ROI INSTITUTE®

Making Upskilling Work

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

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Learning Objectives

After attending this session, participants will be able to:

1. Describe the need for upskilling.
2. Identify the approaches for upskilling.
3. Take steps to make upskilling focused and successful.
4. Show the value of the upskilling project.

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Resources

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Upskilling Influences
• Technology is now fundamental for many jobs.
• Technology is rapidly changing.
• Digital skill gaps exist for some new employees.
• Other skills are needed to support productivity and efficiency.
• Digital skills gaps exist for some current and new team members.

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Buy, not build
vs.
Build, not buy

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What's the Definition?
• Upskilling
• Reskilling
• Retraining
• New skilling

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Digital Skills

- Digital literacy
- Programming
- Web development
- Software development
- Information technology support
- UX/UI design
- Data visualization
- Digital product management
- Digital marketing
- Social media

https://mint.intuit.com/blog/early-career/upskilling/

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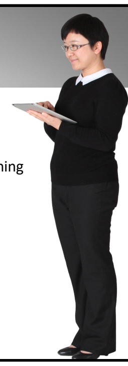
Analytic Skills

- Data science and analysis
- Digital business analysis
- Critical thinking
- Mathematical modeling
- Research
- Problem-solving
- Inductive and deductive reasoning



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Top Soft Skills Desired By Companies

- Creativity
- Persuasion
- Collaboration
- Adaptability
- Emotional intelligence

Other Soft Skills

- Communications
- People skills
- Positivity
- Listening skills
- Social skills
- Curiosity

https://mint.intuit.com/blog/early-career/upskilling/

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Leadership Skills

- Decision-making
- Honesty
- Resilience
- Motivation
- Ability to give constructive feedback
- Commitment
- Delegation
- Risk-taking

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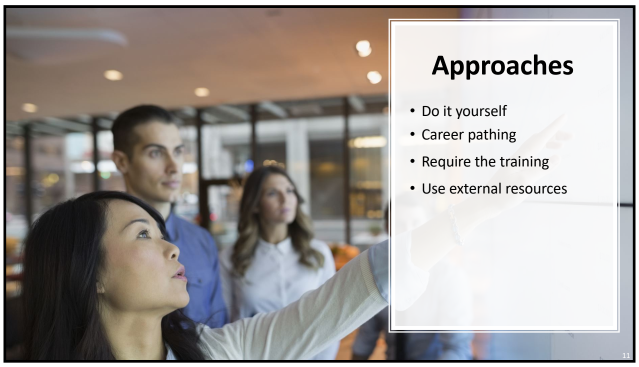

Approaches

- Do it yourself
- Career pathing
- Require the training
- Use external resources

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Poll: where are you on the upskilling journey? (Select all that apply.)

- ❑ Not involved yet
- ❑ Exploring possibilities
- ❑ Have identified needs
- ❑ Implementation has started
- ❑ Fully implemented
- ❑ It's successful

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Expect Challenges

- Identifying skill gaps
- Its not for everyone
- You have to work fast
- There will be resistance
- Learning transfer
- Costs

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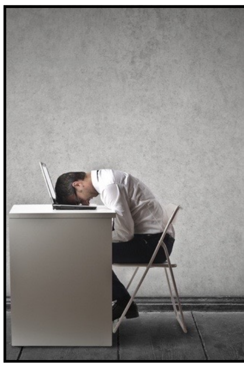

Upskilling and Reskilling are Imperative for Success

The Harvard Business Review (HBR) reports:

- 75% of 1,500 managers surveyed from 50 companies were **"dissatisfied"** with training programs
- 70% of employees say they **aren't taught the skills needed** to do their jobs
- Just **12% of employees apply** what they learn in training to their jobs

https://www.fastcompany.com/90661041/how-rethinking-upskilling-can-help-head-off-the-great-resignation

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Combat Resignation with Regeneration

- In The Face Of The 'Great Resignation,' The Best Thing CFOs Can **Invest In Is Their Employees**
- 94 percent of employees say that they would stay at a company longer if it simply **invested in helping them learn.**
- 64% of learning and development professionals agree that **workplace learning and development** shifted from a "nice to have" to a **"need to have"** in 2021.

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What limits program effectiveness?

Learning for the wrong reason:	Programs reward completion, not business improvement.
Learning at the wrong times:	Timelines are dictated by L&D or HR, not business units. This is problematic because we forget about 75% of what we learn after just six days if it's not immediately applied.
Learning the wrong content:	Courses teach general business competencies, not job-specific skills.
Learning for the wrong people:	Learning and development programs are often self-directed or not led strategically by managers or business units.

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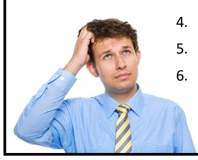
Serious Performance Challenges

True or False?



1. Most learning and development is wasted (not used after a program is conducted).
2. The learning outcome desired by executives is rarely measured in organizations.
3. Most providers do not have data that shows they make a difference in the organization.
4. Most executives see learning as a cost and not an investment.
5. Executives see hard skills as more valuable than soft skills.
6. Hard skills programs usually have higher ROI values than soft skills programs.

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Value Chain

Levels of Evaluation	Measurement Focus	Typical Measures
0. Inputs & Indicators	The input into the project in terms of scope, volume, efficiencies, costs	Participants, Hours, Costs, Timing
1. Reaction & Planned Action	Measures participant satisfaction and captures planned actions, if appropriate	Relevance, Importance, Usefulness, Appropriateness, Intent to use, Motivation to take action
2. Learning & Confidence	Measures changes in knowledge, skills, and attitudes	Skills, Knowledge, Capacity, Competencies, Confidence, Contacts
3. Application & Implementation	Measures changes in behavior or actions	Extent of use, Task completion, Frequency of use, Actions completed, Success with use, Barriers to use, Enablers to use
4. Business Impact	Measures changes in business impact variables	Productivity, Revenue, Quality, Time, Efficiency, Customer Satisfaction, Employee Engagement
5. Return on Investment	Compares project benefits to the costs	Benefit-Cost Ratio (BCR), ROI%, Payback Period

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Issues For Upskilling

Level 0	Input	• Who's Involved • When Are They Involved • How Long Are They Involved • Costs Of The Program
Level 1	Reaction	• Importance To My Success • New Information • Intent To Use • Recommend To Others
Level 2	Learning	• Costs Vs Accuracy • Learning Retention
Level 3	Application	• Learning Transfer • Success With Use
Level 4	Impact	• Tangible Vs Intangible
Level 5	ROI	• Difficult For Macro View

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What is ROI?

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

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

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Case Study—Southeast Corridor Bank: Measuring ROI in Engagement Linked to Retention Improvement

Total Benefit from staffing levels Year 1: $3,172,500
Total Benefit from staffing levels Year 2: $958,800
TOTAL: $4,131,300

Project Costs for Year 1: $941,596
Project Costs for Year 2: $433,200
TOTAL: $1,374,796

Calculate the ROI

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What is ROI?

$$BCR = \frac{\$4,131,300}{\$1,374,796} = 3.01$$

$$ROI = \frac{\$\,4,131,300 - \$1,374,796}{\$\,1,374,796} \times 100 = 201\%$$

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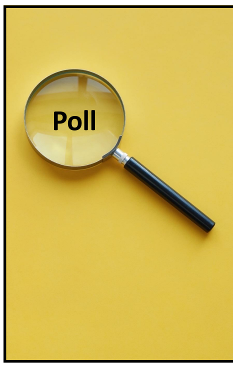

What is your experience with measuring ROI?

A. No experience—never thought about it.
B. I gave it some thought, but no action.
C. I tried it, but it wasn't successful.
D. I tried it and it worked.
E. I have successfully completed several ROI studies.

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Why impact and ROI?

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Impact Of Upskilling

Employer ROI? Employee ROI? Community ROI?

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Employer

To what extent did upskilling influence the following?

1. My productivity
2. The quality of my work
3. The efficiency of my work
4. Job satisfaction
5. My intent to stay with this employer

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Employee

To what extent did upskilling influence the following?

1. Increased income
2. Improved worklife
3. Career satisfaction
4. Personal improvement

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Community

To what extent did upskilling influence the following?

1. Household income
2. Happiness
3. Social capital
4. Employer's image
5. Stress levels

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What CEOs Want

Demonstration of Value

ROI Institute and ATD research show that the data CEOs receive are not demonstrating what they want out of their talent investment. (N=96)

Measures	Currently Measure	Should Measure	Importance
Inputs and Indicators	94%	86%	6
Efficiency	78%	82%	7
Reaction	53%	22%	8
Learning	32%	28%	5
Application	11%	61%	4
Impact	8%	96%	1
ROI	4%	74%	2
Awards	40%	44%	3

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Measurement Targets

*Benchmarking Percentages

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

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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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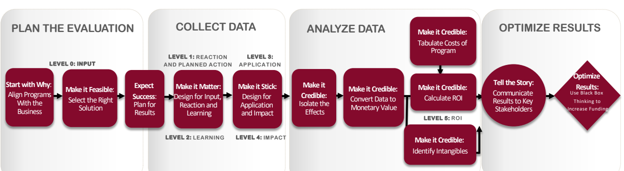
The ROI Methodology Process Model

Designing for the Delivery of Business Results



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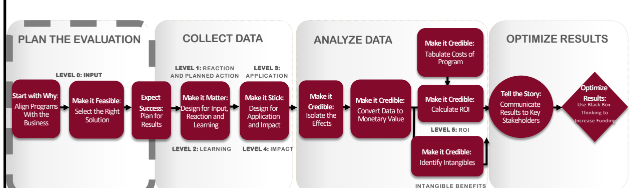
The ROI Methodology Process Model

Designing for the Delivery of Business Results



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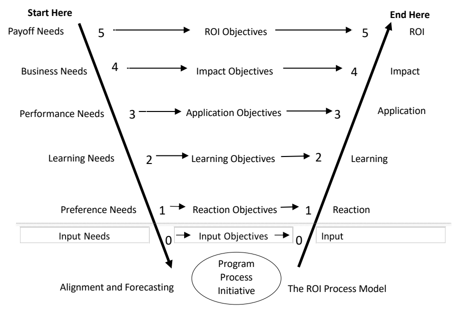
Alignment Model



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Expect Success: Develop Objectives

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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Matching Evaluation Levels with Objectives

After completing this program, participants should:

1.	Decrease citizen complaints by 20% in one year.	4
2.	Use problem-solving skills to uncover product defect causes.	3
3.	Be able to demonstrate the five steps to calm an upset customer.	2
4.	Rate the facilitator 4 out of 5 on presentation skills.	1
5.	Decrease the amount of time required to develop a proposal.	4
6.	Achieve a 20% ROI one year after implementation of sales incentive system.	5
7.	Perceive the content to be relevant their situation (4.5 out of 5).	1
8.	Decrease security breaches 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 75 or better on new strategy quiz.	2
11.	Complete a disclosure form each year as part of the new ethics policy.	3
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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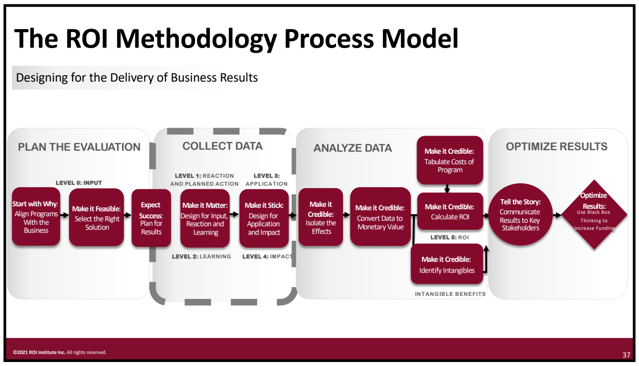
The ROI Methodology Process Model
Designing for the Delivery of Business Results
PLAN THE EVALUATION
COLLECT DATA
ANALYZE DATA
OPTIMIZE RESULTS
LEVEL 0: INPUT
LEVEL 1: REACTION AND PLANNED ACTION
LEVEL 3: APPLICATION
Start with Why: Align Programs With the Business
Make it Feasible: Select the Right Solution
Expect Success: Plan for Results
Make it Matter: Design for Input, Reaction and Learning
Make it Stick: Design for Application and Impact
Make it Credible: Isolate the Effects
Make it Credible: Convert Data to Monetary Value
Make it Credible: Tabulate Costs of Program
Make it Credible: Calculate ROI
Tell the Story: Communicate Results to Key Stakeholders
Optimize Results: Use Black Box Thinking to Increase Funding
LEVEL 2: LEARNING
LEVEL 4: IMPACT
LEVEL 5: ROI
Make it Credible: Identify Intangibles
INTANGIBLE BENEFITS
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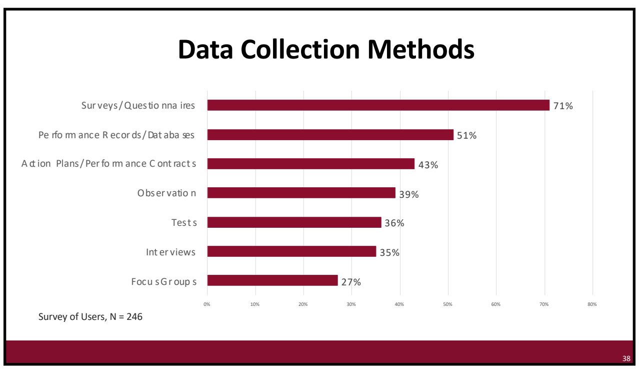
Data Collection Methods
Surveys/Questionnaires 71%
Performance Records/Databases 51%
Action Plans/Performance Contracts 43%
Observation 39%
Tests 36%
Interviews 35%
Focus Groups 27%
0% 10% 20% 30% 40% 50% 60% 70% 80%
Survey of Users, N = 246
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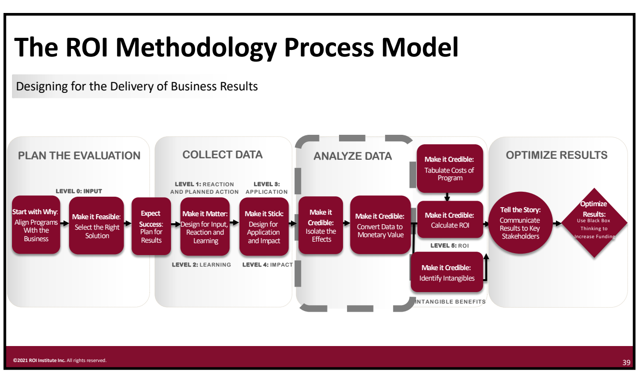
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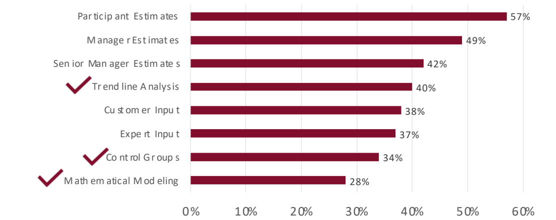
Isolation Methods



Survey of Users, N = 246

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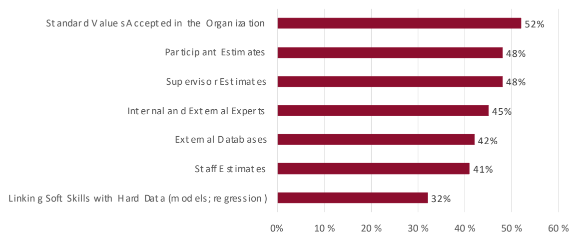
Data Conversion Methods



Survey of Users, N = 246

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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

- ❑ Program materials
- ❑ Instructor/facilitator
- ❑ Facilities
- ❑ Travel, lodging, meals

INDIRECT

- ❑ Needs assessment (prorated)
- ❑ Program development (prorated)
- ❑ Participant time (salaries & benefits)
- ❑ Administrative/overhead
- ❑ Evaluation

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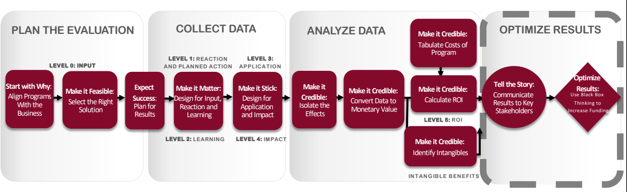
Designing for the Delivery of Business Results



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Upskilling Example: Measuring ROI in a Masters Degree Program

National Security Agency

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EASY ST
It's That Easy

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SCAN ME
Click here or scan the QR code to access the resources from today's session.

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Hosted by Training Magazine Network
Created by ROI Institute, Inc.
Four realities occur in today's learning and development environment, globally.
1. Most top executives want learning and development to be aligned with the business.
2. The concept of ROI is familiar to most people.
3. Connecting learning and development to the business is not that difficult.
4. Thousands of L&D professionals are routinely doing this.
The ROI Learning Center provides tools, templates, and case studies to help prepare you for success in today's environment. Our goal is to take the mystery out of the ROI process.
Start at Level 1 and explore each level at your own pace. Each of the five levels will bring you closer to calculating the ROI of your program or project. There is also a calculator to help you calculate ROI when you have the appropriate data.
https://www.trainingmagnetwork.com/roilearningcenter
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ROI INSTITUTE®
Level 1 Reaction
Level 2 Learning
Level 3 Application
Level 4 Impact
Level 5 ROI
ROI Calculator
Patti Phillips, Ph.D. Chief Executive Officer ROI Institute
Jack Phillips, Ph.D. Chairman ROI Institute

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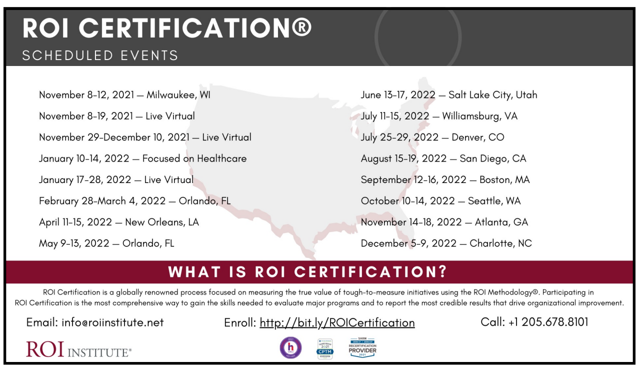
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November 8-12, 2021 — Milwaukee, WI
November 8-19, 2021 — Live Virtual
November 29-December 10, 2021 — Live Virtual
January 10-14, 2022 — Focused on Healthcare
January 17-28, 2022 — Live Virtual
February 28-March 4, 2022 — Orlando, FL
April 11-15, 2022 — New Orleans, LA
May 9-13, 2022 — Orlando, FL
June 13-17, 2022 — Salt Lake City, Utah
July 11-15, 2022 — Williamsburg, VA
July 25-29, 2022 — Denver, CO
August 15-19, 2022 — San Diego, CA
September 12-16, 2022 — Boston, MA
October 10-14, 2022 — Seattle, WA
November 14-18, 2022 — Atlanta, GA
December 5-9, 2022 — Charlotte, NC
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During ROI Boot Camp, participants will learn about:
• The benefits and barriers of using ROI
• The five levels of evaluation
• Data at multiple levels
• Isolating 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.

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