represent. Pattern detection from information is an important part of qualitative data analysis, and it is leveraged by researchers due to its ease of use (Boyatzis, 1998). Next, I imported the transcriptions into NVivo, a web-based, qualitative data analysis software application, to support my first and second round of coding for qualitative data analysis. NVivo was helpful in organizing the codes while providing a number of other features not relevant to my approach. NVivo was helpful for the first round of coding, but I preferred a single-paged view for my thematic analysis. The codes were then grouped and categorized through thematic coding into recognizable, discrete sets of data to compare and contrast the data. Coding encompassed analysis of empirical data,—whether a word, phrase, paragraph, or page—and noting it with a term or brief phrase summarizing the content (Linneberg & Korsgaar, 2019). My subsequent rounds of coding and thematic analysis occurred within Microsoft Excel for easier grouping of datasets. Six themes and 18 subthemes were identified through the analysis and are explored in Chapter 4.

Research Limitations

Several research limitations were present within my study. First, as the sole researcher and interviewer in this study, I immediately called attention to my own research and interview skills as a limitation. Although I had experience with qualitative interviews, there is always opportunity for improvement. My first few interviews were not as succinct as my final interview. Although I conducted pilot sessions to mitigate nerves and improve my skillsets, I felt it took four or five interviews to really understand the flow and comfort necessary to gather quality data.

One of the limitations of the study was the size of my dataset. A total of 22 purposeful sampling interviews provided sufficient data for a timely and inexpensive collection and analysis; however, the size of the sample pool of interviewees may not be representative of all industries or companies and might not be large enough for generalization. Additionally, although I sought to include a diverse set of participants, I was limited to the amount of diversity held within the industry, which was predominately White and male. I purposefully sought out diversity but was limited by the responses. Access to participants largely drove the sample pool and therefore were not truly generalized. The data can, however, be used as a foundation for future research.

Because the data in this study were solely based on the responses from interviewees, validity of the interviewees' self-reported information was a limitation. It is possible their responses were distorted and did not accurately reflect their experiences or articulate their belief systems. The interviewees may not have been comfortable sharing honestly their experiences, beliefs, or processes used to define budgets. Furthermore, it is possible that limitations in their responses were conscious or unconscious and a form of social response bias. Although triangulating data from the interviewees was one potential solution to mitigate the reliability of their data, triangulation was not possible due to time constraints.

Another limitation in this study could be the lack of anonymity in my role as researcher. As a result, social desirability bias (i.e., presenting a reality participants perceive to be socially acceptable) was a factor to consider within this study. As Participant 14 effectively questioned, who was going to say they do not believe in investing in or training their employees? A large-scale, anonymous quantitative study could help triangulate data, enhance validity of the trustworthiness of their responses, and allow for deeper insight into the beliefs of CFOs in a space that may limit their bias.

Data Validity

The interpretation of the data, both during collection and analysis, relied heavily on me as sole researcher; therefore, I needed to take as many steps as possible to ensure the data were valid and reliable. According to Maxwell (2012), the researcher should place importance on validating the findings to "rule out specific and plausible alternatives and threats to your interpretations and explanations" (p. 126).

Researcher Bias

As a career-long learning and development professional, I have personally experienced training efforts cut as a result of cost-savings mechanisms or economic downturns. I have also never had any engagement with the CFO or financial leaders within my roles and had no understanding on their belief systems on the value of training nor how they determined the budgets received for training. Additionally, throughout my career, I have subscribed to the belief that finance was to be feared rather than embraced as a business partner or stakeholder. As such, it is possible I held bias toward the role, influence, and importance the CFO role plays within training for organizations. Approaches to mitigating my bias were defined in the Data Validity section.

Although eliminating researcher bias completely is not possible during qualitative research, researcher bias can be managed (Maxwell, 2012). To achieve minimal bias, I kept analytical memos of my interpretations for each interview along with my thoughts during the coding and thematic analysis process. Doing so allowed me to check for representativeness and reliability (Miles et al., 2018). Peer debriefings were an additional mechanism I used during my research process to mitigate bias. Throughout my reflexive journaling process, I met with two PennCLO colleagues to discuss my process and findings. I also enlisted the support of a dissertation coach throughout my process to ensure a nonbiased, experienced voice supported my process. I also had regular virtual appointments with members of my dissertation committee to review my approach, findings, and bias concerns.

My role as the primary instrument in this study may have also introduced bias. According to Maxwell (2012), the individual researcher of data collection and data analysis cannot divorce themselves fully from the process. Confirmation bias may have played a role in how my bias may have been displayed during the interviews. Confirmation bias is influence from existing beliefs, hypothesis, or expectations on the interpretation of evidence (Nickerson, 1998). In this manner, my experience as a training practitioner—combined with my existing beliefs and hypothesis regarding CFOs and their relationships with the Training function—possibly led to confirmation bias. Although I did not aim to have confirmation bias toward any interviewees, it is possible some unconscious bias may have existed.

Potential Risks

The interview questions focused on CFOs' experiences with training programs in their organizations. It is possible the CFOs may have realized during interviews that their personal beliefs influenced their budget processes, but this realization was very unlikely. If it did occur, there is little chance such a realization would have emotionally impacted the CFOs. There were no other risks associated with this study. The interview questions and research solely framed the experiences of the CFOs and their relationships with training programs. The benefits were far greater than the minimal risk.

Conclusion

Through an exploratory qualitative research analysis, I explored the relationships CFOs had regarding their beliefs about training, the extent to which CFOs had a relationship with the Training function, and the factors influencing their investments made into the training budgets of their organizations. Chapter 3 sought to shape the research design and methodology employed to identify and develop a foundation of data to answer the research questions. Chapter 3 also provided the overview and rationale, participant selection and screening, interview protocol, data collection, data analysis, data validity, research limitations, and researcher bias to frame how this study captured rich, meaningful data. Such data will help enable future researchers and learning and development practitioners understand CFOs in a manner that further benefits their relationships and organizations by mitigating the risk of losing budgets.

CHAPTER 4: FINDINGS

In Chapter 3, I described the qualitative research methodology for this study. In this chapter, I provide a detailed review of this study's results and major findings regarding chief financial officers (CFOs) and their beliefs about training. I collected the data through a series of semistructured qualitative interviews conducted with CFOs. This chapter begins with a discussion and overview of study participants. I then present findings and themes resulting from detailed analysis of qualitative data. Chapter 5 provides a deeper dive into key insights and findings from this research study.

The objective of this study was to uncover insights and explore beliefs CFOs have about training, including their relationship with the Training function and the budget for training. My research methodology was designed to address the following research questions:

1. What beliefs do CFOs have about training?
2. To what extent are CFOs engaged with the Training function?
3. What influences the training budget?

To address Research Question 1, I examined the beliefs CFOs have about training, what influences their beliefs, and what benefits they believe result from training. For Research Question 2, I investigated the extent to which CFOs are engaged with the Training function through the exploration of relationships and by assessing to what extent measurement and reporting on training occur. The final research question drew attention to factors influencing the training budget.

Overview of Study Participants

It was important the diversity of participants were taken into consideration when identifying CFOs to include in this study. To encourage a wide diversity of candidates, I contacted 240 potential participants. Approximately 87% of the CFOs contacted did not respond to requests to participate in this study. As discussed in Chapter 3, this study concluded with 22 participants. The diversity ratios are included in the breakdown of participant gender and demographics.

For the gender breakdown of participants, eight were female and 14 were male. No one self-identified as nonbinary or other (see Table 7). The gender ratio in this study was representative of the gender ratio identified in the market. According to existing data (Zippia, 2022), 68.5% of CFOs are male, 27.1% are female, and 4.4% are unknown. The ratio in this study was 64% male and 36% female. Age was not collected in the demographic information based on the fact all participants were senior executives within their organizations and had been in the workforce for over 20 years based on information available in their LinkedIn profiles.

Table 7

Participant Demographics

Variable	Total	% of study	% of industry
# of participants	22		
Gender			
Female	8	36	27.1
Male	14	64	68.5
Nonbinary or Other	0	0	4.4
Race and ethnicity			
Asian	4	18	6.8

Variable	Total	% of study	% of industry
Hispanic or Latino	0	0	7.0
Black or African American	2	9	3.1
White	16	73	81.2
Active or retired			
Active	19	86	
Retired	3	14	

Additionally, data show 81.2% of CFOs are White, 7% are Hispanic or Latin, 6.8% are Asian, and 3.1% are Black or African American (Zippia, 2022). This study included more diversity among CFOs. For the race and ethnicity breakdown of participants, two CFOs identified as Black (9%), 16 identified as White (73%), and four identified as Asian (18%; see Table 7). Although Hispanic CFOs were included in the potential candidate list, no one who identified as Hispanic or Latino responded to my request.

Although participants had all been in the workforce for over 20 years, tenure at their current organizations ranged from as recent as 10 months to 33 years. The tenure in their roles as CFO also ranged from 10 months to 33 years (see Table 7). For active (i.e., currently working as a CFO) or retired demographic information, 19 were currently active as CFOs, whereas three were recently retired within the last 3 years (see Table 7). Organizational demographics consisted of size, industry, and location of headquarters. Size of participants' companies varied between 120 employees and 134,500 employees based on data found on LinkedIn or the organizations' websites (see Table 6). The majority of participants' organizations had more than 10,000 employees. Less than 20% of the companies had between 5,000 and 10,000 employees, and fewer than 10% had under 500 employees.

Participants provided organization classifications during the interviews. One participant classified their organization as in the agriculture industry, two were classified in construction, one in education, two in healthcare, three in financial, three in industrial, one in insurance, three in manufacturing, two in professional services, one in retail, one in the technology hardware space, and two in the technology software space (see Table 6). Nineteen of the organizations were headquartered in the United States, whereas one was based in Canada and two were in the United Kingdom (see Table 6). Figure 2 provides a breakdown of participants' company sizes, and Figure 3 illustrates participants' tenure within their organizations.

Figure 2

Participant Company Size

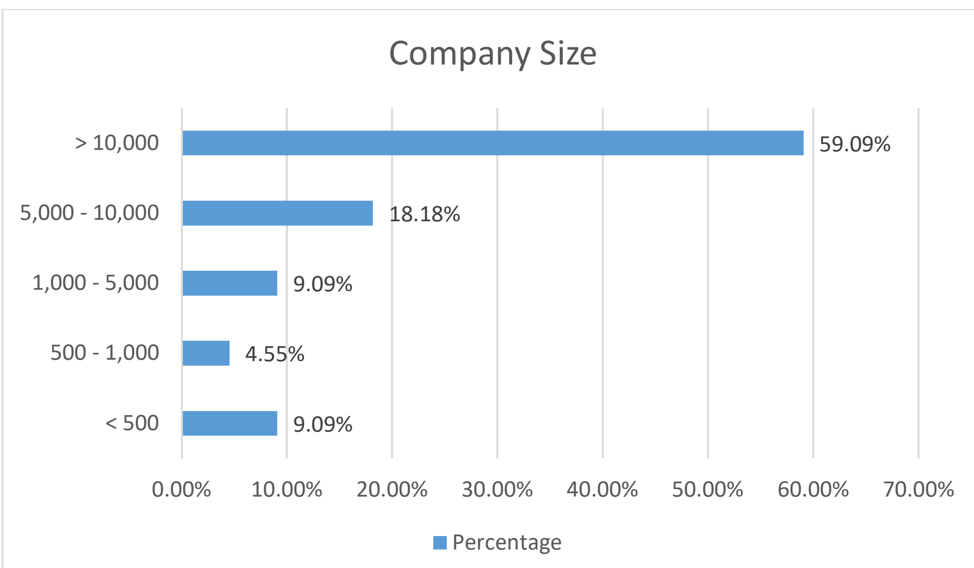
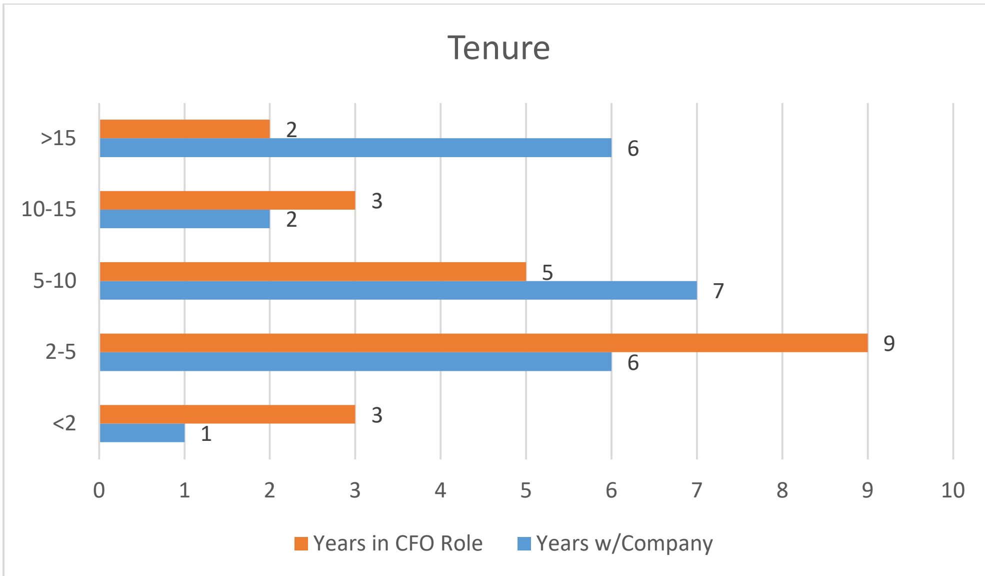


Figure 3

Participant Tenure



Qualitative Data Analysis and Results

To identify, analyze, and interpret data gathered during interviews, I used coding and thematic analysis as described in Chapter 3. Thematic analysis is one of the most common approaches used in qualitative research (Guest et al., 2012) and served as an appropriate tool for this study.

Analysis Process

The process of analysis started once transcriptions were uploaded and transcribed through Otter.ai. The data coding process followed the five-step process adapted from Creswell (2015; see Figure 1). Steps included reading the data, grouping similar topics, assigning preliminary code labels, eliminating overlaps and redundancies, and converting codes into themes.

In the first step (i.e., familiarizing), I read and reread transcripts to gain familiarity with the data, looking for themes and patterns. According to Clarke and Braun (2017), familiarization is an important activity allowing the researcher performing thematic analysis to move beyond the surface interpretation of the data and make sense of the data by creating a rich and convincing narrative about what the data represent.

Next, transcripts were imported into NVivo, a qualitative analysis software platform, and initial inductive codes were created to capture important meaning in the data. Codes and transcripts were reviewed again to identify broader patterns of meaning (i.e., themes). The codes were then grouped and categorized through thematic coding into recognizable, discrete sets of data, and patterns were compared and contrasted. Coding encompassed analysis of empirical data, whether a word, phrase, paragraph, or page, which I notated with a term or brief phrase summarizing the content (Linneberg & Korsgaar, 2019). Subsequent rounds of coding and thematic analysis occurred within Excel for easier grouping of datasets. Through an iterative process, codes and themes were refined, organized, and categorized into subthemes, creating a thematic framework.

Inductive Thematic Analysis Results

During the course of the 22 participant interviews, CFOs shared their perspectives and beliefs regarding training. Six main themes emerged from the analysis of the data, which I then divided into various subthemes to provide a detailed overview of the topic being studied. All themes and subthemes developed during the analysis are presented in Table 8. These themes are analyzed separately in the following sections.

Table 8

Themes and Subthemes

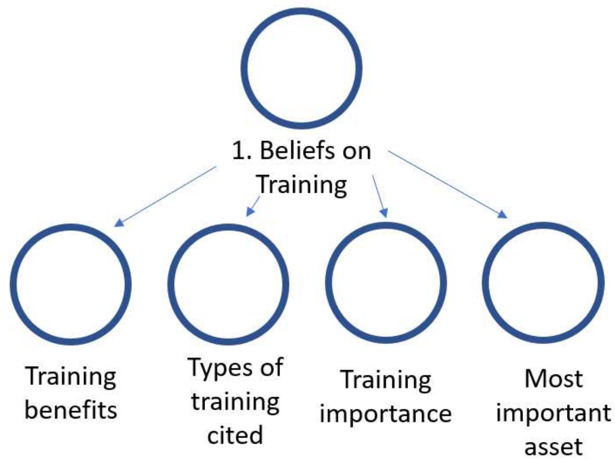
Themes and Subthemes	*N* = 22	%
Theme 1: Training beliefs		
1.1 Subtheme: Training benefits	22	100
1.2 Subtheme: Types of training cited	18	82
1.3 Subtheme: Training importance	17	77
1.4 Subtheme: People are the most important asset	8	36
Theme 2: Factors that influence beliefs		
2.1 Subtheme: Organizational culture	16	73
2.2 Subtheme: Past experiences	11	50
2.3 Subtheme: Family	3	14
2.4 Subtheme: Peers	5	23
Theme 3: Relationships with the Training function		
3.1 Subtheme: Types of relationships cited	22	100
Theme 4: Measuring the benefits of training		
4.1 Subtheme: Measurement types cited	22	100
4.2 Subtheme: Data preferences	9	41
Theme 5: Reporting training data		
5.1 Subtheme: Reporting practices	19	86
5.2 Subtheme: Reporting influences	4	18
5.3 Subtheme: Double-edged sword of reporting	3	14
5.4 Subtheme: Reporting beyond financial statements	8	36
Theme 6: Training budgets		
6.1 Subtheme: Budget management	22	100
6.2 Subtheme: Budget influences	17	77
6.3 Subtheme: Budget cuts	20	91

Theme 1: Training Beliefs

Theme 1 represents the views shared by CFOs regarding their beliefs about training. This theme emerged as a direct result to the first research question exploring CFOs' beliefs on training. Based on their views and responses, this theme is divided into four subthemes,. Figure 4 provides a breakdown of this theme and related subtheme.

Figure 4

Theme 1: Training Beliefs



Subtheme 1.1: Training Benefits. All CFOs identified multiple training benefits. Both male and female participants identified, on average, seven benefits each. In total, participants identified 37 unique benefits (see Table 9). The top five training benefits were employee retention/reduced turnover (*n* = 16); talent development (*n* = 11); employees feeling valued (*n* = 10); improving organizational leadership and creating better leaders (*n* = 10); and having increased employee engagement (*n* = 8). The notable identification that training can improve employee retention and reduce the turnover rate was a relevant and timely finding given, the current U.S. employee retention crisis (Hopkins & Figaro, 2021). Participant 9 disclosed "that [training] can be a core recruitment and retention element." Participant 14 conveyed the following:

> The retention is huge. You know, I think the retention, employee retention overall, is very important. And if training and investing in your people contributes to keeping the right people around, I think there's a very big long-term impact on the company.

He also recognized his level of focus on his employees has grown over the last 6 months as a result of "this great attrition." Confirming alignment, Participant 21 reported, "It [training] eases retention but also it is a mechanism to attract talent, both internally and externally." Table 9 breaks down training benefits participants identified.

Table 9

Training Benefits

Benefit	Result
Benefit 1: Training improves lives of employees	Employees feel valued Have career opportunities Increased confidence Broader thinking Happier Feel invested in Positive impact at home Increased job satisfaction Increased sense of belonging Increased efficiency and effectivity
Benefit 2: Training improves the performance of employees	Better decision making Increased skills Improved productivity Common language Improved performance Reduction in errors Knowledge retention Adapt quicker to changes Motivator
Benefit 3: Training improves the organizational performance	Reduced turnover and increased employee retention Increased organizational commitment Improved organizational leadership Increased employee engagement Align processes Attract talent and recruitment Drive culture Improve quality Improve safety Create loyal employees

The 37 benefits in Table 9 can be further categorized according to the impact for the employees and the organization; for example, according to the benefits identified by the CFOs in this study, training can:

• improve the lives of employees by enhancing their professional skills, helping them feel valued, and increasing happiness due to bolstered confidence;

• increase their job satisfaction and sense of belonging while creating a positive impact in their life outside of work;

• help employees perform their job better by increasing their efficiency and productivity, helping them make better decisions, reducing errors, increasing their ability to adapt quicker to changes, and increasing their knowledge retention;

• impact the organizational performance by helping employees feel more connected to the organization, which results in increased employee engagement and retention while reducing employee turnover.

The benefits identified by the CFOs indicated a belief training can have positive effects by enabling people to perform better at their jobs. These impacts have compounding benefits that can result in cumulative advantages for the organization. Still, many CFOs appeared to overlook the tangible value resulting from training. Although CFOs described the benefits of training as static outcomes, most did not equate benefits to a financial value for the organization. It was not clear if participants shared their beliefs on benefits of training from the theoretical (i.e., abstract) perspective, or if CFOs had realized the described benefits within their organizations (i.e., concrete).

Several CFOs described a concentration on strategies and activities that drive value for their organization. Participant 4 argued, “Increasing the value of the enterprise is really the kind of focus that the finance part of the organization attempts to do." The ambiguity on the theoretical versus abstract benefit identification was an interesting gap, given a primary responsibility CFOs identified was a focus on activities, assets, and business units creating value for the organization.

Most CFOs did not directly acknowledge training contributes financial value to the organization; for example, Participant 4 recognized training creates more efficiencies, enthusiasm, and engagement. He then made a minor connection to training contributing to financial value, stating, "Training is a part of what leads to engagement, but I think how engagement leads to value is [important]" and proceeded to talk about percentages of an engaged workforce. He did not directly articulate a correlation between training and value to the organization. Participant 7 identified training creates a more consistent approach and experience for [customers]. A subsequent inquiry led the participant to share:

> It equals or it should equal a healthier business. So economically, if we gain a reputation that we care for [customers], more [customers] will want to come to our [offices], which should yield more financial value and a greater value to our shareholders. The other thing would be financial results through lower turnover. Turnover has a big cost to us.

Participant 7 did not directly connect the "big cost" of turnover as being reduced by training, acknowledging training can improve operating costs of the organization.

Subtheme 1.2: Types of Training Cited. When participants discussed training programs, a relatively narrow scope existed for the programs within their purview. For example, almost every CFO singularly referred to leadership programs when discussing their personal experiences with training or the training programs they were aware existed within their organizations (*n* = 18). Participant 12 noted his experience with his organizational training only focused on leadership programs, saying, “We have focused more on sort of leadership development at sort of the top level, so developing the next tier of leaders.” Participant 5 noted his organization has had a leadership institute for over 20 years. This institute provides a competitive differentiator because they offer access to the institute for their clients. The program is also accessible to a limited number of internal employees through an application and approval process. When asked to describe other training programs his organization provides to employees, he offered the following response:

> Oh yeah, we have tons of programs. Our company has always ranked in the top whatever in training magazines. Whatever we have, we have training on future managers and how to manage people and organizational structure. But I would say our focus is really leadership training.

Participant 7 indicated part of his responsibility as CFO is running his organization’s leadership development program. When he later described his personal experience with an impactful training session, his response was also limited to a leadership program he had taken with a prominent business school. Finance- or CPA-required training was also referenced by participants, although on a much smaller scale (n = 6), and it was referred to as training required to maintain industry certifications. Compliance, regulatory, and safety training (n = 4) were other types of training cited. CFOs did not cite onboarding nor technical skill development programs.

When further exploring the context in which CFOs thought about types of training, many participants classified job rotation as a type of training. Participant 13 explained, “They [leadership] throw you in the deep end and will give you just enough rope so you don’t drown and will move you around a lot.” He continued by expounding the rotational programs were the best training he received, which helped him build his leadership and learning-agility skills. Participant 18 also outlined a similar passion, with job rotation being his most impactful learning experience:

> I would say for me, it was probably within the audit staff. Every 3 months working on a different area, different issues, stuff you've never learned before. It taught me how to risk assess, it taught me how to prioritize, because you can't do everything, you got a finite period of time. So I would say that from the learning perspective, as far as you know, how do I learn quickly.

The knowledge that some CFOs identified job rotational programs as their most impactful experiences and the majority of CFOs referred to training as leadership training offered insight into training mechanisms and language meaningful to CFOs as well as programs not yet in their purview.

Subtheme 1.3: Training Importance. CFOs provided an overwhelming number of statements indicating training importance and positive beliefs about the concept of training. Many participants declared training "important" (n = 17) and stated belief for the "need for training" (n = 8). Participants also used "value," (n = 8) "must-have," (n = 3) and "impactful" (n = 3) as other descriptors to illustrate their beliefs in training.

To further establish the evidence for CFOs supporting training, many referenced training had importance to them personally by describing training as a lifelong endeavor. Participant 4 demonstrated his support of training as follows:

> I'm a big believer in growing and training. Training is critical to the success of the company as well as the person . . . I would just say that our industry, like many industries, continues to change really rapidly. And if you don't invest in training your teams, you're going to be left in the dust . . . training is critical to the success of the company as well as the person.

Participant 9 postulated training was not something to be considered optional, noting, "It's a lifelong endeavor for me. It's something I can't imagine living without. I'm trying to think if there's any part of learning I would think is optional and to be reduced, and

I’m not sure there is.” Many participants portrayed training as a fundamental need in their personal lives and for their organizations.

When asked whether CFOs viewed training as an investment or an expense, almost all CFOs (*n* = 18) declared the belief that training is an investment, both for the employees and the organization. Participant 13 explained his view on training was not just his personal belief, but his organization also considered training as an investment. Participant 9 proclaimed, “It’s an investment, without a doubt.” From a more cautious perspective, Participant 7 described training as an investment, but only “if it’s done well.”

A few CFOs suggested training could be both an investment and an expense (*n* = 3). For example, Participant 3 vacillated between categorizing training costs as an investment or an expense, noting:

> I would say that it would probably fall in investing. It is definitely a spend. It’s definitely a discretionary spend. But I would classify it more as an investment, an investment in our resources, in our employees, in our processes. But you know, it definitely is a discretionary spend. But looking at it more from an investment perspective.

Participant 14 proclaimed training is an investment but challenged the accounting principles that may require training to be qualified as an expense:

> For sure it’s an investment. Purely accounting speak—it’s an expense. But it’s an expense that is worth taking . . . if you think about training as an investment, you’re still gonna [*sic*] have to make trade-offs with all the other investment opportunities that you have because your funds aren’t unlimited.

Although participants indicated training was important, evidence also existed training was not a priority within their organization (*n* = 10); however, they did not offer examples of what constituted a higher priority. When asked why her organization did not have a greater focus on training, Participant 1 indicated, “There was just a lot of higher priority stuff.” Participant 2 indicated awareness training had a direct influence on the ability for employees to execute the company mission, stating, "We have definitely missed out on opportunities because we don't have people knowledge and upskill to proficiently and efficiently do their jobs to deliver on our mission as a company." He also acknowledged, "Training is only moderately prioritized in our company." Participant 2 further described a scenario where he was constantly "dealing with the crisis and fires at my feet," indicating those were his priorities, although he did not disclose details regarding the "fires."

Participant 6 observed, "Training typically doesn't get the airtime . . . people don't put training on that pedestal around how it can make your organization better." Participant 12 indicated training is an afterthought, and senior leadership had "other" higher priorities:

> Internally I'd say we're not very consistent about that and that it [training] is probably more of an afterthought or not a priority I'd say . . . I know that learning and development is fairly high on her list of things to get to, but she's had other higher priorities.

Participant 12 also described a contradiction within his organization on the priority of training. His company put a priority on creating training programs for their customers to understand their products but did not make training for internal employees a priority:

> I'd say we don't do a very good job of formal learning, we have access to a library of like, we have manager development training courses that are developed by some third party, and we have access to those and HR is pretty good about reminding our managers about, you know, making this available and encouraging their sort of next level of people to or their new managers to take these courses, but it's kind of hit and miss. We have a very formal learning program for our clients. And we make a really big deal out of university for our clients. But internally, I'd say we're not very consistent about that and it [training] is probably more of an afterthought, or not a priority.

Similarly, Participant 17's organization was a training company that also created training for external clients but did not prioritize training for internal employees. He identified the only training prioritized in his organization was compliance and regulatory training, which was mandated by law. He shared, "If training wasn't mandated that that should happen, it probably wouldn't happen as often as it does."

Some CFOs recognized the topic of training was not a priority among CFOs. Participant 17 acknowledged the topic of training was not discussed between peers. Participant 8 also recognized training was not a topic discussed in her CFO network:

> But I am interested in what you said. And it's kind of spurred me on now with this CFO group to put that out there as a topic. I haven't had a lot of discussions with other CFOs, specifically on the area of training.

Participant 8 shared within the CFO network inside her organization, training was not a topic discussed. She stated, "And internally, we do talk about talent issues, and you know, what they're calling now the *great resignation*, and some of that stuff but they never come up with the topic of training." Most CFOs indicated training is important (n = 17) but many also indicated training was not a priority (n = 10) which demonstrated the tension organizational leaders experienced regarding training.

Subtheme 1.4: Most Important Asset. Part of the responsibilities revealed by participants included shepherding assets of the organization. When discussing assets, the only asset CFOs referred to were employees (n = 8). Many CFOs went as far as to say they believed employees to be an organization's most important asset. Participant 5 confessed, "Your most valuable assets are your people." Participant 10 proclaimed employees were the "lifeblood of the organization." He also likened the human capital asset to being as important as tangible assets:

> It's like investing in smarter machines or a faster production line; the smarter our people are, the better our products are going to be, the faster they're going to get out the door, and the better our sales team is going to be. So, it's not a hard asset, but it's the same as investing in improving your hard assets.

The strong language used by many CFOs indicated they felt passionate about employees playing an essential role as assets of the organization. Offering a slightly nuanced view, Participant 21 noted the most critical asset in most companies was its people.

Despite the claim people are the most important assets, one CFO raised questions about the extent to which companies put this belief into action or provide responses to present a reality they perceive as socially acceptable, also known as social desirability bias (Bergen & Labonte, 2020). Participant 14 proposed an interesting possibility of the existence of social desirability bias among CFOs:

> I think that the underlying question is, with CFOs, for example, like how much of what I'm telling you now, or what other CFOs might be telling you? How much do we say because it sounds good to say, right, like, who wants to say, "Hey, we don't want to train people , that's nonsense. We shouldn't be training people." So, you know, it's kind of like an image thing, right? Let's be honest. So nobody's going to tell you, we're going to not invest in our people. So I guess there's that complication. But when I look at the people that I've worked for, CFOs that I've worked for, obviously, the proof is actions speak louder than words.

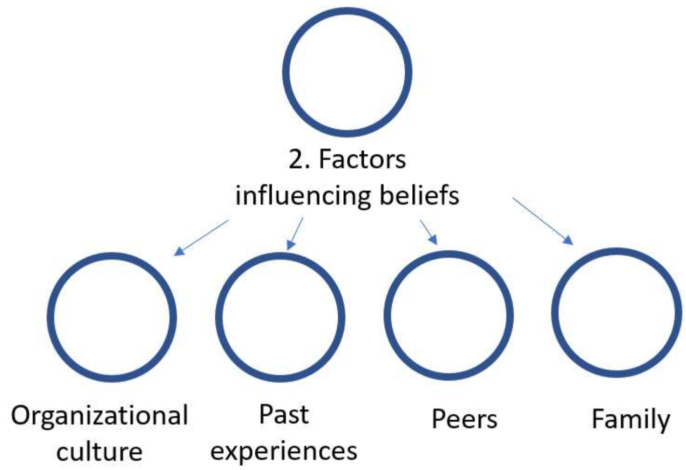
Although some CFOs made the claim people are an organization's greatest asset, other CFOs acknowledged these proposed beliefs may not be demonstrated by action, particularly as it relates to training employees.

Theme 2: Factors That Influence Beliefs

Theme 2 represented participants' views on the factors that influence their beliefs about training. Based on their views, this theme was divided into four subthemes, which are discussed in detail in Figure 5.

Figure 5

Theme 2: Factors Influencing Beliefs



Subtheme 2.1: Organizational Culture. The majority of CFOs noted organizational culture, both at prior organizations and at their current organizations, influenced their beliefs on training (n = 16). Participant 1 brought programs from a prior organization to her current organization and described her experience as:

> [Prior company] does take it [training] seriously and did intentionally. I'm sure they had a lot more metrics than we do at [current company]. I think it comes down to how seriously that organization takes it [training]. I think they set the bar for employee training, and I grew up there through their financial management program. So we copied that program at [current company].

Participant 3 attested the transition from her prior organization to a culture focused on employees helped shift her perspective and recognize the importance of training:

> But also going into a culture where it's so positively focused on employees, and their development and their career paths and making sure that we're continuing to do what's right for our employees all the time . . . and it puts a big focus on management and leadership training as well. So it's been both the industry shifts, but also I think having an investment in curriculums and career path internally, where I'm at now, kind of shifted that focus a bit as well.

Compared to Participant 3, Participant 16 acknowledged the commitment level of leadership at his current organization as positively influencing the approach for training.

The experience of working in an organization that supported training by investing in it positively influenced Participant 8. He continued to demonstrate the learned behavior of supporting learning in his current organization:

> Maybe it's because I did work for many, many years at this organization where there was an investment in training . . . in fact, something that we had done at that previous organization that I'm trying to do here is a lot of sales technique training. But a lot of this for me, I took back from when I was at [organization name], this is something that we used to do, and I brought it to my organization here.

Participant 9 described training in his current organization as being seen as "a critical part of what we, as leadership, should provide to the organization." Participant 10 recalled he had never worked anywhere where training was not valued:

> So I've never worked somewhere where there was a mindset that L&D isn't just another expense to be managed in the smallest possible level. Everywhere I've worked, and then I'm sure that's shaped my point of view on this has looked at it as you wouldn't build a plan that wasn't investing in L&D. It's a blocking and tackling thing more than it is optional.

Organizational culture can positively affect the beliefs of CFOs.

Although many participants shared positive experiences of organizational culture shaping their beliefs on training, some had experiences with organizational cultures that were not as supportive of training. As a result, the culture may have influenced less-than-supportive beliefs from the respective CFOs; for example, Participant 17 remarked his organization did not have a culture that supported learning, although his organization was a training provider for other organizations. He further explained, "If training wasn't mandated that that should happen, it probably wouldn't happen as often as it does." He referred to compliance and regulatory training as the primary training that occurs within his organization. He addressed the paradox that his organization provides training for other organizations but does not have an internal focus on training for their employees and acknowledged the following: “I would say that we, as a group, have not been very good at smoking what we resell, as it were. So I don’t think we have been good practitioners of what we do.” Many participants agreed organizational culture could shape their philosophies on training, suggesting the culture of Participant 17’s organization may influence his beliefs.

Another component of organizational culture influencing beliefs can be demonstrated by the organization’s willingness to invest in training. Several CFOs elucidated how their experiences having a company investing in them had influenced their positions on training. Participant 10 explained his experience as:

> I think investing in people and investing in making them smarter is—I know that’s what kept me working for [prior company] for 13 years was they were heavily investing in me, and that other opportunities would come along. And it’s like no, this is a company that’s investing in me. And part of what they did was they invested heavily in learning and development. They paid for my degree at [school], my business degree, [person] paid for that . . . but there’s no doubt that my background and my own personal experience has shaped the way I think about L&D [learning and development].

Participant 5 remarked, “I developed into a strong leader at this company with the help they gave me.” Participant 18 contended her experience with an organization investing in her might have been the catalyst for her continuing the pattern of investing in others:

> [Prior company] invested a ton in me from a development perspective. And maybe because they did that to me, I’m very much a pay it forward person. And I felt it was always important for the different people in my teams to go for training.

The support of or absence of training was directly influenced by the organizational culture.

Subtheme 2.2: Past Experiences. Participants contended their lived and learned experiences were key influences on their beliefs about training (n = 11). Participant 10 declared his background influenced his belief regarding training, noting, “There is no doubt that my background [exposure to education] and my own experience has shaped the way I think about learning and development.” Participant 19 noted her lived experience included recognizing how the investment she made in her continued education impacted her life by providing additional opportunities and growth. As a result, her experience with education influenced her approach to being more supportive of training in her organization.

Several other participants stated their prior personal experiences with education and training positively influenced their beliefs. When Participant 5 recalled his most impactful training experience, he reflected on a training program that was “one of those life-changing moments.” Similarly, Participant 7 also articulated a training experience as life changing:

> I don’t want to be extreme, but I would say it was one of those life-changing moments, it was probably this competence boosting moment. It gave me the confidence to make a lot of organizational decisions and recommendations to the CEO that I’ve been sitting on for a while.

Participant 11 described his lived experience as more insightful than his education experience, noting, “I think the lived experience, through my journey of becoming what I like to think is a leader, has provided me with a hell of a lot more insight than some of the education that I’ve done.” Although he emphasized his lived experience as an influence, he still considered himself supportive of organizational training.

Not all CFOs, however, were able to recall impactful or positive experiences. Participant 17 contended he had not had a prior positive experience, noting, “I have to say generally, no, I don’t go on a lot of training programs. They tend to leave me cold.” Participant 21 also confessed he was not able to identify a positive experience:

> I’d like to say that I have but I can’t point to one. I have never worked for a company that may have invested enough in training where I went to some program and said “Boy, that was useful.” So I’ve never been the beneficiary of a very well-run training and development enterprise.

The detail with which participants could identify positive experiences with training aligned with their level of support for training. Seven participants who identified positive prior experiences with training indicated positive support and benefits resulting from training, whereas four participants did not identify past positive experiences and were less supportive of training and provided fewer benefits.

Subtheme 2.3: Peers. Several participants indicated a level of curiosity and awareness toward the perspectives of their peers in comparison to their own (*n* = 5). Participant 15 asked, “What do you hear from others?” Participant 8 pondered, “What is the differences in what I’ve told you and what you’re hearing from other CFOs? And that might spur something in terms of something else that I may have overlooked?” Participants 17 and 19 asked similar questions on whether their responses were representative of other discussions or if they were outliers.

When some participants compared themselves to their peers, they speculated a difference in beliefs. Participant 7 stated, “Yeah, I absolutely think it [my view] is different.” Participant 11 acknowledged, “I don’t consider myself a typical CFO.” Participant 19 shared:

> I don’t know if I’m your traditional CFO, if you will, because I started my career as an engineer, because I had that double major, and then I actually have five degrees. So I’ve been kind of a lifelong learner. So, I’m maybe a little more progressive than maybe some of my CFO counterparts at the company.

The peers of CFOs played an influential factor in their beliefs regarding training.

Subtheme 2.4: Family. Some participants (*n* = 3) remarked how their families were positive influences in their lives by helping them recognize the value of education and establish awareness of learning as a lifelong commitment. Participant 5 revealed his mom's influence on his education, stating, "The curiosity that I was born with was kind of through my mom, my mom was a big believer in education and learning and spent a lot of time with me." Participant 9 attributed his passion for learning to his grandfather:

> You know, I see L&D [learning and development] as being a core ingredient to that. So, you know, it's always been something that I can't imagine living without put it that way. And it goes even back to the way I was raised. I had a grandfather that used to tell me that training and education is the one thing that no one can ever take away from me.

The influence of family on the importance or value of education had a lasting impact for participants.

Theme 3: Relationship With Training Function

This theme represents participants' views on their relationship with the Training function and identifies the extent to which CFOs and the Training function were engaged, ranging from sporadic to no engagement. Figure 6 provides a visual of these themes and subthemes.

Figure 6

Theme 3: Relationships

The participants described a varied frequency and consistency in their relationships between the CFO and the Training function (see Table 10).

Table 10

Relationship With Training

Relationship with training	$N = 22$	%
Sporadic	8	36
Active	6	27
No relationship	6	27
Unclear	2	9

Subtheme 3.1: Sporadic. Many CFOs described an inconsistent, sporadic relationship with the Training function (n = 8). Participant 12 described the relationship with training as “hit or miss.” The reason, he explained, is that training is not an organizational priority and therefore has resulted in a very fragmented approach in execution and relationship building.

Participant 17 pointed out the only reason he got involved in discussions with Training is to review and challenge the proposed budget: "We will go through that [budget proposal] and challenge that at the time. I wouldn't otherwise get involved." Participant 4 stated, "I would say that while I've interacted with the teams, it's not one of oversight or curriculum development."

Participant 11 defined his relationship with the Training function as "evolving" based on his belief the Training function is concerned he is "not here to help us, he's really just here to control our costs . . . I think they're guarded and saying, 'Can I believe this guy to deliver with what he's saying?'" This participant demonstrated an awareness that trust might be a contributing factor deterring the relationship between CFOs and training, if it is believed CFOs are only focused on controlling costs.

Participant 21 provided poignant insight supporting the notion fear may inhibit the ability for CFOs and the Training function to connect. He indicated awareness that the Training function personnel might have consternation toward the CFO, noting, "Learning and development should not be living in fear of the CFO, right? . . . I really don't think CFOs are the enemies of learning and development at all." Trust and fear were factors influencing the relationship dynamic between CFOs and training officials.

Subtheme 3.2: Active Relationships. Only some participants described an active, engaged, and ongoing relationship with the Training function at their organization (n = 6). Participant 3 depicted a strong partnership with training, consisting of documented goals and multiple engagement activities throughout the year:

> Our head of learning and development also serves on an executive team. Every month we have meetings that occur where we discuss any sort of topics or issues that arise. There is definitely a touch base meeting that occurs all the time. We also meet three times throughout the year, bring all of our leadership team

> together for reviews as to what's going on in their organizations. We have very well-documented training goals and objectives.

Similarly, Participant 9 described meeting with the Training function regularly to stay engaged and discuss feedback from training programs as part of the executive leadership team to determine priorities and opportunities to evolve training programs. Participant 19 perceived making training part of the organizational strategy to ensure the Training function had an active engagement with leadership regularly:

> I think just because it is one of our four pillars of our strategy is investing a talent, we have KPIs [key performance indicators] around it, and that we're measuring and talking through as a whole leadership team, you know, probably on a quarterly basis. And then just because it is a budget area for us, obviously, I'm hands-on with them.

Those who suggested an active relationship existed with training shared several common features: Four noted Training was part of the executive leadership team and regularly discussed the topic of strategy, goals, and objectives while all six described an organizational culture that supported training.

Subtheme 3.3: No Relationships. Some participants acknowledged they did not have an active relationship with the Training function (*n* = 6). Participant 8 identified he did not have visibility into training, nor did he interact with the Training function. Participant 2 acknowledged he did not know if his company had a learning leader, stating, "Who is the head of learning? . . . I don't have enough of an appreciation of what an L&D [learning and development] department does. What does an L&D leader do within the company?" Ironically, Participant 2's organization was in the training industry, but he was unaware if his company had anyone focused on the training of its employees, demonstrating a lack of priority for training internally for employees. Participants 6 and

17, who were also in the training industry, indicated they did not have a relationship with the Training function.

Although not shared among all CFOs, some CFOs did articulate an awareness opportunities existed for more engagement. Participants 2 and 21 described ways the Training function could foster a relationship by actively engaging CFOs in discussions and understanding ways training can support organizational priorities and challenges. Participant 12 described understanding that his relationship with the Training function had not been a focus and he might want to ask a few more questions:

> I'd say it's interesting in a conversation, because it does kind of make me realize that it, it's not something that at least my level is a huge focus here. So I think it's, like I said, Our approach is kind of fragmented and a little hit or miss. So you know, I might want to ask a few more questions as a result of that. It's not just not been a huge focus.

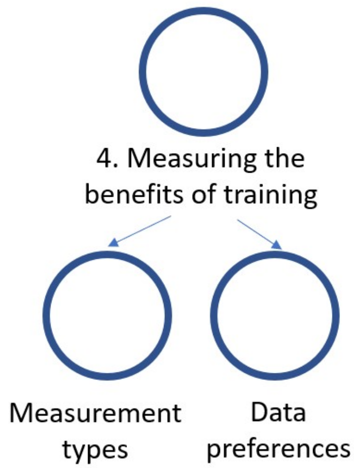
Participants who conveyed high levels of interaction with the Training function referred to Training as a "partner," acknowledged Training sat on the "executive team," and set recurring intervals of engagement that ranged from daily, monthly, or quarterly engagement. Those who had limited or no engagement with the Training function did not use language indicating they viewed Training as a partner.

Theme 4: Measuring Benefits of Training

Theme 4 represented participants' views on practices of measuring the benefits of training within their organizations. Based on their views, this theme was divided into two subthemes, which are discussed in detail in the following section. Figure 7 breaks down this theme and subthemes.

Figure 7

Theme 4: Measuring Benefits of Training



Subtheme 4.1: Measurement Types. Although all CFOs identified benefits they believed resulted from training, many expressed they did not have data to demonstrate the benefits associated with training outcomes (see Table 11).

Table 11

Measurement Data

Measurement data	Total
Receives ROI data	0
Receives KPIs	4
Receives participation metrics	4

Several CFOs ($n = 4$) indicated they received quantifiable participation metrics, such as Level 1 participation surveys ($n = 2$), completion numbers ($n = 2$), and enrollment/completion ratios ($n = 1$). Compliance and regulatory completion rates ($n = 2$)

and number of safety incidents (n = 1) were also referenced as metrics CFOs received. Participant 13 noted:

> We do see that going on—all the compliance stuff, for example. They keep really good records of who's done it, who hasn't completed it timely, and there's a whole set of escalation protocols if people have not done some of those trainings on time. I know, because I've been laid out a few.

CFOs demonstrated awareness of the two common measurement indicators that can be used to measure and evaluate the results from training: return on investment (ROI) calculations and key performance indicators (KPIs). Although no CFO reported producing or receiving ROI data, a few CFOs referenced receiving KPI data. Participant 3 confirmed, "We have KPIs around it, and we're measuring and talking through as a whole leadership team, you know, probably on a quarterly basis." According to CFOs, KPIs are more easily measurable as opposed to ROI, which CFOs stated is subjective and difficult to quantify.

In alignment with existing literature (Easterby-Smith, 1981; Kirkpatrick, 1977; Langmann & Thomas, 2019; Parry, 1996), many participants acknowledged challenges existed with measuring the ROI of training. Several participants discussed the difficulty in measuring ROI due to the subjectivity of results. Participant 1 observed, "It's hard to quantify for sure, it's hard to have data on that." Some noted they were uncertain how the measurement could even be calculated. Participant 14 asked, "How do you really measure it? I don't know?" Others proclaimed the validity of the measurement could not be verified. Participant 13 divulged, "We could start talking about it but there'd be no way for anybody to really measure whether or not what we're telling them is, I won't say valid, but whether it's effective or not." Participant 9 expressed his view as:

> The tangible outcomes and expressions and measurements are more difficult here. And as people are thinking, if there is a need to focus on more of an ROI, it's harder to necessarily demonstrate with a level of confidence or specifics. If there is a quantitative way to measure, at least, I haven't engaged in that.

The lack of confidence in the validity of the data, subjectivity, and uncertainty in executing the ROI calculation were some of the identified challenges associated with producing ROI data on the benefits of training.

Some CFOs exhibited a contradiction between belief and action when they expressed a desire to receive ROI data even though they acknowledged the difficulty associated with accurately quantifying ROI data. Participant 2 stated:

> If I can't see the value of "Yes, we've invested in this training, and it delivered something tangible," I'm not going to be likely to dedicate a large amount of the budget to it. I think making that connection, have an ROI on the activity.

Participant 2 later noted, "It's not easy to quantify. I think there's very subjective levels." Participant 4 also expressed interest in ROI metrics and then concluded:

> I'm just not sure how accurate or what the methodology would be. I guess it depends on the methodology. Maybe what the definition is? And how can we accurately measure it? I don't know. I guess that it's a lot more foggy in my mind then maybe it is. I don't know if I've seen any metrics around it that are what I would call appropriately accurate.

Participant 8 confessed:

> I'm a finance person, I always want to see ROI. I'm being a bit tongue in cheek, but yes, I think if we had some meaningful metrics and ways of measuring that, so you would have to determine what those success factors are.

Seemingly in opposition, Participant 8 disclosed a belief that quantifying and validating the ROI is difficult:

> I would imagine that some of those benefits are harder to, to financially put a number on and to specifically measure an ROI. But it's an interesting concept. And I think, you know, everything really should have a return. It's just a case of, well, how easy is it to verify and validate that it's a true ROI.

Although scholars indicated ROI data were only necessary for expensive training programs or training tied to extensive organizational strategies and typically not applicable for more than 5–10% of overall training programs (Philips & Philips, 2019), CFOs did not indicate which programs they believed required ROI measurement.

Participant 8 suggested an approach to address the ROI challenge, stating one would have to predetermine the success factors or criteria. This suggestion aligned with literature on defining criteria for success with stakeholders prior to the training event (Guerci & Vinante, 2011; Nickols, 2005) while also emphasizing the importance of the relationship between the CFO and training to align criteria for success. The position on ROI from participants was clear: ROI of training is difficult to quantify, though many would still like to understand or see the value more tangibly.

Subtheme 4.2: Data Preferences. According to participants, more CFOs preferred identifying and telling the story behind the numbers (i.e., qualitative approach; $n = 9$) than focusing solely on the numbers (i.e., quantitative approach; $n = 2$). Participant 9 described his personal involvement in conducting qualitative analysis of training programs with the Training function, stating, “I get into that level of more qualitative discussion with the individuals.” He further revealed he encouraged following up with the learners 6 months after their session to understand the effectiveness of their training, noting, “How do they think of the effectiveness of the discussion now then 6 months after . . . a lot of this stuff can be qualitative, not necessarily quantitative.” This approach aligned with the Level 3 evaluation model identified in the literature (Kline & Harris, 2008; Phillips, 1998). Participant 7 expressed concern that the story behind the data may get lost if practitioners are only focused on being number-driven:

> You can end up getting numb when you just look at some of them. The results that we get, there's a consistency. So like the training that goes on in our clinics for new teammates, it ends up in large part just being a number, like it's this many hours per month. And if the number doesn't materially change month over month over month, then your attention gets focused to the things that are swinging back and forth. You're managing by exception, as opposed to 'Hey, on the stuff that's not changing, are we still doing the right thing? Are we still getting value?'

Participant 21 shared a similar view, believing he was not receiving enough information beyond numbers to demonstrate the value of training:

> I don't often get from my learning and development team enough that I can hang my hat on, where they show me what the benefit is, right? And I don't need it to be numerical, right? A lot of people feel you should always give CFOs numbers. I know some things are not quantifiable in numerical terms. But like, help me understand where the value is like, Where can I go look for it? And maybe I won't be able to quantify it. But I can look at them say, yeah, there's value there, I can see that.

Participants argued alternative approaches to focusing solely on numbers could evolve to incorporating qualitative data approaches to provide a more holistic story on the value of training.

Interestingly, some CFOs reported they were not interested in receiving ROI data. This finding aligned with the aforementioned focus on qualitative data and was contradictory to the literature (Bookbinder, 2017; Phillips & Phillips, 2010a), which depicted a desire for ROI data among corporate executives. Some CFOs believed ROI reporting was not necessary to recognize the value of training. Participant 3 affirmed training was an integral part of the strategy, and their leadership saw the value in training without ROI calculations:

> It's not as though for us it's something we're going to decide if we're going to spend every year. We see the value in it, we see the importance in it. So we're going to spend that money year in and year out, and make sure that those programs are part of our strategy as part of our premiums. And so we're not trying to decide whether we're getting a sufficient return on investment or not . . . we

> don't do an ROI calculation. Because I don't believe it would change our mindset or our methodology.

In agreement, Participant 15 stated training must be done even if the ROI could not be proven. Participants 3 and 15 both referenced training as part of the larger organizational strategy.

Additionally, Participant 13 believed ROI reporting was not necessary to know training was working, proclaiming, "I don't know that I need to see the logistics report to know that there are chief logistics officers doing his or her job." Participant 14 concurred that the benefits of training was "sufficiently intuitive." He also stated, however, he would analyze the outcomes of a program if he felt training was not providing benefits. He did not describe his approach for analysis.

Supporting the finding that ROI may not be necessary, Participant 22 felt ROI was a non-value-added conversation. In his unique perspective, he believed those seeking ROI were weaponizing data with intentions to cut the budget:

> We don't have all the metrics readily available and handy where I can showcase that I'm investing in training and development. . . . And I think to me it's a non-value-added conversation. And it's something that I don't think people should spend a lot of time in quantifying, right? I think people who do spend time quantifying the benefits of training are the ones who want to cut the budget.

In support that ROI may not be necessary, Participant 9 acknowledged a belief that CFOs had been taught to be too focused on ROI, which he believed was fleeting and did not recognize nonquantifiable outcomes:

> But I believe that a lot of CFOs, I think from earlier in their training, are too focused on the ROI, which is fleeting, and not on recognizing that some of these things, why this thing is because of the difficulty of measuring. It's like, I can't see air, but I know it's there. I need to make sure that there's plenty of air for people to breathe and consume. But cause [*sic*] I know earlier in my career that people become so numbers focused that if there is quantitative way to measure, at least, I haven't engaged in that. It's been more around the qualitative aspects.

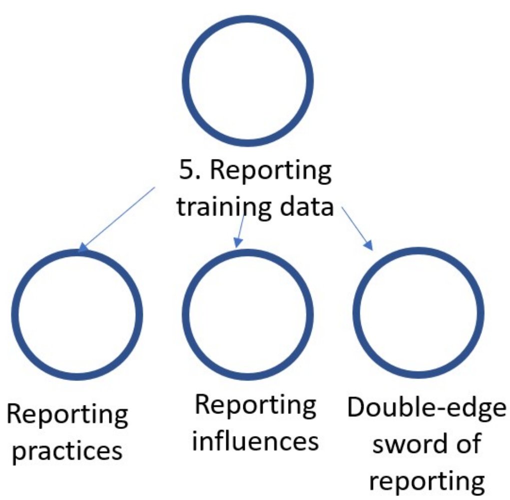
Although the focus on numbers was a core element for the role of CFOs, they also recognized value can be demonstrated beyond just a focus on ROI and, in some cases, may simply be an intuitive outcome. Value did not always have to be demonstrated in a report to be recognized. Ironically, participants identified a core component of responsibilities for the financial health of the organization: disclosing financial results. Such responsibilities ensured adequate controls were in place that certified the accuracy of those financial results, and protected the company from fraud and misrepresentation of financial statements—many of which require tangible value to be demonstrated.

Theme 5: Reporting on Training Data

Theme 5 represented participants' views on the practices of reporting on training data. Based on their views, this theme was divided into three subthemes, which are discussed in detail in the following section (see Figure 8).

Figure 8

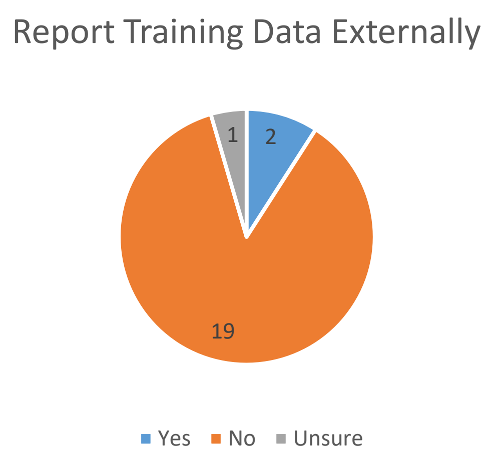
Theme 5: Reporting Training Data



Subtheme 5.1: Reporting Practices. A core job responsibility of CFOs, as previously discussed, was reporting on the financial data of the organization. When asked about the CFOs' reporting practices on the cost or benefits of training, most CFOs acknowledged they did not include training data on financial reports to stakeholders internally or externally (e.g., board of directors, shareholders, public filings; see Figure 9).

Figure 9

Report Training Data Externally



Participant 20 noted, "On an annual basis, there is a line item on training and development, we don't report it out specifically." Participant 3 concurred, "We don't do any sort of external report out on our trainings." Participant 13 expressed a belief in the value of reporting, noting:

> I think it has a ton of value and I've thought about it for a while . . . I think, you know, representing that, and telling people that this is what we invest with people being our most valuable assets, I think there is a ton of value in doing that.

Despite this view on the value of reporting, Participant 13 confessed he did not currently report on any training metrics.

Other CFOs reported being unaware if any reporting on training, such as the spend or the benefits, had occurred, indicating reporting on training data was not within their scope of duties. Participant 14 noted, "You know, I'm not aware that we ever reported [training data] out to the board or it might have been buried somewhere in our case, you know, it's possible." Participant 16 also noted, "I'm not sure if we have publicly." Other CFOs stated future reporting might occur. Participant 15 said, "We will at some point be reporting on that I'm not sure exactly what format that that takes."

Subtheme 5.2: Reporting Influences. Participants indicated the decision whether to report on training was influenced by a belief that a lack of interest or request for the data existed. Participants seemed to describe waiting to react to an interest or demonstrated need before including training data on reports. Participant 19 confessed, "Let's put it this way, I don't think I've been asked for anything." Participant 13 questioned whether any interest existed in training data, stating, "I don't know that anybody cares. . . . I'm just saying nobody's asking for it." He further elaborated:

> Meaning, I think unless you're doing something like Crotonville where GE [General Electric] made a name for itself . . . I'm not sure you get any credit for training, I don't think you get dinged for it either. I just don't know that there's any benefit to talking about it. . . . You know, I'm not trying to be dismissive. I'm just being honest in my appraisal, like I wouldn't go talk about the it on an earnings call. It's not because I have anything to hide, but just because I think people would be like, "Yeah, you're supposed to train your people. Great. Super."

Participant 20 disclosed his only reason for reporting training data would be in response to employees "making noise" about wanting to see the training data.

Accounting principles were identified as another influence on reporting training data. CFOs indicated they do not report on training data because of limitations from accounting principles. Accounting principles do not allow for training expenditures to be considered an investment in terms of financial reporting statements due to the subjectivity in the results of training. Participant 7 explained these accounting practices in relation to training, which aligned with the literature (Samuelson, 1996; Wyatt & Frick, 2010):

> Accounting rules govern how we account for it. In order for it to be considered an investment or for it to be a capitalized asset, there would have to be a standard way of applying some kind of approach across companies that would be consistent, that would allow people to not try to hide something. So I think it's a difficult thing to standardize and to know what period of time you should expect to amortize the investment because mostly teammates are not great or employees are not going to stay at a company indefinitely.

Participant 2 claimed his organization did not report on training data because "it's not a requirement from a public disclosure standpoint." Participant 13 acknowledged their company only ran reports on required compliance-related training. Participant 9 attested global investors were driving their need for reporting:

> We have global investors, and a number of our global investors have certain ESG requirements that companies have to be able to demonstrate they are meeting . . . we are evolving our SEC filings to address sustainability reporting . . . so it's amazing how all these things come together. I get an email from you and then someone else taps us at the same time to review our overall reporting, so we're learning as we go.

This subtheme made it evident standards, including consistent approaches, influenced the training reporting behaviors of CFOs.

Subtheme 5.3: Double-Edged Sword for Reporting. Reporting the amount spent on training was not a straightforward approach for CFOs. Some CFOs believed reporting on training outcomes would be valuable. Participant 13 described:

> I think it has a ton of value and I've thought about it for a while . . . I think representing that and telling people that this is what we invest with people being our most valuable assets, I think there is a ton of value in doing that [reporting on training].

Despite this view on the value of reporting, Participant 13 stated they did not report on any training metrics because "no one is asking for it."

Some CFOs identified the amount spent on training influenced the desire to report on it. For example, Participant 18 noted they reported on training as a result of the significant amount of money being expended: "For sure they did. If you're spending that kind of money, it's talked about."

Other CFOs likened reporting the spend on training to a double-edged sword. Participant 10 illustrated reporting on the spend may cause an adverse reaction if the readers do not have the associated context with the data:

> It's not something I would want to share externally because I think it's a dual-edge sword where some people would look at that and say, "That's great. That's how they are going to keep a great workforce." Other people would look at that and say, "You know, what a waste of money at a time when you need to be renovating product lines and investing in the cloud, you're spending X millions—that's a complete waste of money" . . . I think it would be an internal-only metric and I think internally there are people who might appreciate that. It's not contextual. In other words—is 300 million a lot or is 300 million a paltry amount?

A tension existed for CFOs stemming back to the audience reviewing the data. Different audiences might have different priorities and therefore interpret the data within their own contexts. The variable contextual components could include the size or the value of the organization. An organization with 50,000 employees might not invest the same amount as an organization with 5,000 employees. Whereas some might praise the organization for the amount invested in their workforce, others may critique them for not allocating money toward other areas, thereby showing unawareness of the organizational priorities. As a result, the data were not reported.

Not all organizations are created equal in size and value; therefore, the paradox for organizational leaders was identifying the appropriate amount of investment in training for employees. Participant 20 believed some CFOs might be deterred from reporting on the amount spent as a result of disclosing an investment amount to be considered too small. They stated, “That’s a double-edged sword. . . . They don’t want to say it’s $5 a person because then it’s like—you’re spending $5 a person on what you call your most important asset? It’s hard to disclose all these things.” Participant 20 also revealed:

> If it is not good news, you don’t want to tell people. If you asked me what I want to disclose, I don’t want to disclose bad things . . . that’s really the root cause, they [CFOs] probably realize they [stakeholders] would care.

This challenge may create tension, given CFOs do not universally manage training budgets in a consistent manner across organizations, and CFOs may not have complete control over the amount of money spent nor the approach individual business units take regarding training.

CFOs can be put in a precarious position of having to report negative data; however, training spend is not a required reporting metric. CFOs may therefore choose not to include the data if they recognize the data may be viewed negatively. The lack of a standardized investment amount for training by employee and the context in which the investment is intended can create conflict for CFOs when deciding to report training data.

The “double-edged sword” of reporting created tensions between whether to report or not report on the benefits or the investment spent. As identified, it might force CFOs to confront the amount invested and make people question if organizations are demonstrating their belief people are the greatest assets.

Subtheme 5.4: Reporting Beyond Financial Statements. Although CFOs had a core set of financial reporting practices for financial statements, additional reporting practices beyond financial statements were identified. Sustainability and Environmental, Social, and Corporate Governance (ESG) reports were discussed, although sustainability and ESG are terms used interchangeably. CFOs had varied approaches to the level of awareness and usage of these terms, with some not having any awareness. For example, Participant 17 was the only CFO to identify ESG reporting as a core responsibility of CFOs, although he also noted his company would probably begin filing an ESG report within the following year.

> In terms of ESG, environment, social and government governance requirements—the world is becoming increasingly concerned about carbon footprints and diversity and inclusion and all these other issues. That is increasingly forming a major part of what a CFO and board generally need to deal with in terms of overall financials is about all the other things we’re doing as good corporate citizens . . . I think there’s a reasonable expectation within the next year we probably will begin to report on things like that.

Some participants noted they had recently filed or were in the process of filing their first ESG report. Participant 15 acknowledged, “ESG is something that we are just now working on.” Participant 11 affirmed his company had just filed their first ESG report and indicated an awareness training metrics were part of the social element of ESG:

> We just put together our inaugural ESG report. Part of the social element of ESG, training is an element of it. We haven’t set the KPIs other than we invest in training. Over time I would suspect that we do, in particular, as we advance and start to measure the effectiveness of our target operating model. You know,

> people training and development becomes critically important so I would suspect it will become something that is increasingly monitored.

Other participants who were filing or had filed an ESG report were unaware employee training metrics were part of the metrics to be included in the report; for example, Participant 1 contended training data were not included in their ESG reporting, stating: "There was a lot of higher priority stuff in the report. It may become more and more as ESG is becoming more and more important. A lot of our societal stuff has gotten bigger, but not training specifically."

Participant 21 reflected his company was producing an ESG report but confessed training data might not be included:

> As you know, we're all reporting a lot now on what we do with energy, you know, and carbon emissions and all that. But for whatever reason, whatever the point you're making is very valid. Everybody says people are our biggest asset but nobody asks them—so how much are you investing in your biggest asset?

Participant 12 identified training was included in their ESG report as qualitative information, but quantitative data, including spending on training, was not included:

> The whole ESG world has a lot more attention from investors and analysts, and therefore the board puts more attention on it. Training is one of the things we talked about in there. We don't quantify it, it's more talking about some of the more qualitative discussion around it. It's just one of a number of things we talk about. I know we do talk about it, more around how we try to develop employees and create an attractive career path and retain people and hire. But we don't report on the spend anywhere.

Other CFOs admitted they had never been asked to provide any data for ESG reports.

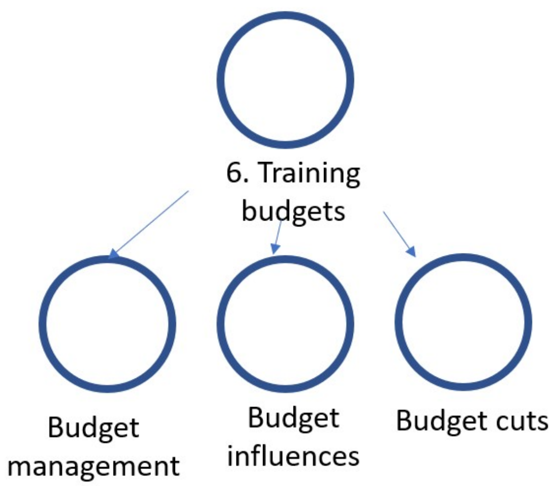
It was unclear if the CFOs were responsible for producing ESG reports, but it was clear a varied understanding of the reporting practice and adoption existed among CFOs. Whether measuring the results of training, ROI, ESG, financial statements, or internal reports, one constant among CFOs was that the varied approach to reporting practices on training existed and presented was a challenge for many.

Theme 6: Budget Allocation

Theme 6 represented participants' views on training budget allocation practices. Based on their views, this theme was divided into three subthemes, which are discussed in detail in the following section (see Figure 10).

Figure 10

Theme 6: Training Budgets



Subtheme 1: Budget Management. Participants described varied approaches (see Table 12) for budget management, ranging from management at the individual business unit level (i.e., decentralized); management through a central function, such as human resources (i.e., centralized); or combination of management both centrally and locally in the business unit (i.e., hybrid).

Table 12

Budget Management Allocation

Budget management allocation	*N* = 22
Decentralized (budgets managed at individual business unit level)	10
Centralized (budgets managed through a central function)	7
Hybrid (budgets managed both centrally and business unit level)	5

Many CFOs indicated the training budgets in their organizations were decentralized and sometimes referred to as business at the business-unit level. This structure meant no specific funding was dedicated to training; instead, training budgets were part of a larger budget allocated to a business unit. Participant 1 professed, “I would give the budget to all the functions, if it was left up to the function.” Participant 2 expounded further by saying:

> I have not set any budgets for training and said, “This is how much you have to spend on training.” It’s more of—here’s an overall financial budget and allocate your dollars accordingly without any directive on the learning budget.

Participant 8 stated:

> There is no mandated, thou shalt spend this amount on learning and development or nobody’s saying you need to cut your learning and development to x. It’s really sort of more personalized for each business unit and what their needs are in any given year.

In support of previous statements, Participant 15 agreed, “It’s up to the business as well as to how they deploy their resources and their spend as it is up to us. I’m not going to go micromanage how they do it.”

Two CFOs, both of whom had decentralized budget processes, offered insights into the challenges with decentralized strategic budgeting. Participant 17 indicated the training budget at his organization was less strategic and more reactionary:

> I think very often the way a training budget will be viewed is "we've got to have a training budget." I mean, it's just a matter of, okay, what do we feel that training budget should be and get comfortable with figures mentioned but as long as you don't spend more than that, we're happy. We don't really care what you spend it on. And whoever will delegate it to somebody who can spend that money. I suspect that might be where quite a lot of CFOs are.

Participant 11 shared a similar view the approach to training budgets was reactionary and has an inconsistent strategic approach:

> I think budgets are more of a knee jerk reaction that "Hey, we've got an issue, so let's put together a training program," as opposed to more concerted in saying these are the outcomes that we want from training and therefore this is the training that we should do. So it's more of a reactive as opposed to a proactive approach.

A reactive situation might indicate training was applied as an emergency fix which might limit the amount of time to approach the situation correctly. Their insight also revealed variations to the strategic approach to the training budget process may exist when budgets were managed at the individual business unit level.

Participant 16 described another challenge associated with a decentralized budget management process—the nomination process. She described a scenario requiring learners be nominated for access to training opportunities:

> So I think that's the challenge we have to continue to think about is when something's not being delivered centrally, and saying, hey, L&D is looking for nominations. And then we may have a conversation about who we're going to nominate from our group. That's a very acute like event.

Nomination processes for training created exclusive training opportunities by restricting access. A conundrum existed within organizational personnel espousing the importance of training but limiting access to training. Participant 5 also described a nomination process and limited access to training; his organization also managed the budget at the business-unit level.

Several CFOs described training budgets as managed through a central function. Participants 16 and 17 shared a centralized approach for training budget management and allocation within their organizations encouraged strategic discussions with engagement from executive leadership, indicating a standardized approach to training. Participant 14 shared her organizational approach to managing the budget centrally, a similar approach and outcome to Participants 16 and 17:

> The training budget is pretty centrally determined by our HR [human resources] team or, within HR, the learning and development team. And so, we have that conversation on the annual basis as to what the level should be, looking at what is the invest that we spend per head is part of it. So, of course, as your employee base grows, you need to spend more.

This approach revealed the benefit of centrally managing the budget was the oversight of the ebb and flow for spending based on organizational need and an equitable approach to ensure all employees had access and funding for training with increased engagement among leaders. CFOs identified a varied approach to managing the budget, each offering discrete differences.

Some CFOs articulated a hybrid budget management approach, a combination of centralized budget management, and individual business unit budget management. Participant 9 described their approach as, “It’s really bottoms up with a top-down sort of governance.” Participant 12 presented a similar approach and explained it as:

> There’s a budget that’s embedded in the HR budget. So it’s a component of theirs and sort of maintaining some of these broader training offerings that I believe come from third parties. And then each business unit would have its own training budget.

Participant 7 described a similar approach but added the reason for a hybrid budget approach, managed locally and centrally, was a mechanism to ensure there was overlap. This approach indicated more governance may exist when the budget was a combined approach from both central and business units.

Subtheme 6.2: Budget Influences. Participants overwhelmingly acknowledged their personal beliefs influenced their approach to the training budget (n = 17). Participant 3, for example, described she had an appreciation for and recognized the need for training and described how her belief influenced the budget:

> I'm not pushing back on that [budget increase] very much. It really is an investment that we're committed to so I probably don't question those dollars, as much as I would question a travel budget. I see it honestly as a bit less discretionary than some of our other discretionary, which goes back to your question.

Participant 22 proclaimed he saw the Training function as more than a cost center due to his beliefs which, he noted, were contradictory to many of his colleagues.

Even with further inquiry, many CFOs could not provide any context or articulate how their beliefs influenced the training budget. Instead, many repeated beliefs they stated earlier in the interviews regarding their views about training, such as "I feel strongly that we have to continue to invest in our people."

Although no participants explicitly discussed the conditions under which they would likely consider a training budget increase, some CFOs indirectly identified possible factors that would help them support training budget increases (see Table 13). Aligning increase requests to the priorities of the business, demonstrating value to the organization as a result of the increase, and establishing a relationship with the CFO were stated as possible reasons that could motivate a CFO to increase the training budget.

Table 13

Influencers of Budget Increases

Budget increase influencers	$N = 22$
Prioritize to business needs	13
Demonstrate value	6
Relationship with CFO	5

Prioritize Requests to Needs of the Business. CFOs valued Training functions that understood and demonstrated how they connect training priorities to business priorities. Participant 2 noted, "I think that the biggest challenge for me as a CFO, is, give me the connection that makes sense, and I can look at a real-life example and not just an extremely subjective one." Participant 9 provided a straightforward approach of connecting the training budget growth to the growth of the business, affirming the training budget would not outpace business growth:

> Overall spend on training and development is not going to grow any faster than the rate of sales growth, top-line growth. So if we believe that we can drive 38% growth in our top line, that is the maximum that we would increase our overall training budget . . . we're allowing our training and development budgets to grow at the same rate of sales.

Participant 21 described efficiency and effectiveness as being a business priority. He noted, "You have to understand that most CFOs care about efficiency and effectiveness. And if learning and development can make the company more efficient and effective, they would be more than happy to give you all the money you want." Participant 3 also described the need for the business to be as efficient as possible, an area where training can provide value. Participant 4, also in alignment with the priority of efficiency, described it as:

> It's [investment in training] really in relationship to, what I would call efficiency investments. And so someone says, we're going to do this, we're going to be 10 times more efficient. And so the question is, where did we save that 10 times efficiency. . . . Where did we get more value than that? And so, you know, that that's, those are some of the questions with respect to training?

Several CFOs identified the needs of the business were what drove the training budget. For example, Participant 15 described onboarding and upskilling as a determining factor for increasing the budget:

> Training is one of those things that is just driven by business. We've got to let that drive it. I've got to hire 300 bankers a month, I've got to train them. So therefore I need this many trainers to do that. Here's the material that I'm going to develop and they are setting their headcount goals, based around what they need to do to meet that business objective. I'm not sitting there saying you know what, I know we said we're gonna [*sic*] do 320 billion, you say you need 10 people, go do it with five, because we need to cut costs right there. They're going to determine what they need in the business in order to support that growth.

The training budget, as identified by CFOs, can be largely influenced by the needs of the business; therefore, having an understanding of the business needs and linking training to those business needs can provide weight to support increased training investments.

Demonstrate Value. Some CFOs identified demonstrating value from training could influence their willingness to invest in training. Participant 6 described using KPIs to illustrate the benefit:

> When you speak to anyone, whether it be the CFO, the president, you name it, having those KPIs that are measurable, especially if you can prove financial improvement is good. And I'm not saying you should have a page full of KPIs that are financial. It's got to be a good mix of certain KPIs that can be measured from an employee standpoint, like turnover rate. If you told me it cost me $6,000 to train employees and I bring my turnover rate down, that's measurable. That's a big deal.

Participant 2 indicated having training demonstrate the value proposition for training programs could enhance the CFO's willingness to increase the training budget. In alignment, Participant 21 suggested training could argue the business case that the money was an investment by being able to articulate why the investment was needed and how the investment ranked in terms of need or value proposition compared to other necessary investments. Participant 21 stated:

> If learning and development were to make the case that they are an investment, not an expense, I think that's what breaks the cord . . . I would say if somebody came with a training budget that was 3 times or 4 times the training budget that they've historically had, I think we would probably have to understand what's driving that and is this really going to position us to be able to compete at a higher level in the future . . . if you were to think about all the other investments that we could make this year or next year, how would you rank this one compared to those?

Participant 4 agreed value would be meaningful to justify spending. saying, "[The] likelihood it would make it easier to justify some of the training investment." Participant 2 provided an example reiterated by several CFOs as the most significant barrier for the Training function: "The biggest barrier to overcome is, make this value real to me—give me a real-life example of why and knowledge of our business and the challenges that training can solve for."

Alternatively, Participant 20 proposed a different approach for his team when arguing for investment in training. He suggested they consider the hidden costs, costs associated if the investment in training is not made, and present those findings, noting: "So I encourage them to think about all the hidden costs that occur because we don't do it. And then to know that's the cost. And then the return is what do you get if we do this?" Demonstrating the value in a way relevant or meaningful to the CFO may result in increased funding support for training. To understand the relevant or meaningful data points CFOs desire, fostering a relationship may be beneficial and necessary.

Relationship With CFOs. The relationship between the CFO and the Training function can influence the budget process. Participant 13 suggested if training spending was going to increase, his involvement would be necessary. Participant 21 revealed the language approach the training team takes when discussing the budget can cause a negative response:

> My learning and development team doesn't talk to me in that language. It's always about the expense language, like, it's a nice thing to do, it's a good thing to do, let's do more. That doesn't work as well with CFOs, then all they end up doing is like, how little can I give you and get away with it?

Participant 8 noted a straightforward approach of directly engaging the CFO in the budget allocation request, "go to the CFO, and tell the CFO they get to hold on to their dollars, but that you take a joined-up approach on how they deploy them," indicating CFOs and Training can partner together to allocate training budgets. Participant 2 also reported the conversation with the CFO was an essential activity in helping CFOs recognize the need to invest more in training.

Participants 20 and 21 shared a desire to have the Training function demonstrate financial fluency. Participant 21 disclosed training should show a financial mindset and recognize "it's not a blank checkbook." Participant 20 also expected training to read financials and speak with finance language. Additionally, he voiced training leaders might have more influence over budget increases if they could demonstrate research associated with the request:

> But I think the way that I would imagine a chief people officer would approach me is they would have some research where they would show highly engaged companies or companies that we admire and say, "We've done some research and

> so either rate of sales or, you know, X dollars per employee, this is what best in class companies do." And so we could begin here. And then if we get good traction, we could increase to there.

An important aspect of building a relationship with the CFO was having an understanding of the finance function, which can play an important role in the relationship and its influence on the training budget. Participants provided three insights to strengthen the argument for an increased training budget: (a) align training priorities to the needs of the business, (b) demonstrate value of the investment, and (c) leverage relationships with CFOs.

Subtheme 6.3: Budget Cuts. Participants identified various involvement methods for managing cuts to the training budget (see Table 14).

Table 14

Awareness of Training Budget Cuts

Awareness of training budget cuts	*N* = 22
1. Direct awareness and direct action	9
2. No awareness of training budget cuts	8
3. Indirect awareness, delegated action	3
4. No data	2

The CFOs who were aware of cuts made to the training budget (n = 9) provided several critical reasons why the changes were required, including rebalancing and prioritizing funds across multiple business units or reacting to economic crises. More importantly, the CFOs acknowledged the training budget was not specifically targeted for cuts, and the same budget changes were replicated across all business units. Participant 15 revealed the financial crisis of 2008 required his organization to cut costs across the organization, noting: "If I go back to 2008, then probably yes. We were cutting the quality of our spoons to the point people were starting to complain, I mean, everything back then was on the table." In a similar scenario, Participant 11 described two instances in which the training budget was cut, but he noted it was part of more extensive cuts. He also confirmed he had never intentionally cut the training budget:

> So there's two circumstances in which the training budget was cut. The first was a company that I was involved with that was on the verge of bankruptcy, and they brought me in. So it was just the cost controlling mechanism to put the company back into financial shape. And then we reinstated the training budgets once the ship was upright. And then the other component was last year with COVID. Not knowing where the bottom was going to be, we cut the training budget, just to preserve our liquidity and financial resources. It was, in both scenarios, a broad range of cuts and training just happened to be one of it. So there was never a circumstance in my career where I have pointedly cut just the training budget.

Although some CFOs shared their approach of specifying percentage budget cuts across multiple parts of the organization, Participant 21 argued his belief was contrary to this approach:

> I hate the sort of everybody cuts X percent across the board, right? That seems like the wrong thing to do. We try not to do that. We look at every area and decide given where things are right now. What's the right amount to spend in this area?

Contrary to the literature (Langmann & Thomas, 2019), some CFOs (n = 7) had no direct awareness or took no explicit action to specifically reduce the training budget. Participants 12 and 16 confirmed they had never cut the training budget. Participant 22 also conveyed he had no prior awareness or involvement with ever cutting the training budget:

> I have not. And when it comes to cost cutting, which I know most organizations go through when there is pressure on the top line and bottom line, we try and preserve the training and development element of it. And we've done that; it's almost in our DNA.

Some CFOs ($n = 4$) had indirect awareness of cuts to the training budget. Participant 13 acknowledged not having direct knowledge of any specific training budget cuts but noted indirectly cuts might have been attributed to decisions he made:

> I don't know that I have directly. Meaning I haven't, like, said, "Hey, we got to spend less on training so go cut the training budget." That said, I put all sorts of admin tasks out in the years I've been in jobs, called it the last 5 years, that probably have impacted people's decisions around spending on things like travel to get somebody to training, or doing certain trainings a certain way or maybe doing some trainings altogether.

Participant 10 acknowledged although reductions may have occurred, the action of reducing the budgets would have been deferred to someone else:

> Probably but not because I went in and said we need to reduce training. But there are times where I said we've got to cut 2% across the board so everyone gets a 2% reduction. The head of HR would have to figure out where that reduction came from. What I will say at times is because you have to at times you have to go in and there are cost cutting times. And at those times it's more at the discretion of my peer in that group to say how do you want to realize these savings? So probably indirectly has it's been cut. But I never went down.

Participant 10 reported budget cuts across organizations have been implemented, though curiously he also claimed the training budget never went down. Participant 18 focused on budget prioritization with limiting the increase in spending:

> You have to prioritize just like you have a budget at home. And there are certain years that you can spend money on this. And there are other years, you can spend money, no different than a company, it's not a bottomless pit of money, right, you've got to prioritize what you're going to spend the money on.

The aforementioned themes presented significant findings indicating although training budget cuts may occur, they were primarily not targeted for cuts by the CFOs. The deferred responsibility for cutting budgets indicated role definition and delegation of decisions meant the CFO did not always have insights into the budget cutting process.

CFOs' lack of involvement or awareness might be a biproduct of decentralized budget management.

Conclusion

This chapter provided the results obtained through the thematic analysis of the qualitative interviews with CFOs to answer the research questions. In this study, the first research question examined the beliefs CFOs had on training, what influenced their beliefs, and what benefits they believed resulted from training. The second research question investigated the extent to which CFOs were engaged with the Training function through the exploration of relationships and to what extent measurement and reporting on training occurred. The final research question drew attention to understanding the factors, including the beliefs of CFOs, influencing the training budget. In Chapter 5, I provide a discussion on the findings, formulate conclusions based on the data, share ways in which this research can be used within the learning and development industry, and share implications for future research.

CHAPTER 5: DISCUSSION AND RESEARCH IMPLICATIONS

This study aimed to understand the nuanced perspectives and beliefs of chief financial officers (CFOs) regarding organizational training. In particular, this exploratory study gathered insights and awareness by threading the connective beliefs and lived experiences of CFOs and their related involvement with the Training function. The ultimate objective of this research was to identify foundational data that can be used to strengthen the relationship between CFOs and the Training function and be leveraged to advance the awareness, value, and inclusion of training as a priority across organizations. Twenty-two participants shared their insights and beliefs on training, including what influenced their beliefs and what benefits they believed resulted from training. Participants also disclosed their level of engagement and relationship with the Training function and the extent to which measurement and reporting on training occurred. Lastly, I investigated factors that shaped the training budget, including the beliefs of CFOs.

Although literature (Foxon, 1989; Phillips & Phillips, 2010a; Voller, 2010) on training measurement and evaluation was extensive, a paucity of research existed on the beliefs of CFOs regarding training, the extent to which CFOs had a relationship with Training, and insights on the training budget process. This study advanced existing literature with insights from CFOs and the associated challenges of training measurement and evaluation. This research also provided data to begin shaping an awareness of the beliefs CFOs have regarding training. In particular, this research provided an in-depth understanding of the nuanced relationships CFOs had with the Training function while offering insights into the training budget process and a perspective on what CFOs deemed as benefits resulting from training. From a practitioner's perspective, the study's findings provided insights for Training function practitioners, learning and development leaders, and human resource (HR) professionals to strengthen relationships with CFOs and ultimately support an organization's most important asset—employees.

In this chapter, I discuss results to the following research questions:

- Research Question 1: What are the beliefs CFOs have about training?
- Research Question 2: To what extent are CFOs engaged with the Training function?
- Research Question 3: What influences the training budget?

Results of this study address the research questions by examining six themes emerging through qualitative research: (a) training beliefs, (b) factors that influence beliefs, (c) relationship with the Training function, (d) measuring the benefits of training, (e) reporting training data, and (f) training budgets. I expand on the major findings in this study by interlacing prior research with contextual relevance to help demonstrate the significance. Finally, I discuss the limitations of this study and the implications for future research and practice with CFOs, the Training function, and organizational leaders.

Summary of Findings

CFOs focused on value-driven activities contributing to the financial health of the organization and reporting on organizational financial results. Some CFOs considered employee training to be within their remit of responsibilities, whereas others did not. CFOs provided an overwhelming number of statements indicating positive beliefs about the concept of training, using words such as value, investment, important, and impactful. Although CFOs confirmed a belief that training is important for the organization, many indicated training was not recognized as a priority within their organization.

Participants described numerous influences (e.g., lived and learned experiences, family, and organizational culture) that played a role in shaping their attitudes on training. An interesting observation emerged as I analyzed those influences; namely, participants who described a positive experience with training tended to be more supportive of training than those who were unable to identify past positive experiences with training. Those who were more supportive also reported that someone had previously supported their training efforts through either emotional or financial support, indicating they felt as though the organization was investing in them.

The CFOs interviewed identified 37 unique benefits of training, with the following top three benefits: employee retention/reduced turnover, talent development, and employees feeling valued. CFOs spoke firsthand about their personal experiences with training, indicating training had influenced their retention decisions, helped them recognize their own development, and caused them to feel valued by the organization. The relationship between the CFO and Training function, however, was not as established as one might think based upon the many positive beliefs expressed about training. The relationships varied, with only some participants ($n = 6$) describing an active, engaged, and ongoing relationship with the Training function.

Although all CFOs identified benefits they believed result from training, many argued they did not have data to demonstrate the concrete benefits associated with certain outcomes of training. Through their interviews, CFOs identified a lack of consistent approach to measuring and reporting on training data; the most common challenges raised for measuring the benefits of training included difficulty in quantifying the data and the inherent subjectivity of the data. CFOs reported a desire to receive qualitative data versus quantitative data, and many indicated a belief that return on investment (ROI) was not necessary to demonstrate value. Most CFOs also acknowledged they did not include training data on internal or external financial reports to stakeholders. Participants identified prioritization, accounting standards, contextual relevance, and the amount spent on training as influences on the decision to not produce financial reports for training.

Participants described varied approaches for budget management, including centralized, decentralized, and hybrid. Many CFOs followed a decentralized budget process creating deferred budget responsibility when budgets were managed at the business unit level. Doing so resulted in many CFOs not being aware of details regarding the training budget. Many CFOs had no direct awareness training budgets were cut or provided no explicit direction to reduce the training budget. Although training budget cuts might occur alongside more sweeping budget cuts, training was not directly targeted for cuts by CFOs.

Finally, although tactics to increase the budget were not directly shared, CFOs indicated the desire for the Training function to demonstrate value to the organization as a result of budget increases. Aligning increase requests to the priorities of the business and establishing a relationship with the CFO are additional possible tactics that could motivate a CFO to increase the training budget.

Discussion

In this section, I discuss four major findings from this study. First, CFOs identified that training can have many benefits supporting both the employee and the organization. CFOs also acknowledged employees were an organization’s most important asset; however, the second finding was CFOs often overlooked the concrete value resulting from training. The third finding indicated for CFOs to better realize the value of training, they need clearer measurement metrics and reporting processes. The fourth finding, which also serves as the bedrock to enabling successful measurement and reporting, was CFOs and the Training function need to cultivate stronger relationships. The partnership between CFOs and the Training function is a necessary mechanism to support the realization of the benefits of training, ensure alignment for reporting standardizations, and promote continued investment in the training budget.

People Are the Most Important Asset—Or Are They?

According to human capital theory (Dess & Shaw, 2001), people are the primary contributing factor of an organization's productivity. Some scholars similarly believed employees are an organization's most important asset (Kossivi et al., 2016; Setiawan et al., 2020). The theory of human capital gives weight to this argument by proposing that the skills, knowledge, and attitudes of employees create value for organizations (Brás & Rodrigues, 2007; Wyatt & Frick, 2010). Because CFOs identified their responsibility was to shepherd their organizational assets, this responsibility might include paying keen attention to the development or value proposition of those assets.

In this study, CFOs appeared in agreement with the attitude that people were the most important assets. Although many CFOs proclaimed this sentiment, with Participant 10 going as far as saying employees were the "lifeblood of the organization," not all appeared to trust this was a true sentiment. Participant 14 indicated he was less interested in what CFOs said and more interested in how they demonstrated their belief that people were assets, noting, "Obviously, the proof is actions speak louder than words." I investigated his idea in the data, looking for actionable behaviors demonstrating a belief that employees are the most important asset, and discovered participants were divided in their actions. The data revealed an idea that *some* people are the greatest assets; for example, Participant 5 advocated that people were the greatest assets. He proclaimed he was "big on training" and further described the value of training as "basically building the future of the company from a training perspective, but it also helps you run and operate your business as much better and grow your talent." He started to give insight into a process that existed for access to training, indicating it might not be available for everyone:

> We have programs right now you know, and I call him up saying you got into this program or whatever, people are excited when they get in! And other people don't get in and I have to call them and say you didn't make it, that you were considered, and try again next year and all that. I mean, it's a process you have to go through that everybody can't get into it, but we celebrate the people that can and we encourage people to keep trying. It's part of the process.

According to this CFO, the implication was certain people are the greatest assets deserving of training, whereas others were not, revealing gatekeeping practices and inequitable investment in employees. Other CFOs also discussed making training available to their teams or to certain individuals who were approved for training. Although they largely referred to leadership programs, it still revealed training opportunities were not equally available for all employees.

In agreement with previous literature (Hassan et al., 2013; Martocchio & Baldwin, 1997; Phillips, 2003), my study found CFOs acknowledged training improves employee retention, reduces turnover, develops talent, and helps employees feel valued. This finding was important, given that employee retention is a longstanding, costly global challenge for organizations (Rana et al., 2009). Losing employees means losing knowledge, losing competitive advantage, and increasing operational costs to replace employees (Setiawan et al., 2020). Participants indicated a strong awareness that attrition can significantly impact the organization. Participant 10 provided poignant insight into the impact of attrition on the organization:

> Attrition is costly, right? Not only do you spend money recruiting, hiring, depending on the level, you know, buying up the bonus that they're walking away from, or the equity that they're walking away from. So recruiting is expensive. But there's a learning curve that goes behind that, too. So there's lost productivity in that gap . . . if attrition is high, you're losing people from the top quartile of your talent base, not from the bottom. But they're leaving with a lot of institutional knowledge that's gone, and it's expensive to recruit a person to replace them. And then it takes that person 6 to 12 months to really get back to the same level of productivity as the person lost. . . . It's hard to quantify that.

Employee retention was recognized as an important part of organizational success and also an extremely relevant topic across the United States (Dess & Shaw, 2001; Hom et al., 2017).

In 2020, organizations across the country reduced their workforces as a result of the COVID-19 global pandemic. By April 2020, the United States reached a historic unemployment rate of 14.7%, an unprecedented level since the data began to be collected in 1948 (U.S. Bureau of Statistics, 2020). One year later, the United States began to experience a different type of phenomenon. Rather than organizations laying off employees, employees were voluntarily leaving their organizations to seek an improved balance between their personal life and work life, greater flexibility with where they work, more time with family, and more growth opportunities (Chung et al., 2022). According to the U.S. Bureau of Labor Statistics (2022), millions of employees quit their jobs since May 2021, a distinct difference over the mass involuntary workforce reductions the year prior. In November 2021 alone, over 4.5 million employees voluntarily left their jobs, the highest monthly amount documented since recordkeeping began in 2000 for voluntary resignations. This phenomenon is referred to as *the great resignation* (Hopkins & Figaro, 2021). Interestingly, employee turnover theory identifies lack of development opportunity and organizational commitment as factors contributing to employee turnover (Hom et al., 2017). CFOs within this study had firsthand awareness and experience that organizational commitment demonstrated through investing in employees' growth and development can result in commitment from the employee to stay with the organization. Several CFOs shared that organizations investing in them through training positively impacted their decision to have a longer tenure with that organization.

CFOs in this study were aware training employees creates multiple value propositions for the organization, such as increasing employee engagement, reducing turnover, and increasing retention. Participant 2 posited training can influence the ability for employees to execute the company mission. Participants also acknowledged awareness that attrition is costly to the organization in multiple ways; therefore, training employees impacts the bottom line of the organization (Huseild, 1995; Martocchio & Baldwin, 1997; Phillips, 2003; Phillips & Phillips, 2019; Voller, 2010). CFOs overwhelmingly agreed that workforce employees are important, and given the documented benefits of training, an immense opportunity exists to leverage benefits of training to not only enhance the bottom line, but also to retain employees. Still, this research identified the challenge that CFOs are not making the concrete connection between the benefits of training and the bottom line of the organization, or as a support mechanism to combat the great resignation.

CFOs Overlook the Concrete and Tangible Value of Training

When CFOs talked about their experience with training, many were able to recognize they benefited from training, which included their personal growth and development. Several also identified feeling like the organization invested in them, which resulted in an increase in their retention and continued commitment to their organization. Separately from their personal experiences, participants in this study also identified general benefits resulting from training. The top five training benefits identified by the participants were employee retention/reduced turnover, talent development, feeling valued, improving organizational leadership, and creating better leaders and increased employee engagement. Scholars such as Marsick and Watkins (2003) believed training contributes to improved financial performance. Although studies have demonstrated increased investments in training resulted in a positive correlation to future organizational financial performance (Kwon, 2019), findings in this study did not demonstrate that participants had awareness of the correlation between training and financial performance. In other words, CFOs were overlooking the tangible value of training.

Many of the training benefits I identified in this study can be considered operational gains or revenue gains. Interestingly, CFOs were hesitant to correlate training with a positive financial impact. Accounting industry standards arguably influenced CFOs' views on how they recognized benefits of training, which do not qualify training as a tangible or intangible asset (FASB, 1985; Wyatt & Frick, 2010). Based on the identified benefits and their related impact on the organization, participants recognized training as a positive factor for the bottom line; however, CFOs did not offer awareness of the connection between training benefits and financial gain. Only after further inquiry regarding the benefits of training to the organization did a few CFOs (*n* = 3) acknowledge that training might contribute positively to impacting the financial value of the organization. CFOs identified reduced turnover and increased employee retention as the top training benefit of training. Several CFOs even acknowledged they experienced retention as a personal benefit for themselves within their organizations. The literature (Frye et al., 2018) and this study identified turnover as very costly to the organization. If turnover is costly and training reduces turnover, it can be concluded that training provides value by reducing operational costs associated with turnover. Many CFOs, however, were hesitant to make such a direct claim. At a simple level, this finding suggested CFOs may be overlooking the operational gains associated with the numerous benefits they identified.

Training contributes to the bottom line of the organization. Offensively, training helps people improve productivity, make better decisions, increase competitive advantage, or create opportunities for more creativity and innovation (Easterby-Smith et al., 2004)—namely, outputs adding value to the bottom line. Many CFOs recognized training can also help an organization be more efficient, a defensive output from training. Retaining employees, reducing operating costs, and reducing accidents are examples of how training helps an organization save money. Although CFOs named many benefits to training, they were often not thinking about the offensive and defensive gains for the company.

Interestingly, overlooking the concrete value of training for the organization was not only limited to the CFOs who were less supportive of training, but also included CFOs who claimed to be very supportive of training. Failure to recognize the value of training was a shared phenomenon among all participants. I wanted to learn why this pattern emerged.

The data revealed several possible contributing factors. It is possible operational structural barriers may have impeded participants' ability to recognize value. Although CFOs described training as "important" in Theme 1 (i.e., Training Beliefs), some did not identify training as a priority. Participants articulated in many cases, other business priorities exceeded that of training, though they did not offer examples of what constituted a higher priority. Participant 2 confessed he was too busy "dealing with crisis and fires at my feet," and Participant 12 indicated training was an afterthought because senior leadership had "other" higher priorities. CFOs had competing priorities, and training may not have been at the top of the list for them. I would argue training should be a priority given training creates value for the organization; a focus on value-driving activities is the responsibility of the CFO. Additionally, training may be able to prevent the "crisis and fires" and lead to better-run workforces. Through the interviews, several CFOs came to the awareness they should be making training a priority.

Theme 6, Training Budgets, revealed many CFOs followed a decentralized budget management approach, which resulted in their limited awareness of the training budget. As a result, CFOs were largely unaware of costs associated with training. The literature (Kline & Harris, 2008; Phillips & Phillips, 2019) revealed the equation for determining a return on investment (ROI) was dividing benefits by the costs associated with training. If CFOs did not have identified costs, they could not accurately determine financial benefits to the bottom line. This notion, however, did not apply to all CFOs given the budget management process varied among participants.

Another possibility was CFOs overlooked the value stemming from training because accounting standards influenced their views. As previously identified, the International Accounting Standards Board (IASB, 2004) and Financial Accounting Standards Board (FASB,1985) did not recognize training as an asset or investment. Instead, training was qualified as an expense. Interestingly, Participant 7 referenced these accounting standards; yet, in doing so, he acknowledged his personal beliefs were contradictory to the standards, and he viewed training as an investment.

One final reason CFOs overlooked the value from training was they simply had not considered that training could have a financial impact on the organization. As a training practitioner, I recognized a personal bias that CFOs should inherently see the associated value of training, but I also understood that training might not be part of their vernacular or their awareness. As many participants identified, they had other priorities. CFOs lacked knowledge of professional standards on training. Their organizations did not require human capital reporting. A standard approach for training budget management did not appear to exist. Conversations among peers did not include training. For many, a relationship with the Training function did not exist; therefore, CFOs lack awareness impacted their understanding of training's contributions to the financial health and value of the organization. I wanted to understand how the Training function might help CFOs realize the value of training.

To Better Realize The Value of Training, CFOs Need Clearer Measurement and Reporting Strategies

Many CFOs identified part of their core responsibilities included management and reporting of financial statements to external regulators and investors, sometimes referred to as shareholders. As a result, CFOs are assumedly adept at running financial reports. Many participants, however acknowledged a struggle existed when reporting on training data. This finding came as no surprise, given the literature very elaborately painted a picture that the training industry itself struggled for over 30 years with demonstrating the value of training (Cullen et al., 1978; McCarty & Skibniewski, 2015; Phillips, 1996; Phillips & Phillips, 2019). Participants were not aware they already had some insight into solving their own challenge.

Participants cited reasons why training data were absent in reporting strategies: training data were not a priority, there was oversight on the idea of including training data in their reports, misalignment occurs with accounting standards, and some do not trust the validity of the data. Some CFOs indicated a fear regarding reporting training costs, or as they called it, a *double-edged sword*. Participant 10 explained:

> It’s not something I would want to share externally because I think it’s a double-edged sword where some people would look at that and say, “That’s great. That’s how they are going to keep a great workforce.” Other people would look at that and say, “You know, what a waste of money at a time when you need to be renovating product lines and investing in the cloud, you’re spending X millions—that’s a complete waste of money.”

In alignment, Participant 20 provided his view on why training was not more widely reported:

> That’s a double-edged sword. If you asked me what I want to disclose, I don’t want to disclose bad things. That’s why I would imagine that’s really the root cause, they [CFOs] probably realize they [stakeholders] would care.

I found the last part of Participant 20’s quote a profound and important focus (i.e., “they probably realize they would care”). This participant recognized that by reporting the training costs, it would result in people realizing that they care about the information, they care about how much or how little was invested in employees, and they care about holding training accountable for demonstrating value from training programs. In an interesting contradiction, some participants claimed they were not reporting on training data because they were unsure anyone cared.

Increased Need for Measurement and Reporting Strategies

I will take a moment and respond to the question of whether anyone cares about training data for readers, leaders, and CFOs. As demonstrated by one of the contributing factors to the great resignation, employees care (Hom et al., 2017). As demonstrated by growing standards on sustainability reports, which now include human capital, society cares (World Economic Forum [WEF], 2021). Given investment in training creates competitive advantage, increases sales, and improves employee retention, investors also care (McCarty & Skibniewski, 2015; Reade & Thomas, 2004; Voller, 2010). Speaking as a lifelong learning and development practitioner and the head of a global learning organization, I can say that the training industry cares (Aguinis & Kraiger, 2009; Brinkerhoff, 2005; Catalanello & Kirkpatrick, 1968; McCarty & Skibniewski, 2015; Phillips, 1996). Lastly, CFOs should care given the number of benefits from training that can contribute to the bottom line for the organization (Huseild, 1995; Martocchio & Baldwin, 1997; Phillips, 2003; Phillips & Phillips, 2019; Voller, 2010).

Some CFOs questioned if there was desire or interest among stakeholders to receive training reports. Participant 19 confessed, “I don’t think anyone has asked [for the training reports].” Participants implied the absence of asking for reports on training data indicated a lack of interest. Possibly, shareholders refrained from asking CFOs for these reports, instead assuming reporting on human capital data was not part of the CFO’s responsibility. Exploring my own thoughts and experience, I too questioned why these data would come from the CFO. I expected the data to come from the Training function (e.g., chief learning officer [CLO]) or human resources (HR; chief human resources officer) and then be shared with the CFO to include in their respective reports. I continued to question whose responsibility was to report on financial data associated with training.

The CFO, at least for publicly traded organizations, is the voice of the organization on all matters related to investments and value-driven activities for the organization. They are, as participants corroborated, responsible for financial reporting. As a CLO, I am not aware any such reporting mechanism or platform exists that is accessible to Training or HR that allows the Training function to address stakeholders publicly or internally on human capital data metrics. Therefore, I logically assume the CFO would include metrics for value-driven activities and investments, such as those stemming from the Training function (Brás & Rodrigues, 2007; IASB, 2004; Wyatt & Frick, 2010). The subsequent question emerged: Why are training data not being reported? The answer may be summed up in one quote from Participant 20: “If it’s not good news, you don’t want to tell people.”

CFOs believed a discrepancy existed between labeling employees their most important asset and not reflecting that belief in the amount of money being invested in their growth and development. If organizational personnel believe people are their most important assets, as the literature (Ionel et al., 2010; Kossivi et al., 2016) and this research purported—and if organizational leaders make investments to help those assets grow to provide additional benefits that impact the bottom line of the organization—these leaders should share detailed information about training with employees, investors, and stakeholders. Participant 18, the only CFO to acknowledge they reported out the spend on training, confirmed this claim, noting: “If you’re spending that kind of money, it’s talked about.” One reason CFOs used for not sharing information on human capital investments was that the employees, investors, or stakeholders may recognize the amount of money invested in employee training is too little and not “good news.”

Some CFOs recognized the practice of reporting on training data was on the same slow trajectory as experienced with sustainability reporting. As Participant 13 identified, the concept of sustainability reporting had been around for several years but was only beginning to be adopted into organizational reporting standards:

> It’s sort of early days in my mind, because I remember 10–15 years ago sustainability was a thing that people talked about and a lot of people thought it was a bad idea, you know, it’s time wasted. And look at where we are now, right? Every single company has a sustainability report and it’s very high up on everyone’s agenda. I think, you know, investing in people will kind of go down that path, in my opinion, and present some of the data around it.

This sentiment provided important insight, indicating CFOs were aware of the path where reporting on training data was headed; however, they were not advancing the evolution of reporting data proactively. Some CFOs recognized reporting on training data was in the momentum-building stages, but not as much yet social or business pressure to evolve. CFOs appeared to be aware changes are on the horizon. The evolution of how people think about certain topics and whether they are important drives the evolution of business reporting. Social pressures can drive the evolution of reporting standards, with sustainability and ESG as recent examples (Oprean-Stan et al., 2020; Siew, 2015). What or who will apply social pressure for reporting training data remains to be seen, although the great resignation may manifest as necessary social pressure.

After reflecting on their approaches to measuring training program outcomes, some CFOs revealed gaps in their awareness and approaches to measurement. Participant 6 recognized, “We didn't evaluate training programs, and so that's a problem.” When asked about his approach to the measurement and evaluation of training programs, Participant 7 acknowledged, “Probably not as much as we could be doing.” Participant 21 suggested I could take the information from this research, combined with additional practitioner data, and propose a standard of measurement and reporting practices for CFOs. His suggestion was insightful—CFOs needed guidance on standardizing training measurement and reporting practices. However, reporting standardizations exist; CFOs simply may not be aware of or know how to leverage them, such as ESG reports (Oprean-Stan et al., 2020).

Although a set of core financial reporting standards existed for public financial filing requirements, additional standards were becoming more prominent but were not yet fully adopted as industry-required reporting practices (Starbuck, 2012). Some participants reported their environmental, social, and corporate governance (ESG) reporting practices. As indicated by the WEF (2021), training data were part of the social section for ESG reporting; however, their approaches to ESG and the inclusion of training data were significantly inconsistent.

Some CFOs were unaware of whether an ESG report existed for their organization, whereas others indicated they intend to file ESG reports in the future. For several who noted they do produce ESG reports, they were unaware that employee training metrics were part of ESG reporting. This example demonstrated that even where a reporting mechanism existed to provide a structure for reporting on training metrics, CFOs were unaware of the full scope of reporting requirements.

Although participants largely agreed they did not want ROI data, they recognized they wanted data that were meaningful. The examples they gave referenced the preference for key performance indicators (KPIs) over ROI. CFOs suggested KPIs included measuring the increase in new business, graduation rates, customer service index (CSI) scores, and identifying measurable performance rates. The most insightful metric, or data point, was measuring the employee retention rate. As discussed, CFOs in this study identified retention rate as the most common benefit of training. Employee retention is a costly challenge for many organizations, the lack of which has precipitated the global phenomena called the great resignation (Frye et al., 2018). Some CFOs recognized turnover could cost the company millions of dollars a year. They also believed turnover could be measured. As such, although the participants in this study may not be receiving or producing data demonstrating value to the organization, they demonstrated insight for the type of data, KPIs, that are meaningful to them. Not only do structures exist that CFOs can leverage to report on training data, but participants also already had insight into what metrics are important to them.

Philips and Philips (2010) conducted a study concluding less than 4% of executives received training ROI reports. Although several indicated a desire for ROI reports, no CFO in this study received ROI reports. In alignment with the literature (Parry, 1996; Vance, 2015), CFOs agreed measuring ROI is subjective and difficult. Findings from this study contradicted existing literature (Philips & Philips, 2010) because many of the participants in this study did not want ROI or quantitative data. Participant 3 recognized training as such an integral part of their organizational strategy that ROI would not change their investment behavior:

> It’s not as though for us it’s something we’re going to decide if we’re going to spend every year. We see the value in it, we see the importance in it. So we’re going to spend that money year in and year out, and make sure that those programs are part of our strategy as part of our premiums. And so we’re not trying to decide whether we’re getting a sufficient return on investment or not . . . we don’t do an ROI calculation. Because I don’t believe it would change our mindset or our methodology.

Participant 3 demonstrated the ideal mindset and behavior toward the inclusion of training as a valued organizational strategic component and shared what the Training function would ultimately want from their CFO. Participant 22 felt ROI was a non-value-added conversation; he believed those seeking ROI are weaponizing data with intentions to cut the budget. Instead, many would rather focus on the story behind the numbers.

Many CFOs believed qualitative data were more important than focusing solely on quantitative numbers. This belief presented a simple solution similar to Brinkerhoff’s (2005) success case method (SCM), as found within the literature, which explored the least successful and most successful examples of output from the training initiative and examined them in detail to understand the factors driving or obstructing organizational impact. To be successful with the qualitative approach, however, the properties of the dataset must align. In fact, one participant suggested an approach to closing the gap on the ROI challenge by having the Training function and CFOs jointly determine the training success factors. This suggestion was profound from the perspective of the CFO and key to narrowing the gap on demonstrating the value of training within the organization and advancing CFOs in their role as stakeholders for training. However, this type of change and action does not sit with one role within the organization. Identifying and implementing the success criteria metrics is a collective effort.

CFOs and Training Functions Need to Work Together

Fear of budget cuts is a commonly recurring topic within the Training community, dating as far back as 1957 (Langmann & Thomas, 2019; Wehrenberg, 1983). Warning messages were also found in the literature on the importance for the Training function to build relationships with finance leaders in an effort to reduce training budget cuts (American Society for Training & Development [ATSD], 1994). In alignment with the literature, Participant 2 in this study posited a belief that training was the first budget cut in economic downturns. Langmann and Thomas (2019) posited that when an organization did not understand the value of the training outcomes, training budgets were cut.

In this study, one of the most important findings for the training industry was CFOs did not directly target the training budget for reductions. In fact, many were not involved with the training budget at all; many organizations, managed training budgets at the business-unit level. For those CFOs aware of the training budget being cut, they identified training as one of many budgets cut, usually due to ensuring financial solvency of the organization and not targeted directly. Factually, sometimes budgets were cut. Given that training was the primary focus of Training practitioners, they might only see the training budget being impacted and remain unaware the budget cut was part of a larger budget restructuring initiative. The misconception that training was the first budget cut was a byproduct of a larger systemic issue—the lack of established relationships between CFOs and Training.

Through my research, I identified a quiet but consistent message—CFOs needed help. Participant 2, who seemed to be an antagonist to Training, provided some of the greatest insight. His message was one of distress. His universe, as he pronounced, involved putting out constant fires with the inability to focus anywhere else. He described a desire for the Training function to engage him and use training programs to help solve his problems. He acknowledged value existed for training, but he was not able to see past the fires at his feet to discern ways of support or engagement with Training.

With frustration, Participant 21 asked Training help him see the value and talk to him in a manner meaningful to him, in his language. Getting numb to the data and the repetitive cycle of receiving information without context or meaning was a frustration from Participant 7. CFOs shared insights of not having any visibility or interactions with Training. The underlying tone sent a message that CFOs were requesting help. The literature (Angel & Rampersad, 2005) supported the idea that Training must take action to help CFOs in understanding the human side of the organization, considering organizational performance is equal to the sum of everyone in the organization.

Ideas emerged throughout this research on ways the relationship can be strengthened between CFOs and Training. Interestingly, many CFOs largely overlooked their accountability for establishing a relationship with the Training function. Several CFOs jumped directly to positing Training can just engage with them directly. Participant 2 described the need for Training to make a tangible connection with the CFO, possibly by interviewing them in the same manner in which I interviewed him and uncovering how the Training function could address some of their challenges. Another suggested Training should simply talk to the CFO when they need to increase the budget.

Participant 21 proposed the Training function is responsible for spending time with the CFO:

> It really becomes the role of learning, as it relates to the CFO, learning and development needs to be spending time with the CFO to make the case for why investments in learning and development are a good idea, much like any other part of the company want to make the case that there's a return on investment.

Conversely, the same could be said that CFOs should garner a greater understanding of the Training function. Other suggestions for strengthening the relationship included the request that the Training function have greater financial awareness and fluency and that Training should have an awareness that CFOs are not only focused on controlling costs. What was not apparent in the data was what CFOs believed were barriers to improving the relationship with the Training function and to what extent they believed it necessary to improve the relationship. I questioned if they understood what could be gained by having a stronger relationship with the Training function. Conversely, I questioned if the Training function understood what could be gained by having a stronger relationship with the CFO. Exploring those who did have relationships with the Training function may indicate what the future had in store for CFOs and vice versa.

Some participants who described having a relationship with the Training function indicated they had active engagement on a recurring basis. These same participants also referred to training as a "partner," acknowledged training sat on the "executive team," and recalled setting intervals when engagement occurred. Essentially, they described a situation in which training had a seat at the proverbial table with leadership. Linking back to the earlier discussion on priorities versus importance, including Training at the executive table can signal a level of both importance and priority across organizational culture. As this study indicated, organizational culture can have a significant influence on how CFOs think about training.

Participant 3 had one of the more ideal relationships with Training. According to her, ROI was not necessary because training was a critical component of organizational success. In her organization, the head of learning and development served on an executive team, and training was part of organizational strategies. The executive team met monthly, with additional meetings as necessary where they jointly reviewed and brainstormed ways to solve organizational challenges. She also noted they had "very well-documented training goals and objectives." Participant 9 followed a similar process; in his organization, Training also sat on the executive leadership team and was included in leadership decision making. In addition, the executive team reviewed feedback on training programs together, looking for opportunities for improvement. These actions provided evidence some CFOs made connections on the importance of the relationship and engagement with Training. They articulated certain practices were beneficial, such as (a) including Training in recurring communication and collaboration with executive leadership; (b) incorporating training as part of organizational strategy; and (c) having documented training goals, objectives, and KPIs that cultivated this level of collaboration. In doing so, a relationship existed that provided meaningful data the executives discussed, and they made it part of the organizational culture, which in turn, helped CFOs make sense of and see the value of training.

These types of relationships, though ideal, were the minority. CFOs who did not have a direct relationship with Training identified more relationship-building opportunities, provided less support for training, and identified fewer concrete benefits from training compared to the CFOs who indicated they had a relationship with training. This finding demonstrated CFOs who had an engaged relationship with Training had a greater appreciation, awareness, and understanding of the value and benefits of training and were more open to continued investment in training.

Participants did not identify a single point of failure or blame for the current relationship status between themselves and the Training function. Ownership and accountability sit on both sides. Accordingly, CFOs and Training functions have many ways they can improve their relationships to address some of these shortcomings or systemic issues in their organizations or relationships. One tactic that can be utilized immediately is establishing a common language between Training and CFOs which may lead to a common value system to support thoughtful dialogue. Doing so will ultimately benefit their workforce in many ways (e.g., employee retention), leading to an improved bottom line for the organization.

Implications for Practice

Findings from this research yielded numerous important insights for how individual actors and stakeholders can engage with one another to better support the growth and development of employees, increase employee retention, improve organizational efficiencies and effectiveness, and further advancement of training. This research can (and should) be leveraged by the CFO community, the Training function, and leadership across organizations. After all, as Brinkerhoff (2005) identified within literature, accountability for achieving results from training does not sit solely with the Training function; it sits with the entire organization. The following sections outline specific implications for these stakeholders.

Implications for CFOs

Build Relationships With Training

The present research suggested CFOs could realize and measure the benefits of training more explicitly for their organizations. To do so, they need enhanced relationships with the Training function. Some common practices demonstrated by the participants where a relationship exists included meeting regularly with Training to align on organizational and business priorities to ensure Training supports those goals; jointly defining, measuring, and monitoring KPIs; and encouraging awareness on the value and benefits resulting from training. These characteristics could be followed as a standard approach for helping CFOs realize the true value of training.

In this study, CFOs exposed variations in their responsibilities when they defined their roles. Although the literature identified CFOs as business partners to all business units within the organization (Lee & Zhang, 2012; Sharma & Jones, 2010), only some participants in this study considered themselves a partner across the organization. Although CFOs identified myriad, similar responsibilities within their role, most pertained to safeguarding the financial health of the organization. A clear standard among CFOs on how the Training function integrated with their role did not exist, but an opportunity to bridge this gap by building relationships and including human capital metrics and training spend in their reports did exist. As such, findings from this study could be used to encourage CFOs to revisit the definition of their role and scope of responsibilities to include a consistent approach, recognizing themselves as a stakeholder within the Training function.

Include Training as Topic With Peers

This research provided evidence CFOs had interest in having broader discussions or aligning with their peers on training. In the closing of the interviews, CFOs often demonstrated a curiosity for the practices and beliefs of their peers while noting training was largely not discussed in their professional groups. Perhaps a reason for some of the challenges associated with training and CFOs was lack of peer discussions and common professional standards around training within the CFO community. Due to the variation among CFOs on aspects of their roles, priorities, and approaches to training, CFOs may need to establish a set of core principles on engagement with and support for training.

Review the Training Budget Management Process

Some CFOs attested that individual business units managed training budgets. The allocation and management of training budgets by individual business units posed several challenges for Training. Individual business units had autonomy to decide what training was best for employees within those business units. As a result of the autonomy, an individualistic, siloed mindset and unstandardized approach to training was created. If the leader of the business unit does not prioritize training, the employees may have a deficiency in their training compared to another department. Decentralized budget management also created a lack of oversight to ensure the availability of equitable training opportunities to all talent. As several CFOs described, they had limited access to training opportunities granted only through a nomination process. Other CFOs confessed a limited scope of talent development to individuals on their own team. As research showed, lack of developmental opportunities for employees resulted in turnover (Frye et al., 2018; Setiawan et al., 2020). When training was delegated to individual business units, measuring its impact to the organization became more difficult; for example, increased subjectivity can occur if organizational members do not follow created standards. Business unit budget management makes it difficult to track budget spend, cuts, increases, and benefits associated with training. This research can serve to encourage CFOs to review their training budget management process. CFOs might consider ways to integrate findings from this study into their budget practices and processes for identifying organizational priorities. As this research identified, CFOs with a decentralized budget process tended to be less engaged and less aware of the benefits of training.

Proactively Publish Human Capital Data

Lastly, companies filing an ESG report were on the path to prioritizing human capital data. The next evolution is to encourage or require all companies, regardless of investor-related interest or global entities, to follow suit. Doing so can create accountability by increasing communication and transparency of data in multiple levels of the organization, including the CFO and Training function, offering a path to partnership. Reports, such as ESGs, allow a company to demonstrate what is important to them. According to CFOs, employees are the most important asset, and training those employees is important; therefore, this value should be demonstrated through reporting for employees, investors, and stakeholders to see. Mechanisms, such as ESG reports, can help CFOs demonstrate belief of training value by allowing actions to speak louder than words.

Implications for Training

Help CFOs Recognize Training as a Priority

Within this study, CFOs acknowledged training was important; however, many concurred training was not recognized as a priority. For Training, the implication was recognizing that training was not an immediate and obvious priority to others. The Training function needs to make more effort to uncover those higher priorities, identify ways to provide support to the CFO, and help the CFO recognize training as a priority. As prior studies (Donovan et al., 2001; Easterby-Smith et al., 2004) and numerous examples identified by participants specified, training can contribute to the health of the organization and impact the bottom line through roles that fall within in the purview of the CFO. Still, CFO responsibilities do not include establishing that connection; it is Training's responsibility. Using the insights garnered through this research, Training can engage the CFO; speak their language, as originally suggested in 1960 (ASTD, 1994); and make the discussion relevant and contextualized to CFOs. The Training function and this research can help CFOs recognize that training can, in their own words, reduce employee turnover; increase opportunities for talent; help employees feel valued; improve organizational leadership and create better leaders; and increase employee engagement—all resulting in a positive impact to the bottom line. Helping CFOs make the connection between the training benefits and the value to the organization will help make training a priority.

Build Relationships With CFOs

Much like the example of sustainability reporting, training will not become a priority until the argument is made that it should be recognized as a priority. The Training function can leverage this research to make such an argument. To do this, Training must first bridge the relationship gap. Putting aside ego, pride, or the desire to have the CFOs proactively approach Training to build the relationship, Training needs to make the first move. CFOs have a multitude of tasks, stakeholders, and competing priorities which impedes them from proactively engaging the Training function. As several CFOs in this research stated, they were waiting for the Training function to engage them.

Although building relationships takes time, a single encounter can create impact. For example, based on one 60-minute conversation with the CFOs for this research, many identified gaps in their approach, engagement, or behavior toward Training and recognized opportunities in their relationship and support for the Training function. The implication for Training is to approach the CFO with preparedness and intentionality in working toward the goal to understand priorities, challenges, or meaningful measurements—in addition to reporting on KPI metrics considered valuable by the CFO. According to Cermak and Mcgurk (2010), when training programs are aligned more closely to key business priorities, training generates greater value for the organization. Together, the CFO and Training need to define the parameters of the relationship, and agree and commit to tactical activities (e.g., meeting intervals and communication plans) to intentionally address organizational goals, priorities, and strategies. The overall goal is to jointly identify ways Training can make ongoing contributions to achieve the stated goals and ultimately be recognized for contributing to the bottom line of the organization.

The call-to-action for the Training function is simple and clear—build a relationship with the CFO; the risk of not proactively engaging the CFO is significant to the future of investment into training. The absence of a relationship with Training pushed some CFOs to take direct responsibility for their business unit training and manage it themselves. Doing so eliminated the opportunity for the Training function to provide value to the organization and risks future investment.

Findings suggested CFOs did not intentionally target the training budget for reductions in economic downturns. This information can be leveraged as a mechanism to build trust with CFOs and change the narrative from having a fear-based perception of CFOs to seeing the CFO as important training stakeholders. Some CFOs also indirectly identified possible influences to help them support training budget increases. Participants commonly echoed themes on demonstrating value to the organization as a result of the increase, aligning increased requests to priorities of the business, and articulating why the investment is needed and how the investment ranks in terms of need or value proposition compared to other necessary investments. Participant 2 indicated, “The biggest barrier to overcome is, make this value real to me—give me a real-life example of why and knowledge of our business and the challenges that training can solve for.” Participant 21 confessed:

> If you can show finance people the benefits to the company, and to the extent possible, even if they're not quantifiable, point people to where the benefits might be, then it changes the conversation . . . I'm more than happy to spend more money on learning and development as a CFO.

The message from CFOs was consistent—help them understand the value and they will continue to invest.

Another valuable insight from this research, which was not present in review of the existing literature, was the suggestion to identify hidden costs (i.e., costs associated if the investment in training is not made) and present those findings. During budget discussions, findings from this study could strengthen the Training function's argument for continued investment in training.

Increase Focus on Qualitative Data

A significant body of literature exists on traditional training evaluation approaches, such as Kirkpatrick's four-level model and Phillips's ROI model (Foxon, 1989; Phillips & Phillips, 2010a; Voller, 2010). Training practitioners might consider ways to integrate these findings into their efforts for evolving past the antiquated Kirkpatrick's four-level model and the limited Philips's ROI model (Hannigan et al., 2000) to focus more on the qualitative approach to demonstrate the benefits of training. As CFOs indicated in this research, alignment on KPIs and the story behind the data is more meaningful.

Create Influential Training

As participants described, numerous influences—including their lived and learned experiences, family, and organizational culture—played a role in shaping their attitudes on training. Participants who could not articulate a positive experience with training tended to be less supportive of training than those who identified past positive experiences. This research serves as a reminder to training practitioners of the gravity of long-term consequences when developing and delivering subpar training programs. Although not every training program might be "life changing," as some participants indicated they experienced, the impacts can have a ripple effect for many other potential learners when programs are influential. The Training function must continue to create meaningful and relevant learning opportunities to help learners see the positive impact so if they graduate to a position of budgetary authority, they will recognize training as the budget to spare when it comes time to reduce a budget. Moments sometimes thought of as small, such as a training event, can have great consequences.

Build Relationships With Leaders Across the Organization

Lastly, changing the narrative and helping the organization recognize training as a priority requires more than pressure from the Training function. Training can integrate findings from this research in their efforts to establish relationships with other leaders throughout the organization to build awareness of benefits and value of training; they can also share KPIs and qualitative data to help demonstrate impact from training. Doing so may help other leaders recognize the value from training and create pressure for CFOs to include training data in their reporting mechanisms.

Implications for Organizational Leaders

According to research (Gallop, 2021), an estimated 80% of global employees are unengaged which leads to higher turnover and can be costly for the organization overall. As identified by the CFOs in this research, increasing employee engagement and retention can be a benefit from training. Employee turnover and an unengaged workforce are not limited challenges to be addressed by Training or CFOs, these are challenges that impact and require all leaders across the organization to play an active role in the solutions.

Include Training as a Strategic Component

Organizational leaders might consider ways to integrate findings from this study into their strategy development and culture planning initiatives. Recognizing training as a priority should not be limited to Training or finance functions; training should be a priority for all leaders. An old adage indicates culture eats strategy for breakfast

(Teasdale, 2002), meaning for training to be recognized as an organizational priority, leaders must demonstrate action. Leaders can share accountability to help support the proliferation of training across the organization; therefore, normalize training as a topic across the organization.

This research may help provide data points and solutions for leaders battling the great resignation and seeking insight for its occurrence and ways to mitigate turnover. This study illustrated CFOs had awareness that turnover was costly and training reduced turnover. The literature (Frye et al., 2018; Setiawan et al., 2020) illustrated employees seek more opportunities and more growth, both of which were identified by participants as benefits of training. If leaders look for a tool to retain their competitive advantage and productivity through human capital, the answer may be no further than the Training function. This research can serve as a mechanism to remind leaders of the importance of investing in the development of their greatest asset.

Implications for Future Research

This study sought to enrich the body of knowledge on the beliefs of CFOs regarding training, the insights into their relationship with the Training function, and influences on the budget process. Because a paucity of empirical research existed, this study aimed to fill that gap. As an exploratory study, I believe many topics within this research only scratched the surface and were each worthy of additional research, with key focus areas described in this section.

This study included participants from myriad industries. Interestingly, the CFOs of organizations within the training industry fell in the category of having no relationship with the Training function, having a decentralized budget, and being skeptical of training benefits. All three training industry CFOs indicated awareness of selling training services to clients but not being supportive of training for their own organization. Participant 2 questioned if his organization had a Training function, whereas Participant 17 confessed, "We, as a group, have not been very good at smoking what we resell—as it were. So I don't think we have been good practitioners of what we do." This sentiment indicates a need for training organizations to turn the mirror on themselves to review their belief in the products they sell. A future study could focus on training organizations and the internal relationship between the services they provide to clients and the training they provide to their internal employees.

Alternatively, one CFO in the manufacturing field was a strong proponent of training because she recognized the criticality of safety training to the success of the business. This finding indicated the industry might play a role in how supportive the organization is for training. Future research studies could examine more closely the support of different types of industry training and explore why some industries value learning more than others.

During the interviews in this study, several CFOs displayed moments of insight that indicated awareness of the need to evolve the relationship with the Training function and to place a greater priority on training. Other CFOs did not display any insight or awareness for change. Considering the research of Carol Dweck on the philosophy of mindset (2008), an interesting future study could be a psychometric test for CFOs to determine if they have a fixed mindset or a growth mindset. Doing so will help to provide additional insight into the mindset of CFOs.

When identifying training programs, CFOs in this study predominately referred to leadership training programs. Additional study is needed to understand the awareness and engagement of CFOs on training programs outside of leadership programs. Several CFOs indicated a connected and engaged relationship with the Training function, exhibiting characteristics such as recurring dialogue on training priorities, not reducing the training budget, and engagement with executive leadership. It would be interesting to determine if the Training leaders would describe their relationships with the CFO in the same manner. A future study could compare the beliefs of the CFOs and the beliefs of Training from within the same organization. These data could be used to identify opportunities to further strengthen the relationship.

As previously discussed, accounting principles dictate the classification of training as an expense rather than an asset; however, also as discussed, CFOs have many other outlets for reporting on human capital and training besides financial statements. Deeper investigation is needed to understand what holds CFOs back from reporting on human capital. Although some participants indicated a belief that a lack of interest in data is present, they also identified numerous benefits of training that provide value to the organization. A future study could explore why CFOs do not proactively report information if they recognize its importance and value.

CFOs identified 37 discrete benefits resulting from training; however, the CFOs did not connect an awareness of how training benefits their organizations or how these benefits impact the bottom line of their organizations. CFOs also indicated they did not receive ROI or measurement reports. Further examination is needed to understand how CFOs identified the training benefits. Specifically, a study could connect the identified conceptual training benefits with concrete examples of ways the benefits are identified and measured. Doing so would provide the Training function with insight into how CFOs identify or measure the benefits from Training.

Although this study identified numerous implications for practice, including for the Training function, I only identified the perspectives of CFOs. Future researchers could replicate much of this research approach with the focus on the Training function instead of CFOs. In doing so, the exploration may provide insight on the relationships that Training leaders have—or do not have—with other leaders, along with their beliefs regarding training.

In this study, I only scratched the surface on factors contributing to budget increases for CFOs. Additional in-depth studies could provide further understanding of the budgeting process and ways CFOs have previously supported budget increases for training. Researchers could explore conditions under which CFOs would be likely to consider or grant a budget increase. Understanding this element would allow the Training function to make stronger arguments to the CFO in a relevant manner, ultimately creating more learning and development opportunities in the organization.

Echoed throughout the literature and aligned with the participants in this research was the message that measuring the value of training is challenging and subjective. Some CFOs indicated they preferred qualitative data instead of quantitative. A future study could explore the CFOs relationship with qualitative information, particularly what qualitative training data they find valuable and meaningful. Additionally, further research studies could examine why the Training function continues to use the Kirkpatrick model (Kirkpatrick, 1996) and Phillips's ROI model (Phillips, 1994) even though ample research exists indicating the methods are not reliable and may be limiting. As discussed by Hannigan et al. (2000), I am curious why training practitioners still subject themselves to inadequate, outdated training evaluation models. Understanding this rationale might provide deeper insight into the training industry and the barriers to change, which may ultimately enable evolution of the training function.

Conclusion

This study explored the beliefs CFOs have regarding training. The purpose of this study was to provide a body of research to advance awareness for CFOs on the value of training and the importance for the inclusion of training into organizational strategy. Twenty-two CFOs shared their insights and beliefs about training, including what influenced their beliefs and what benefits they believed resulted from training. Participants also disclosed their level of engagement with the Training function through the exploration of the relationship and the extent to which measurement and reporting on training occurred. Lastly, this study investigated the influences, including the beliefs of CFOs, impacting the training budget.

Four major findings resulted from this study demonstrating the complexity and challenges for CFOs and their relationship with Training. First, CFOs acknowledged employees were an organizations' most important asset, and CFOs identified training can produce numerous benefits, including those supporting the employee and the organization; however, the second finding was CFOs overlooked the concrete value resulting from training. As the third finding indicated, for CFOs to better realize the value of training, CFOs need clearer measurement metrics and reporting processes. To enable this measurement and reporting, the fourth theme identified an overwhelming opportunity existed to bridge the relationship gap between CFOs and the Training function.

CFOs and the Training function ultimately work toward the same goal—creating value for the organization. The CFO's ultimate objective is to support activities that drive organizational value creation while intersecting with all points in the organizational value chain (Howell, 2006; International Federation of Accountants, 2013; Lee & Zhang, 2012; Sharma & Jones, 2010; Zoni & Pippo, 2017). In harmony with the CFO's objective, the Training function aims to support the organization's most important asset, people, and create training that provides value to the organization (Brás & Rodrigues, 2007; Phillips & Phillips, 2017; Vance, 2015). Creating a stronger partnership between the Training function and CFOs can keep a focus on the growth and development of the employees. A strengthened relationship will allow CFOs and Training to fully realize the value of training for both the employees, the organization, and contributions to the bottom line. After all, if employees are the most important asset for organizations, continued investment and focus on their development would result in continued organizational success.

APPENDIX A: PERSONAL MEMO

In the last several years of my career, one of my measures of success for my clients has been streamlining and centralizing operational costs within the training function and demonstrating the value of training services to the organization. With pride during one of the first report-outs to the client, my team was able to quantify an approximate $3 million cost savings from operational standardization and a $1 million increase in sales based on the measurement data between the control group and trained group of sales consultants. The client, an appointed training leader within the organization, acknowledged and celebrated our success with us; however, when I suggested the numbers be shared outside of the Training function, he pulled me aside to inform me training data stay within the Training function. Behind closed doors, he quietly said:

> If we tell finance about this win, they will cut our budget by the cost savings and will expect we can replicate the increase in sales moving forward. They will make this a requirement for us and it will make our lives very difficult. Let's celebrate this win, but keep it quiet.

Being told not to share success with finance created a form of fear and also piqued my curiosity if this idea of "fearing finance" was a broader sentiment. Over the next few months, as I built more relationships throughout the organization, I learned many shared the sentiment of "don't share our numbers with finance," establishing finance as persona non-grata. I spent time reflecting on my own relationship with finance and realized I had never thought about finance as a partner or felt the need to include finance. In fact, although I may have been accountable for measuring the value of Training functions in several large organizations, none of the data were ever shared with finance; yet, finance was ultimately responsible for determining the value of each business unit within the organization and setting the associated budgets. How then was finance determining the value of the training function and determining the budget? And was this potential gap a significant driver behind training budgets getting slashed during economic downturns or organizational restructuring?

After all, I have personally gone through several layoffs as a result of training not being recognized as an organizational priority, and for my entire career I have heard the adage, "training is the first to go," which always created this underlined fear my job is always in jeopardy. Is the training function always at risk because it is not valued within the organization? Or rather, is it at risk because we fear finance and do not demonstrate our value in a meaningful and relevant way finance can understand? This inquiry sparked my curiosity to explore the relationship between the training function and finance and became the driving force for this dissertation. By examining the beliefs financial leaders had on the value of training and how those beliefs impact the budget process, I exposed the gap existing between the two functions, articulated the outcome as a result of the gap, and strengthened the argument the Training function should not fear finance, but rather, embrace finance as a business partner, which may result in increased funding and greater understanding of the value training brings to the organization.

APPENDIX B: INTERVIEW PROTOCOL

Thank you for joining today. Before we begin, do I have your permission to record this session?

Everything you share with me is confidential, and your name nor the organization name will be shared anywhere, nor any proprietary information that can be linked back to you. I will be destroying the recordings within the next 90 days, and this is only used for data transcription purposes.

As mentioned, I'm a doctoral student at the University of Pennsylvania's Chief Learning Officer program and this conversation is part of my research for my study on Organizational Learning from the point of view of the CFO. I'd like to start by asking if you could…

Background

- Describe your role and responsibilities within the organization?
  - Industry?
- How long have you been in your role? (How long have you been a CFO-type role for this or another organization?)
- When you think of training programs in your organization, what are the top three that come to mind?
- Have you ever taken any training offered by your organization? (skills, product, leadership, compliance)
  - If so, what benefit did you feel you or the organization received from the training?

- Would you characterize the training organizational structure as Centralized, Decentralized, Federated?
- Would you personally consider training spend an investment or expense?
- Do you engage in any dialogue with the training functions? (review data/analytics, budget discussions, strategy, business priorities, etc)
- What's the learning culture like in your current organization?

Budget

- How are training budgets determined in your organization (top down / bottom up)?
    - What factors or priorities are considered when setting the budget?
    - Who determines the budget for training?
- Do you know broadly what you spend on employee training? (Is that overall/aggregate or $/full time employee)
    - What do you include when you think about spend on training? (i.e., time spent training, content/vendors, technology, travel, tuition reimbursement)
- Do you report out your training spend to any internal or external groups?
    - To whom and how do you report? (board of directors, shareholders, sustainability report, SEC filings, employees, ISO 30414 Human Capital Reporting, etc.)
    - How is the spend categorized? (for example, expense, investment, asset)
- Have you ever cut training budgets?

Benefit

- Generally speaking, what benefits do you believe the organization receives from training? (for talent, management, financial statements)
- Of the training programs you are aware of in your organization, which are the most beneficial to your organization? (What would beneficial mean to you in the context of your organization?)
- Are there any programs you would say were not beneficial to the organization?
- How do you evaluate/measure the benefits of a training program?
    - What data do you look for from the organization on benefits of training programs?
    - Which organization provides the data?
- Thinking of the learning organization or programs, what would you want to see more of?
    - What would you want to see less of?
- Based on everything we have talked about today, how do you think your experience or the views you shared shape the training budget?
    - Do you think your view is different from other CFOs?
- LAST QUESTION - Is there anything else you would like to share with me regarding training or the benefit of training I might not have asked?

APPENDIX C: INTERVIEW CONSENT FORM

University of Pennsylvania
Research Consent Form
Understanding Chief Financial Officers' Beliefs on Learning & Development

(Insert Leader Name),

You are invited to participate in a research study because you are a Chief Financial Officer or financial leader of your organization. I ask that you read this document and ask any questions you may have before beginning the interview.

The study is being conducted by Keith F. Keating, a Doctoral Candidate at the University of Pennsylvania.

The purpose of this study is to gain a deeper understanding of your beliefs on benefits of training within your organization. The study intends to draw out real-world experiences, stories, and lessons learned from financial leaders.

If you agree to participate, the interview will be conducted virtually at a time that is convenient for you. Interviews will last approximately 45 to 60 minutes. With your permission, the interview will be recorded for transcription purposes only.

You understand that all information collected in this study will be kept strictly confidential. The information gathered and the study conducted will not be used for any non-research purpose. The data will not be stored or distributed for any future research studies. If any publication results from this research, you will only be identified by a pseudonym, and other information that could reveal your identity will be disguised.

Your decision whether or not to participate will not affect your current or future relationships with the organization or the researcher. If you decide to participate, you are free to withdraw from the study at any time without affecting those relationships. If you withdraw, your data will be immediately destroyed. You are also free not to answer any question during the interview and to end the interview at any time

The following contact information is provided should you have any concerns regarding this study or the researcher/interviewer:

Principal Investigator: Michael Nakkula, Ph.D. xxxxx@upenn.edu

Researcher/Interviewer: Keith Keating xxxxx@upenn.edu

Institutional Review Board: xxxxx@pobox.upenn.edu

You may also call the Office of Regulatory Affairs at the University of Pennsylvania at (XXX) XXX-XXXX to talk about your rights as a research subject.

I have read the above information. I have asked any questions I had, and I have received answers to my satisfaction. I consent to participate in the study. I have received a copy of the consent form.

Signature of
Participant____Date___________

Name of Participant (Please
print)____

Signature of
Researcher____Date___________

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