An ROI Case Study

Department of Veterans Affairs Sunshine Healthcare Network

Competency Development for Leaders in the 21st Century

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Given the incredible and volatile challenges of the future, organizations must groom internally identified high performers in order to provide a continuous pool of leaders who can step up to the leadership plate already outfitted with the necessary leadership competencies. In this case study, the Veterans Health Administration's Veterans Integrated Service Network # 8 (VISN 8) recognized the need to develop a pool of future leaders who can potentially succeed its current leaders. Utilizing blended learning, VISN 8 program developers presented a ten-day leadership development program over a period of 6 months to build leadership competencies in eight core areas. They also conducted an impact analysis process to measure the program's organizational impact and return on investment. This analysis process yielded positive results.

This case was prepared to serve as a basis for discussion rather than to illustrate either effective or ineffective administrative and management practices. All names, dates, places, and organization have been disguised at the request of the author or organization. This case is published in *Measuring ROI in the Public Sector*; The American Society for Training and Development and the International Personnel Management Association; Alexandria, VA 2002. Patricia P. Phillips, Editor.

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Background

The Veterans Affairs Sunshine Healthcare Network, also known as the Veterans Integrated Services Network # 8 (VISN 8), is one of 22 veterans healthcare networks throughout the nation under the Veterans Health Administration (VHA). The VISN 8 service area covers South Georgia, the entire state of Florida, Puerto Rico and the U.S. Virgin Islands.

VISN 8 offers a full range of medical, surgical, and mental health services in inpatient, outpatient, nursing home and home care settings. It provides primary, preventive and specialty health care services to 1.7 million men and women veterans who now reside within its service area through an integrated system of seven Veterans Affairs Medical Centers (VAMC),
10 multi-specialty outpatient clinics and 26 primary care community-based outpatient clinics.

The Network's mission is to provide a full continuum of high quality, patient-focused health care to veterans. Its vision is to become the health care provider of choice for veterans in South Georgia, Florida, Puerto Rico and the U.S. Virgin Islands. Commitment, excellence, trust, respect, compassion, innovation and collaboration are the core values that guide the Network's decision-making process and behavior when interacting with its internal and external customers.
The 13,258 full time equivalent employees, sixty percent (60%) of whom are clinical care providers and clinical support staff, give life and meaning to the mission, vision and values of the Network (VISN 8 Application for Quality Achievement Recognition Grant, 2000).

Continuous leadership development is necessary for VISN 8 to remain healthy and able to face the incredible and volatile challenges of the future. By internally identifying and subsequently grooming high performers, the Network will have a pool of leaders ready to step up to the leadership plate already outfitted with the necessary competencies for the job. VISN 8's senior leaders have recognized the importance of a pool of future leaders who can potentially succeed its current leaders. The need for vigorous succession planning stems from the fact that 75% of all Veterans Health Administration employees in leadership positions are eligible for retirement within five years (VA Learning University, 2000). Because succession planning is one of VISN 8's top priorities, Network leaders developed and implemented a VISN-wide leadership development program in fiscal year 2000. The program is called *Competency Development for Leaders in the 21st Century*.

Table 1. Behavioral Expectations of the VHA's 8 Core Competencies

Level 1 Non-supervisory Employees	**Level 2** Immediate Supervisors	**Level 3** Second level Supervisors, Asst. Chiefs, Mgmt. Officials	**Level 4** Service Chiefs or equivalent
Personal Mastery	**Personal Mastery**	**Personal Mastery**	**Personal Mastery**
• Takes time to plan each day's work. • *Participates in training and other self-development activities.* • Demonstrates improvement in behavior and skills needed. • Participates in evaluations of self, others and the organization. • Invests in personal development and growth.	• Has a sense of own career options and preferences • Provides feedback and coaches employees on their development • Seeks feedback on supervisory/coaching skills from supervisees and peers. • Encourages and supports the efforts of employees to develop and grow.	• *Sets aside time each week to reflect on personal/professional development.* • Provides employees with time resources and opportunities to purse self-development, which will contribute to work effectiveness • Models effective management of time and physical/emotional health.	• Inspire and demonstrates passion for excellence in every aspect of work. • Creates a climate where continuous learning and self-development are valued • Seeks continuous feedback about impact on others, through both formal and informal mechanisms.
Interpersonal Effectiveness	**Interpersonal Effectiveness**	**Interpersonal Effectiveness**	**Interpersonal Effectiveness**
• Keeps commitments • Treats all employees with respect regardless of their level, personality, culture, or background • Gives courteous, accurate and complete responses • Expresses thoughts, ideas, and concerns clearly. • Listens attentively to others without interruption. • Seeks accurate information (avoids jumping to conclusions).	• Encourages employees to express their opinions, ideas and concerns and listen emphatically • Effectively involves team members in building consensus. • Shares information readily • Uses negotiation skills to settle conflicts in the work group. • Expresses ideas clearly in writing.	• *Confronts issues that block achievement of goals and mission.* • Encourages shared decision-making. • Regularly coaches staff on their contribution to agency mission and their performance development. • Exhibits the negotiation skills required to achieve cooperation among service line managers, chiefs, or team leaders.	• Gives authority and responsibility to others. • Breaks down barriers to effective communication • Exhibits clear, candid and open communication in meetings, town halls and other interactions • Conducts credible and prudent briefing sessions for Congress or the national media. • Develops collaborative relationships across the Network.

Customer Service	Customer Service	Customer Service	Customer Service
• Highly responsive to requests for help information and services • Seeks to go beyond what the customer requests and do something extra to be helpful • Recognizes co-workers as customers and responds to them accordingly. • Courteous in all interactions with patients, visitors, and co-workers. • Listens to concerns of customers and resolves complaints and concerns effectively and promptly. • Assists customers in making informed decisions.	• Recognizes employees who provide good customer service. • Establishes mechanisms for ongoing customer feedback • Establishes mechanisms for ongoing customer feedback. • Effectively addresses episodes of poor customer service.	• Empower s staff to resolve problems and complaints independently at the lowest level. • Rewards creativity in the pursuit of excellent customer service • Searches for and recognizes "best practices" in customer service. • Uses customer feedback data to continuously plan, provide, and improve products and services. • Highly visible and accessible to all customers, including staff.	• Bases strategic planning on customer feedback and projected needs. • Establishes a customer-oriented culture and promotes hiring of persons who fit that culture • Shares resources across VA in order to serve customers effectively and efficiently ("One VA"). • Breaks barriers which impede good service delivery.
Flexibility / Adaptability	**Flexibility / Adaptability**	**Flexibility / Adaptability**	**Flexibility / Adaptability**
• Willing to learn new procedures and technology • Open to ideas different from one's own. • Looks for better alternatives to "the way we've always done it".	• Handle multiple projects and duties simultaneously, prioritizing as need. • Adapts supervisory style to individual needs of employees. • Respects and deals effectively with other's fears of change. • Fosters flexibility through cross-training and developmental work assignments.	• Understand and applies change management principles • Applies leadership and management skills to newly assigned positions and duties. • Responds to decreases in staffing or increases in workload by involving all parties in restructuring the work.	• Respond to changing priorities and resources with optimism encouraging staff to respond positively and proactively • Stays abreast of, and educates staff about, changing conditions in the healthcare market. • Teaches application of change management principles.
Creative Thinking	**Creative Thinking**	**Creative Thinking**	**Creative Thinking**
• Generates new ideas • Suggest ways to improve quality and efficiency • Demonstrates the willingness and capacity to resourcefully meet internal or external customer needs on the spot. • Tries different ways of accomplishing a task. • Suggests ways to improve quality and efficiency.	• Responds to changing priorities and resources with optimism, encouraging staff to respond positively and proactively • Effectively conducts brainstorming sessions with a team. • Fosters acceptance of creative ideas by others. • Challenges assumptions and the "way we've always done it." • Encourages risk-taking and entrepreneurial behavior.	• Conducts benchmark studies and applies them within the organization. • Reframes problems as opportunities. • Fosters creativity in others, by example and through use of creative-thinking strategies and tools. • Finds ways to change the "system so new and creative ideas can be implemented. • Receptive to challenges to "the way we've always done it".	• Encourages demonstration projects, pilots and other experimental approaches • Champions new ideas and approaches. • Creates new functional processes which lead to the development of revenue streams or other gains in organizational outcomes. • Encourages and rewards risk-taking and entrepreneurial behavior. • Looks beyond current reality to prepare organization for alternative futures.

		• Recognizes and rewards creative thinking.	

Systems Thinking	Systems Thinking	Systems Thinking	Systems Thinking
• Able to explain how one's work contributes to organization mission. • Understands the roles and responsibilities of others in one's work group. • Acknowledges that sacrifices may need to be made in some areas in order to improve overall performance.	• Help staffs to understand the context of their work and how it relates to others, • Considers the impact on others before making changes to a work process. • Creates a climate of collaboration rather than competition.	• Helps staff understand how their function or department relates, and complements, the overall mission of the organization. • Actively communicates with others about how planned changes may affect their work. • Rewards collaborative initiatives in pursuit of organizational goals	• Shares the "big picture" with staff, including the consequences of not thinking holistically • Breaks down barriers and silos in the workplace in favor of high performance work systems. • Understands the needs and complexities of the Network (VISN) healthcare delivery system components. • Recognizes and accepts global consequences of every decision.
Organizational Stewardship	**Organizational Stewardship**	**Organizational Stewardship**	**Organizational Stewardship**
• Builds an atmosphere of trust by being trustworthy • Understands the mission, vision, and values of the organization and acts accordingly. • Speaks favorably of the organization and its people, both at work and in the community. • Provides support to fellow employees in accomplishing mission. • Takes initiative to seek and suggest improvements in how work is done.	• Stays abreast of changes in VA goals, objectives and initiatives • Teaches and practices the mission, vision, and values of the organization. • Takes responsibility for the physical and human resources of the work team. • Leads team-based process improvement activities. • Encourages diversity of opinions, experiences, and cultures	• Helps staff understand how their function or department relates to, and complements, the overall mission of the organization. • Manages toward organizational outcomes within limited budget and staff. • Demonstrates leadership by providing support and resources to staff to enable them to carry out the organizational mission. • Goes the extra mile to ensure that all open positions are filled with the best candidates. • Develops organizational depth by developing individuals.	• Provides a clear vision of the future and leads organization through necessary changes • Demonstrates commitment to the Network's business and strategic plan. • Encourages an atmosphere of trust and empowerment by example. • Demonstrates commitment and accountability to the "One VA" concept. • Models behavior, attitudes, and actions expected of all staff.

Select levels 2 and 3 behaviors were targeted by the Competency Development for Leaders in the 21st Century Program.

Needs Assessment

Developers of the leadership program curriculum used a variety of needs assessment sources. They analyzed local medical center educational surveys to determine educational concerns of current and future leaders. They reviewed the VHA and VISN strategic plans as well as data reflecting the number and ages of employees now and the predicted number in the future. They also carefully reviewed Level 2 and 3 behaviors of the eight core competencies (see Table 1) in relationship to requested needs of employees and to educational experiences already available in the VISN. Lastly, they looked at current educational programs within the VISN designed for leaders. Upon completion of their comprehensive review, curriculum developers discussed their findings with the VISN Director to clearly understand his concerns about developing future leaders and to ascertain the issues he thought needed to be addressed. Developers also held this discussion with the executive leadership at each medical center.

As a result of their analysis, program developers determined that leaders needed skills in all areas of the 8 core competencies, particularly in the areas of organizational stewardship, systems thinking, interpersonal skills and creativity. They also found that leaders were not familiar with new roles such as coaching and the skills required to fulfill these roles. Based on their assessment of the needs in VISN 8, the developers formulated a curriculum that would meet the following criteria: it would influence level 2 and 3 behaviors of the VHA eight core competencies; it would consist of modules spread out over time to allow application of knowledge and skills; it would organize workgroups to work virtually across the network on applying skills learned to a particular "real work" problem; and it would use a variety of interactive strategies including self-assessment, role play and learning maps. The plan involved presenting the 6 modules at paired sites, using local facilitators and videoconferencing in order to reduce travel costs. The overall goals of the curriculum were to provide knowledge and skills that would potentially save time, reduce costs, promote organizational commitment, reduce turnover and improve quality customer service and employee satisfaction. Primarily, the curriculum helped address the VISN's need to identify employees that could be groomed to move into leadership positions.

Program Design, Development and Implementation

In designing the leadership development program, representatives from VISN 8 and the VA Employee Education System (EES) created a 10-day leadership curriculum presented in one-day modules spread over six months. They used the VHA's High Performance Development Model (HPDM) as a framework for eliciting the maximum potential from VA employees. The 8-module HPDM program focused on developing leadership behaviors in eight core competencies: personal mastery, technical skills, interpersonal effectiveness, customer service, flexibility/adaptability, creative thinking, systems thinking and organizational stewardship.

The leadership program designers based learning objectives for each module on behavioral expectations of the eight core competencies for first line supervisor (level 2 behaviors) and service chiefs (level 3 behaviors), sequentially arranging the modules to ensure the orderly building of foundational competencies, such as personal mastery and technical skills. Table 2 shows the eight modules, the key concepts covered in each module, delivery method(s) used and the length of each module.

Table 2. Leadership Program Modules

Module	Major Concepts Covered	Teaching Method	Length
Module 1: Personal Mastery and Technical Skills	Overview of Program High Performance Development Model Four roles of leadership 360-degree assessment Individual Development Planning Learning in the workplace	Facilitator-led, videoconferencing	1 day
Module 2: Interpersonal Effectiveness	Communication Skills Consensus Building Coaching	Facilitator-led, use of video-based program	1 day
Module 3: Systems Thinking	VHA and VISN mission, vision and strategic priorities VISN projects	Face-to-face meeting with all VISN participants	2 days
Module 4: Organizational Stewardship, Parts 1 and 2	Living the VISN's mission and vision Building Organizational Trust Empowerment Team-based process improvement Managing physical, fiscal and human resources	Facilitator-led, use of video-based program, videoconferencing	2 days
Module 5: Customer Service	VISN and Local Customer Service FISH Philosophy	Facilitator-led, use of video-based program	1 day
Module 6: Flexibility/Adaptability	Change management Leadership style	Facilitator-led, use of video-based program, videoconferencing	1 day
Module 7: Creative Thinking	Creativity Futures Planning	Facilitator-led, use of video-based program	1 day
Module 8: Graduation	VISN project presentations	Face-to-face meeting with VISN participants	1 day

Competency Development for Leaders in the 21st Century (FY 2000 curriculum)

During its implementation, the program accommodated 73 participants from all VISN 8 facilities. Four VISN medical center sites simultaneously presented the program through local facilitation, videoconferencing and face-to-face presentations. The highly interactive, application-based training utilized blended learning activities designed to

meet the outcome objectives. By providing job-related assignments, each module allowed participants the opportunity to apply knowledge and skills learned during the program. Discussion pertaining to lessons learned from each assignment occurred at the beginning of each subsequent module.

The program also required each participant to work with cohorts from other sites in resolving a VISN issue or project. The program leaders assigned participants to virtual teams, and encouraged team members to apply the steps of the problem solving process, demonstrate effective interpersonal skills, think creatively and recognize the complexity of the VISN ecosystem.

Participation in the program was competitive in that potential participants had to meet eligibility requirements and submit an application packet with a written note of support from his/her supervisor. The application packet included a questionnaire that required, among other things, that each potential applicant state his/her leadership goals and reasons for wanting to take part. The packet also required that the applicants cite specific examples of leadership activities both within and outside of the VA. Upon review, a committee selected participants based on specific eligibility and selection criteria and the program site coordinator gave them the Four Roles of Leadership 360-degree assessment tool to complete and distribute to their supervisors, direct reports and peers for feedback. The 360-degree assessment, given approximately one month prior to starting the program, provided baseline data regarding each participant's skills in four leadership roles: pathfinding, aligning, empowering and role modeling. It also served as a pre-work activity to help participants start thinking about their own leadership behaviors.

Purpose of Evaluation

The need to measure the program's organizational impact was critical because of the program's comprehensive nature, its strategic importance to the organization's future, and its large commitment of time and dollars. Program developers used an impact analysis process to measure levels 1-5 outcomes. They had to know if the human and fiscal resources allocated for the development and implementation of this VISN-wide program provided any tangible and intangible benefits to the organization.

Evaluation Methodology and Model

Program developers used a five-level evaluation process, based on Kirkpatrick's 4 levels of evaluation and Jack Phillips' ROI process (Phillips, 1997), to assess the organizational impact of this leadership development program. This process allowed them to measure participant reaction and knowledge learned (levels 1 and 2 evaluation) at the end of each module. It also allowed them to measure job application of skills (level 3) and business results impacted by the program (level 4). In addition, this process gave the developers a measurement tool (level 5) to use in calculating the program's return on investment.

Data Collection Methodology

Immediately following each module, program developers administered paper-based questionnaires to collect data about the participants' reactions and key learning (levels 1-2). The module-specific satisfaction surveys collected information about the participants' overall reactions to the module, the program's success in achieving module objectives, the participants' reactions to the instructors, and any other positive or negative comments or suggestions they had about the module.

In addition to the module-specific reaction and learning questionnaires, participants completed a paper-based questionnaire after completion of all 8 modules. This questionnaire collected information about the participants' overall reaction to the entire program as well as feedback about the program design and logistics, program content, their planned action items, the management support they received and their predictions as to the monetary impact of the program on the VA.

Approximately three months after completion of the leadership training, participants completed a follow-up questionnaire designed to collect information about skill application on the job (level 3) and organizational results directly impacted by the program (level 4). They also responded to Likert Scale-type questions measuring their performance both before and after training to quantify their improvements in the skills and behaviors related to the program. Developers compared the baseline before training rating to the after training rating to demonstrate the difference in performance. To determine the extent to which the application of knowledge, skills and behavior learned from the program positively influenced identified key business results (i.e., work output, work quality, response to customers, etc.), developers asked participants to indicate whether the program: (a) had a very significant influence; (b) had moderate influence; (c) had some influence; (d) applied but had no influence; or (e) was not applicable.

Participants completed the Four Roles of Leadership 360-degree assessment one month prior to and six months after completing the program. Program developers aggregated pre- and post-program 360-degree assessment results and compared them to show any improvement in the participants' leadership behavior in the areas of pathfinding, aligning, empowering and role modeling as directly observed by the participants, their supervisors, direct reports and peers.

Approximately 3 months after completion of the leadership program, developers gave participants a follow-up evaluation to collect level 5 data. The ROI calculation used participants' estimates of time saved as a result of applied skills and knowledge gained in the program as they implemented planned actions. Also, the ROI calculation used participants' estimates of the monetary impact of these implemented actions.

Results

Participants reacted positively to this program. They particularly liked the 1-day format and the length of time between each module. Ninety-six percent (96%) of the participants stated they would highly recommend the course to other VA employees. Seventy-six percent (76%) stated that 100% of what they learned in the course was applicable to their job and 81% said that they were very likely to use the skills they learned in the course back on the job. Ninety-four percent (94%) felt that the 360-degree assessments and feedback were helpful to them. Table 3 shows level 1 evaluation data. Although most all the reactions were positive, an issue of concern was that 53% of the participants reported little or no management support in preparation for the program.

Table 3. Selected Level 1 (Reaction) Data

Item	Low	High	Mean
Success with Objectives	3.82	5.00	4.62
Individual Module Ratings	4.37	5.00	4.73
Overall Program Rating			4.9
Instructor Ratings	3.67	5.00	4.61

*based on a 5 point scale

Combined level 1 data for Leadership modules 1-8. Participants reacted extremely positively to the program. Ninety six percent (96%) of the participants stated that they would highly recommend the course to other VA employees. Seventy six percent (76%) of the participants stated that 100% of what they learned in the course was applicable to their job.

Participants mentioned valuable learning (level 2) as a direct result of the program. They frequently identified six key learnings, shown in Table 4. Participants also mentioned key learnings they had hoped for but did not get. These included time management, conducting performance reviews, tools for recruitment and retention and computer skills. The developers decided to address these issues during follow-up training.

Table 4. Selected Level 2 (Learning) Data

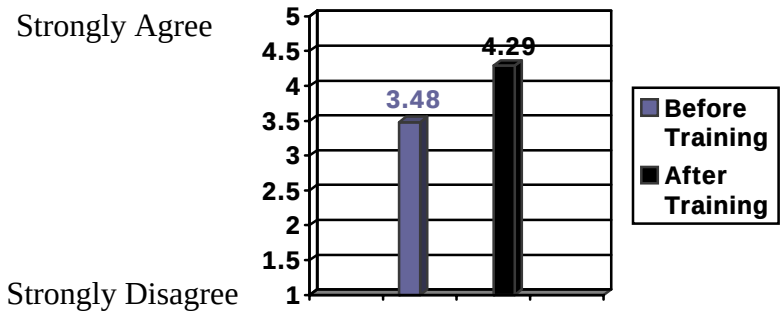
In an open-ended question asking participants to write out what was the most valuable learning to them, the most frequently mentioned items were:

- Improved understanding of how to creatively think and the importance of creative thinking
- Improved self-awareness of strengths and weaknesses
- Improved understanding of the big picture – the whole VA concept
- Improved understanding of how to adapt to change – how to be flexible
- Improved understanding of how to improve communication
- Improved understanding of different leadership styles

Most valuable learning listed in order with the most frequently mentioned learning listed first.

Participants reported improvements in various competencies and specific behaviors targeted by the program (level 3, application). They reported the application of these competencies in the job setting through the implementation of action plans. Participants also identified specific behaviors that improved the most as well as behaviors they continued to have difficulty with after training. Figures 1-3 and Tables 5-6 show selected level 3 results.

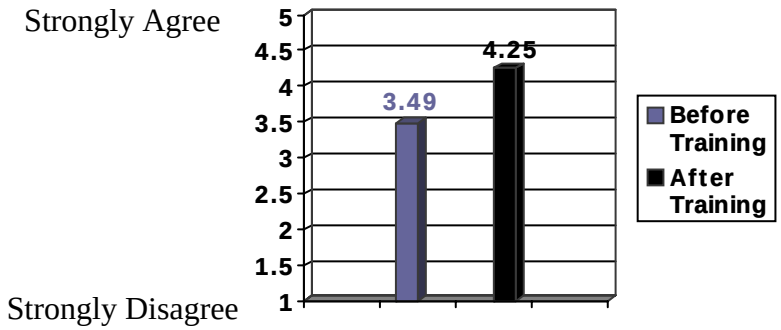
Figure 1. Selected Level 3 (Application) Data



Competency Area – Flexibility/Adaptability

Before and after training results for Flexibility/Adaptability competency. Participants reported greatest improvement in the competency area of Flexibility/Adaptability (16% improvement).

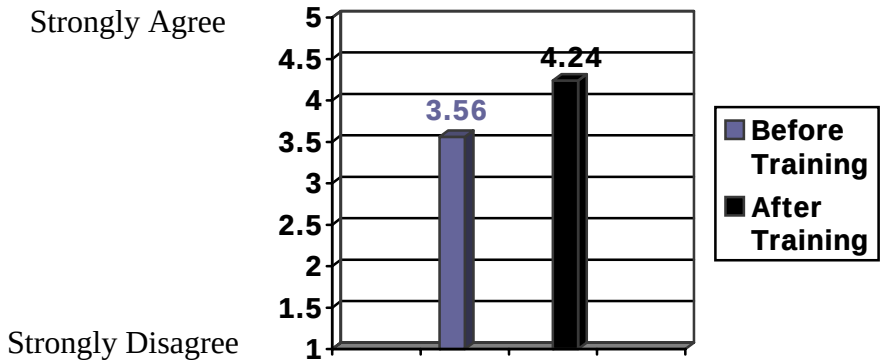
Figure 2. Selected Level 3 (Application) Data



Competency Area – Systems Thinking

Before and after training results for Systems Thinking competency. Participants reported greatest improvements in the competency area of Systems Thinking (16% improvement).

Figure 3. Selected Level 3 (Application) Data



Competency Area – Customer Service

Before and after training results for Customer Service competency. Participants reported a 14% improvement in the competency area of Customer Service.

Table 5. Selected Level 3 (Application) Data

Behaviors participants improved the most:

--Empowering staff members to resolve complaints independently at the lowest level of leadership possible
--Adapting their leadership style to individual needs of employees as changes occur
--Understanding and applying change management principles in their interactions with others
--Considering the impact on others before making changes to work processes

Participants reported greatest improvements in the specific behaviors listed. These behaviors were targeted in Organizational Stewardship, Flexibility/Adaptability and Systems Thinking modules.

Table 6. Selected Level 3 (Application) Data

Behaviors participants were having the most difficulty with after training:

- Acknowledging that sacrifices need to be made in some departments in order to improve the overall performance of the entire organization
- Setting aside time each week to reflect on their personal and professional development
- Being actively involved in one or more professional associations

These behaviors were selected based on the participants' ratings of their after training performance. Items with the lowest after training means were selected as the behaviors that participants still struggle with. These behaviors improved, yet still received a low after training rating. These behaviors were targeted in Systems Thinking, Personal Mastery and Technical Skills modules and relate to time management and interdependent work habits.

The results of the pre and post-training 360-degree assessments revealed significant improvement in scores in the four roles of leadership -- pathfinding, aligning, empowering and role modeling. Table 7 shows aggregated data comparing pre and post-training scores in specific items related to the four roles of leadership.

Table 7. Comparative 360 Degree Assessment Aggregate Data

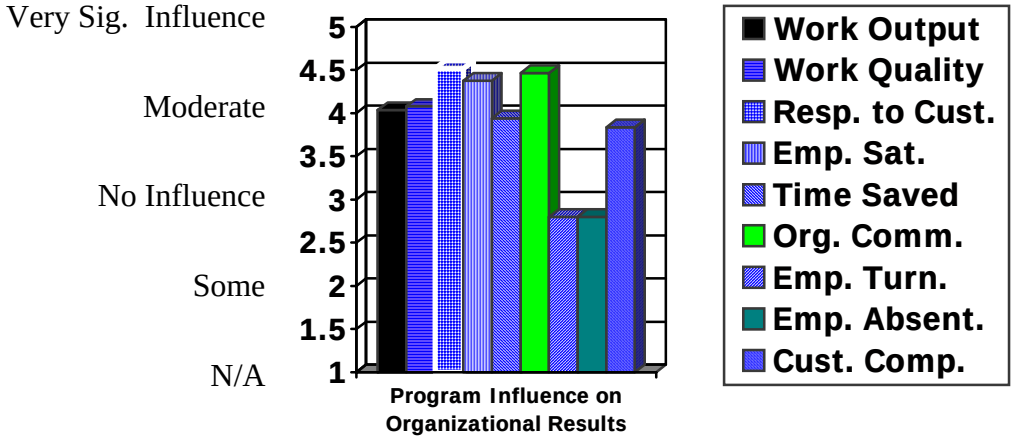
Item Areas	Others Scores	Total Self Scores	Total Timing	Evaluation
2 Mission	84	78	Before Training	
	93	90	After Training	
3 Values	84	78	Before Training	
	93	90	After Training	
11 Rewards	84	81	Before Training	
	92	88	After Training	
16 Competence	84	81	Before Training	
	92	93	After Training	
15 Character	83	78	Before Training	
	92	93	After Training	
5 Strategy	82	76	Before Training	
	92	87	After Training	
8 People	82	69	Before Training	
	92	93	After Training	
9 Information	82	74	Before Training	
	91	88	After Training	
10 Decisions	82	74	Before Training	
	91	87	After Training	
12 Ecosystems	82	78	Before Training	
	91	89	After Training	
14 Win-Win Agreements	82	72	Before Training	
	91	90	After Training	
1 Stakeholders	81	76	Before Training	
	91	92	After Training	
4 Vision	80	78	Before Training	
	90	90	After Training	
6 Process	77	78	Before Training	
	88	91	After Training	
7 Structure	77	74	Before Training	
	88	89	After Training	

13 Leadership Style	76	68	Before Training
	87	85	After Training

Using a 360-degree profile feedback process, participants rated themselves and others (direct reports, peers and bosses) rated the participants pertaining to the participants' performance in the leadership competency areas listed in Table 10. The data shows that both participants and others have observed improvements in all of the leadership competency areas.

Figure 4 shows level 4 evaluation data which indicate that the leadership program had the most positive impact on the organizational results of response to customers, organizational commitment, employee satisfaction, time savings, work quality and work output. Participants reported an average of 4 hours a week saved or gained due to the training they received. They reported that the training had no influence on the organizational results of turnover and absenteeism.

Figure 4. Level 4 data



Participants reported that the leadership program had the most positive impact on the organizational results of response to customers, organizational commitment, employee satisfaction, time savings, work quality and work output. They reported that the training had no influence on the organizational results of turnover and absenteeism.

Isolation Methodology

A paper-based survey conducted three months after completion of the training isolated the effects of the training. In this survey, participants identified key performance areas impacted directly by the training. The developers then asked participants to estimate the percentage of the identified change that was directly due to their participation in the program. Since the use of a control group was not feasible, they used the participants' estimate of the impact to isolate the effects of the training. Developers also attempted a trend line analysis using patient satisfaction survey results; however, they were unable to establish a trend.

Data Conversion Methodology

To identify key organizational results that were impacted by the program, developers used the follow-up evaluation given to participants approximately three months after the program. The developers first asked the participants to identify key business results impacted by the training. In response, the participants identified the following examples of organizational results impacted directly by the program: decreased patient wait time, time savings as a result of applied skills and knowledge gained, increased insurance capture, improved patient care and increased billing. Developers then asked participants to estimate the monetary value of the key organizational results identified and determine their confidence level in the monetary value they assigned to the organizational results. They also asked participants how many hours a week they had saved or gained as a result of the leadership program. Furthermore, they asked participants to estimate the dollar value of their implemented planned actions. Data gathered from this survey were used to calculate the program's benefits. Table 8 shows the program's annualized benefits based on 52 participants who completed the survey.

Table 8. Annualized program benefits

Average time saved/gained annually	208 Hours
Annual savings per 52 people trained (based on $71,762 average annual salary and 28% for benefits)	$478,608
Participants' average estimate (based on increased means test capture, inputting all documentation into computer, decreasing patient wait time in lab draws, not adding two FTEs, increased billing, decentralized pharmacy procedures, better patient care)	$ 1,190,287

Costs

The ROI calculation included all costs incurred by the VISN in the planning, development, implementation and evaluation of the program. The program site coordinators, facilitators, clerical support personnel and program participants outlined the costs related to the program. Because the designers only wanted to determine the return on the VISN's investment, costs incurred by EES were not included in the calculation even though EES contributed a substantial amount towards the development and implementation of the program. EES dollars earmarked for VISN educational activities were taken from the national EES budget, entirely separate from the VISN's budget. Table 9 depicts the summary of program costs.

Table 9. Summary of program costs.

Salary costs for participants (including travel time and benefits)	$ 289,422
Material costs	815
Travel costs	42,534
Meal costs	2,175
Developmental costs	8,128
Presenter fees (including travel	58,143
Evaluation fees	17,000
Overhead costs	41,821
Total Costs	**$ 460,038**

Intangible Benefits

The intangible benefits of the program included improved work quality, faster response to customer needs, increased employee satisfaction, improved organizational communication, decreased employee turnover, decreased employee absenteeism and decreased customer complaints. Prior to the program's implementation, the program developers had anticipated these business results among others. Approximately 3 months after completing the program, program participants verified these intangible benefits through their responses to a paper-based questionnaire, in which they identified the business measures that were positively influenced as a result of the application of knowledge, skills and behavior learned from the program.

ROI Calculation

Participants estimated level 4 organizational result improvements and level 5 financial improvements. The ROI calculation used participants' estimates of time saved as a result of applied skills and knowledge gained in the program as well as the participants' implemented planned actions and the monetary impact of those implemented actions. Table 10 shows the ROI calculations that reveal a return on investment of at least 4% to 159% or $1.04 to $2.59 returned for every dollar spent on the training.

Table 10. Level 5 (ROI) data.

Time Savings:

Average time saved/gained per week	4 hours/week - 208 hours per year
Savings per week per person trained	$177
Savings per year per person trained	$9,204
Savings per year per 52 people	$478,608

trained

BCR = $478,608 ÷ $460,038 = $1.04

ROI (%) = $478,608 – $460,038 ÷ $460,038 = 4%

Participants' Estimates:

Average estimate	$ 1,190,287.15
Basis for monetary estimate of training's impact	Increased means test capture, increased insurance capture, inputting all documentation into computer, decreasing patient wait time in lab draws, not adding two FTEs, increased billing, decentralized pharmacy procedures, better patient care, doing the right things.

BCR = $1,190,287 ÷ $460,038 = $2.59

ROI (%) = $1,190,287 – $460,038 ÷ $460,038 = 159%

The ROI of the leadership program was at least 4% to 159% or $1.04 to $2.59 returned for every dollar spent on the training. The value is based on time savings and participants' estimates of the monetary value of the training.

Communication Process

Timothy Bothell, Ph.D., Director of Impact Analysis of the Jack Phillips Center for Research and Assessment, in collaboration with the VISN 8 leadership program development and implementation team, communicated the results of the ROI study because the impact analysis process was conducted cooperatively by these two groups. Dr. Bothell was the primary researcher for this study and had collaborated with VISN 8 educators and leadership staff before the VISN initiated several ROI studies. He had already established a relationship not only with members of the curriculum development team but also with executive leadership within the VISN. Victoria Clark, who has established relationships with the educators from VISN 8, was the VISN coordinator for the study. Writers of a draft of the final written report first presented it through e-mail to Victoria Clark and to the development group for comments and revisions. Dr. Bothell and the program developers then presented the final report face-to-face to key stakeholders in the VISN - the VISN Director, VISN education liaison, curriculum developers and facilitators, the High Performance Development Model workgroup, and EES representatives. Dr. Bothell and the developers also gave stakeholders a complete written report as well as a PowerPoint presentation. Furthermore, they provided stakeholders with an opportunity to ask questions and make comments during the presentation. The Network Director subsequently communicated the report to Medical Center Directors during the Executive Leadership Board meeting. Through both formal and informal means, VISN 8 developers also shared the findings with the graduates of the leadership program. They also made copies of the report and the PowerPoint presentation available to all key workgroups in the VISN and EES.

Developers of the leadership program believe it was important to communicate to the VISN Director since he communicates the mission and vision for the rest of the Medical Centers. Executive and mid-level management in each facility are important supporters of the curriculum and are responsible for identifying candidates for the curriculum. These leaders are also responsible for the allocation of human and fiscal resources for the hospitals. Educators from each hospital and from the EES are responsible for the overall curriculum development, implementation and evaluation of educational programs.

All communications contained the same basic information included in the Executive Summary report. The executive summary report covered an overview of the program and the ROI study, survey demographics, the methodology used to gather levels 1-5 data, how the effects were isolated, evaluation results, the costs and benefits of the program, the ROI calculation, conclusions and recommendations.

Lessons Learned

Upon completion of each module the developers and facilitators used feedback from the participants to evaluate the module and determine strategies needed to improve the completed module as well as future modules. Lessons learned included the following:

1. Participants initially disliked the videoconferencing sessions. They found those sessions to be less engaging and too long because of the facilitators' attempt to "talk" to each site. Based on that feedback, the VISN 8 developers planned for future videoconferencing sessions to be one hour in length and tried to schedule that hour in the morning. In order to improve the faculty's presentation skills, the program developers provided training on distance learning techniques. In addition, they designed slides and handouts more compatible with distance learning. After determining that VISN 8's current classroom configuration was not conducive to distance learning, the Network has made initial plans to change the rooms and add extra cameras and a chromakey. Financial restraints may prove to be a barrier to this change. Changes made thus far have increased the participant satisfaction with the use of videoconferencing.
2. The initial sessions did not allow time for participants to get to know each other. Time for networking was scant since each session was "packed" with content. Developers added an orientation session to the curriculum the following year to give participants time to get to know each other as well as to introduce the HPDM and expectations of the course.
3. Local site presenters tended to alter the content of the modules based on local issues, thereby threatening the developers' goal of maintaining consistency and quality throughout the Network. The developers, in an effort to ensure consistency and still allow local specificity, added extra facilitator training sessions and identified some critical content areas that could be delivered simultaneously to all sites by videoconferencing so that all participants would hear the same message.
4. The selection committee identified participants primarily based upon actual or potential leadership skills. Employees did not have to be in a management

position to be accepted into the program as long as they met eligibility requirements. Consequently, participants had very diverse management experience. At some sites, this huge disparity in experience limited the learning that usually occurs through discussion. On the other hand, developers also learned that participants with limited leadership background benefited from the program and have perhaps grown more than some of the other participants. For the subsequent program implementation, the selection committees may obtain a better mix of experienced and non-experienced participants through performance-based interviewing.

5. Facilitators presented content that someone else developed. This arrangement posed quality issues among the facilitators. Furthermore, module facilitators (which sometimes differed from module to module) were not able to integrate and connect earlier module content with the current module. Facilitators also needed more in depth training on the content and, in some cases, needed to improve their facilitation skills. The developers, in order to address this issue, decided to have the same facilitators from year to year for module content and to make the site coordinators responsible for linking prior content to the current module. They decided to train new facilitators as co-facilitators.
6. More emphasis was needed on the process improvement methodology and its application to the work area. This, in turn, could provide more data for impact analysis.
7. Participants needed more guidance for their VISN work projects. In the following year, the developers provided a worksheet that guided them through a problem solving process. This provided them with more structure so they could move more quickly on their projects.
8. Graduates need follow-up activities to continue to support their growth and development. The developers are considering using satellite programs selected especially for program graduates. In addition, they are contracting with the University of Alabama in Birmingham for a program on strategic planning. Furthermore, they have invited graduates to be panel presenters to discuss how they have used the 360 profile. Finally, the developers are planning to use graduates as facilitators for future classes and as mentors for future participants.
9. Facilitators need more training on action planning to be able to help the participants develop meaningful action plans.
10. The action plans need to be tracked and could be an important source of data for measuring the impact of the training.
11. All facilitators should go through the 360-degree assessment process so that they understand the tool and how it is being used as an instrument to guide Individual Development Planning for each participant and so they will be able to relate their content to this assessment.
12. Allowing one month between Module 7 and graduation for groups to finish their projects/reports/presentations was best. Allowing two weeks between modules gave time for participants to apply knowledge and skills learned.

Conclusion and Recommendations

The findings of this study were positive. The participants' reaction scores were as high as any ever seen and participants reported improvements in the competencies of the VA's High Performance Development Model. Participants also reported that the program impacted key organizational results. These improvements in organizational results appear to produce a positive return on investment for the program.

The program developers, although extremely satisfied with the overall outcome, believe certain changes to the curriculum design and content would improve the outcomes of the program. The changes needed are driven by the participants' feedback that some of their expectations were not met and that they would like to see some additional content relative to work issues they were facing (i.e., time management, conducting performance reviews, computer training). The participants have also identified some organizational issues serving as barriers to their full application the knowledge and skills gained from the program. Some of the issues mentioned included the lack of management support for training, lack of upward mobility for career tracks, too much workload and too little resources, and the fact that other employees are not on common ground (understanding and vocabulary) because they have not received the training. These barriers will need to be addressed by and with the appropriate stakeholders.

Participants also identified key business results that need improvement, such as customer service, revenue generation, communication, recruitment of the right people for the job, and community involvement. The program developers will need to address these business results by making some modifications in the content of the program.

Questions for Discussion

1. Were the appropriate key measures selected for this study? Why or why not?
2. What were some reasons for this study? What other reasons might there be for the study?
3. If the VISN Director isn't concerned about the ROI of the program, what other reasons would you consider to conduct the ROI study?
4. Should costs incurred by EES be included in the ROI calculation?
5. What other methods of isolating the effects of the program could be used?

The Authors

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At the time of this study, Dr. Timothy W. Bothell was a consultant on Return on Investment for FranklinCovey's Jack Phillips Center for Research & Assessment. He provided consulting services for Fortune 500 companies and facilitated measurement workshops at conferences, public locations, and private locations. His expertise in measurement and evaluation was based in more than seven years of experience with educational institutions and three years experience with corporate clients of many industry types.

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