



Transitioning from College to Corporate Program: An ROI Impact Study

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Global Systems Corporation

Abstract: The following case study analyzes the effect of a one-and-a-half-day workshop for Global Systems Corporation (GSC) new hires titled Transitioning from College to Corporate. The training was designed to help college graduate new hires acclimate to the GSC corporate culture. The need for this training was identified after numerous managers reported problems working with their college-age new hires. A team of internal consultants within human resources working for the organization and the talent development (OTD) team conducted a thorough needs analysis with the GSC college hire group and their managers, including questionnaires and focus groups. The program was designed based on the feedback received. Two one-and-a-half-day sessions were conducted at the GSC corporate headquarters in California. Sixteen GSC college hires attended Session 1 and 16 attended Session 2. In addition, OTD conducted a one-and-a-half-hour virtual training session for the hires' managers.

The program was evaluated at five levels. A third-party-facilitated focus group was conducted with all college hires immediately following the session for Level 1 data. In addition, participants were given a post-course test for Level 2 data. Focus groups and surveys were conducted six months after training completion to evaluate at Levels 3 and 4. Finally, the return on investment (ROI) was calculated. Overall, the impact on the business was significant, and the ROI was 695 percent. Considering that the development for the program is complete and future sessions are planned, this is and will continue to be a good investment for the product development team within GSC.

PROGRAM BACKGROUND

The GSC college hire program was established to recruit, train, and retain recent college graduates for the GSC product development team. The program involved training to get the hires acclimated and

This case was prepared to serve as a basis for discussion rather than to illustrate either effective or ineffective administrative and management practices. The authors, dates, places, names, and organizations may have been disguised at the request of the author or organization.

productive on new and innovative work. After the first cohort was hired, the employees’ managers began to report issues with new college hire behavior. They attributed this behavior largely to generational issues because all college hires were of the Millennial generation. GSC’s global organization and talent development team offered an acclimation training in response, called Transitioning from College to Corporate. The purpose of this training was to address the issues expressed by the managers and to increase productivity, reduce attrition, and increase employee engagement as a result.

The audience totaled 32 new employees hired through the GSC college hire program in production development and based out of GSC’s corporate headquarters in California. The purpose of the training program was to identify age-related stereotypes and discuss manager perception of incoming college hires. The program provided guidelines and examples of how to adapt to the GSC culture, demonstrated how to manage difficulties related to intergenerational dynamics, and encouraged creation and commitment to a transition plan of onboarding. The purpose outlined in the previous paragraph translated to business objectives of increasing employee productivity, employee engagement, and employee satisfaction for college hires while reducing attrition.

The Learning Solution

A one-and-a-half-day, instructor-led course was developed to address the skills and knowledge required to support the program objectives. Because the audience was located at corporate headquarters, the training was held on-site. The course agenda included sessions on intergenerational understanding, work-life balance, understanding GSC, building relationships, and creating a transition plan. Thirty-two new college hires completed two sessions of training for this study. This represents 7 percent of the target audience for a typical year. Further training sessions are planned in the future.

Cost of the Learning Solution

Total cost to conduct the assessment, as well as design, develop, deliver, and evaluate the training, was \$97,416 (Table 1). Because this was a pilot, all design and development costs are fully loaded in this ROI assessment. As the solution is delivered in future training sessions, the costs will decrease, because they will be prorated

Table 1. Costs of Design, Development, Delivery, and Evaluation.

Needs Assessment	\$5,763.64
Development	\$16,765.68
Delivery	\$53,127.28
Evaluation	\$4,698.14
Total Cost to GSC	\$80,354.74

EVALUATION METHODOLOGY

This study was completed using the ROI Methodology. This methodology is the most widely accepted process to evaluate the business impact of learning and other processes (Phillips et al. 2019). To

understand the ROI process, it is helpful to examine the key steps involved in developing the ROI.

The ROI model illustrates the process and highlights the issues addressed in this study. The first step is the collection of baseline data, and then follow-up data is collected after a program has been conducted. A variety of post-program data collection methods are available. Perhaps the most important step in the model focuses on the issue of isolating the effects of training. In every organizational situation, a variety of factors influence the output measures of organizational or business impact. Training is only one of many influences that will drive a particular measure. One or more strategies must be selected to isolate the effects of training.

The next step in the ROI model is converting data to monetary values. Output measures must be converted to dollar values, so they can be compared with the cost of the program to develop the ROI. All fully loaded costs that are related directly or indirectly to the training program are included in the ROI calculation. This includes participant salaries and benefits while away from work to attend the training. Finally, the costs and benefits come together in an equation for the ROI. Net benefits (the program benefits minus costs) are divided by the total investment in the training program. This provides an ROI formula comparable to ROI calculations for other investments, which typically show the net earnings divided by the average investment. A final step lists intangible benefits, which are important but not translated into monetary values for the program benefits. In this study, intangible benefits are identified and reported as well as the tangible results.

The key decisions involving the application of the ROI model involve selecting specific methods to collect data, isolating the effects of training, and converting data to monetary values. These are the three most difficult and critical steps in the process and are addressed in the next sections. It is helpful and instructive to view the evaluation of training using a framework of evaluation levels. As shown beginning in the next sections, an evaluation is conducted at five different levels.

The data collection plan and the ROI analysis plan for the Transitioning from College to Corporate Program are shown in Table 2 and Table 3.

EVALUATION RESULTS

Level 1. Reaction Results

Level 1 results focus on the reaction to the training program, the facilitator, and how application might occur. The Level 1 feedback was collected via focus group immediately following the sessions. A third party conducted the focus groups while the instructors left the room.

The students' immediate end-of-class feedback on all aspects of the learning event was very positive:

- The participants felt that in general, it was beneficial to them as new hires. They also felt that the training was fun and engaging.
- Participants stated that highlights of the program included the section on professional networking and emotional regulation.
- Participants were not as pleased with the discussion on intergenerational understanding. They did not see the relevance to them.
- The instructors were highly rated, and most students said that they would recommend this program to their colleagues.

Table 2. Data Collection Plan

Data Collection Plan **PURPOSE OF THIS EVALUATION:** *Determine impact of the Transitioning from College to Corporate program.*

Program/Project: *TRANSITIONING FROM COLLEGE TO CORPORATE PROGRAM* **Responsibility:** *ORGANIZATION AND TALENT DEVELOPMENT TEAM* **Date:** *JUNE*

Level	Broad Program Objective(s)	Measures	Data Collection Method/Instruments	Data Sources	Timing	Responsibilities
1	SATISFACTION/PLANNED ACTION Positive reaction to the training	Provide overall positive feedback.	Focus group	Participants	End of program	Third-party facilitator
2	LEARNING Understand the intergenerational teachings in the course.	Pass the post-class test with a 60% or higher.	Post-class test	Participants performance tests	During training	OTD
3	APPLICATION/ IMPLEMENTATION Complete a transition plan provided in class. Discuss the transition plan with their managers. Collaborate more closely with their manager in the workplace.	Completed Transition plans Conversations with their manager Increase in reported collaboration across generations	Focus group Follow-up questionnaire	Participants Managers	6 months after training	OTD and third-party facilitator
4	BUSINESS IMPACT Increase job satisfaction Increase employee engagement Increase retention (intention to stay) Increase job productivity.	Improve from current baseline	Focus group Follow-up questionnaire	Participants Managers	6 months after training	OTD and third-party facilitator
5	ROI TARGET: at least 25%	Comments: _____				

Table 3. ROI Analysis Plan

ROI ANALYSIS PLAN **Purpose of This Evaluation:** Determine impact of the Transitioning from College to Corporate program.

Program/Project: *TRANSITIONING FROM COLLEGE TO CORPORATE PROGRAM*

Responsibility: *OTD*

Date:

Data Items (Usually Level 4)	Methods for Isolating the Effects of the Program/ Process	Methods of Converting Data to Monetary Values	Cost Categories	Intangible Benefits	Communication Targets for Final Report	Other Influences/ Issues During Application	Comments
Increase job productivity	Client estimate	Converting productivity increase to money using salary as a basis.	Needs assessment Program development	Job satisfaction Employee engagement	Directors Training department	CSC College Hire training program includes a training bootcamp that is unrelated.	Increase in retention may be recalculated after 2-3 years to see if intention to stay translated to actual retention.
Increase retention (intention to stay)	Client estimate	External study 200% of salary for computer software designer specialists.	Program material Facilitation & coordination Participant salaries plus benefits				
Increase employee engagement	Client estimate	No standard value. Marked as intangible.	Training overhead Evaluation				
Increase job satisfaction	Client estimate	No standard value. Marked as intangible.					

Level 2. Learning Results

Level 2 results focus on the participants' learning and various support mechanisms for learning. The participants' mastery of the content and skills in the class was assessed by an eight-question, end-of-course test. The test was mostly multiple choice, but also included one short answer question. All participants passed the test on the first try. The average score achieved was 76 percent.

Level 3. Application Results

Level 3 results focus on the participants' work setting and support mechanisms for applying learning. To determine whether people were performing the activities required for their jobs, participants were asked to answer a follow-up questionnaire six months after finishing the learning event. The learners' managers were also asked to answer a follow-up questionnaire.

Highlights of follow-up job application and implementation are reported in the next section. A total of 16 college hires, representing a 50 percent response rate, completed questionnaires reporting their post-training job performance.

The goal of the training was to allow them to work more collaboratively with their manager as a result of reduced intergenerational tensions post-training. In addition, it was important that participants leave the session with a transition plan that they would discuss with their managers. The self-reports of ability to perform the suggested activities for their role were positive:

- 100 percent of employees had a completed transition plan.
- 80 percent of employees had a meeting with their managers regarding their transition plans.
- 36 percent reported increased collaboration with their managers as a result.

Level 4. Impact Results

Level 4 results focus on the consequences of participants' application of the learning as they relate to business measures. A total of 16 college hires participated in the evaluation focus groups six months post-training. Nine managers of college hires participated in separate manager-only focus groups as well. During the focus group, the college hires were asked to estimate their improvement in four categories: job satisfaction, productivity, intention to stay with GSC, and employee engagement. In addition, the managers were asked to make the same estimates with regards to their own improvement.

Then, to isolate for the effects of the program, each group was asked to estimate the percentage of this improvement that was due exclusively to the Transitioning from College to Corporate training. Finally, each participant was asked to estimate how accurate their adjustment percentage was. The results are displayed in Table 4.

Table 4. Participants and Managers’ Estimations.

	College Hires		Managers	
	Average self-report	Adjusted % after isolation for effects of the program*	Average self-report	Adjusted % after isolation for effects of the program*
Improvement in Productivity	33%	22%	19%	10%
Increase in intention to stay	44%	23%	34%	19%
Improvement in Job Satisfaction	43%	30%	6%	0%
Increased employee engagement	52%	15%	47%	28%

Level 5. Return on Investment

Level 5 results focus on the fully loaded costs of the program compared with the program benefits.

A positive ROI reflects:

1. There must be a training need.
2. A feasible training solution must be implemented at the right time, for the right people, at a reasonable cost.
3. The training solution must be supported and applied in the work setting
4. Linkage must exist to one or more organizational measures.
5. The monetary benefits from the training exceed the cost of the training.

All training for this project was completed, and post-training evaluation results were gathered six months later. Out of the 32 original training participants, only 16 participated in the post-training focus groups. As a result, the sample size was not large enough to apply to the entire group. For this impact study, only the improved results of the 16 participants in the post-training focus groups were counted in the monetary benefits. However, the costs of the 32 were included in the cost of the program.

Productivity

GSC considers productivity to be an employee operating at average capacity. New hires are considered a drain on productivity, drawing a salary but consuming training and orientation expenses and using co-workers’ time. Because this program couldn’t be isolated from all new-hire investments, such as the number of people onboarding the new college hire, their time involved, and their salary cost, productivity

costs were calculated using new college hire salary. Essentially, productivity loss is salary cost before an employee is operating at average capacity.

Also, because new college hires report to a variety of teams performing different functions, one standard productivity measure (such as lines of code developed or numbers of bugs fixed) was impossible. Therefore, measures used self- and manager- reported increases in productivity, coupled with their confidence factor that it was the program that caused the increase. The following percentages are the final figures of reported productivity increase adjusted by the confidence factor.

- Improvement in productivity was reported as 22 percent by the new hires and 10 percent by the college hires' managers. For the purpose of this impact study, the number chosen is 10 percent.
- 10 percent of average salary and benefits × 16 college hires reporting = \$191,200:
 - » Salary is the average of oncoming college hires, as per GSC HR.
 - » Benefits are 24 percent of salary, as per GSC benefits, the internal group responsible for benefits.

Retention

At the time of post-training evaluation, all 32 participants were still employed by GSC. Participant new hires were between one day and five months of employment when the program was run and were under one year of employment at the time of the post- training evaluation. New college hire attrition has an upswing at one year of employment or greater. Retention for this program is measured by intent to stay. Retention will be checked at the one-year, 18-month, and two-year marks.

Of the 16 (50 percent) who participated in the post-training evaluation, all claimed that this program was a contributing factor. They stated that if the program had not been in place, they would have been more inclined to leave.

Savings were considered to be captured in the reduction of turnover costs, usually recruiting and training replacements, among other costs. Because turnover costs include many factors, the research of Patricia P. Phillips and Holly Burkett (2008) served as guidance.

To calculate the cost of turnover, an Internet search was conducted through Educational Resources Information Center (ERIC). The search, available through EBSCO- host, yielded a variety of studies that, when arranged by job group, yielded the information (Phillips and Edwards 2008).

The results indicated 200–400 percent of salary for computer software designer specialists, the closest match for the participants. The more conservative 200 percent is used for this impact study.

- Increase in intention to stay was reported as 23 percent by the new hires and 19 percent by the college hires' managers. The more conservative number is used.

- Average salary is \$96,000, as per GSC compensation.
- Average salary of \$96,000 (GSC Comp)×200%×19% (conservative number form managers reports)×16 reporting participants=\$583,680.

ROI

For ROI, the productivity increase of \$191,200 was added to the retention cost savings of \$583,680 for a total benefit of \$774,880. A cost estimating worksheet was used to identify total program cost. Using the ROI formula, the return was calculated at 695 percent.

$$\text{ROI (\%)} = \frac{(\text{Total benefits} - \text{Program cost})}{\text{Program cost}} \times 100$$

$$\text{ROI (\%)} = \frac{(\$774,880 - \$97,416)}{\$97,416} \times 100 = 695\%$$

Use of Salary in Both Measurements

Using salary in the productivity and retention benefit measurements was a cause for concern. Yet its use is valid in both because lack of productivity uses salary as an investment cost (paying a new employee for future productivity), and retention uses salary as a benchmark for recruiting and training costs.

Intangible Benefits

Increases in employee engagement and job satisfaction were not quantifiable, and so these were kept separate as intangible benefits.

ROI Interpretation

When developing the actual ROI, a conservative approach is always taken. If monetary benefits have a subjective component, they are adjusted downward. If program costs contain estimates, they are adjusted upward. This conservative approach builds credibility and makes the resulting calculation more reliable.

The formula used for the ROI is the same basic calculation used to evaluate other investments, such as those in equipment and plants. Thus, the target rates used for other investments could be compared to these percentages in this study. However, because this process is not precise, a different target rate is often suggested. For most organizations involved in calculating return on investment of training programs, coaching programs, and change initiatives, a target rate of 25 percent is recommended, pushing this minimum acceptance rate above what would be required for a capital expenditure (that is, a building). Thus, if a program is not generating at least a 25 per- cent return on investment in the first

year, it could be an undesirable investment. Using this as an objective, the ROI of 695 percent achieved for the Transitioning from College to Corporate Program is extremely good.

Estimating the return on investment for a training program can be a difficult process. The exact value will never be known, just as the impact of an advertising program will never be known precisely. However, the process used in the previous calculations is becoming a generally accepted technique for measuring solutions. Credible sources such as contract associates, the client, and client reports provided the information. There was no pressure to respond or to provide a certain type of data. In addition, several other considerations and adjustments were made to produce more conservative estimates:

- Both new hires and managers were asked to estimate the impact of the training on the business. Where there was a differential in impact estimated by the two groups, the lower impact was taken for the ROI calculation.
- Only the benefits captured in the first year are utilized, although there may be second- and third-year benefits.
- The benefit value is reduced to reflect the percentage linked directly to the Transitioning from College to Corporate Program, based on the client's estimate.
- The total benefits are based only on the data furnished by reliable sources.
- The costs are fully loaded, including estimated salaries and benefits for each participant for the time the participants were in training.

With these adjustments and considerations, it is safe to assume that the ROI value reflected in the study have been achieved (Phillips 2017).

Communication Strategy

The evaluation results and ROI process were presented by the program designers to the greater organization development consulting (ODC) group. The presentation generated questions and interest. While this group has been introduced to the ROI concepts and has seen a tangible example, they need to put ROI into practice.

GSC is beginning an ROI task force in ODC with the goal of extending ROI process knowledge and capability; streamlining the process through simple, reusable plans and templates; and creating best practices for reporting back to the business. The task force has solicited volunteers and received buy-in by organization development leadership.

Lessons Learned

As a result of completing this evaluation study, the OTD team that developed the program was validated in the value that they bring to the business. This was one of the first ROI studies done by the team, and being able to quantify the value to business executives was powerful in justifying the department's

expense. Initially, the OTD management team was resistant to conducting an ROI analysis due to the time and cost required to evaluate the program at this level of detail. However, the resulting data was a powerful tool with executives, and so it was embraced. Often it is difficult to prove the value of soft skills training, particularly when it comes at such a large expense. This tool allows conservative demonstration that real business value is created. This is important to the sustainability of the team and the continued support by the business executives we support.

The ROI process is now standard for the GSC College Hire Transitioning from College to Corporate training.

Questions for Discussion

1. Is this case study credible? Explain.
2. What is your assessment of using the results from 16 participants and the cost from 32?
3. How can this type of process be used to build support for programs in the future?
4. How can the outcomes of soft skill programs be linked to your organization's business outcomes?
5. Discuss the strengths of this study and opportunities for improvements.

ABOUT THE AUTHOR

Jessica Kriegel is a researcher and expert in organizational culture. She is the author of *Unfairly Labeled: How Your Workplace Can Benefit from Ditching Generational Stereotypes*. She also speaks on the topic of culture transformation and generational dynamics nationally. She acts as an advisor and strategist in matters of cultural alignment. In 2013 she completed her doctoral degree in educational leadership and management with a specialization in human resources development from Drexel University. She also has an MBA in international business, which she completed in 2008. Jessica is based in Sacramento and represented by the Washington Speakers Bureau.

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