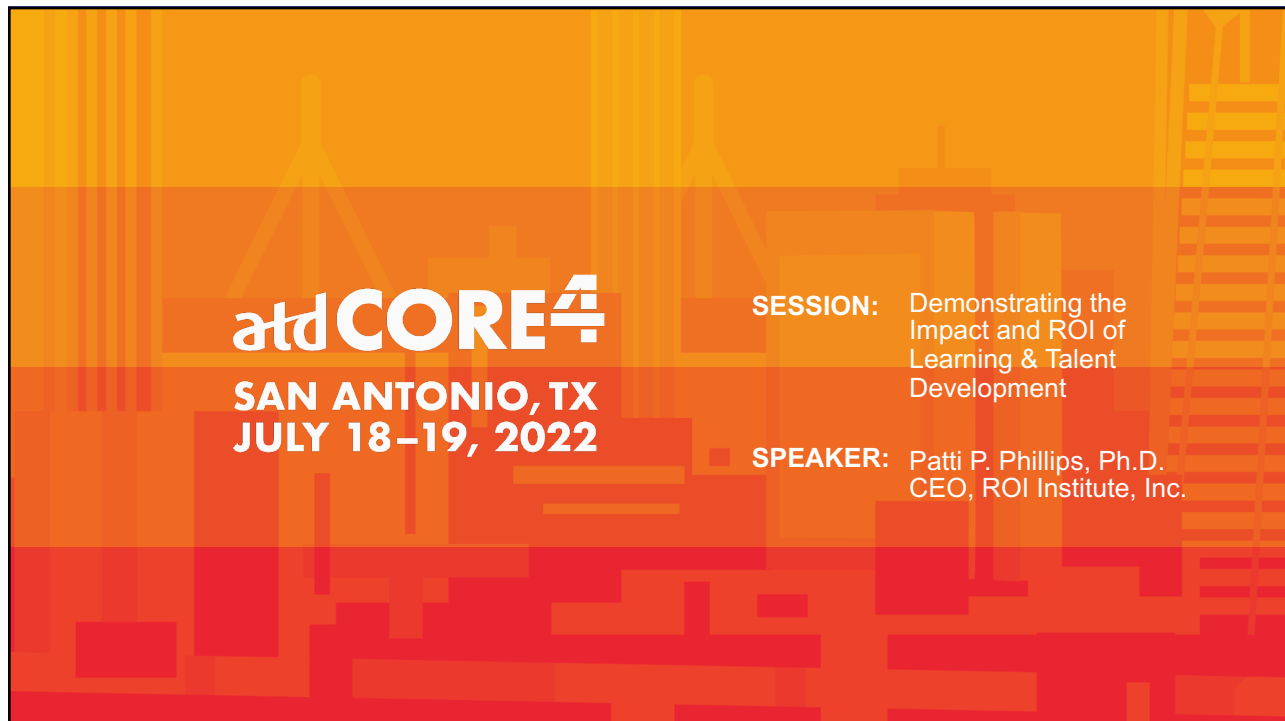




atdCORE4
SAN ANTONIO, TX
JULY 18-19, 2022

SESSION: Demonstrating the Impact and ROI of Learning & Talent Development

SPEAKER: Patti P. Phillips, Ph.D.
CEO, ROI Institute, Inc.

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Objectives

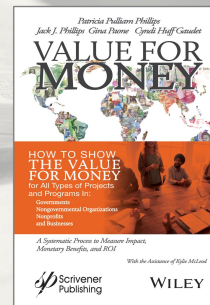
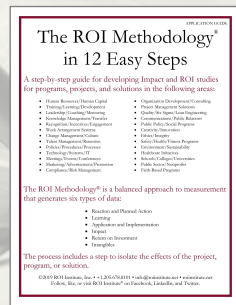
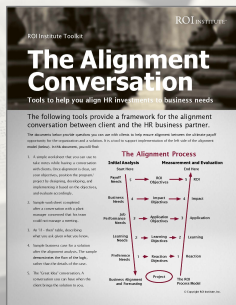
After attending this session, participants should be able to:

1. Describe the framework used to demonstrate the value that matters, including ROI.
2. Use the alignment model to position programs for success.
3. Identify methods and techniques that make ROI work.



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Resources



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What is ROI?

$$\text{BCR} = \frac{\text{Program Benefits}}{\text{Program Costs}}$$

$$\text{ROI} = \frac{\text{Benefits} - \text{Costs}}{\text{Costs}} \times 100$$



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What is ROI?

$$\text{BCR} = \frac{\$750,000}{\$425,000}$$

$$\text{ROI} = \frac{\$750,000 - \$425,000}{\$425,000} \times 100$$



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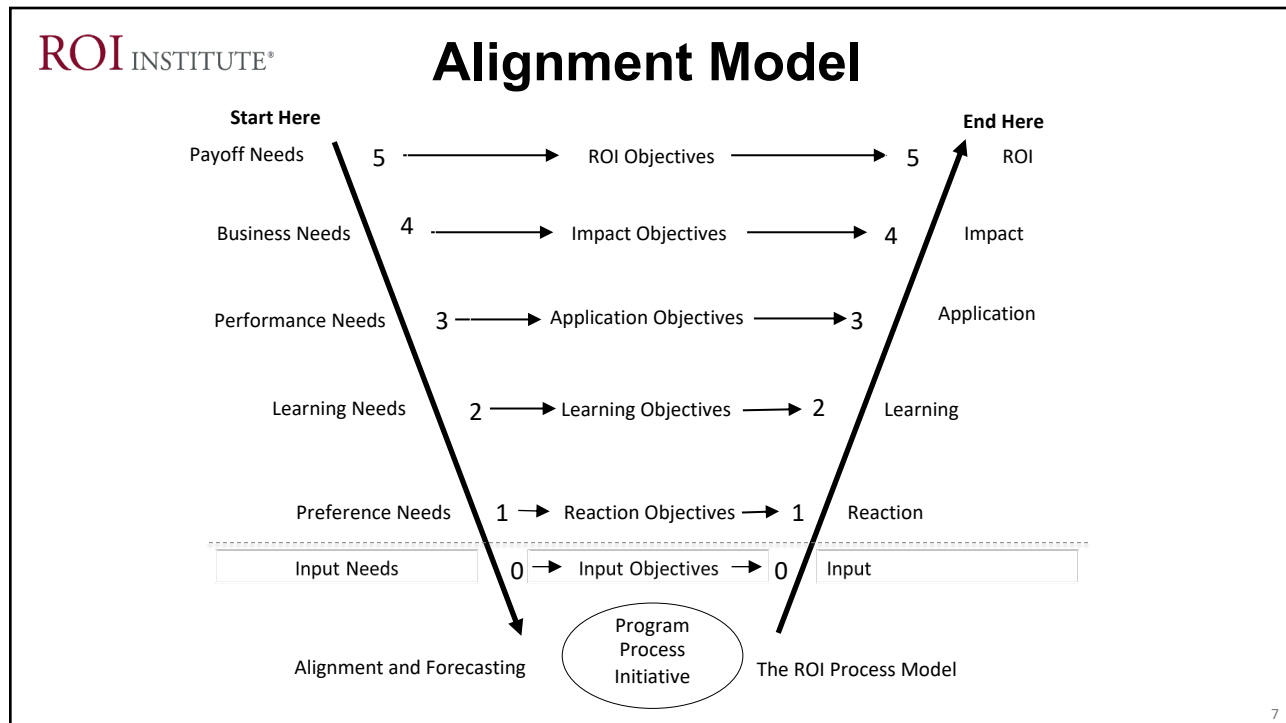
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Levels of Evaluation	Measurement Focus	Typical Measures
0. Inputs	The input into the project in terms of scope, volume, efficiencies, costs	Participants, Hours, Costs, Timing
1. Reaction & Planned Action	Measures participant satisfaction and captures planned actions, if appropriate	Relevance, Importance, Usefulness, Appropriateness, Intent to use, Motivation to act, Net Promoter Score
2. Learning	Measures changes in knowledge, skills, and attitudes	Skills, Knowledge, Capacity, Competencies, Confidence, Mindset, Contacts
3. Application & Implementation	Measures changes in behavior or actions	Extent of use, Task completion, Frequency of use, Actions completed, Behavior change, Success with use, Barriers to use, Enablers to use, Utility, Scrap
4. Impact	Measures changes in impact variables	Productivity, Revenue, Quality, Time, Efficiency, Customer Satisfaction, Patient Satisfaction, Employee Engagement, Talent Mobility, Innovation
5. Return on Investment	Compares project benefits to the costs	Benefit-Cost Ratio (BCR), ROI%, Payback Period

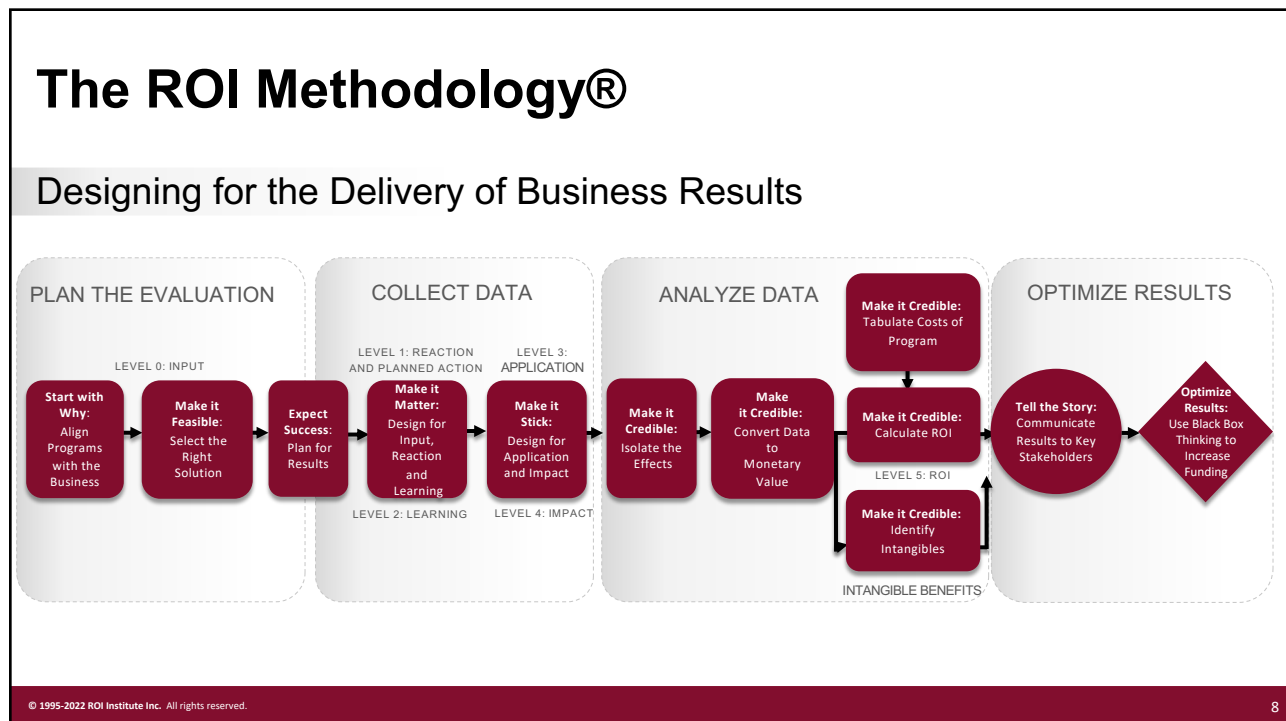
Katzell developed four steps of training evaluation; Kirkpatrick wrote about four steps of training evaluation; Phillips added economic theory and operationalized the framework by adding process and standards and applying it in practice in not only learning, but the broader HR community and beyond.

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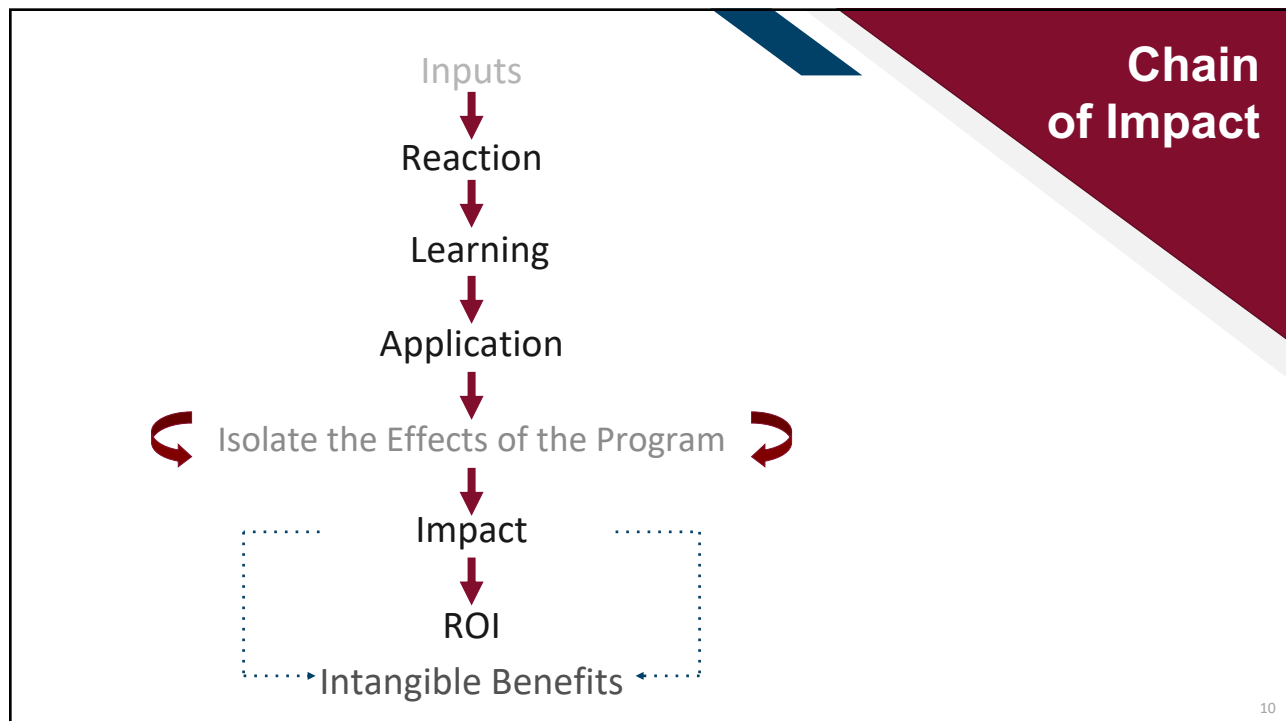


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Guiding Principles

1. When conducting a higher-level evaluation, collect data at lower levels.
2. When planning a higher-level evaluation, the previous level of evaluation is not required to be comprehensive.
3. When collecting and analyzing data, use only the most credible sources.
4. When analyzing data, select the most conservative alternative for calculations.
5. Use at least one method to isolate the effects of a project.
6. If no improvement data are available for a population or from a specific source, assume that little or no improvement has occurred.
7. Adjust estimates of improvement for potential errors of estimation.
8. Avoid use of extreme data items and unsupported claims when calculating ROI.
9. Use only the first year of annual benefits in ROI analysis of short-term solutions.
10. Fully load all costs of a solution, project, or program when analyzing ROI.
11. Intangible measures are defined as measures that are purposely not converted to monetary values.
12. Communicate the results of ROI Methodology to all key stakeholders.

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Characteristics of Investments Suitable for Impact & ROI

Linkage of project to operational goals and issues

Importance of project to strategic objectives

Top administrator/executive interest in the evaluation

Cost of the project

Visibility of the project

Size of target audience

Investment of time required

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*Benchmarking Percentages



Measurement Targets

Level	Recommended % of Programs	**Benchmarking %
0 Input	100%	100%
1 Reaction	100%	80%
2 Learning	80-90%	70%
3 Application	30%	49%
4 Impact	10%	37%
5 ROI	5%	18%

*Percentage of programs evaluated at each level per year

**Benchmarking 2020

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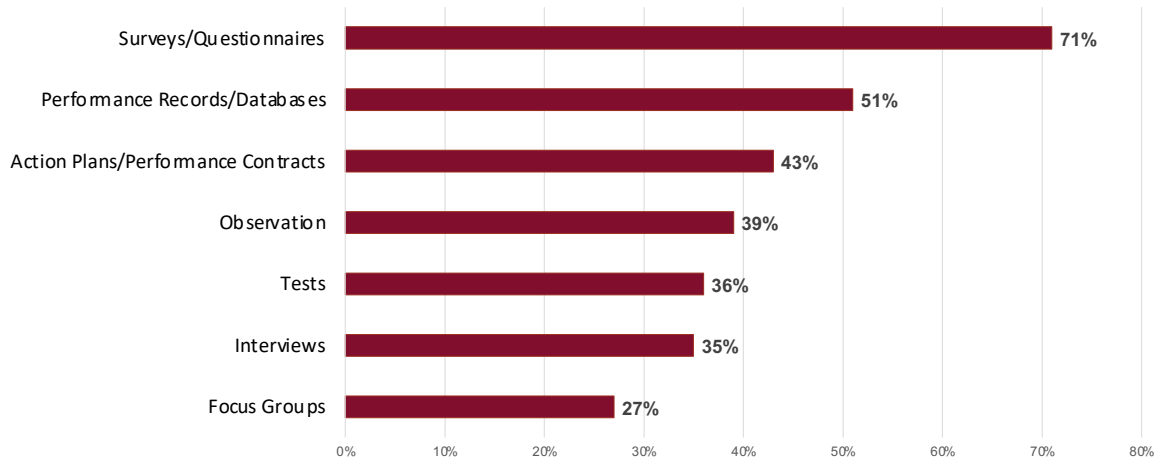
Data Collection Methods

Method	Level			
	1	2	3	4
• Surveys	✓	✓	✓	
• Questionnaires	✓	✓	✓	✓
• Observation	✓	✓	✓	
• Interviews	✓	✓	✓	
• Focus Groups	✓	✓	✓	
• Tests/Quizzes		✓		
• Demonstrations		✓		
• Simulations		✓		
• Action planning/improvement plans			✓	✓
• Performance contracting			✓	✓
• Performance monitoring				✓

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Data Collection Methods

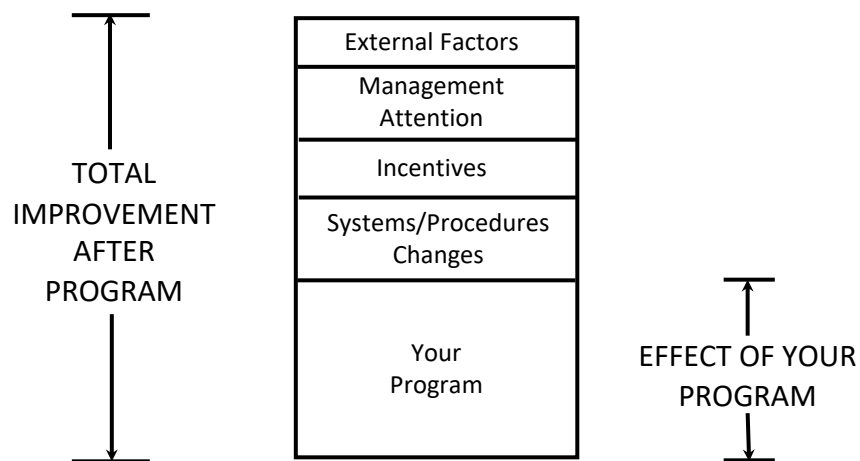


*Sample of selected users n = 246

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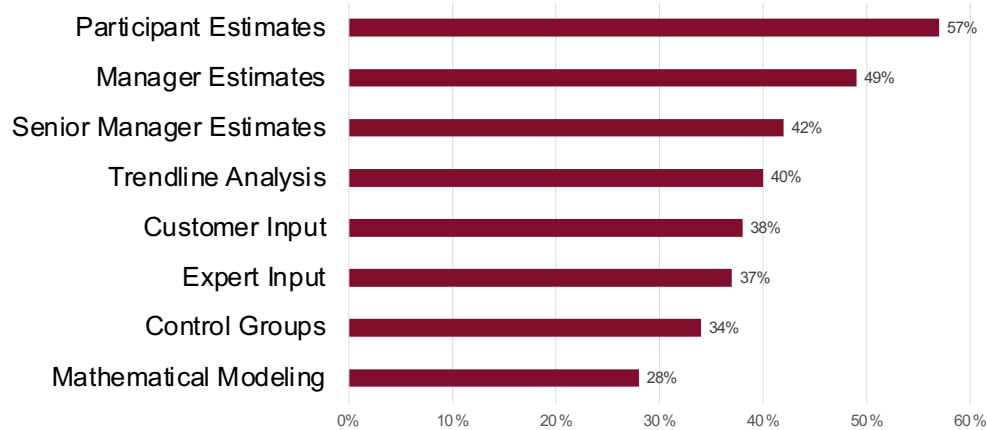
Accounting for Other Factors



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Isolation Techniques



*Sample of selected users n = 246

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What is ROI?

$$\text{BCR} = \frac{\text{Program Benefits}}{\text{Program Costs}}$$

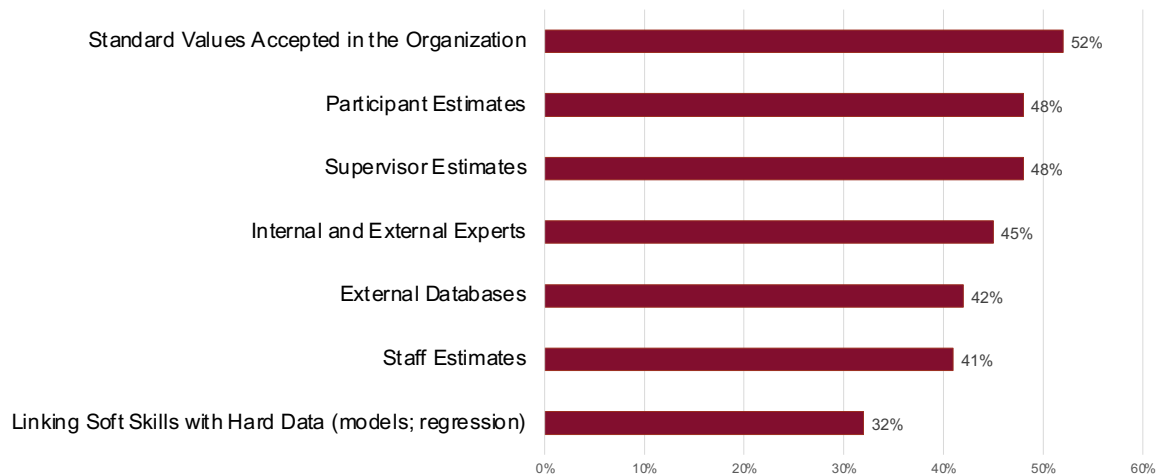
$$\text{ROI} = \frac{\text{Benefits} - \text{Costs}}{\text{Costs}} \times 100$$



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Data Conversion Methods



*Sample of selected users n = 246

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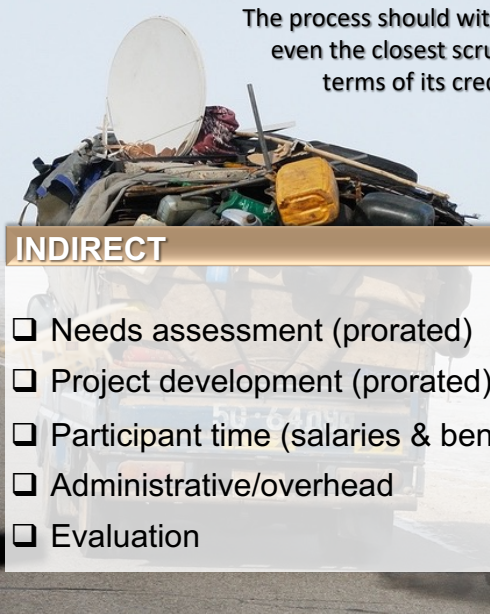
Intangibles

- Adaptability
- Awards
- Brand awareness
- Career minded
- Caring
- Collaboration
- Communication
- Conflicts
- Corporate social responsibility
- Decisiveness
- Engagement
- Image
- Innovation
- Job satisfaction
- Leadership
- Networking
- Organizational climate
- Organizational commitment
- Reputation
- Stress
- Talent
- Teamwork

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Fully-Loaded Costs

“When in doubt, put it in.”
The process should withstand even the closest scrutiny in terms of its credibility.



DIRECT	INDIRECT
☐ Project materials	☐ Needs assessment (prorated)
☐ Consulting fees	☐ Project development (prorated)
☐ Facilities	☐ Participant time (salaries & benefits)
☐ Travel, lodging, meals	☐ Administrative/overhead
	☐ Evaluation

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Healthcare, Inc.



Data Collection Techniques

- (L1) Questionnaire – end of program
- (L2) Knowledge Assessment; Skill Practice – during program
- (L3) Self Assessment Questionnaire – 6 months after program
- (L3) Employee Survey (25% Sample) – 6 months after program
- (L4) Complaint and Turnover Records – 12 months after program

Isolation Techniques

- Complaints – Trend Line Analysis
- Turnover – Forecasting

Data Conversion Techniques

- Complaints – Historical costs and input from experts (internal EEO/AA staff)
- Turnover – External studies within industry

Program Costs

- Fully loaded including needs assessment, development, coordination, salaries and benefits of initial meeting, and evaluation
- Total Costs: \$277,987

Benefits (Isolated)

- **Complaints**
 - Value of one complaint: \$24,343
 - Prevented over one year: 14.8
- **Turnover**
 - Value of one turnover statistic: \$20,887
 - Prevented over one year: 136

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Remember, when it comes to maximizing the value of consulting:

- Hope is not a strategy.
- Luck is not a factor.
- Doing nothing is not an option.

Change is inevitable. Progress is optional.



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Click the link below or scan the QR code to receive resources from today's session.

<https://bit.ly/Core4ROI>

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FEEDBACK COUNTS

Your feedback helps ATD continue to provide top-notch educational programs that help you stay on top of a changing profession.

The evaluation form for this session is available via QR code and at the following link: <https://core4.td.org/>.



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ROI CERTIFICATION®

SCHEDULED EVENTS

August 15-19, 2022 — San Diego, CA

August 22-September 2, 2022 — Live Virtual

September 19-30, 2022 — Live Virtual

October 24 - October 28 — Salt Lake City, Utah

November 14-18, 2022 — Boston, MA

WHAT IS ROI CERTIFICATION?

ROI Certification is a globally renowned process focused on measuring the true value of tough-to-measure initiatives using the ROI Methodology®. Participating in ROI Certification is the most comprehensive way to gain the skills needed to evaluate major programs and to report the most credible results that drive organizational improvement.

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Questions?

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- Chair, Center for Talent Reporting Board
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- Member, International Federation of Training and Development Board
- Fellow, ATD Certified Professional in Talent Development
- Author, Educator, Consultant, Coach



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