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Resources

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Objectives

After attending this program, participants should be able to:

- Identify the five levels of outcomes for any HR program.
- Describe what types of data executives want to see from HR.
- Explain 10 of the 12 steps in the ROI Methodology®.
- Name five key elements of an HR evaluation strategy.
- List three ways to make reaction data more executive-friendly.
- Describe how an ROI forecast is developed.

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Pressures Facing the Public Sector Today

- Budget constraints
- Need to do more with less
- Need process improvements (effectiveness and efficiency)
- Need to show value of programs
- Need for public accountability and transparency

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Issues—Real or Imagined?

- No profits — no ROI?
- Lack of alignment
- Absence of hard data
- Too much politics
- Programs are necessary
- Multiple ROI perspectives

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Factors Affecting Budget Allocation

• Available funds	
• Necessity of function	✓ You can influence
• Comparison (previous/others)	✓ You can influence
• Competition for resources	✓ You can influence
• *Value/contribution	✓ You can control
• Image/reputation	✓ You can control

*Most important issue

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Serious Performance Challenges

True or False?

1. HR programs are rarely connected to the key organizational measures.
2. The outcomes desired by senior leaders are rarely measured.
3. Most HR managers do not have data showing that they make a difference in the organization.
4. Most senior leaders see HR as a cost and not an investment.
5. Most senior leaders view hard skills more valuable than soft skills.

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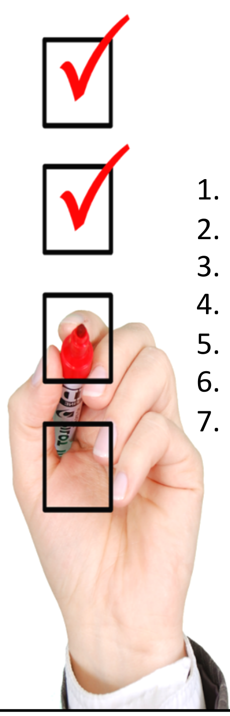

Actions to Take Now

1. Measure the impact (and perhaps ROI) of a major program now.
2. Design future HR programs to deliver results.
3. Ensure that virtual HR programs are effective.
4. Update your measurement and evaluation strategy.
5. Capture more executive-friendly reaction measures.
6. Be prepared to forecast the impact and ROI of a major initiative.
7. Share the joy of delivering and measuring business results.

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Action 1: Measure Impact/ROI of a Major Program Now

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Costs Versus Investment Perception: The Reality

Executive Perception of Programs

Perception	Actions	Consequences
It's a cost	• Control it • Reduce it • Eliminate it	• Partnerships are rare • Influence diminishes • Support is lost • Funding is curtailed
It's an investment	• Maintain it • Enhance it • Protect it	• Partnerships flourish • Client relationships improve • A seat at the table is earned • Funding is easier

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The Value Chain

		LEVEL	ISSUE	MEASURES	TARGETS**
	This is easy Always measured	**0**	Inputs	Volume, Hours, Convenience, Cost	100%
*Can Predict	This is easy Almost always measured	**1**	Reaction	*Relevance, Engaging, *Important, Useful, *New Content, *Intent to Use, *Recommend to others	100%
*Can Predict	Not difficult Usually measured	**2**	Learning	Concepts, Trends, Facts, Contacts, Skills, Competencies	90%
	Possible Often measured	**3**	Application	Use of content, Frequency of Use, Success with use, Barriers, Enablers	30%
Executives prefer	Not so difficult to connect Sometimes measured	**4**	Impact	Must take a step to isolate the effects Productivity, Time, Quality, Costs, Image, Reputation, Engagement, Compliance	10%
Executives prefer	Possible for many programs Rarely measured	**5**	ROI	Benefit-Cost ratio or Return on Investment, expressed as a percent	5%

**Best Practice: Percent of programs evaluated at this level each year.

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Value Add Example — City

Kansas City Swat Team — Police Officers	
Problem	Excessive citizen complaints
Cost	35 complaints per year costing $70,000 per complaint
Solution	Outward Mindset — Arbinger
ROI	5,724%

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Value Add Example — City

City of Denver Transit Authority — Bus Drivers	
Problem	Excessive unplanned absenteeism
Cost	Absenteeism is 8.7%, costing $2,867,070
Solution	Selection system and new disciplinary policy
ROI	882%

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Value Add Example — State

New York — Managers Across Agencies	
Problem	Agencies need to be more efficient and effective
Solution	Practical skills for supervisors
ROI	258%

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Value Add Example — Federal

Federal Information Agency — Communication Specialists	
Problem	Excessive turnover (38%) and need technology update
Solution	Internal information science master's degree, completed during agency time, paid by agency
ROI	153%

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Action 2: Design future HR programs to deliver results.

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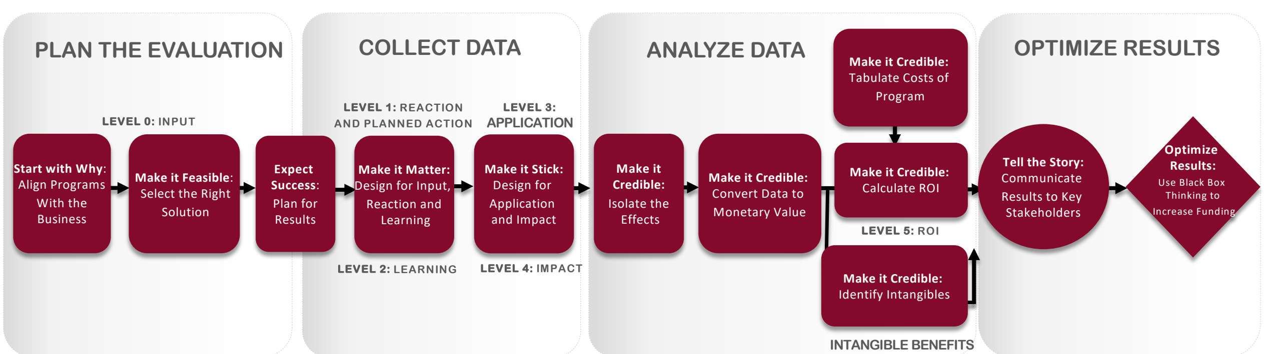
The ROI Methodology Process Model

Designing for the Delivery of Business Results



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Be Selective at Impact & ROI Levels

Measurement Targets

Level		% of Programs
0	Input	100%
1	Reaction	90-100%
2	Learning	80-90%
3	Application	30-40%
4	Impact	10-20%
5	ROI	5-10%

*Percentage of programs evaluated at each level each year

**Benchmarking 2020

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Action 3: Ensure that virtual HR programs are effective.

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Can virtual learning be as effective as face-to-face learning?

- ❑ Yes
- ❑ No
- ❑ Maybe

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Seven Ways to Make Virtual Learning Work

- Start with WHY.
- Is this the right solution?
- Expect success with objectives.
- Design for application and impact.
- Use sampling to measure application and impact.
- Use process improvement.
- Blended learning is usually better.

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Action 4: Update your measurement and evaluation strategy.

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Building Blocks for an Effective Strategy

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Action 5: Capture more executive-friendly reaction measures.

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Executive-Friendly Feedback

Very Executive-Friendly

- This program was relevant to me.
- This program is important to my success.
- I will use the concepts in my work.
- I will recommend this to others.
- This will help our organization.

Not Executive-Friendly

- I'm happy with this program.
- I'm satisfied, overall.
- The facilitator was great.
- The learning environment was great.
- This was easy.
- This was difficult.
- I love the food.
- Great delivery.

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Action 6: Be prepared to forecast the impact and ROI of a major initiative.

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What’s your experience with forecasting ROI?

A. No need, No experience.
B. It’s been suggested, no progress.
C. I’ve tried it, but not pleased.
D. I have been successful.
E. I do it routinely.

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Pre-Program Forecasting Model

Estimate Program Costs

Anticipate the Reaction to the Program → Estimate the Amount of Learning to Make the Program Successful → Estimate Application- the Steps and Actions to Make the Program Successful → Estimate Change in Impact Data → Convert Data to Monetary Values → Calculate the Return on Investment

Anticipate Intangible Benefits

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Action 7: Share the joy of delivering and measuring business results.

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Developing Objectives for Each Level

Levels	Focus
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 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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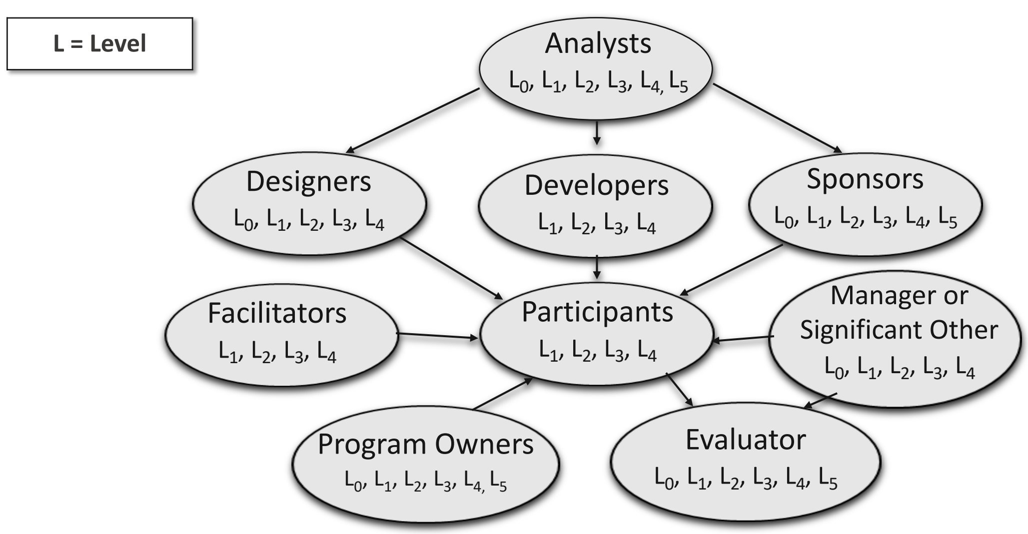
Roles and Responsibilities: The Objectives Needed for Important Stakeholders



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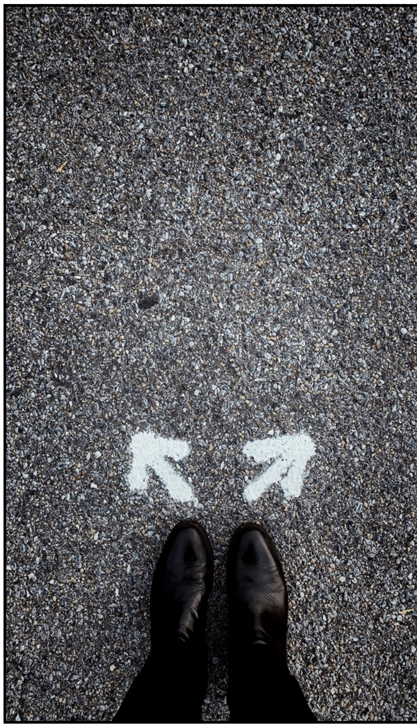

Be Proactive

Remember, when it comes to delivering results from HR:

- 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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The Payoff

- Justify/defend budgets.
- Align projects to business needs.
- Show project contributions.
- Earn senior leaders' respect.
- Build staff morale.
- Improve project support.
- Enhance design and implementation processes.
- Identify inefficient projects that need to be redesigned or eliminated.
- Identify successful projects that can be implemented in other areas.
- Earn a "seat at the table".

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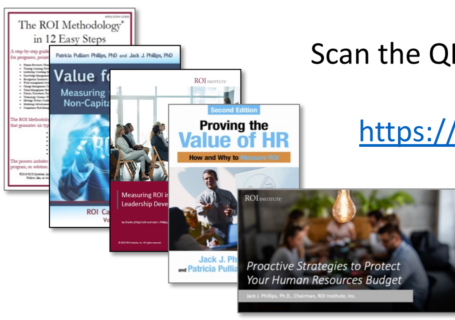

Scan the QR code or visit the link below to receive resources from today's session.
https://roiinstitute.net/ipma-proactive-strategies-to-protect-your-hr-budget/

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Questions?

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Jack J. Phillips, Ph.D.

Jack J. Phillips, chairman of ROI Institute, Inc., is a world-renowned expert on accountability, measurement, and evaluation. A former HR executive, Phillips consults for Fortune 500 companies and major global organizations. The author or editor of more than 75 books, including *Show the Value of What You Do* (Berrett-Kohler, 2022), he conducts workshops and presents at conferences throughout the world.

Jack has been recognized and awarded for his work in the field by numerous professional organizations, including receiving the 2022 Association of Talent Development (ATD) Thought Leader Award. SHRM presented Jack with its highest creativity award for an ROI study and awarded an ROI Institute book with a best book award. His work has been featured in the *Wall Street Journal, BusinessWeek*, and *Fortune* magazine, and he has been interviewed by several television programs, including CNN.

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