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Jack J. Phillips, Ph.D.

Dr. Jack J. Phillips, a world-renowned expert on accountability, measurement, and evaluation, is chairman of ROI Institute, Inc. Phillips provides consulting services for Fortune 500 companies and major global organizations. The author or editor of more than 100 books, he conducts workshops and presents at conferences throughout the world.

Phillips has received several awards for his books and work. The American Society for Training and Development gave him its highest award, Distinguished Contribution to Workplace Learning and Development for his work on ROI. The International Society for Performance Improvement presented Jack with its highest award, the Thomas F. Gilbert Award, for his contribution to human performance technology. On three occasions, Meeting News named him one of the 25 Most Powerful People in the Meetings and Events Industry, based on his work on ROI. The Society for Human Resource Management presented him an award for one of his books and honored a Phillips ROI study with its highest award for creativity. In 2019, Jack, along with his wife Patti P. Phillips, received the Distinguished Contributor Award by the Center for Talent Reporting for their contribution to the measurement and management of human capital. His work has been featured in the Wall Street Journal, BusinessWeek, and Fortune magazine. He has been interviewed by several television programs, including CNN. Phillips served as President of the International Society for Performance Improvement. Jack was recently named an honorary member of the International Federation of Training Development Organizations.

Jack regularly consults with clients in manufacturing, service, and government organizations in 70 countries in North and South America, Europe, Africa, Australia, and Asia.



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Objectives

After attending this session, participants should be able to:

1. Align conflict resolution programs to business measures.
2. Identify the five levels outcome for a successful conflict resolution program.
3. Design for a positive impact and ROI for the program.
4. Plan next steps to evaluate your program.



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Resources



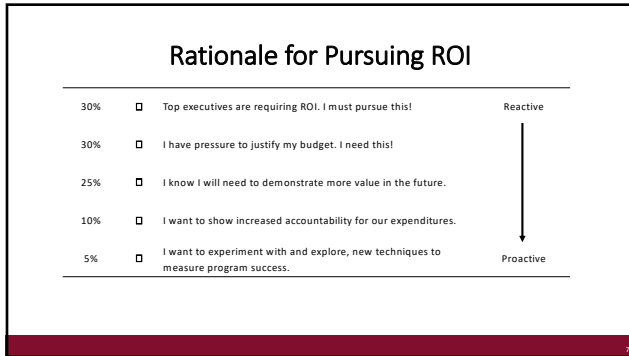
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Why are you pursuing ROI now?

- ☐ Top executives require impact and ROI. I must pursue this.
- ☐ I have pressure to justify my budget. I need to pursue this.
- ☐ I know I will need to demonstrate more value in the future.
- ☐ I want to show increased accountability for our expenditures.
- ☐ I want to explore new techniques to measure program success.



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Conflict is Inevitable

Experts offer several causes of workplace conflict, including:

- Personality differences.
- Workplace behaviors regarded by some co-workers as irritating.
- Unmet needs in the workplace.
- Perceived inequities of resources.
- Unclear roles in the workplace.
- Competing job duties or poor implementation of a job description.
- A systemic circumstance such as a workforce slowdown, a merger, or a reduction in force.
- Mismanagement of organizational change and transition.
- Poor communication.
- Differences over work methods or goals or differences in perspectives.

<https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/ManagingWorkplaceConflict.aspx>

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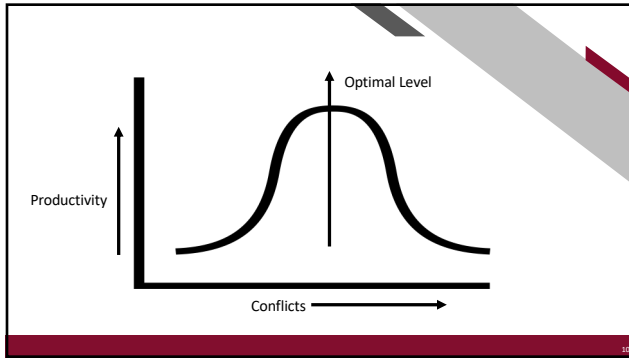
Is it Working?

Many experts maintain that although conflict is generally regarded as having a negative effect in the workplace, a degree of properly managed conflict can be beneficial for an organization.

But how do you know it's working?

<https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/ManagingWorkplaceConflict.aspx>

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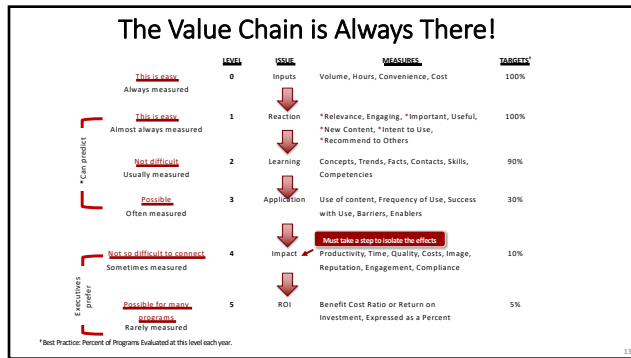
Impacts of Excessive Conflict

• Formal complaints • Escalations • Grievances • Legal actions • Investigations • Turnovers • Absenteeism • Transfers • Career blockages • Mental health • Productivity • Quality of work • Time savings • Bodily harm	• Personal safety • Resources not utilized • Funds misused • Fraud and waste • Teamwork • Collaboration • Psychological safety • Trust • Communication • Employee satisfaction • Stress • Burnout • Relationships • Employee engagement
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What is your experience with measuring ROI?

- ☐ Never tried it.
- ☐ Tried it but was not successful.
- ☐ We have conducted one or more ROI studies.
- ☐ We do this routinely.
- ☐ I wish ROI would go away.

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The ROI Methodology*

- Most used evaluation system in the world
- Endorsed by United Nations with a UN General Assembly resolution in 2008
- Endorsed by 26 federal governments
- Used by over 300 health care systems
- Used by over 150 colleges and universities
- Used by three-fourths of Fortune 500 organizations
- Used by major foundations such as the Gates Foundation

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What is Design Thinking?

Basic Principles*

- A problem-solving approach to handle problems on a systems level
- A mind-set for curiosity and inquiry
- A framework to balance needs and feasibility
- A way to take on design challenges by applying empathy
- A culture that fosters exploration and experimentation
- A fixed process and a tool kit
- A storytelling process to inspire Senior Executives
- A new competitive logic of business strategy
- A means to solve complex or wicked problems
- A means to reduce risks

*Mootee, Idris. (2013). *Design Thinking for Strategic Innovation*. Hoboken, NJ: Wiley.

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What is ROI?

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

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

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The ROI Methodology Process Model

Designing for the Delivery of Business Results

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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 each year
**Benchmarking 2020

What is your status?

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Characteristics
of Programs
Suitable for
Impact & ROI

Cost of the program

Linkage of program to operational goals and issues

Importance of program to strategic objectives

Top executive interest in the evaluation

Visibility of the program

Size of target audience

Investment of time required

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Start with Why

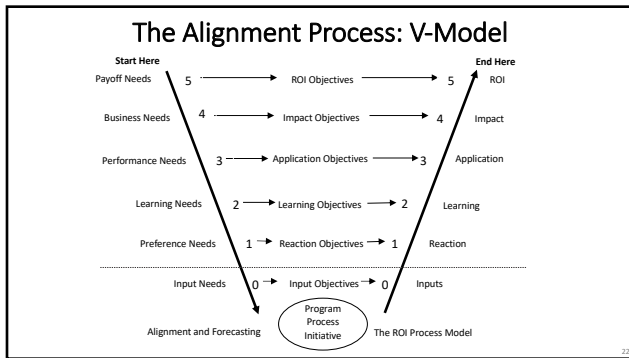
Align Programs with the Business

Design Thinking Principle 1

A problem-solving approach to handle problems on a systems levels

- Alignment is the key.
- Is it a problem or opportunity?
- Need specific business measures.

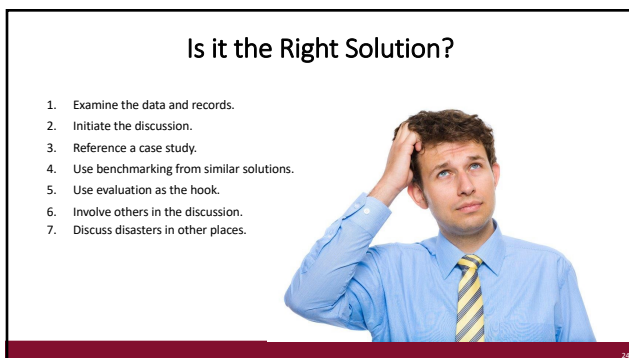
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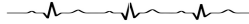


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Have a Discussion and Use Diagnostic Tools

Feasible solutions evolve through the understanding of context, empathizing with the target audience, and identifying performance gaps. The next step is to identify learning needs and how best to deliver relevant information. Forecasting outcomes based on inputs is sometimes helpful.

- Statistical process control
- Brainstorming
- Problem analysis
- Cause-and-effect diagram
- Force-field analysis
- Mind mapping
- Affinity diagrams
- Simulations
- Diagnostic instruments
- Focus groups
- Probing interviews
- Job satisfaction surveys
- Engagement surveys
- Exit interviews
- Exit surveys
- Nominal group technique



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Expect Success

Design for Results

Design Thinking Principle 3

A framework to balance needs and feasibility



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Developing Objectives for Each Level

Levels of Objectives	Focus of Objectives
Level 1, Reaction	Defines specific measures of expected reaction to the program as it is revealed and communicated to the stakeholders
Level 2, Learning	Defines specific measures of improvement in knowledge, information, contacts, and skills as the participants and other stakeholders learn how to make the program successful
Level 3, Application	Defines specific measures of actions taken that define success with application and implementation of the program
Level 4, Impact	Defines the specific impact measures that will change or improve as a consequence of the program's implementation
Level 5, ROI	Defines the minimum return on investment from the program, comparing program costs with monetary benefits from the program

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Rules for Objectives

1. Must be measurable and represent minimum acceptable performance.
2. Fewer objectives are better than many objectives.
3. Involve subject-matter experts and key stakeholders.
4. Keep them relevant to the situation, program, and key stakeholders.
5. Create stretch objectives, but make sure they are achievable.
6. Allow for the flexibility to change as conditions change.
7. Failure is OK; process improvement is the key.
8. Objectives are tools for progress, not weapons for performance review.
9. Most objectives should be time-bound.
10. Objectives provide the focus for design, development, implementation, and evaluation.

These rules are from a combination of publications:
J. J. Phillips and P. P. Phillips, *Beyond Learning Objectives: Develop Measurable Objectives that Link to the Bottom Line*, Alexandria, VA: ASTD Press, 2008.
P. P. Phillips and J. J. Phillips, *10 Steps to Successful Business Alignment*, Alexandria, VA: ASTD Press, 2012.
J. Doerr, *Measure What Matters: How Google, Amazon, and the Gates Foundation Rock the World with OKRs*, New York: Penguin, 2018.

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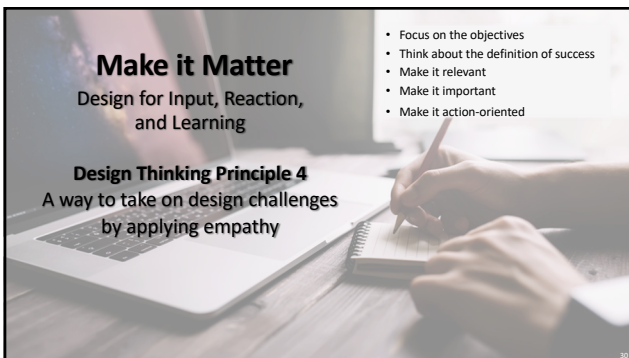
Matching Evaluation Levels with Objectives

After completing this program, participants should:

1. Decrease employee complaints by 20% in one year.	4
2. Use problem-solving skills to uncover conflict causes.	3
3. Be able to demonstrate the five steps to calm an upset colleague.	2
4. Rate the facilitator 4 out of 5 on presentation skills.	1
5. Decrease the amount of turnover by 30% in six months.	4
6. Achieve a 20% ROI one year after implementation of conflict resolution program.	5
7. Perceive the content to be relevant their situation (4.5 out of 5).	1
8. Decrease transfers by 25% in six months.	4
9. Conduct a proper investigation using the seven-step process in 95% of complaint situations.	3
10. Score an average of 20 or better on a conflict resolution quiz.	2
11. Improve productivity by 10% in six months.	4
12. Use all 10 negotiation skills in at least 50% of negotiation situations.	3

1 = Reaction 2 = Learning 3 = Application 4 = Impact 5 = ROI

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Make it Matter

Design for Input, Reaction, and Learning

Design Thinking Principle 4

A way to take on design challenges by applying empathy

- Focus on the objectives
- Think about the definition of success
- Make it relevant
- Make it important
- Make it action-oriented

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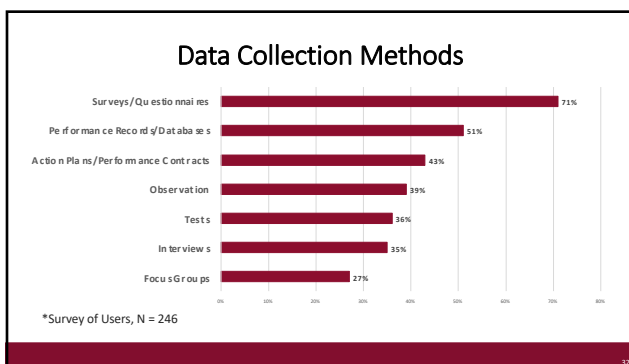
Make it Stick
Design for Application and Impact

Design Thinking Principle 5
A culture that fosters exploration and experimentation

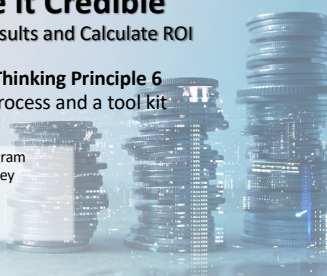
- Collect data
- Focus on objectives
- Ensure transfer to the workplace
- Design for application

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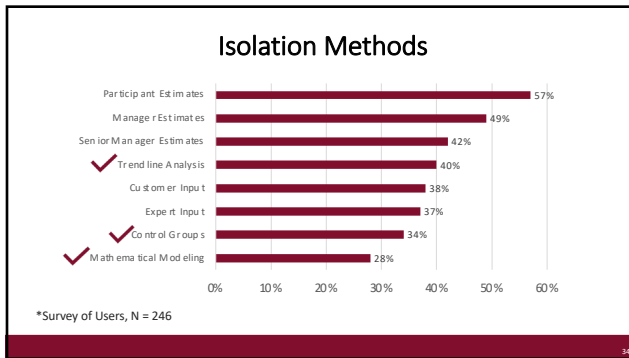
Make it Credible
Measure Results and Calculate ROI

Design Thinking Principle 6
A fixed process and a tool kit

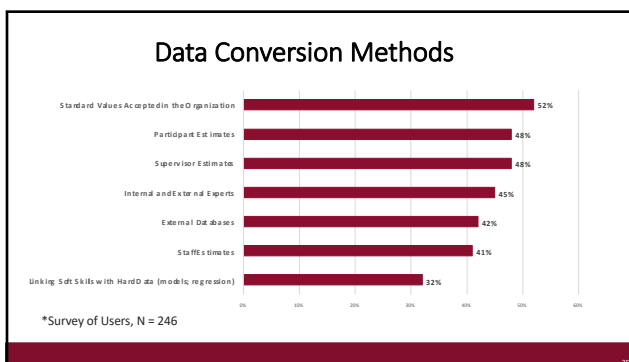
- Isolating the effects of the program
- Converting Impact data to money
- Identifying intangible benefits
- Tabulating cost of the program
- Calculating ROI

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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
☐ Program materials	☐ Needs assessment (Prorated)
☐ Instructor/facilitator	☐ Program development (Prorated)
☐ Facilities	☐ Participant time (salaries & benefits)
☐ Travel, lodging, meals	☐ Administrative/overhead
	☐ Evaluation

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Example: Conflict Resolution Program

Presented to Managers: Designed to reduce team member complaints

1. Unit of Measure: 1 complaint
2. V = \$21,000
3. $\Delta P = 3$ per month
4. $A\Delta P = 3 \times 12 = 36$
5. $A\Delta P \times V = 36 \times \$21,000 = \$756,000$

Assume anticipated blended learning program cost: \$339,400.

What is the ROI?

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ROI Calculation

$$BCR = \frac{\$756,000}{\$339,400} = \boxed{2.2:1}$$

$$ROI = \frac{\$756,000 - \$339,400}{\$339,400} \times 100 = \boxed{122\%}$$

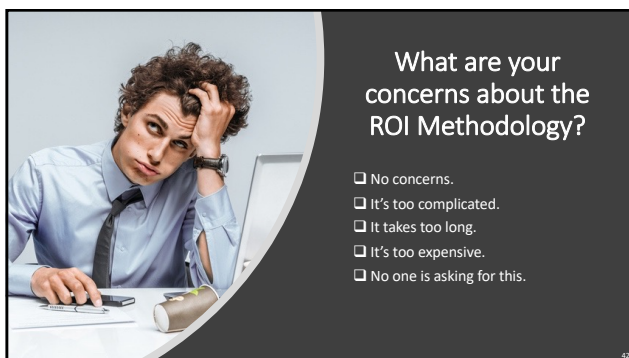
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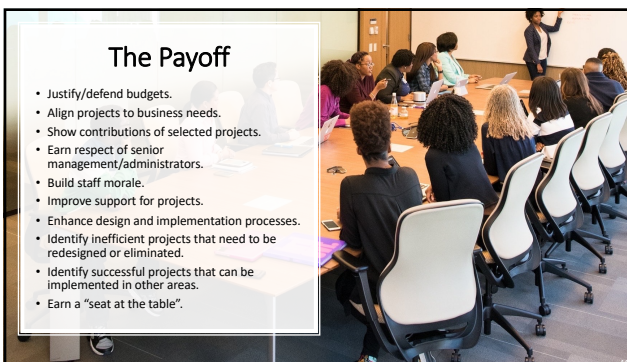
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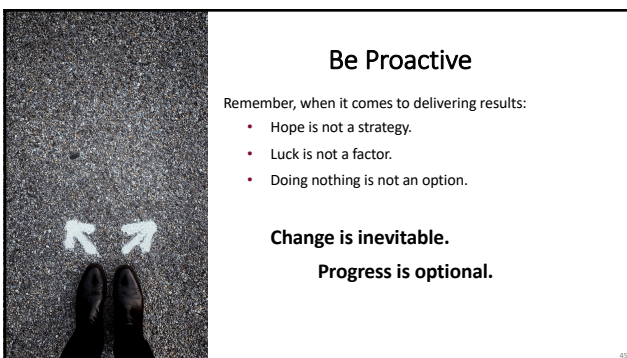
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Click the link below or scan the QR code to access resources from today's session.

<https://roiinstitute.net/hrdq-measuring-the-impact-and-roi-in-conflict-resolution-2/>

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Need an ROI study on an important program or project?
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- Build serious measurement and evaluation capability.
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Questions?
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