

Results That Executives (and Others) Will Love

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Objectives

After completing this session, participants should be able to:

- Explore the data sets possible from learning and development, by categories, including ROI.
- Identify the categories that are desired by top executives and other key stakeholders.
- Explain how these measures are derived and developed.
- Pursue a plan to measure results and communicate results to different audiences.

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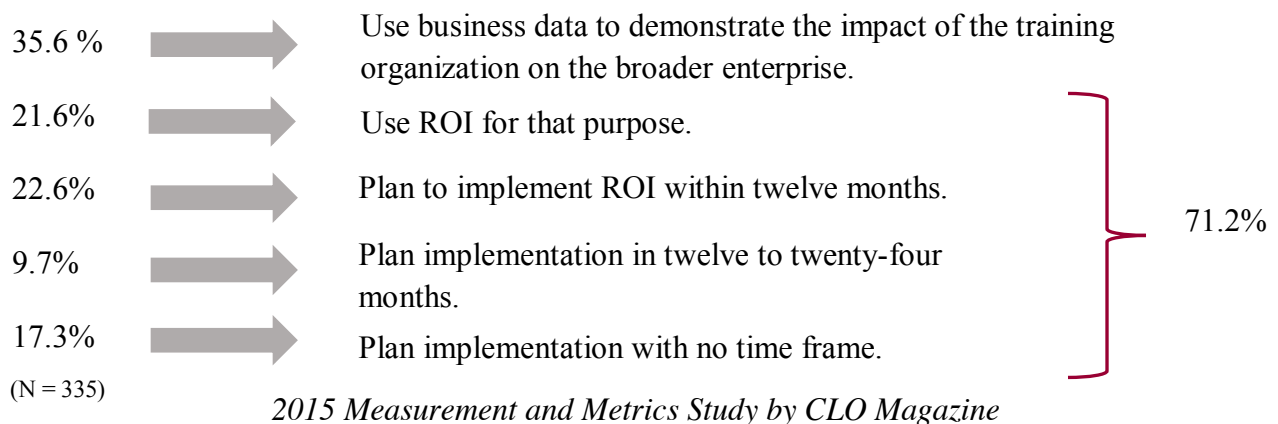
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The Concern: The Executive View

Measure	We Currently Measure This	We Should Measure This in the Future	My Ranking of the Importance of This Measure
1. INPUTS: "Last year, 78,000 employees received formal learning."	94%	85%	
2. EFFICIENCY: "Formal learning costs \$2.15 per hour of learning consumed."	78%	82%	
3. REACTION: "Employees rated our training very high, averaging 4.2 out of 5."	53%	22%	
4. LEARNING: "92% of participants increased knowledge and skills."	32%	28%	
5. APPLICATION: "At least 78% of employees are using the skills on the job."	11%	61%	
6. IMPACT: "Our programs are driving our top 5 business measures in the organization."	8%	96%	
7. ROI: "Five ROI studies were conducted on major programs yielding an average of 68% ROI."	4%	74%	
8. AWARDS: "Our learning and development program won an award from the American Society of Training and Development."	40%	44%	

The Promise: CLOs Use or Plan to Use ROI



Scotland Yard

For the supporters of soft skills, the headline on the front page of the Sunday Telegraph was a nightmare. “Scotland Yard ‘wasting’ £10M on Leadership Training” was the headline for a major story about this hidden expenditure.¹ Despite a requirement for the Mayor’s Office for Policing and Crime to publish all expenditures exceeding £500, the details of Scotland Yard’s £10 million outlay have been kept secret until now.

The Concern

The Metropolitan Police has been accused by its officers of “wasting” £10 million on a leadership training program as the crime rate soars. More than 10,000 officers and staff at the rank of sergeant and above will attend five days’ worth of training courses before the end of the year. A spokesman said that the course cost £5 million a year over two years.

Officers who recently completed the course are understood to have confronted bosses at the end, questioning why the money could not have been used to recruit new police officers, provide police cars, or enhance operational training. The £10 million budget would be enough to fund roughly 1,000 police cars, at a time when the fleet is being reduced to save money, or the yearly salary of more than 400 police officers.

The course – for which staff will be taken off duty for a total of more than 50,000 days – comes amid soaring crime levels in the capital including more than 60 murders this year, with the monthly homicide rate overtaking that of New York. It also comes at a time when the Sunday Times reported in a front-page story, “Under 5% of all burglaries and robberies solved: New shock figures reveal failure of police.”²

The Program

The program is a classic blend of soft skills tools, including, “50,000 hours of one-to-one coaching; five days of full workshops per person; two 360-degree feedback processes per person and one clarity 4D personality profile per person.” The profile test, at a cost of £17 per person, tells someone whether they are a “blue”, “red”, “yellow” or “green” personality. “Yellows”, for example, discover that they are “talkative, expressive, light-hearted, sociable, flamboyant and enthusiastic.”

At the end of the course they were asked to come up with personal “pledges”, such as to do more exercise.

“Police told whether they are ‘red’ or ‘blue’ personalities.”

The training days are being run by Lane4, a management consultancy company founded by the former British swimmer Adrian Moorhouse, an Olympic gold medalist. The company says that their leadership program will help people with “self-development (their identity, self-reflection, their behaviours, their impact on others)” as well as “creating meaning through shared identity.”

¹ H. Dixon. “Scotland Yard ‘wasting’ £10M on leadership training.” *The Sunday Telegraph*. June 3, 2018. 1 -2.

² J. Ungood-Thomas, K. Shveda, S. Joiner, and D. Collins. “Under 5% of all burglaries and robberies solved.” *Sunday Times*. June 17, 2018. 1.

The Reaction

A source who when through the course told The Sunday Telegraph: “Everyone was angry as they felt it was a waste of money and it took us out of borough for two days at a time when we have so much work to do.”

Ken Marsh, the Metropolitan Police Federation chairman, said that all officers wanted was to get on with their jobs. He said: “We are on our knees. Crime is going up, and that is serious crime going up as well, the public are concerned and we haven’t got the resources that we need.”

A Met spokesman said: “As London’s single biggest employer we absolutely must support our leaders by giving them the skills they need to do their jobs. Well-led and well-trained people deliver better, and ultimately that means Londoners get a great service.”

The Met’s summary of the program says it is designed “as a lever to drive positive behaviours and to empower our staff to communicate and engage more effectively.”

Scotland Yard said it was “confident this investment is worthwhile” and it had received positive feedback from many attendees.

A spokesman for the Mayor of London said: “As outlined in the Mayor’s Police and Crime Plan, the Met’s most valuable asset is its people and so it is important that staff have the right training and support to lead the organization.”

Questions for Discussion

1. Is this a typical situation?

2. What went wrong with this program?

3. What should have been the approach?

Hilton Hotels

Hilton Hotels, a well-respected global hotel chain, has survived and thrived in a highly competitive industry. To be one of the leaders in this field requires the executive team to constantly focus on client satisfaction, operational efficiency, revenue growth, and talent retention. To achieve these ambitious annual goals, the talent development team makes available a number of learning processes. Formal programs are available that focus on process improvement. Leadership and management development programs are offered to help drive improvement. A variety of technology and productivity tools are also accessible. And, finally, a successful coaching process, “Coaching for Business Impact,” is available. This coaching process, designed by a prestigious external coaching firm, focuses on business improvement.¹

As part of the process, individuals who are involved in this coaching focus on measures under their responsibility in the areas that represent challenges. Specific business measures are the beginning point of this process, and objectives for the program are developed at four different levels (reaction, learning, application, and impact). Participating in the coaching process is voluntary. With almost 200 of the 500 eligible managers wanting to participate, the top executive team suggested that the talent development group show the business value of this program.

The talent development group agreed and worked with the coaching provider to make sure that the program was focused on business needs. Objectives were developed, and data-collection tools were built into the program. The first 25 participants who signed up for the program were considered to be the sample to measure the actual ROI. Effort was made to ensure that this initial group was representative of the entire group of candidates for the program (performance rating, tenure, job roles, etc.).

The coaching engagement process was altered slightly to ensure that each participant focused on at least three business measures that should be improved as a result. An action planning module was added to support a built-in data-collection process that began with the end in mind (a business measure) and also to show the action steps that would be taken to improve those measures with the support, advisement, and collaboration of the coach. Three action plans were developed as part of the process. Objectives for all five levels, including ROI, are listed in this table.

Level 1. Reaction Objectives After participating in this coaching program, the managers being coached will: 1. Perceive coaching to be relevant to the job 2. Perceive coaching to be important to their performance 3. Perceive coaching to be value added in terms of time and funds invested 4. Rate the coach as effective 5. Recommend this program to other managers and executives Level 2. Learning Objectives After completing this coaching program, the managers being coached should improve their skills for each of the following: 1. Uncovering personal strengths and weaknesses 2. Translating feedback into action plans 3. Involving team members in projects and goals 4. Communicating effectively 5. Collaborating with colleagues 6. Improving personal effectiveness 7. Enhancing leadership skills Level 3. Application Objectives Six months after completing this coaching program, managers being coached should: 1. Complete the action plan for application and impact. 2. Adjust the plan as needed for changes in the environment.	Level 3. Application Objectives (continued) 3. Show improvements on the following items: a. Uncovering personal strengths and weaknesses b. Translating feedback into action plans c. Involving team members in projects and goals d. Communicating effectively e. Collaborating with colleagues f. Improving personal effectiveness g. Enhancing leadership skills 4. Identify barriers and enablers to success. Level 4. Impact Objectives After completing this coaching program, managers being coached should improve at least three specific measures in the following areas: 1. Sales growth 2. Productivity/operational efficiency 3. Direct cost reduction 4. Retention of key staff members 5. Customer satisfaction Level 5. ROI Objective The ROI value should be at least 25 percent.
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With this in mind, the project began, and the rest, as they say, is history. The project generated a positive ROI of 221%.

This true story reinforces the importance of setting expectations for success early. The participants (executives) knew that success was necessary and possible all the way to the business value. Objectives were set to push the program through the different levels all the way to the impact and financial ROI levels. The coaches connected the engagement to business impact. The designers built tools into the process to facilitate completing the actions and document the business impact, showing the success at the end. Essentially, the program was designed to drive success. The coaches expected business success, the participants were willing to deliver business success, designers and developers designed for business results, and the executives expected success. There was no mystery about what this program should achieve.

Designing for Results

1. **Start with Why:** Aligning Programs with the Business

- Alignment is the key
- Is it a problem or opportunity?
- Need specific business measure(s)

2. **Make it Feasible:** Selecting the Right Solution

- What are we doing (or not doing) that's influencing the business measure?
- How can we achieve this performance?

3. **Expect Success:** Designing for Results

- Set objectives at multiple levels
- Redefine success of learning
- Expand responsibilities

4. **Make It Matter:** Designing for Input, Reaction, and Learning

- Focus on the objectives
- Think about ROI
- Make it relevant
- Make it important
- Make it action-oriented

5. **Make it Stick:** Designing for Application and Impact

- Focus on objectives
- Ensure transfer of learning
- Design application tools
- Collect data

6. **Make it Credible:** Measuring Results and Calculating ROI

- Isolating the effects of programs
- Converting data to money
- Tabulating Costs
- Calculating ROI

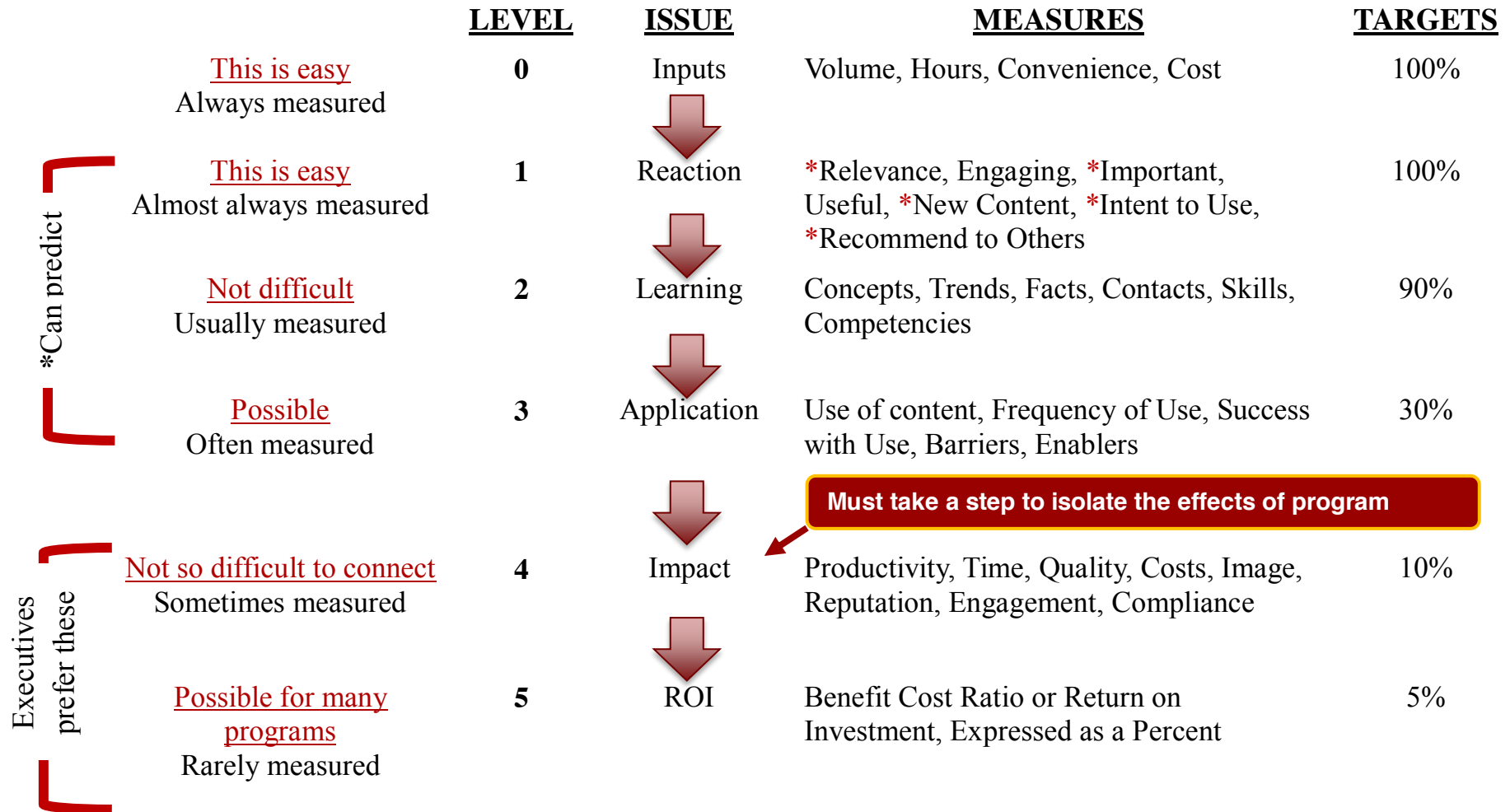
7. **Tell the Story:** Communicating Results to Key Stakeholders

- Define audience
- Identify why they need it
- Select method
- Move quickly
- Consider one page summary

8. **Optimize Results:** Using Black Box Thinking to Increase Funding



The Value Chain



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

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What's Your Business?

The Possible Measures

Your choice	Value Description	Rank	Measure Now	Executive Rank	Percent Measured Now	Best Practice
	"Serve the largest number of people with the least amount of disruption and cost."					100%
	"Participants are engaged, enjoy the programs, and see their experience as valuable."					100%
	"Participants are learning the latest information and skills to make this a great organization."					90%
	"Participants leave the center, take action, use the content, and make important changes."					30%
	"Participants are driving important business measures and having an impact in their work units and the organization."					10%
	"Participants and the organization have a positive return on the investment of their time and the resources of the center."					5%

1. As a first step, in the box to the left of value description, check the one (only one) that is the most important to you.
2. As a second step, rank each of these statements, in the "Rank" column, including all that apply. Place a number one for the item that you would consider your most important measure of success of your learning programs, and continue numbering until the least important measure has the highest number next to it.
3. In the next column, check the statement that defines the categories that you are measuring now. For example, if you are counting the number of people, time at the center, and the costs, check the first item.
4. In the next column, indicate how your executives would rank these data items in terms of what is valuable to them, one to six, with one being the most valuable and six, the least valuable.
5. In the next column indicate the percentage of programs measured annually now at each of the levels.
6. The best practice profile is in the last column, representing the percentages of programs evaluated at each level each year. Usually the current versus best practice reveals very significant gaps.

Now, let's put common labels on these items. The very first label is what is often referred to as Level 0, Inputs, making sure you have many people through the system efficiently. The next is Level 1, Reaction, ensuring that people are reacting properly to the learning programs. Level 2, Learning, is next, where participants are acquiring knowledge and skills. The next is Level 3, Application, as individuals leave a program and take action, using the content. Obviously, this is where a learning team feels that they lose control of the process. (In reality, they have much influence on it). Finally, the next two levels are very important with Level 4, Business Impact connected to the learning and Level 5, the Return on Investment (ROI) in major learning programs.

Matching Evaluation Levels with Objectives

Instructions: For each objective listed below, indicate the level of evaluation at which the objective is aimed.

- Level 1: Reaction
- Level 2: Learning
- Level 3: Application
- Level 4: Business Impact
- Level 5: Return on Investment



Objective	Evaluation Level
After completing this program or project, participants should:	
1. Decrease citizen complaints by 20% in one year.	_____
2. Use problem-solving skills to uncover product defect causes.	_____
3. Be able to demonstrate the five steps to diffuse a conflict, given two individuals in a heated argument.	_____
4. Rate the facilitator 4 out of 5 on presentation skills.	_____
5. Decrease the amount of time required to develop a proposal.	_____
6. Achieve a 20% ROI one year after implementation of flexible work system.	_____
7. Perceived the content to be relevant to job situations (4.5 out of 5).	_____
8. Decrease security breaches by 25% in six months.	_____
9. Conduct a proper investigation using the seven-step process in 95% of complaint situations.	_____
10. Score an average of 75 or better on new strategy quiz.	_____
11. Complete a disclosure form each year as part of the new ethics policy.	_____
12. Use all ten negotiation skills in at least 50% of negotiation situations.	_____

How do Level 3 and Level 4 objectives provide benefit? To whom?

Status of Measurement				
Level	Measurement Category	Current Status*	Best Practice	Comments About Status
0	Inputs/Indicators Measures the number of programs, participants, audience, costs, and efficiencies.	100%	100%	This is being accomplished now
1	Reaction and Planned Action Measures reaction to, and satisfaction with, the experience, contents, and value of program.	100%	100%	Need more focus on content and perceived value 79% †
2	Learning Measures what participants learned in the program – information, knowledge, skills, and contacts (takeaways from the program).	30 – 40%	80 – 90%	Must use simple learning measures 54% †
3	Application Measures progress after the program – the use of information, knowledge, skills, and contacts.	10%	30%	Need more follow-up 31% †
4	Business Impact Measures changes in business impact variables such as output, quality, time, and cost-linked to the program.	5%	10%	This is the connection to business impact 14.4% †
5	ROI Compares the monetary benefits of the business impact measures to the costs of the program.	1%	5%	The ultimate level of evaluation 4.3% †

* Percent of Programs Evaluated at This Level

† Best Practice Benchmarking (user for 5 plus years)

» **Add your numbers in each box**

EXERCISE:

What concerns do you have about these percentages?

Example of a One Page Executive Summary

Leadership Development: Precision Manufacturing

The Leadership Challenge

- 4 day workshop with actions plans and support tools
- Each participant selects 2 KPIs to improve using the competencies with his or her team.

Target:

First Level Managers 970
Sample 72
(18 managers, 4 groups)

Reaction – Objectives Met

Relevance	✓
Important	✓
Intent to use	✓

Application Objectives on a 5 point scale

Extent of use	4.3
Frequency of use	4.5
Success with use	3.9

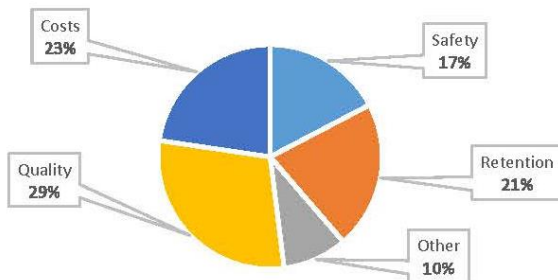
Barriers

Not enough time	23%
Lack of support	18%
Doesn't fit	14%
Other	10%

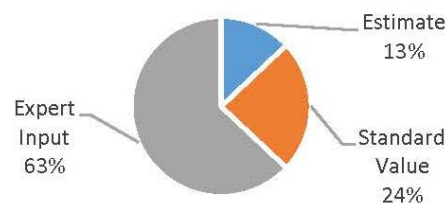
Learning Objectives Met Pre- Post- Improvements

1. Communicate values and beliefs	48%
2. Focus on key values through actions	57%
3. Build collaboration teamwork and trust	42%
4. Strengthen others abilities to excel	69%
5. Inspire others to share a common vision	53%
6. Recognize the accomplishments of others	67%

Impact Objectives Two Objectives Each Participant



Method of Converting Data to Money



Costs – Direct \$355,370
Indirect – Prorated \$9,890
Total \$365,260

Total Monetary Benefits = \$538,640

BCR = 1.47

ROI = 47%

Intangibles

Engagement

Satisfaction

Stress

Methods of Isolation: Participant Allocation Adjusted for Error