

ROI INSTITUTE®

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The ROI Methodology® in 12 Easy Steps

A step-by-step guide for developing
for programs, projects, and solutions

- Human Resources: Human Capital
- Training: Learning Development
- Leadership: Coaching/Supervision
- Knowledge Management: Knowledge
- Organizational Development: Engagement
- Total Organization: Success
- Change Management: Culture
- Career Development: Succession
- Financial Performance: Metrics
- Technology: Systems/IT
- Selling: Sales/Marketing
- Motivation: Incentives/Compensation
- Compliance: Risk Management

The ROI Methodology® is a balance
that generates six types of data:

- Executive and Financial
- Learning
- Application and Behavior
- Impact
- Return on Investment
- Satisfaction

The process includes a step to isolate
program, or solution.

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Resources

SCAN ME

**ACCOUNTABILITY IN HUMAN
RESOURCE MANAGEMENT**
CONNECTING HR TO BUSINESS RESULTS

Jack J. Phillips • Patricia Pulliam Phillips

**HIGH-IMPACT
HUMAN
CAPITAL
STRATEGY**
ADDRESSING THE 12 MAJOR CHALLENGES
TODAY'S ORGANIZATIONS FACE

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

Performance management in tough times
Take a fresh look at your performance management system to manage remote employees.

By Jack J. Phillips, Ph.D., and Jack J. Phillips, Ph.D.

Make Sure Your Performance Management System Delivers Performance

Jack J. Phillips, Ph.D.
Chairman, ROI Institute, Inc.

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Objectives

After attending this session, participants should be able to:

1. Identify job performance measures.
2. Explain how to measure results at all five levels of outcomes.
3. Design performance management systems to deliver impact and a positive ROI.

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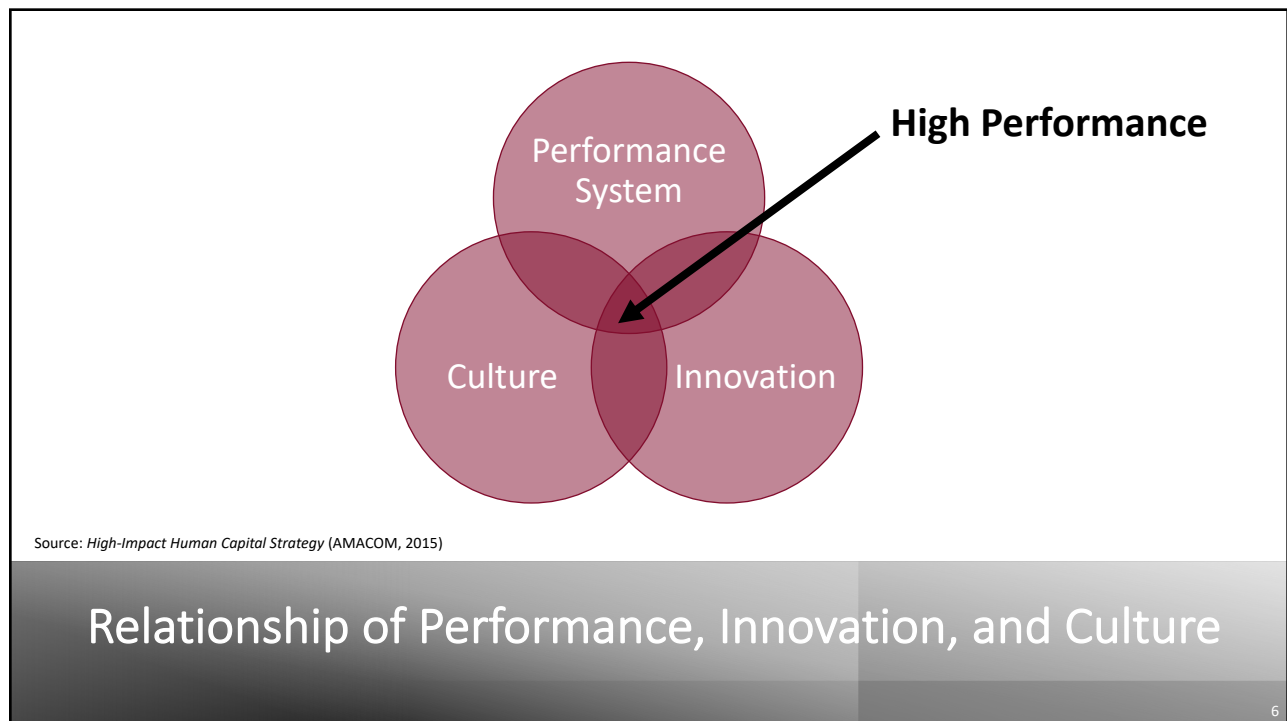
Our employees don't like our performance process. Our managers hate it. And our executives won't support it.

— CEO, UN Agency

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How is work performance measured?

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High-Performance Chain of Impact

Level	Measurement Focus	Typical Measures
0: Inputs ↓	Inputs into the work, including indicators representing resource's scope, efficiency, and costs.	Access to tools, technology, materials, number of people involved, hours of involvement, budget
1: Reaction ↓	Reaction to the work, including perceived value of the work.	Relevance, importance, usefulness, fairness, appropriateness, useful, motivational, necessity
2: Learning ↓	Learning to do the job, including the confidence to be successful.	Skills, knowledge, capacity, competencies, confidence, contacts
3: Application and Implementation ↓	The actions taken, use of tools, knowledge, materials, and system in the work environment.	Extent of use, task completions, frequency of use, actions completed, success with use, barriers to use, enablers to use
4: Impact	The consequences of actions, use of the tools, materials, and system, expressed as business impact measures of output, quality, cost, and time.	Productivity, customers served, revenue, accidents, incidents, quality, errors, cycle times, costs, project completions, efficiency, customer satisfaction, employee engagement

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The Performance Management Shift

Issue	Traditional	New Approach
Executive View	A necessary process	A business driver
Purpose	Documentation, managing poor performance	Performance enhancement
Review Frequency	Once or twice per year	Frequently
Rewards	Closely guarded, rare	Routine, transparent, based on performance
Design Focus	Top down	Bottom up
Goals	Rigid and specific	Smart and flexible
Documentation	Bureaucratic and extensive	Simplified and flexible
Business Alignment	Vague, top-level measures	Specific business measures at the individual level
Evaluation Focus	Measure the process	Specific business measures at the individual level
Preparation	Training for managers	Training for managers, employees, and teams

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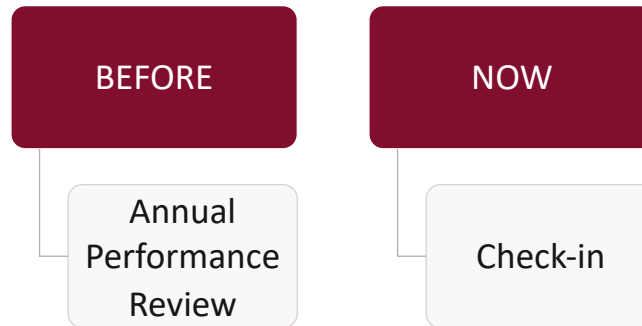
How is your current system working? (Select all that apply.)

- A. It's not supported by senior executives.
- B. Team members are not happy with it.
- C. It could be improved.
- D. It seems to be working appropriately.
- E. It's achieving its purpose.
- F. It's driving business performance.

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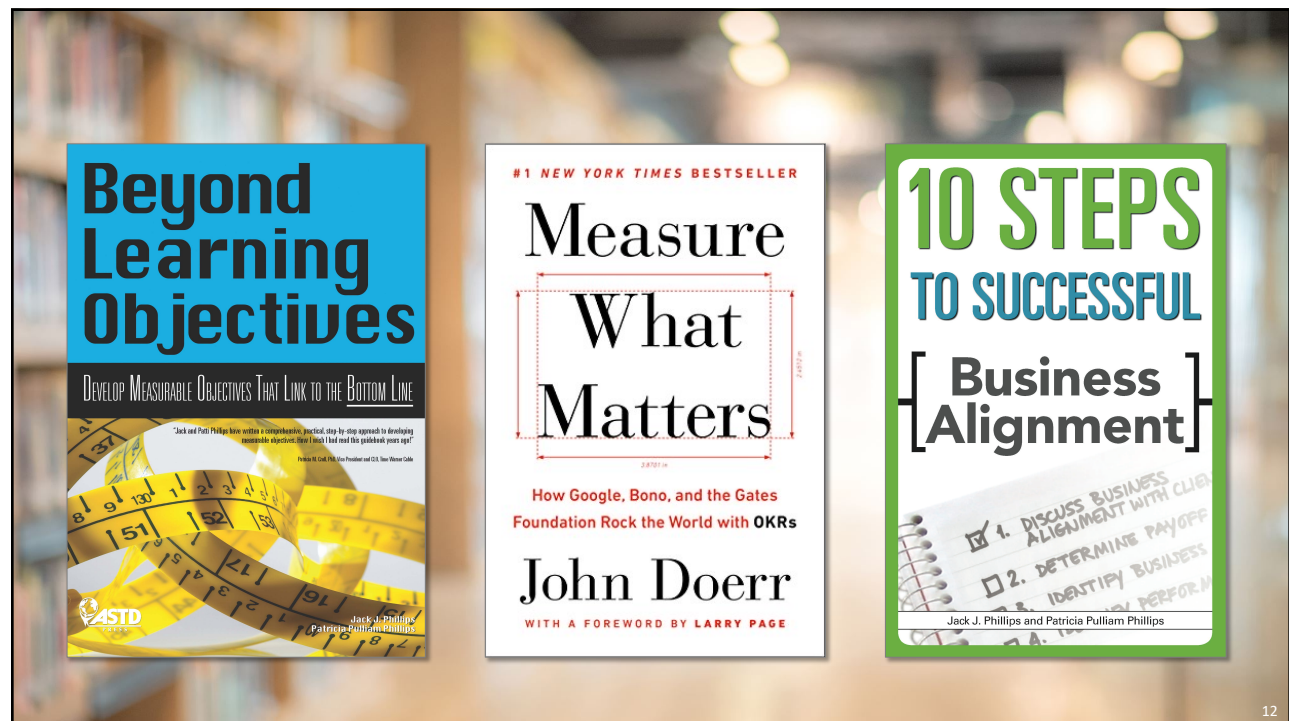
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Adobe Performance Management



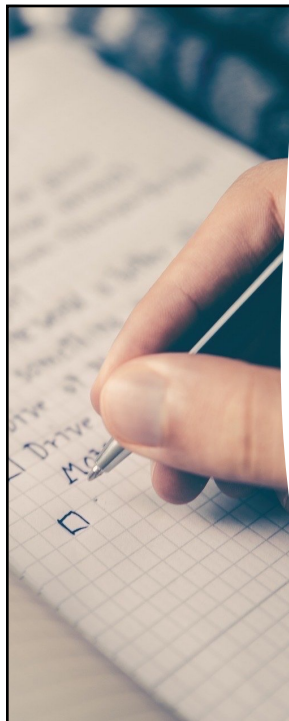
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Rules for Objectives

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 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.
9. Most objectives should be time-bound.

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, Bono, and the Gates Foundation Rock the World with OKRs*. New York: Penguin. 2018.

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- Use the new skill in every situation for which it was designed.
- Conduct a post-audit review at the end of each project.
- Submit a suggestion for reducing costs each quarter.
- Respond to customer inquiries within 15 minutes.
- Continue networking with contacts on (at minimum) a quarterly basis.
- Increase the frequency of use of the leadership portal.
- Increase by 20 percent the number of process checks.

Examples of Application Goals

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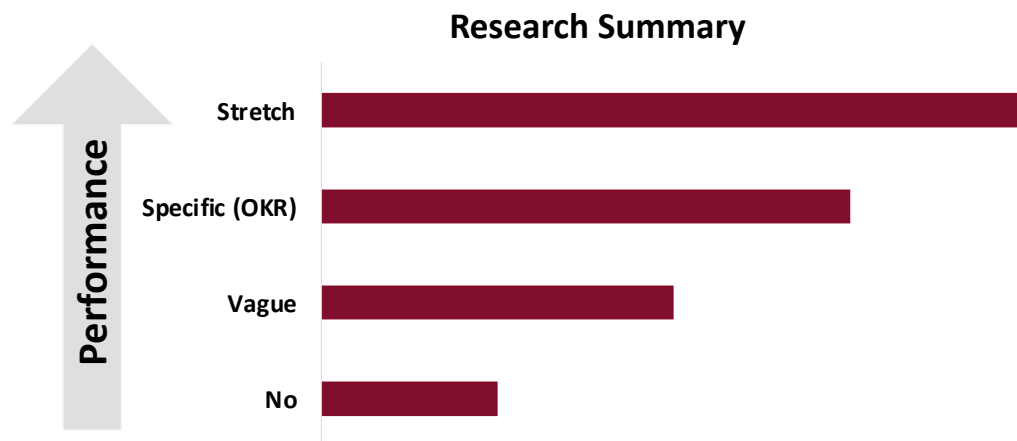
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- Incidents should decrease by 20 percent within the next calendar year.
- The average number of infections should decrease from 10 to five per month.
- Transaction errors should decrease by 25 percent in six months
- Complaints should be reduced from an average of twelve per month to an average of three per month.
- By year-end, the average number of service delivery errors should decrease from 12 per month to four per month.
- Project time should be reduced by 10 percent in one year.
- System downtime should be reduced from three hours per month to no more than two hours per month in six months.

Examples of Business Impact Goals

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The Power of Objectives

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Action Items

Review the System

- Identify reasons for previous failures.
- Start over with a blank page.
- Obtain input from employees and managers.

Design the System

- Secure executive commitment and support.
- Secure support and involvement from managers.
- Define/describe performance.
- Encourage mutual agreement of performance.

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Action Items

Develop the System

- Define measures and precision.
- Make the process flexible with ongoing expectation.
- Document with simplicity in mind.
- Make sure its defensible.

Prepare for the System

- Explain importance of performance management.
- Teach managers, teams and employees.

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Action Items

Execute the System

- Align performance to the business.
- Define roles of managers and employees.

Evaluate the System

- Measure the business contribution of performance management.
- Adjust as needed.

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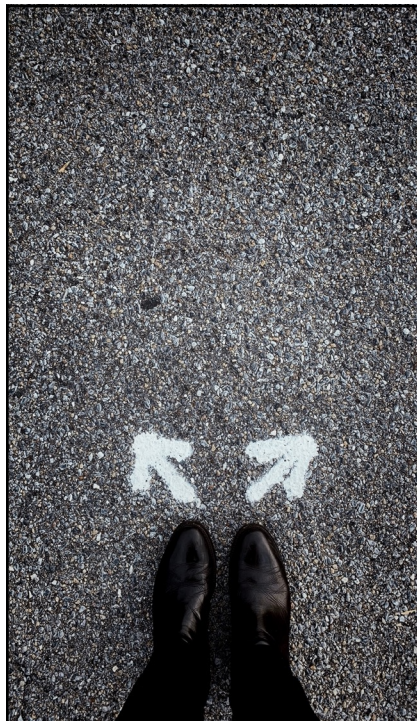
The Value Chain is Always There

	LEVEL	ISSUE	MEASURES	TARGETS**
	0	Inputs	Volume, Hours, Convenience, Cost	100%
	1	Reaction	*Relevance, Engaging, *Important, Useful, *New Content, *Intent to Use, *Recommend to Others	100%
*Can predict	2	Learning	Concepts, Trends, Facts, Contacts, Skills, Competencies	90%
	3	Application	Use of content, Frequency of Use, Success with Use, Barriers, Enablers	30%
	4	Impact	Productivity, Time, Quality, Costs, Image, Reputation, Engagement, Compliance	10%
Executives prefer	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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Be Proactive

Remember, when it comes to delivering results from your performance management system:

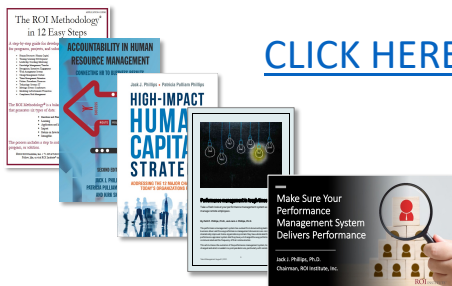
- Hope is not a strategy.
- Luck is not a factor.
- Doing nothing is not an option.

Change is inevitable.

Progress is optional.

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[CLICK HERE](#) or scan the QR code to access resources from today's session.

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Questions?

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