



Proving the Value of Soft Skills

Patti P. Phillips, Ph.D.
CEO, ROI Institute, Inc.

Learning Objectives

After attending this session, participants will be able to:

1. Explain the value chain for soft skills.
2. Describe the need to show impact and ROI for major programs.
3. Design soft skills programs to deliver impact and ROI.
4. Explain how to measure program results at all five levels of outcomes.





ROI INSTITUTE®



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APPLICATION GUIDE

The ROI Methodology® in 12 Easy Steps

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

<ul style="list-style-type: none"> • Human Resources/ Human Capital • Training/ Learning/ Development • Leadership/ Coaching/ Mentoring • Knowledge Management/ Transfer • Organizational Initiatives/ Engagement • Work Arrangement Systems • Change Management/ Culture • Talent Management/ Retention • Policies/ Procedures/ Processes • Technology/ Systems/ IT • Meetings/ Events/ Conferences • Marketing/ Advertising/ Promotion • Compliance/ Risk Management 	<ul style="list-style-type: none"> • Organizational Development/ Coaching • Project Management Solutions • Quality/ Six Sigma/ Lean Engineering • Communications/ Public Relations • Public Policy/ Social Programs • Customer/ Satisfaction • Ethics/ Integrity • Safety/ Health/ Fitness Programs • Entrepreneurial/ Sustainability • Healthcare Initiatives • Schools/ Colleges/ Universities • Public Sector/ Nonprofits • Public-Private Partnerships
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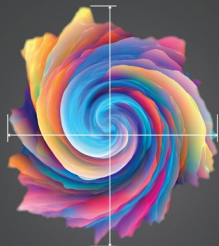
The ROI Methodology® is a balanced approach to measurement that generates six types of data:

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

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

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**PROVING THE
VALUE OF
SOFT SKILLS**

measuring impact and calculating roi



Common Soft Skills Training Programs

- Effective Interviewing Skills
- Communication Skills
- Teamwork & Collaboration
- Outstanding Customer Service
- Empathetic Listening Skills
- Problem Solving & Critical Thinking
- Building An Inclusive Culture
- Developing Emotional Intelligence
- Coaching For High Performance
- Becoming An Engaging, Inclusive Leader
- Delivering Presentations For Results
- Writing With Impact
- Conflict Resolution Skills
- Building Agile Teams
- Dealing With Difficult People
- Customer Service Skills
- Leadership Development
- Management Development
- Supervisor Development
- Executive Development

Soft Skills Are Just as Important Now...

- In research by the World Economic Forum, **91%** of the 5,000 talent professionals in 35 countries who were surveyed believe that the **lack of soft skills** (creativity, persuasion, collaboration, adaptability, and time management) is the key trend impacting the workplace.
- In that same study, **92%** say that **soft skills are just as or more important** than hard skills.

Serious Challenges for Soft Skills

True
or
False?

1. Most soft skills are wasted (not used after a program is conducted).
2. The soft skills outcome desired by executives is rarely measured in organizations.
3. Most soft skills providers do not have data that shows they make a difference in the organization.
4. Most executives see soft skills 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.





Do Business
Leaders Want
The Analysis?

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

Evaluation Framework

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

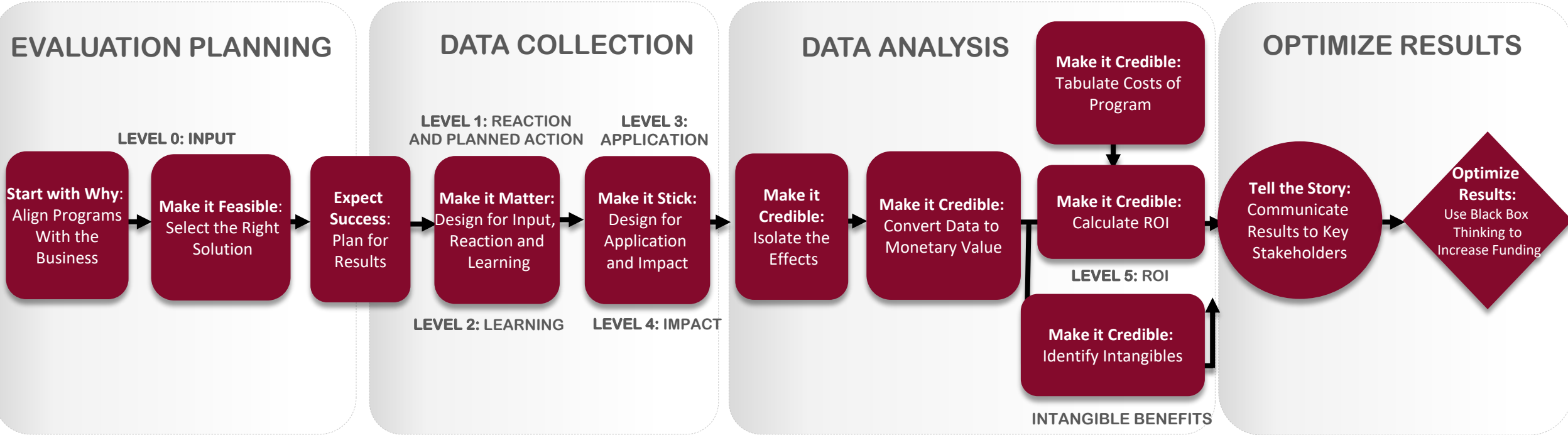
What is ROI?

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

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

The ROI Methodology Process Model

Designing for the Delivery of Business Results



*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

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

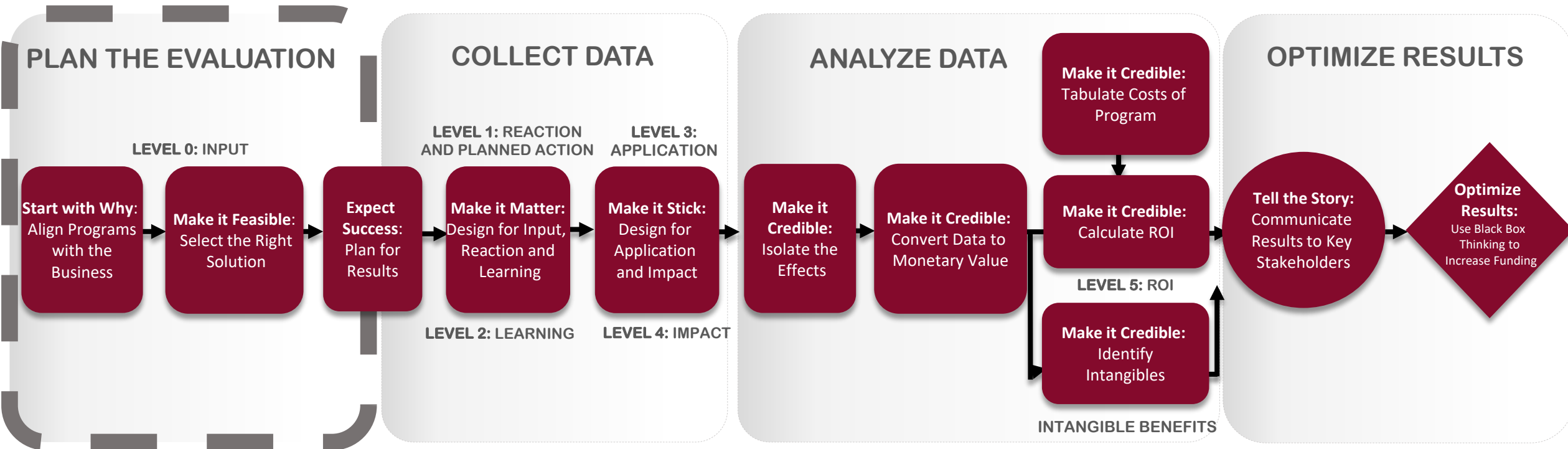


Size of target audience



Investment of time required

The ROI Methodology[®]





**Is it connected
to the business?**

**Is it the right
solution?**

- Examine the data and records.
- Initiate the discussion.
- Reference a case study.
- Use benchmarking from similar solutions.
- Use evaluation as the hook.
- Involve others in the discussion.
- Discuss disasters in other places.
- Use diagnostic tools.

Have a Discussion and Use Diagnostic Tools

Feasible solutions evolve through the understanding of context, empathizing with the target audience, and identifying performance gaps. The next step is to identify learning needs and how best to deliver relevant information. Forecasting outcomes based on inputs is sometimes helpful.

- Statistical process control
- Brainstorming
- Problem analysis
- Cause-and-effect diagram
- Force-field analysis
- Mind mapping
- Affinity diagrams
- Simulations
- Diagnostic instruments
- Focus groups
- Probing interviews
- Job satisfaction surveys
- Engagement surveys
- Exit interviews
- Exit surveys
- Nominal group technique



Expect Success: Developing Objectives for Each Level

Levels of Objectives	Focus of Objectives
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 the 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

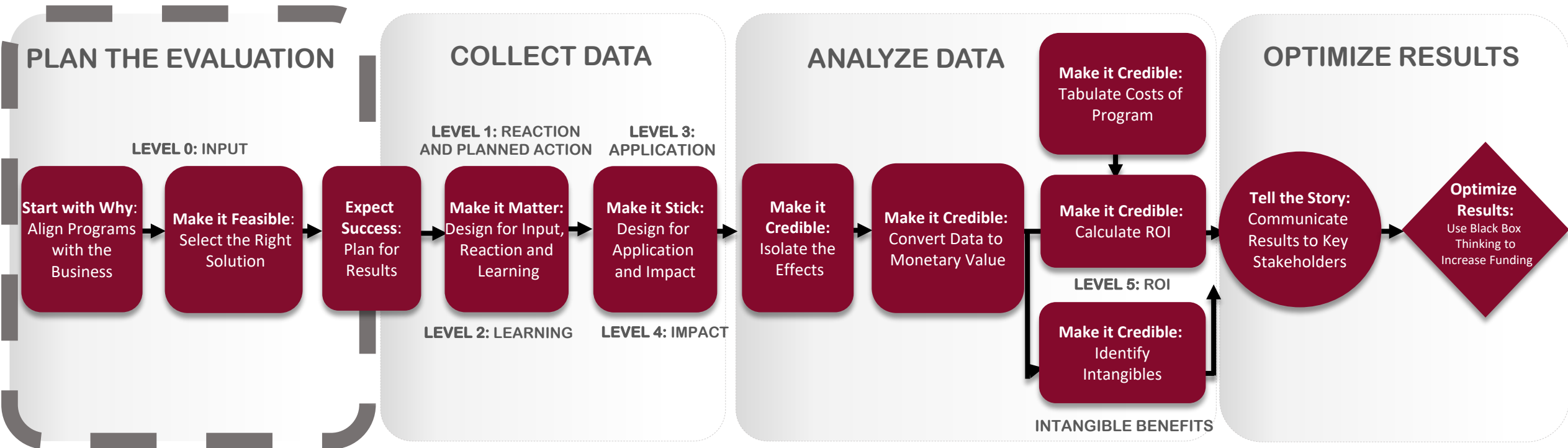
Matching Evaluation Levels with Objectives

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.	_____

Matching Evaluation Levels with Objectives

Objective	Evaluation Level
After completing this program or project, 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 diffuse a conflict, given two individuals in a heated argument.	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

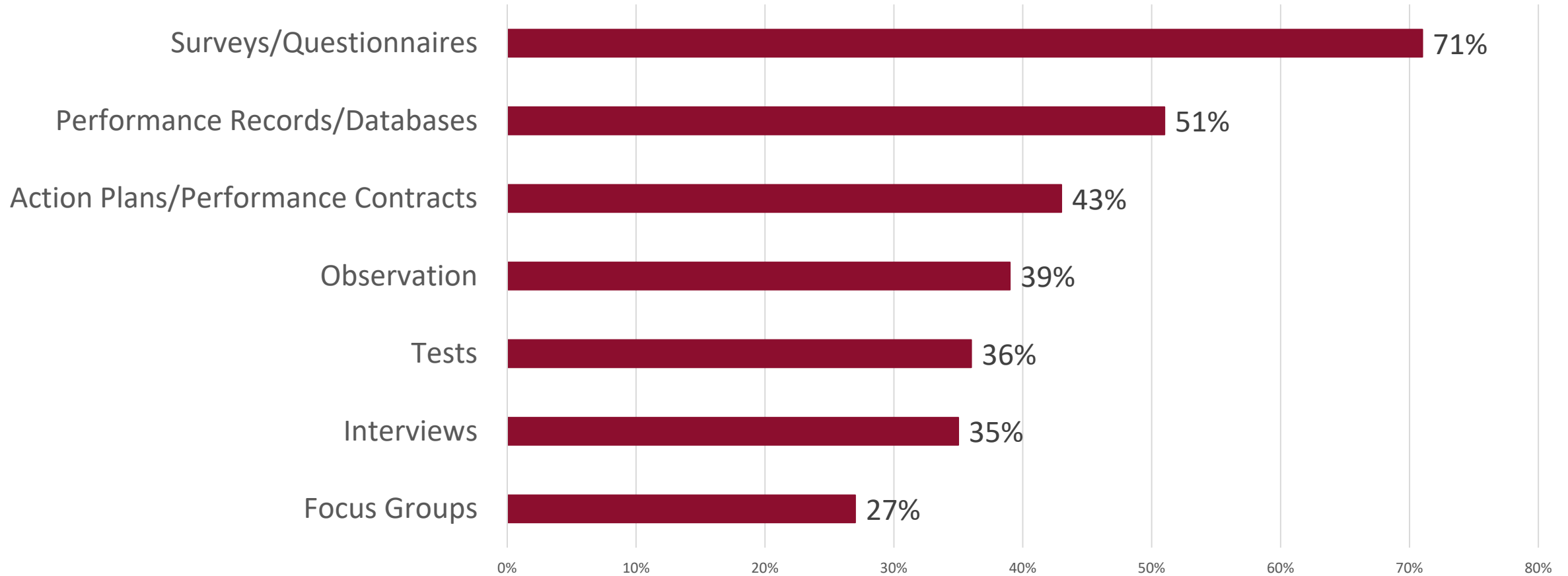
The ROI Methodology®



Collecting Data

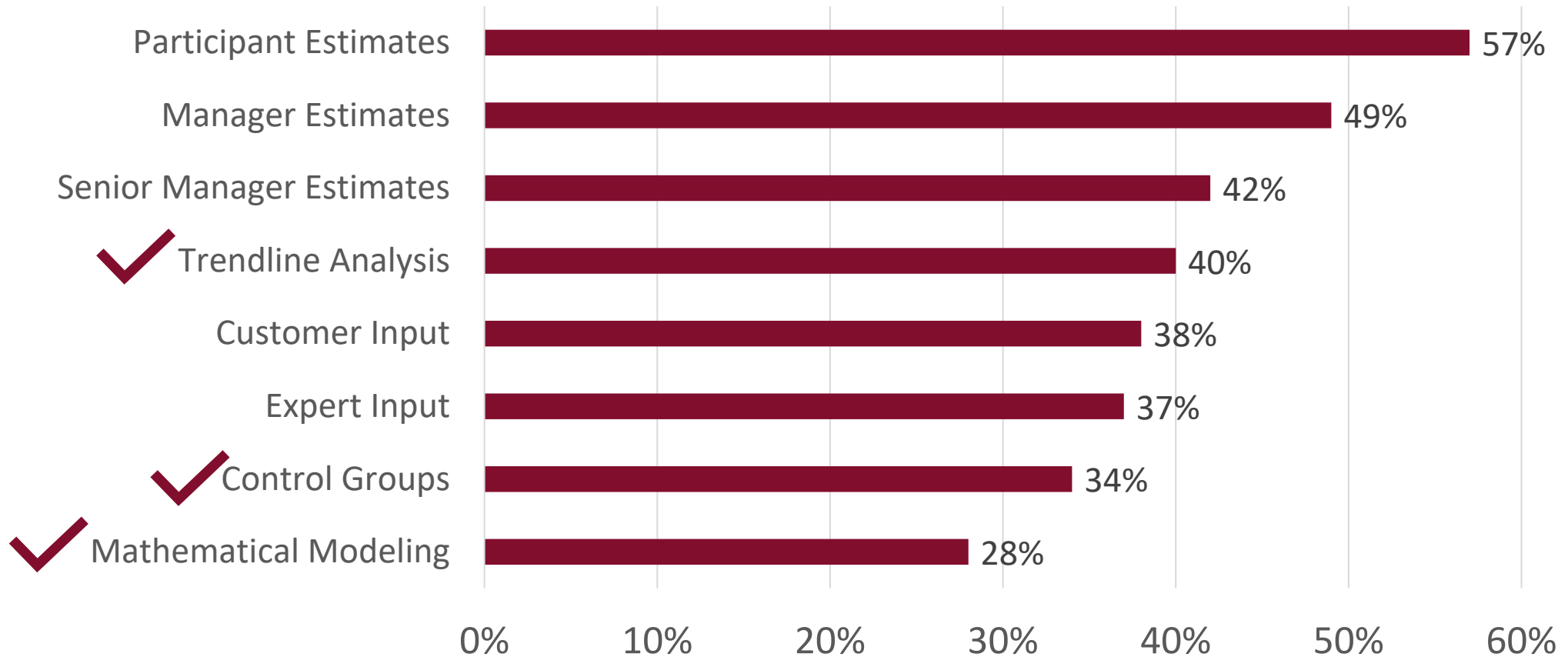
Method	Type of Data			
	1	2	3	4
Surveys	✓	✓	✓	
Questionnaires	✓	✓	✓	✓
Observation		✓	✓	
Interviews	✓	✓	✓	
Focus Groups	✓	✓	✓	
Tests/Quizzes		✓		
Demonstrations		✓		
Simulations		✓		
Action Planning/Improvement Plans			✓	✓
Performance Contracting			✓	✓
Performance Monitoring				✓

Data Collection Methods



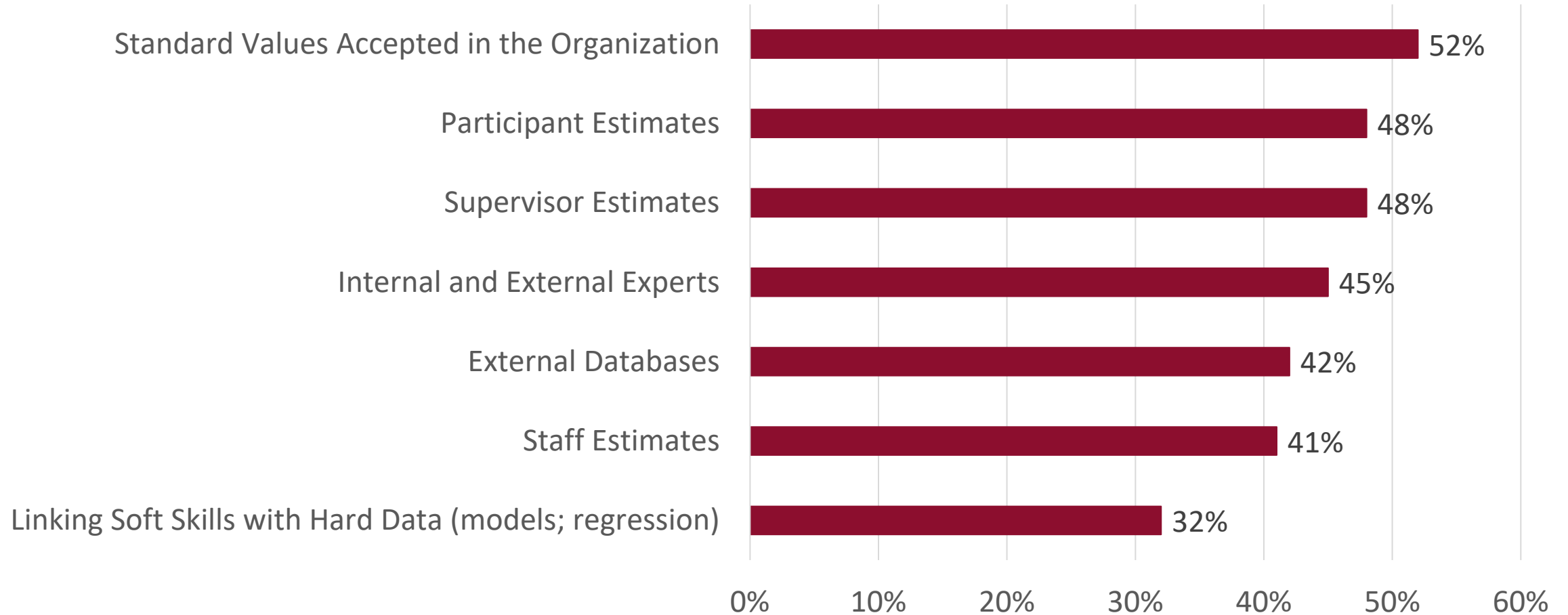
*Survey of Users, N = 246

Isolation Methods



*Survey of Users, N = 246

Data Conversion Methods



*Survey of Users, N = 246



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

Fully Loaded Costs

“When in doubt, put it in.”

The process should withstand even the closest scrutiny in terms of its credibility.

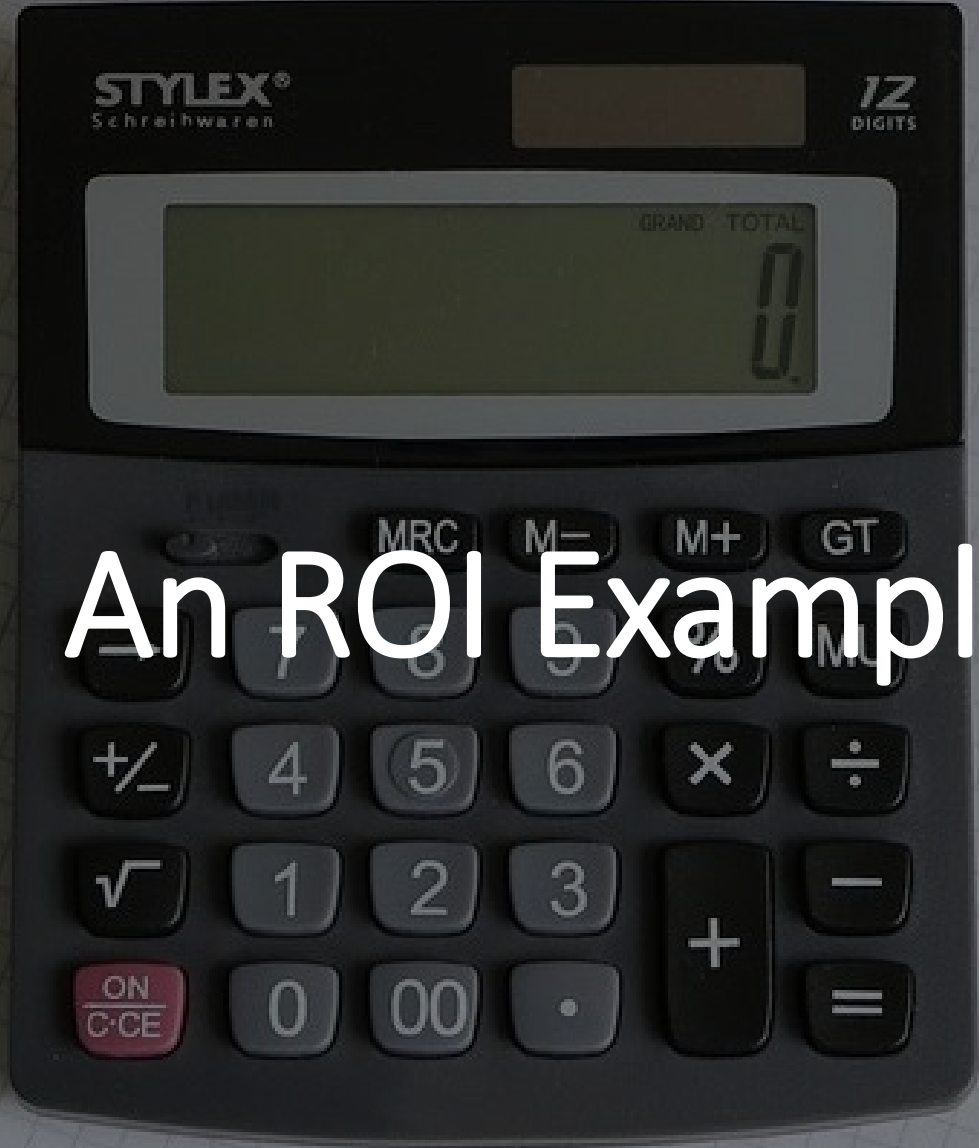
DIRECT

- Program Materials
- Instructor / facilitator
- Facilities
- Travel, lodging, meals

INDIRECT

- Needs Assessment (Prorated)
- Program Development (Prorated)
- Participant Time (salaries & benefits)
- Administrative/overhead
- Evaluation





An ROI Example



Example: Leadership Development

Designed to reduce departures of staff

1. Unit of Measure: 1 regrettable turnover of staff
2. $V = \$21,000$ (60% of annual salary)
3. $\Delta P = 3$ per month
4. $A\Delta P =$
5. $A\Delta P \times V =$

The cost of the blended learning program is **\$339,400**.

What is the ROI?

Example: Leadership Development

Designed to reduce departures of staff

1. Unit of Measure: 1 regrettable turnover of staff
2. $V = \$21,000$ (60% of annual salary)
3. $\Delta P = 3$ per month
4. $A\Delta P = 3 \times 12 = 36$
5. $A\Delta P \times V = 36 \times \$21,000 = \$756,000$

The cost of the blended learning program is **\$339,400**.

What is the ROI?

ROI Calculation

$$\text{BCR} = \frac{\$756,000}{\$339,400} = 2.2:1$$

$$\text{ROI} = \frac{\$756,000 - \$339,400}{\$339,400} \times 100 = 122\%$$



Case In Point: Background Leadership Development — Precision Manufacturing Company

- Program Description
- Business Need (the “Why”)
- Action Taken (the “Solution”)
- Result (the “Insight”)
- Why ROI?

Case In Point: Objectives & Results

Leadership Development - Precision Manufacturing Company

	Objectives	Results
Reaction	Relevance Importance Intent to Use	4.2 out of 5
Learning	Communicate Focus on Values Build Collaboration	Strengthen Abilities Inspire Others Recognize Accomplishments
Application	Extent of Use Frequency of Use Success with Use	4.3 out of 5 4.5 out of 5 3.9 out of 5
Impact	Sales Growth Operating Costs Productivity	Safety Retention Quality
ROI	14%	47%
		Each participant reported improvement in two measures.

Case In Point: ROI Analysis

Leadership Development - Precision Manufacturing Company

Isolating the Effects: Estimate, Adjusted for Error

Converting Data to Money: Expert Input, Standard Value

Annual Monetary Benefits: \$534,640

Cost of Program: \$365,260

$$\text{ROI} = \frac{\boxed{\text{Benefits}} - \boxed{\text{Cost}}}{\boxed{\text{Cost}}} \times 100 = 47\%$$

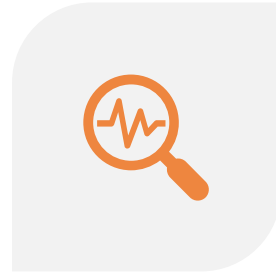
Intangibles: Engagement, Job Satisfaction, Stress

Case In Point: Using The Results

Leadership Development - Precision Manufacturing Company



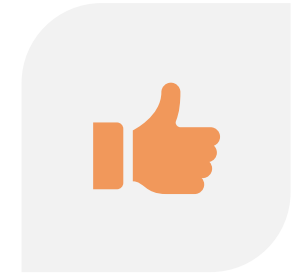
Communication of results: executives, participants, managers of participants, L&D team



Actions taken with results: improvements were made for the next sessions



Lessons learned: importance of connecting to the business in the beginning



Reaction of key stakeholders: very positive and encouraging

A green street sign with white lettering that reads "EASY ST" is shown against a clear blue sky. The sign is tilted and mounted on a metal post. The word "EASY" is in a large, bold, sans-serif font, and "ST" is in a smaller, similar font to its right. The sign has a white border and is set against a bright blue background.

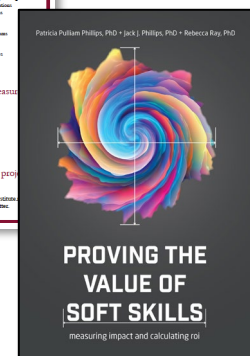
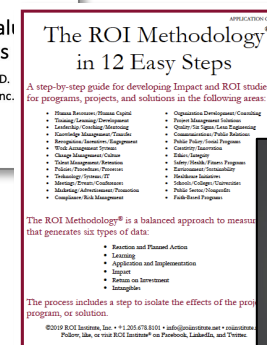
EASY ST

It's That Easy



Click here to receive resources from today's session, including a digital case study from our book, *Proving the Value of Soft Skills*.

<https://roiinstitute.net/ispi-soft-skills/>



Proving the Value of Soft Skills

Live Virtual Boot Camp

June 10, 2021

ROI INSTITUTE
— ONLINE ACADEMY —

<https://www.roiinstituteacademy.com/Value-of-soft-skills>



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



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

ROI CERTIFICATION®

2021 SCHEDULED EVENTS

May 3-7 – Blairsville, GA

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

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

June 14-25 – Live Virtual

August 2-6 – Columbus, Ohio

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

August 30-September 3 – Salt Lake City, Utah

September 13-24 – Live Virtual

September 27-October 1 – New Orleans, LA

October 4-8 – Atlanta, GA

October 18-22 – Boston, MA

WHAT IS ROI CERTIFICATION?

ROI Certification is a globally renowned process focused on measuring the true value of tough-to-measure initiatives using the ROI Methodology®. Participating in ROI Certification is the most comprehensive way to gain the skills needed to evaluate major programs and to report the most credible results that drive organizational improvement.

Email: info@roiinstitute.net

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

Call: +1 205.678.8101




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



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

ROI INSTITUTE®



**Let's have a conversation.
Schedule a time that works for you.**

**<https://calendly.com/pattiphillips/connect>
patti@roiinstitute.net**

Patti P. Phillips, Ph.D.

- CEO, ROI Institute, Inc.
- Chair, i4cp People Analytics Board
- Chair, Center for Talent Reporting Board
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- Fellow, ATD Certified Professional in Talent Development
- Author, Educator, Consultant, Coach

