



Measuring ROI of Remote Working

Presented by

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Chairman, ROI Institute, Inc.

ROI INSTITUTE®



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The ROI Methodology® in 12 Easy Steps

APPLICATION GUIDE

A step-by-step guide for developing Impact and ROI studies for programs, projects, and solutions in the following areas:

- Human Resources/Human Capital
- Training/Learning/Development
- Leadership/Coaching/Mentoring
- Knowledge Management/Transfer
- Recognition/Incentives/Engagement
- Work Arrangement Systems
- Change Management/Culture
- Talent Management/Retention
- Policies/Procedures/Processes
- Technology/Systems/IT
- Meetings/Events/Conferences
- Marketing/Advertising/Promotion
- Compliance/Risk Management
- Organization Development/Coaching
- Project Management Solutions
- Quality/Six Sigma/Lean Engineering
- Communications/Public Relations
- Public Policy/Social Programs
- Creativity/Innovation
- Ethics/Integrity
- Safety/Health/Fitness Programs
- Environment/Sustainability
- Healthcare Initiatives
- Schools/Colleges/Universities
- Public Sector/Nonprofits
- Faith-Based Programs

The ROI Methodology® is a balanced approach to measurement that generates six types of data:

- Reaction and Planned Action
- Learning
- Application and Implementation
- Impact
- Return on Investment
- Intangibles

The process includes a step to isolate the effects of the project, program, or solution.

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Resources

Second Edition

Proving the Value of HR

How and Why to Measure ROI



Jack J. Phillips, Ph.D.
and Patricia Pulliam Phillips, Ph.D.

Learning Objectives

After attending this session, participants will be able to:

1. Explore how flexible work systems should be implemented and sustained.
2. Identify the success factors for working remotely.
3. Take the necessary steps to show the value of working remotely.



What

Types of Flexible Work Systems

- Work at home full-time
- Work at home part-time
- Flexible hours
- Hoteling
- Office sharing
- Remote office space



**Best Value for
Organizations**

Status of Remote Working

Immersion Into Work from Home (WFH)

- Forty-two percent are working full-time.
- Most enjoy working from home.
- Others have struggled with it.





Employee Perspective: The Positives

- Convenience
- Schedules
- Work-life balance
- Less cost
- Less stress (with commute)
- Job satisfaction

Concerns

- Isolation and loneliness
- Overworking
- Lack of engagement
- Career disconnect
- Trust
- Manager resistance



Employee Perspective: Excuses*

- Magic only happens when we are all in the same room.
- If I can't see them, how do I know they are working?
- People's homes are full of distractions.
- Only the office can be secure.
- Who will answer the phone?
- Big business doesn't do it, so why should we?
- Others will get jealous.
- What about culture?
- I need an answer now.
- But I'll lose control.
- We paid a lot of money for this office.
- That wouldn't work for our size or industry.

*Fried, J. and Heinemeier Hansson, D., *Remote: Office Not Required*, Currency. 2013.





The Dilemma

- Most top executives will require employees to return to work.
- About 30-40% of employees will quit their jobs if they must return to work.

Why

Benefits of Working at Home

Organization

- Retention
- Productivity
- Quality of work
- Less absenteeism
- Sick days
- Cost savings (office)

Employee

- Stress
- Job satisfaction
- Convenience
- Work-life balance

Community

- Less traffic congestion
- Environment

How

Case Study

Large Insurance Company

TARGET GROUP	Number of Employees in Current Position	Number of Employees Interested in Working at Home	Number of Employees Working at Home
Claims Processors	715	259	234
Claims Examiners	235	83	77
TOTAL	950	342	311

Executive Motivation/Concerns

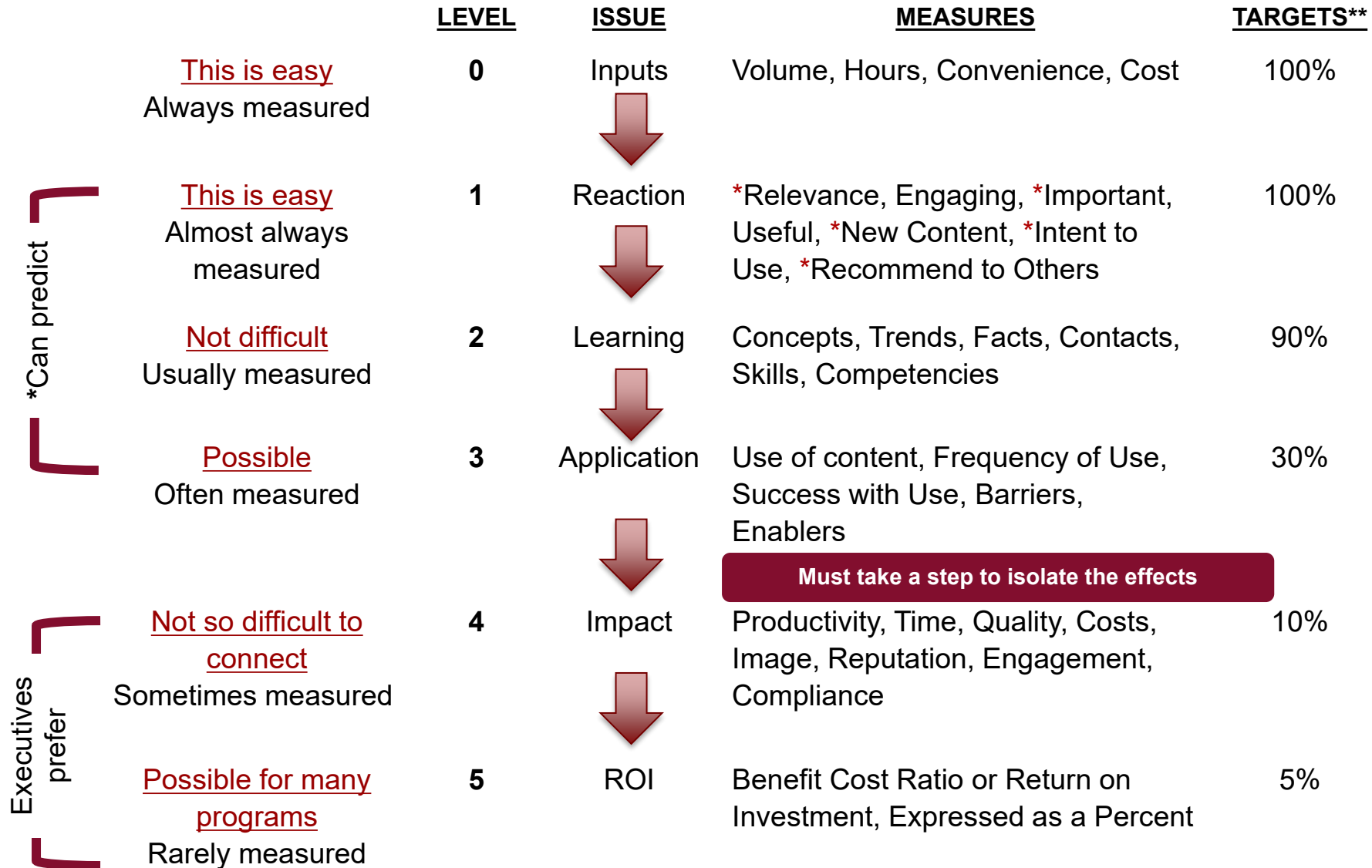
CEO	Environment
COO	Office Space and Productivity
CHRO	Employee Turnover
VP Claims	Manager Resistance
CIO	Security
VP Sales/Marketing	Customer Service
VP Legal	Liability
CFO	ROI Forecast





According to various environmental groups, the number one action a company can take to help the environment is to let employees work at home.

The Value Chain



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

Results

Reaction Data

From Participating Employees

- Rating of 4.6 out of 5 on satisfaction with new work arrangement
- Rating of 4.7 out of 5 on importance of new work arrangement to their success
- Rating of 4.2 out of 5 on the rewarding effect of the new work arrangement
- Rating of 4.1 out of 5 on motivational effect of new work arrangement

From Managers

- Rating of 4.2 out of 5 on importance of the work alternative
- Rating of 4.1 out of 5 on appropriateness of the work alternative
- Rating of 4.3 out of 5 on the need for the work alternative

Results

Learning Data

From Employees

- Rating of 4.0 of 5 on the discipline and tenacity to work
- Rating of 4.1 of 5 on the tenacity to work at home
- Rating of 4.3 of 5 on roles and responsibilities
- Rating of 4.3 of 5 on conditions and regulations
- Rating of 4.2 of 5 on the realities of working at home

From Managers

- Rating of 4.2 of 5 on key elements of the policy for working at home
- Rating of 3.9 of 5 on the confidence to explain policy
- Successful skill practice demonstration on performance discussions – all checked

Results

Application Data

- Ninety-three percent of managers conducted meetings with employees to discuss working at home.
- Thirty-six percent of eligible employees volunteered for at-home work assignments (342 participants).
- In total, 340 home offices were built and equipped properly (two employees changed their minds before establishing an office).
- Work-at-home employees rated 4.3 out of 5 on working effectively at home.
- Ninety-five percent of employees reported that workplace was free of distractions and conflicting demands.
- Managers rated 4.1 of 5 on administering policy properly.
- Managers rated 3.8 of 5 on managing remote employees effectively.

Barriers and Enablers to Success

Barriers	Percent Indicated
Manager support is lacking	18%
Lack of support staff	16%
Communication breakdowns	13%
Career progression is limited	11%
Left out of decisions	9%
IT support is lacking	7%
Lack of social interactions	5%

Barriers and Enablers to Success

Enablers	Percent Indicated
Personal cost savings	89%
Flexibility to schedule	71%
Convenience of work	71%
Work life balance	64%
I have all the tools	54%
Support of manager	31%
Support of staff	14%

Results

Impact Data

Business Performance	Work-at-Home Group	Comparison Group	Change	Number of Participants
Daily Claims Processed	35.4	33.2	2.2	234
Daily Claims Examined	22.6	20.7	1.9	77
Office Expense Per Person	\$12,500	\$17,000	\$4,500	311
Annualized Turnover (Processors and Examiners)	9.1%	22.3%	13.2%	311

Results: Converting Data to Money

Productivity Improvement

- Cost (value) of processing one claim = \$10.00
- Cost (value) of examining one disputed claim = \$12.00
- Daily improvement = 2.2 claims per day
- Daily improvement = 1.9 disputed claims per day
- Annual value = $234 \times 220 \text{ workdays} \times 2.2 \times 10.00 = \$1,132,560$
- Annual value = $77 \times 220 \text{ days} \times 1.9 \times 12.00 = \$386,232$

Office Expense Reduction

- Office expenses in company office: per person \$17,000 annually
- Office expenses at home office: per person \$12,500 first year; \$3,600 second year
- Net improvement: \$4,500, first year
- Total annual value = $311 \times 4,500 = \$1,399,500$

Turnover Reduction

- Value of one turnover statistic = \$25,400
- Annual improvement related to program = 41 turnovers (prevented), first year
- Annual value = $\$25,400 \times 41 = \$1,041,400$

ROI Calculation

Benefit Cost Ratio (BCR)

$$\text{BCR} = \frac{\text{Consulting Monetary Benefits}}{\text{Consulting Costs}} = \frac{\$3,959,692}{\$991,680} = 3.99$$

Return on Investment (ROI)

$$\text{ROI} = \frac{\text{Net Consulting Benefits}}{\text{Consulting Costs}} = \frac{\$3,959,692 - \$991,680}{\$991,680} = 2.99 \times 100 = 299\%$$

Different ROIs

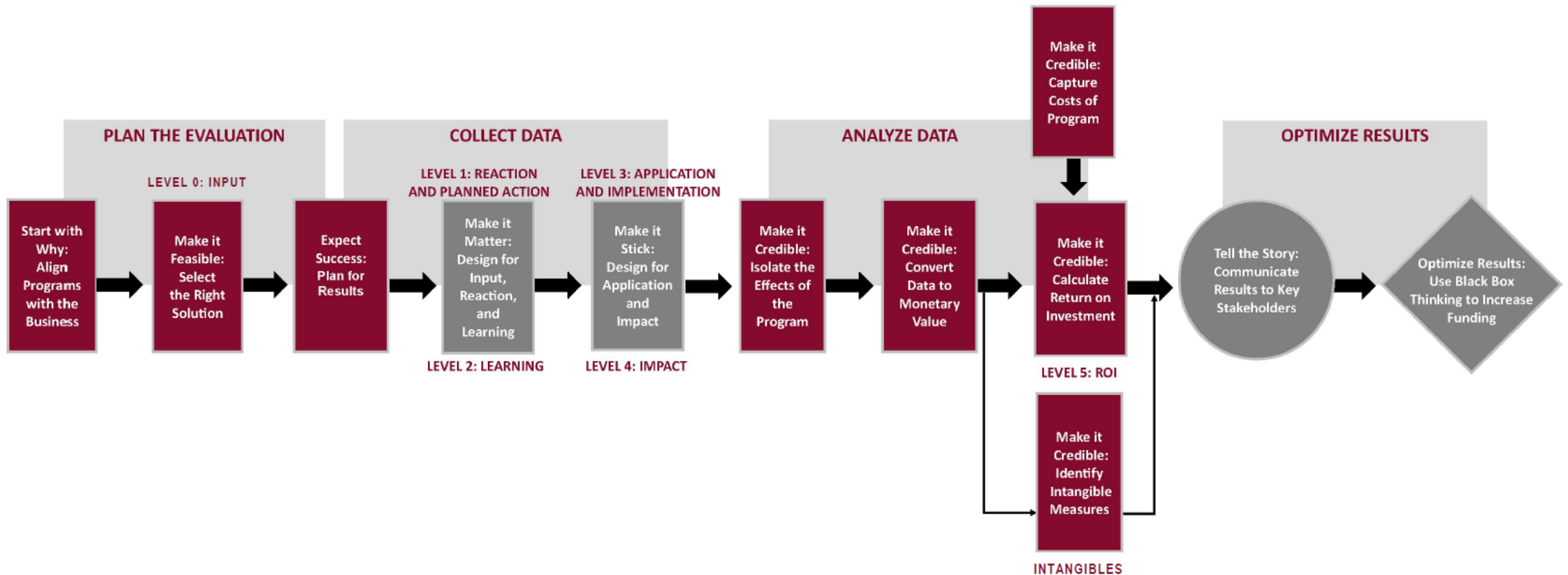
	Forecast	165%
	Objective	25%
	Actual	299%

Results

Intangible Benefits

- Reduced commuting time (1 hour)
- Reduced carbon emissions (1,370 tons)
- Reduced fuel consumption
- Reduced sick leave
- Reduced absenteeism
- Improved job engagement
- Improved community image
- Improved image as an environmental-friendly company
- Enhanced corporate social responsibility
- Improved job satisfaction
- Reduced stress
- Improved recruiting image

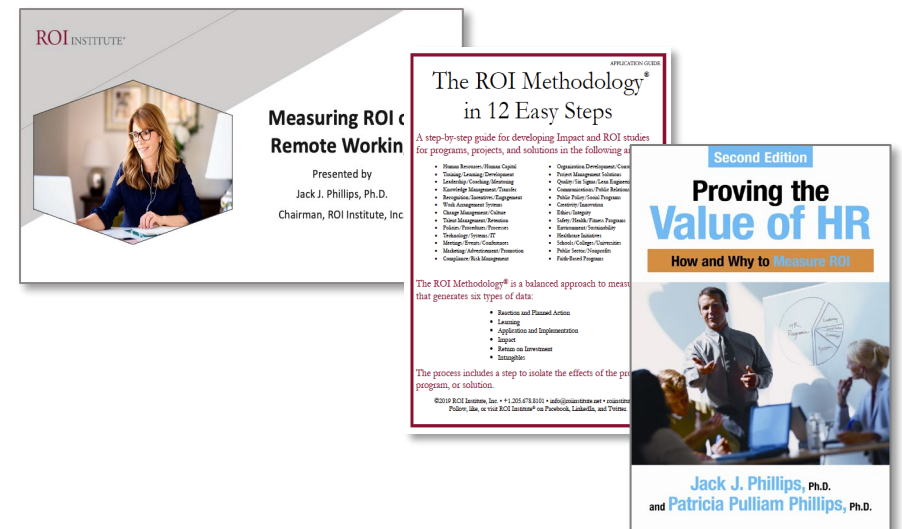
The ROI Methodology®





Visit this page to receive today's resources, including a digital case study from the book, ***Proving the Value of HR: How and Why to Measure ROI, 2nd Edition***.

<https://roiinstitute.net/ispi-measuring-roi-remote-working/>



Live Virtual ROI Boot Camp

May 12, 2021

ROI INSTITUTE®
— GRIFFIN ACADEMY —

During ROI Boot Camp, participants will learn about:

- The benefits and barriers of using ROI.
- The five levels of evaluation.
- Data at multiple levels.
- Isolate the effects of your programs.
- The 12 guiding principles.
- Converting data to money.
- The 12 steps in the ROI Methodology.
- Calculating ROI using the ROI Methodology.

<https://www.roiinstituteacademy.com/live-bottomline-on-roi-boot-camp>



This activity has been approved for 5 HR (General) re-certification credit hours toward aPHR™, PHR®, PHRca®, SPHR®, GPHR®, PHRi™ and SPHRi™ re-certification through HR Certification Institute® (HRCI®)



This Boot Camp has been pre-approved by Training Industry for 5 continuing education recertification hours toward the Certified Professional in Training Management credential.

ROI CERTIFICATION®

2021 SCHEDULED EVENTS

May 3-7 — Blairsville, GA

May 21-June 4 — Live Virtual (Delivered in Arabic)

June 7-18 — Live Virtual (Focused on Healthcare)

June 14-25 — Live Virtual

August 2-6 — Columbus, Ohio

August 3-September 16 — Live Virtual (Delivered in Spanish)

August 30-September 3 — Salt Lake City, Utah

September 13-24 — Live Virtual

September 27-October 1 — New Orleans, LA

October 4-8 — Atlanta, GA

October 18-22 — 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.

Email: info@roiinstitute.net

Enroll: <http://bit.ly/ROICertification>

Call: +1 205.678.8101



This program has been approved for 36 (HR General) Recertification Credit Hours toward PHR, SPHR and GPHR recertification through the HR Certification Institute (HRCI).



This program has been pre-approved by Training Industry for 24 continuing education recertification hours toward the Certified Professional in Training Management credential.

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Questions?