





SPEAKER: Patti P. Phillips, Ph.D., CPTD
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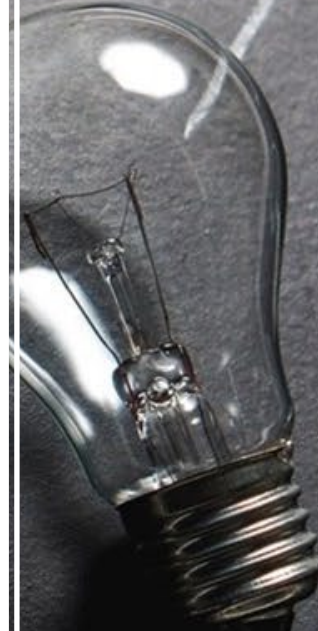
Proving the Value of Soft Skills

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

Session Objectives

After attending this session, participants should be able to:

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



Resources

APPLICATION GUIDE

The ROI Methodology® in 12 Easy Steps

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

- Human Resources / Human Capital
- Training / Learning / Development
- Leadership / Coaching / Mentoring
- Knowledge Management / Transfer
- Recognition / Incentives / 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


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

- Reaction and Planning
- Learning
- Application and Implementation
- Impact
- Return on Investment
- Intangibles

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

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Measuring ROI in Business Coaching

by Jack J. Phillips, Ph.D.

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Measuring ROI in Leadership Development

by Patti P. Phillips and Nader Bechini

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Measuring ROI in Leadership Development

by Charles (Chip) Huth and Jack J. Phillips, Ph.D.

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Proving the Value of Soft Skills

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



Of the following, which do you believe to be True?

Select this session in Conference Portal to complete the poll.

- Most soft skills are not used after a program is conducted.
- The soft skills outcome desired by executives is rarely measured in organizations.
- Most soft skills providers do not have data that shows they make a difference in the organization.
- Most executives see soft skills as a cost and not an investment.
- Executives see hard skills as more valuable than soft skills.
- Hard skills programs usually have higher ROI values than soft skills programs.

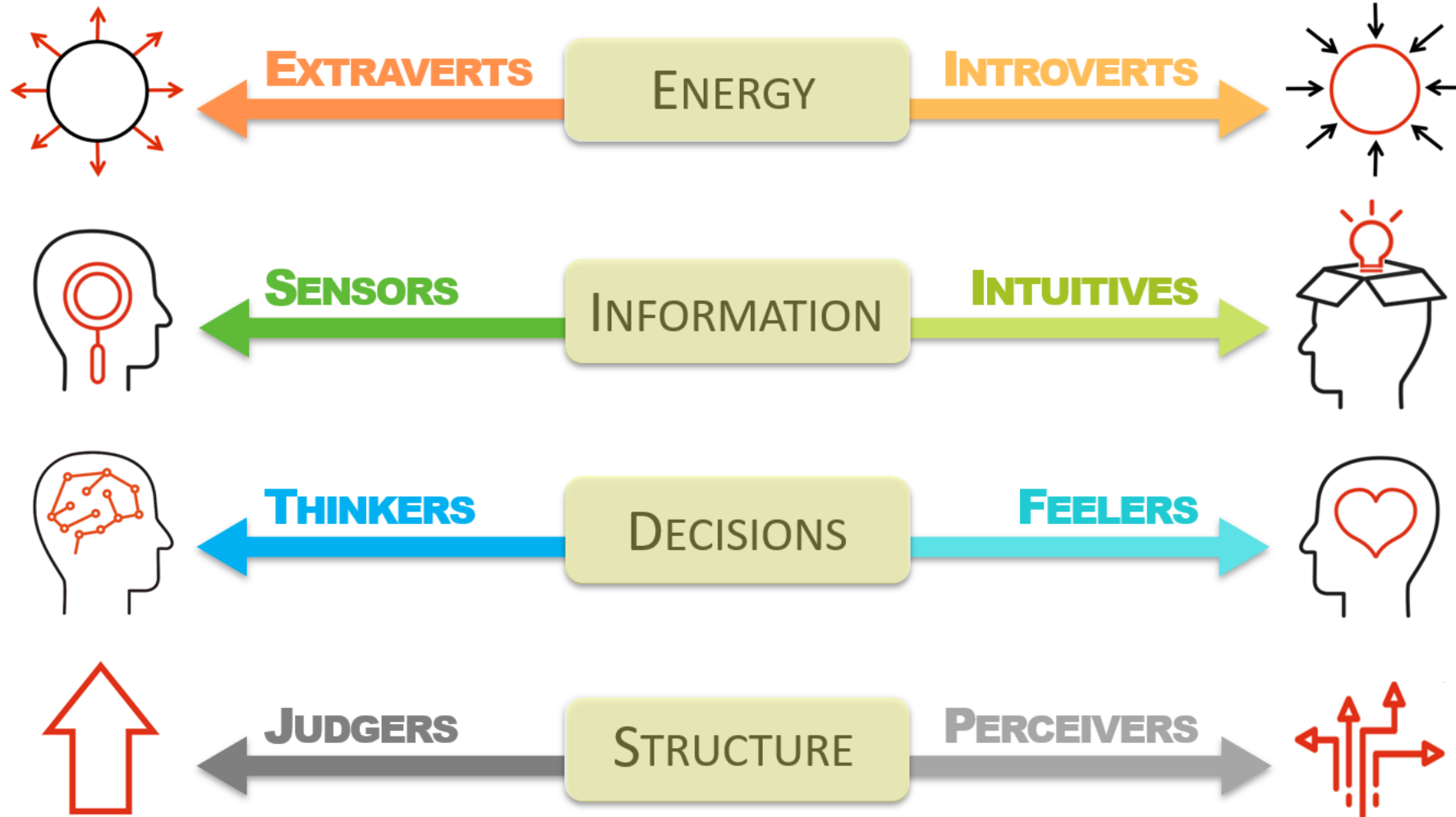




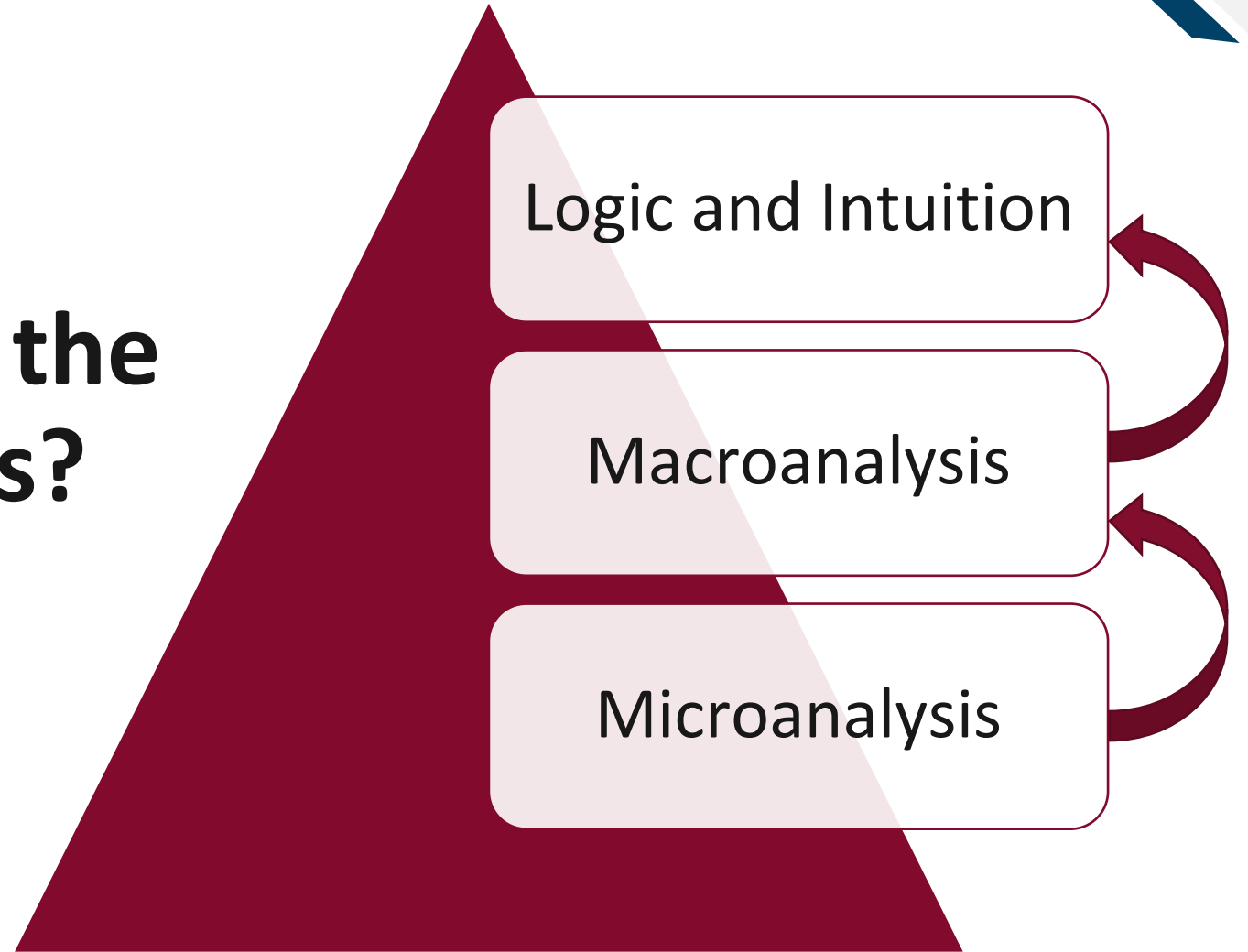
Common Soft Skills Training Programs

- 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

THE 8 PREFERENCES

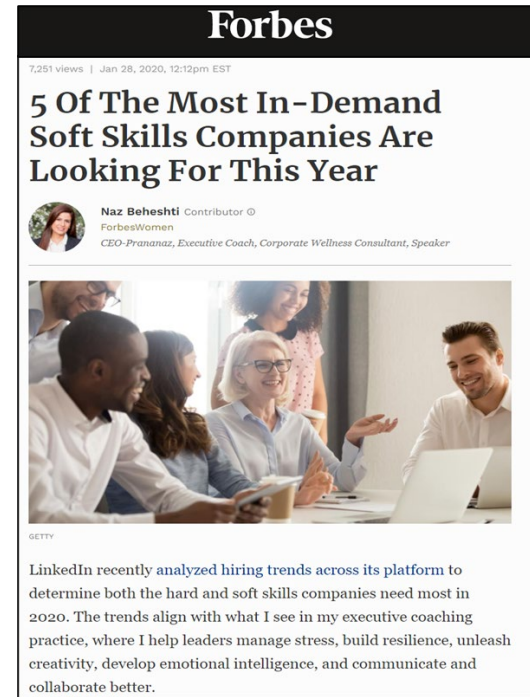


How do you prove the value of soft skills?



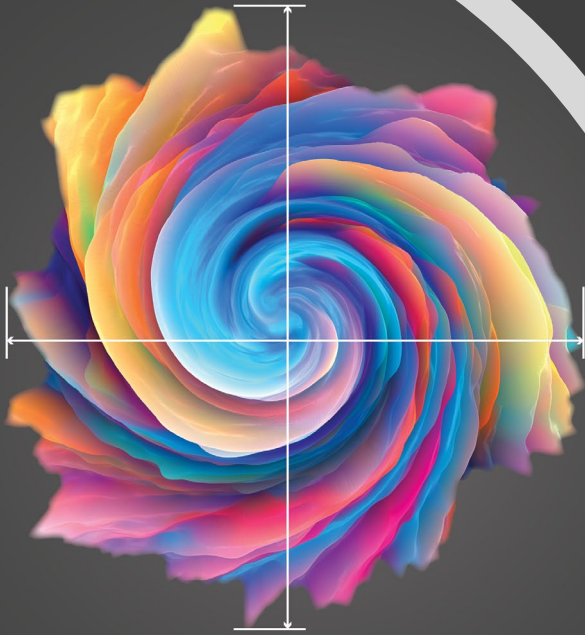
A wooden maze background with a central text overlay. The maze is made of light-colored wood and is set against a dark, almost black background. The text is white and reads: "Logic and intuition tell us that investing in soft skills make sense." The text is centered and occupies the middle portion of the image.

Logic and intuition tell us that
investing in soft skills
make sense.



Macroanalysis describes the overall value of investing in soft skills.

Patricia Pulliam Phillips, PhD + Jack J. Phillips,



PROVING THE VALUE OF SOFT SKILLS

measuring impact and calcul

Measuring the Success of Leadership Development

Microanalysis describes the value of investing in specific soft skills solutions.

Measuring the Success of Employee Engagement

A Step-by-Step Guide for Measuring Impact and Calculating ROI





So how do you do it?

Levels of Evaluation	Measurement Focus	Typical Measures
0. Inputs	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 act, Net Promoter Score
2. Learning	Measures changes in knowledge, skills, and attitudes	Skills, Knowledge, Capacity, Competencies, Confidence, Mindset, Contacts
3. Application & Implementation	Measures changes in behavior or actions	Extent of use, Task completion, Frequency of use, Actions completed, Behavior change, Success with use, Barriers to use, Enablers to use, Utility, Scrap
4. Impact	Measures changes in impact variables	Productivity, Revenue, Quality, Time, Efficiency, Customer Satisfaction, Patient Satisfaction, Employee Engagement, Talent Mobility, Innovation
5. Return on Investment	Compares project benefits to the costs	Benefit-Cost Ratio (BCR), ROI%, Payback Period

Katzell developed four steps of training evaluation; Kirkpatrick wrote about four steps of training evaluation; Phillips added economic theory and operationalized the framework by adding process and standards and applying it in practice.

ROI Calculation

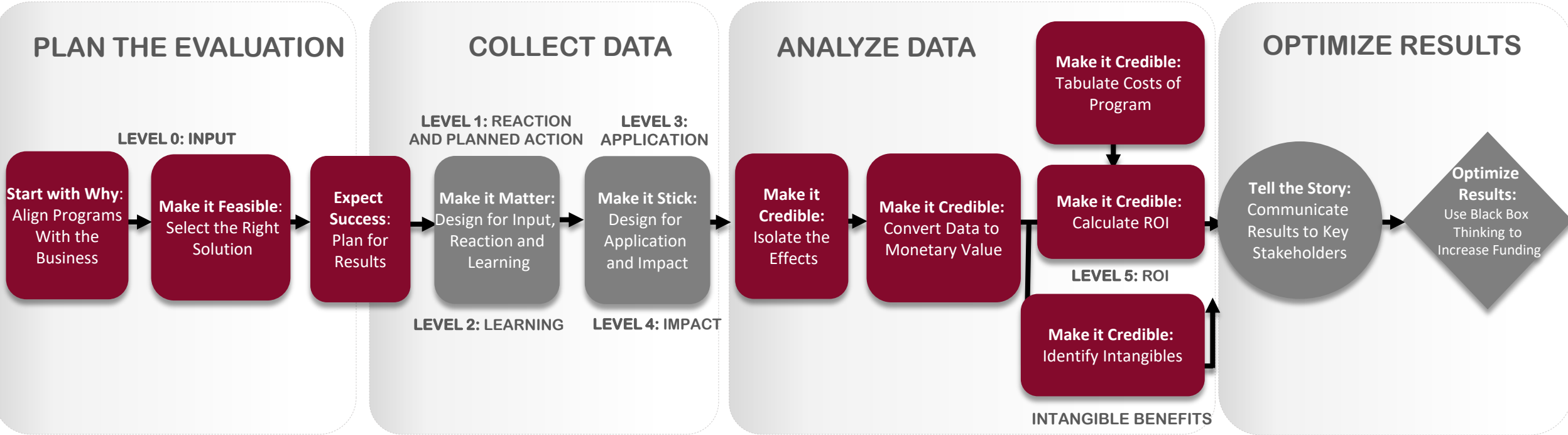
$$\text{BCR} = \frac{\text{Program Benefits}}{\text{Program Costs}} =$$

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



The ROI Methodology Process Model

Designing for the Delivery of Business Results

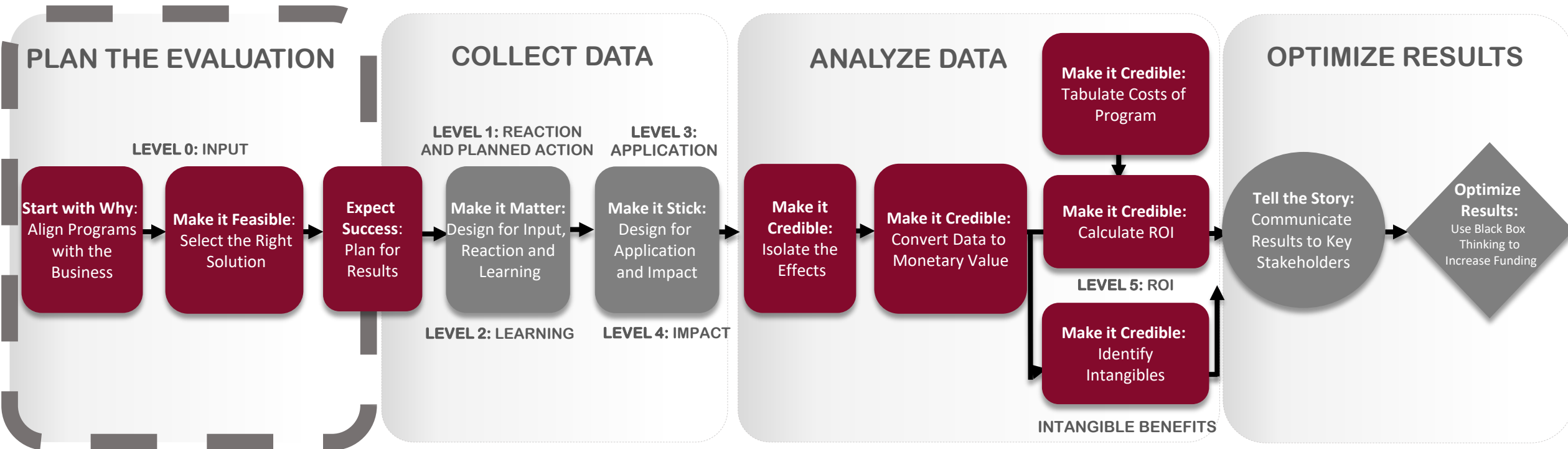




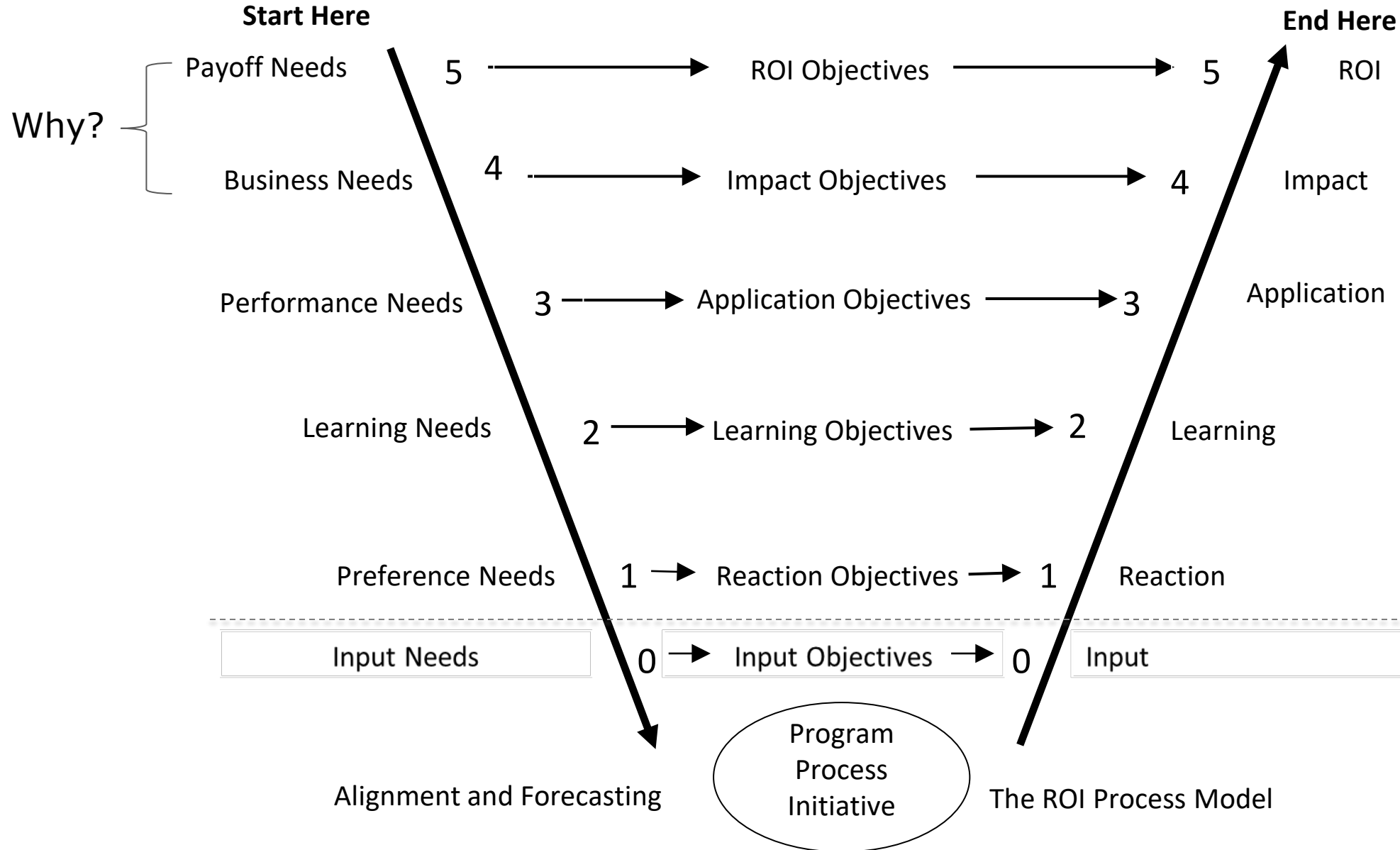
Twelve Guiding Principles of ROI

1. When conducting a higher-level evaluation, collect data at lower levels.
2. When planning a higher-level evaluation, the previous level of evaluation is not required to be comprehensive.
3. When collecting and analyzing data, use only the most credible sources.
4. When analyzing data, select the most conservative alternative for calculations.
5. Use at least one method to isolate the effects of a project.
6. If no improvement data are available for a population or from a specific source, assume that little or no improvement has occurred.
7. Adjust estimates of improvement for potential errors of estimation.
8. Avoid use of extreme data items and unsupported claims when calculating ROI.
9. Use only the first year of annual benefits in ROI analysis of short-term solutions.
10. Fully load all costs of a solution, project, or program when analyzing ROI.
11. Intangible measures are defined as measures that are purposely not converted to monetary values.
12. Communicate the results of ROI Methodology to all key stakeholders.

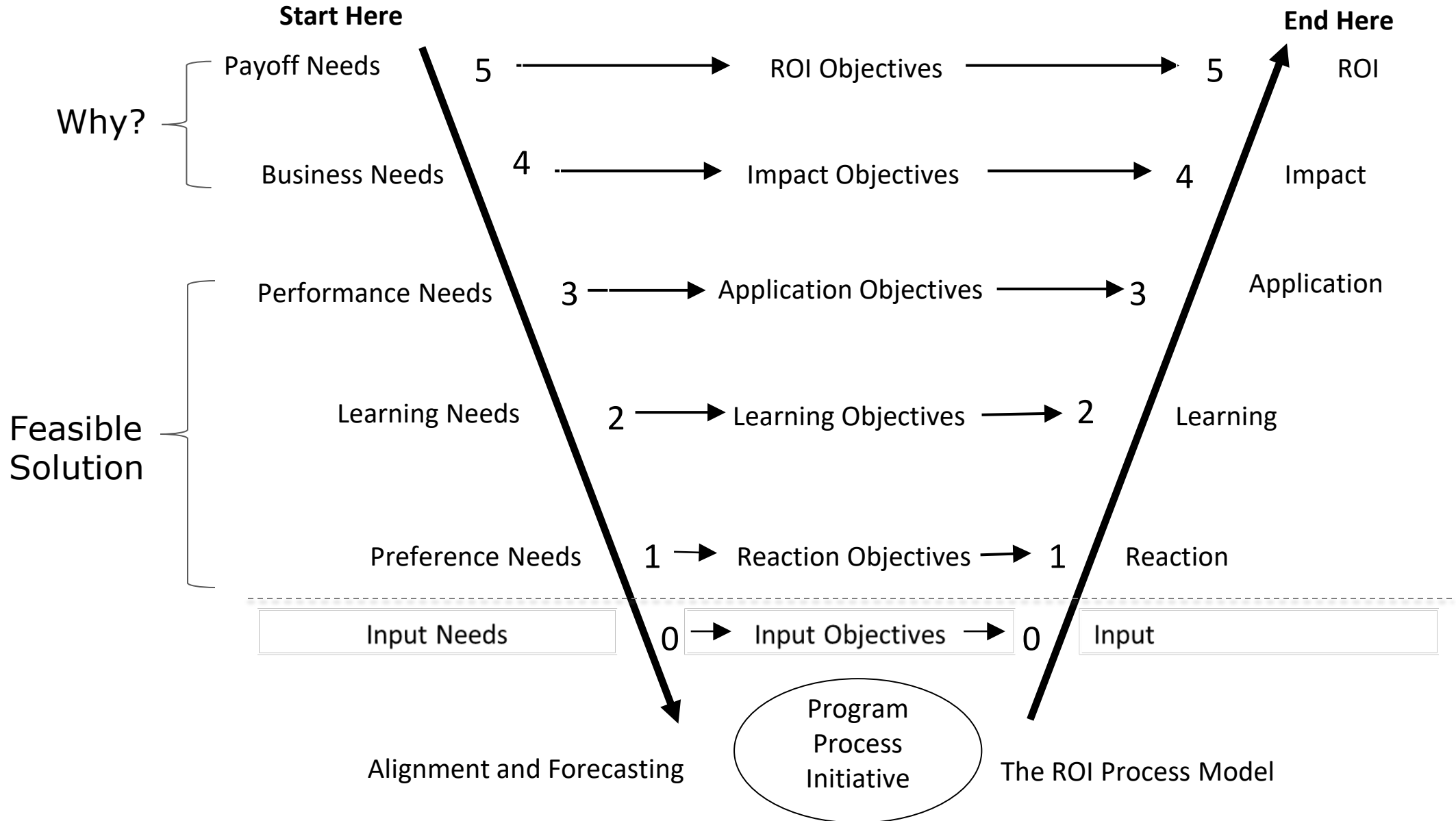
The ROI Methodology[®]



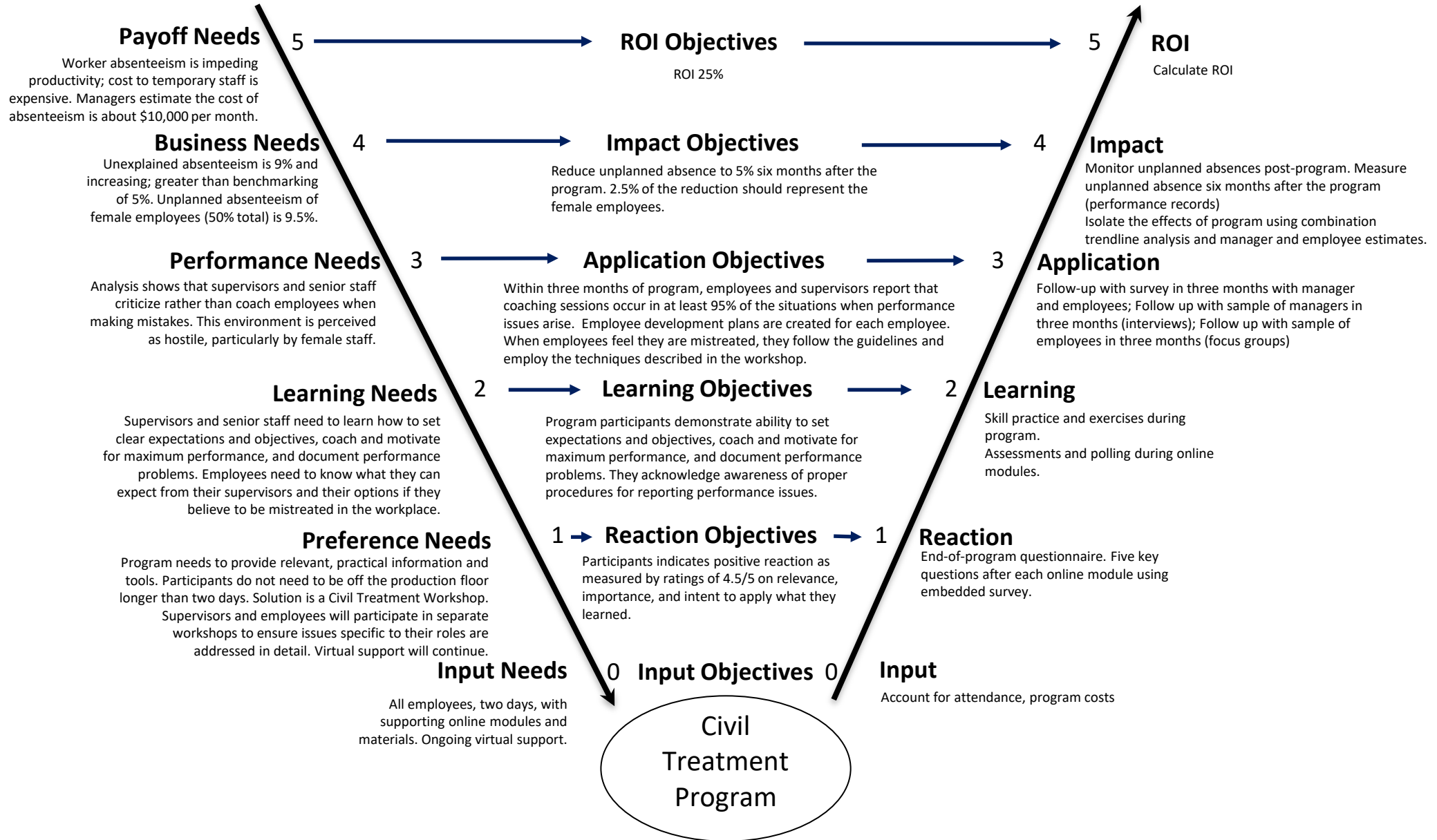
Alignment Model



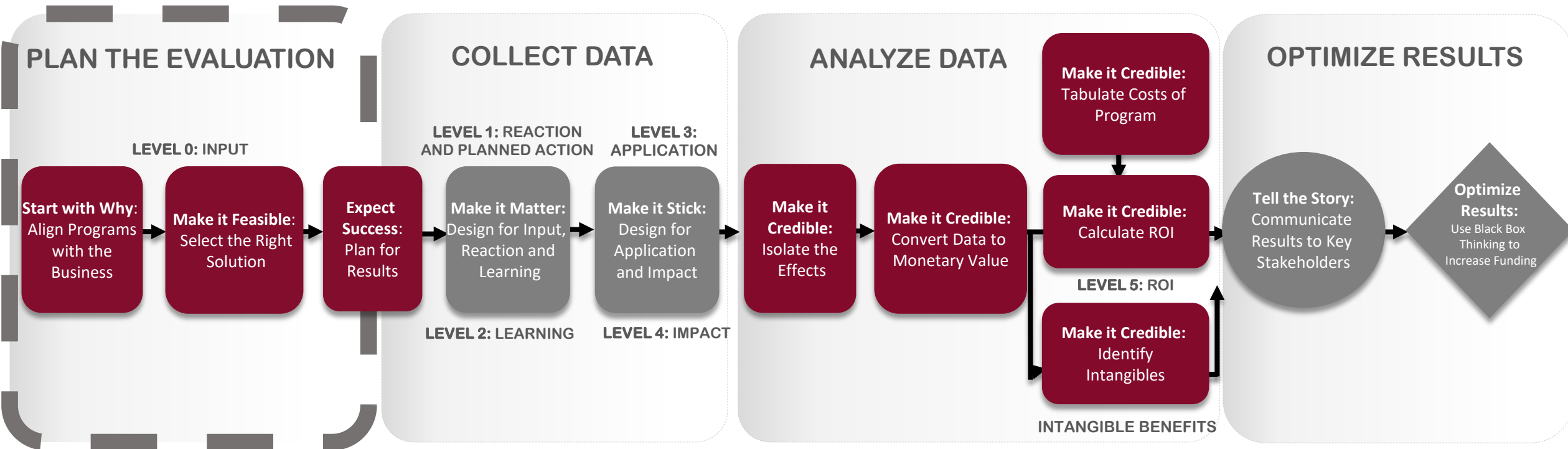
Alignment Model



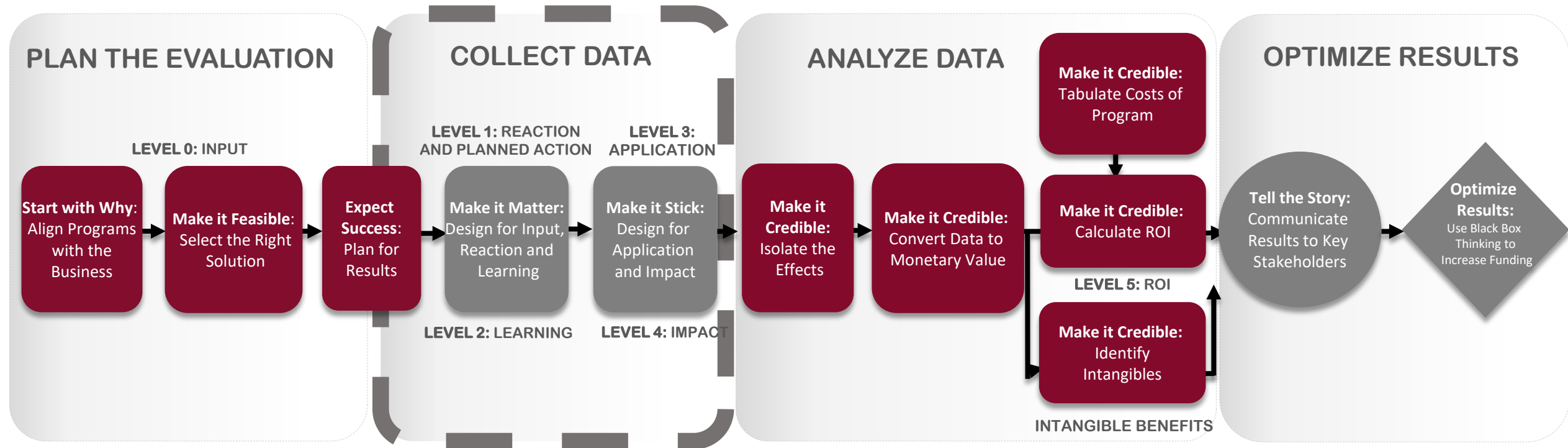
Alignment Model



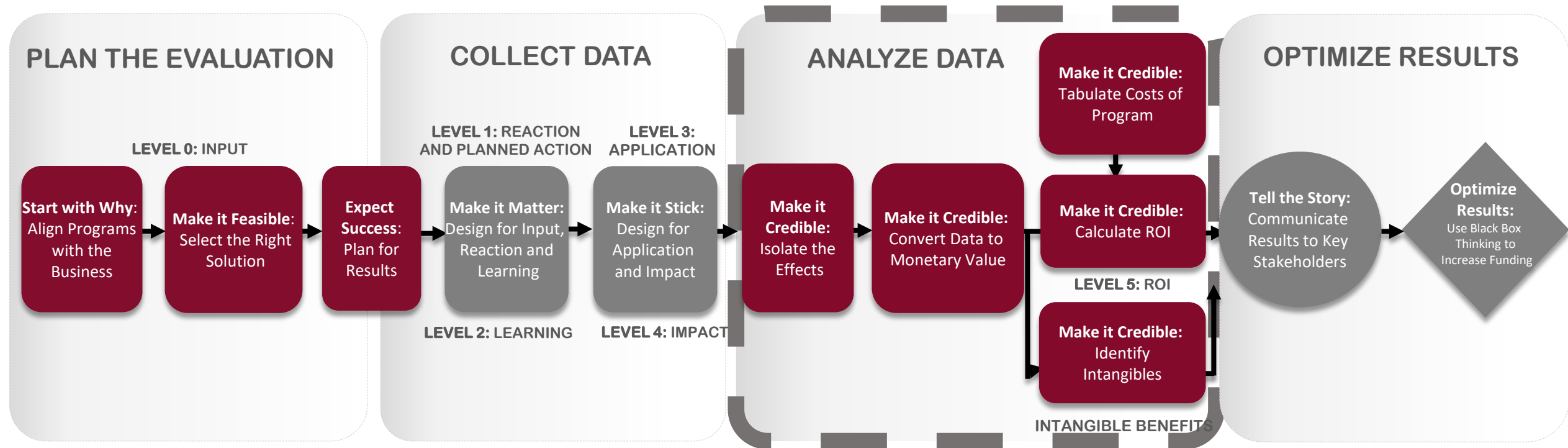
The ROI Methodology[®]



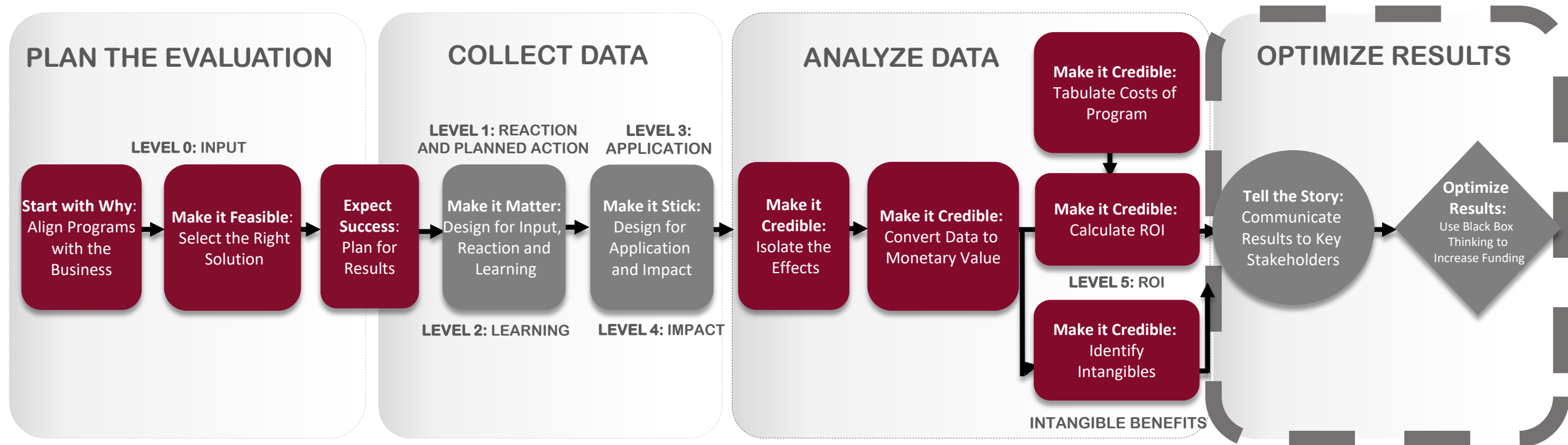
The ROI Methodology[®]



The ROI Methodology[®]



The ROI Methodology[®]



Characteristics of Investments Most Suitable for Impact & ROI

Life cycle of the program

Linkage of program to operational goals and issues

Importance of program to strategic objectives

Top administrator interest in the evaluation

Cost of the program

Visibility of the program

Size of target audience

Investment of time required



Case Study: Nations Hotel

COACHING FOR BUSINESS IMPACT

NATIONS HOTEL

COACHING FOR BUSINESS IMPACT

WHO?

- US-based hotel firm with operations in 15 countries
- 300 hotels worldwide
- 98 percent brand awareness; 72 percent customer satisfaction

WHY?

- Improve operation efficiency, customer satisfaction, revenue growth, retention of high performers
- Needs assessment indicated executives wanted to work with a qualified coach to assist them with key challenges



NATIONS HOTEL

COACHING FOR BUSINESS IMPACT

HOW?

- Voluntary coaching with 360-feedback
- Total of 25 participants
- Action planning and evaluation incorporated into the coaching process
- Three specific business measures selected by each executive out of five target areas:
 - Sales growth
 - Productivity/operational efficiency
 - Direct cost reduction
 - Retention of key staff members
 - Customer satisfaction



OBJECTIVES

Level 1 Reaction Objectives

After participating in this coaching program, the managers being coached will:

- Perceive coaching to be relevant to the job
- Perceive coaching to be important to their performance
- Perceive coaching to be value added in terms of time and funds invested
- Rate the coach as effective
- 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:

- Uncovering personal strengths and weaknesses
- Translating feedback into action plans
- Involving team members in projects and goals
- Communicating effectively
- Collaborating with colleagues
- Improving personal effectiveness
- Enhancing leadership skills

OBJECTIVES

Level 3 Application Objectives

Six months after completing this coaching program, managers being coached should:

- Complete the action plan for application and impact
- Adjust the plan as needed for changes in the environment
- Show improvements on the following items:
 - Translating feedback into action plans
 - Involving team members in projects and goals
 - Communicating effectively
 - Collaborating with colleagues
 - Enhancing leadership skills
- Identify barriers and enablers to success.

OBJECTIVES

Level 4 Impact Objectives

After completing this coaching program, managers being coached should improve at least three specific measures in the following areas:

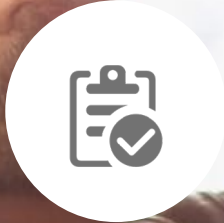
- Sales growth
- Productivity/operational efficiency
- Direct cost reduction
- Retention of key staff members
- Customer satisfaction

Level 5 ROI Objective

The ROI value should be at least 25%.

DATA COLLECTION AND DATA SOURCES

DATA CATEGORY	EXECUTIVE QUESTIONNAIRE	COACH QUESTIONNAIRE	ACTION PLAN	COMPANY RECORDS
REACTION	X			
LEARNING	X	X		
APPLICATION	X	X	X	
IMPACT			X	X
COSTS				X



RESULTS

LEVEL 1 REACTION

MEASURES	RATING
Relevance of coaching	4.6
Importance of coaching	4.1
Value of coaching	3.9
Effectiveness of coach	3.9
Recommendation to others	4.2
Average	4.1

*Target 4.0

LEVEL 2 LEARNING

MEASURES	EXECUTIVE RATING	COACH RATING
Understanding strengths and weaknesses	3.9	4.2
Translating feedback into action plans	3.7	3.9
Involving team members in projects and goals	4.2	3.7
Communicating effectively	4.1	4.2
Collaborating with colleagues	4.0	4.1
Improving personal effectiveness	4.1	4.4
Enhancing leadership skills	4.2	4.3

*Target 4.0

LEVEL 3 APPLICATION

MEASURES	EXECUTIVE RATING	COACH RATING
Translating feedback into action plans	4.2	3.9
Involving team members in projects and goals	4.1	4.2
Communicating more effectively with the team	4.3	4.1
Collaborating more with the group and others	4.2	4.2
Applying effective leadership skills	4.1	3.9

*Target 4.0

BARRIERS AND ENABLERS

BARRIERS	ENABLERS
Not enough time	Coach
Not relevant	Action plan
Not effective when using skill	CBI structure
Manager did not support it	Support of management

LEVEL 4 IMPACT

Name: Caroline Dobson Coach: Pamela Mills Follow-Up Date 1 September
 Objective: Improve retention for staff Evaluation Period: January to July
 Improvement Measure: Voluntary turnover Current Performance 28% Annual Target Performance 15% Annual

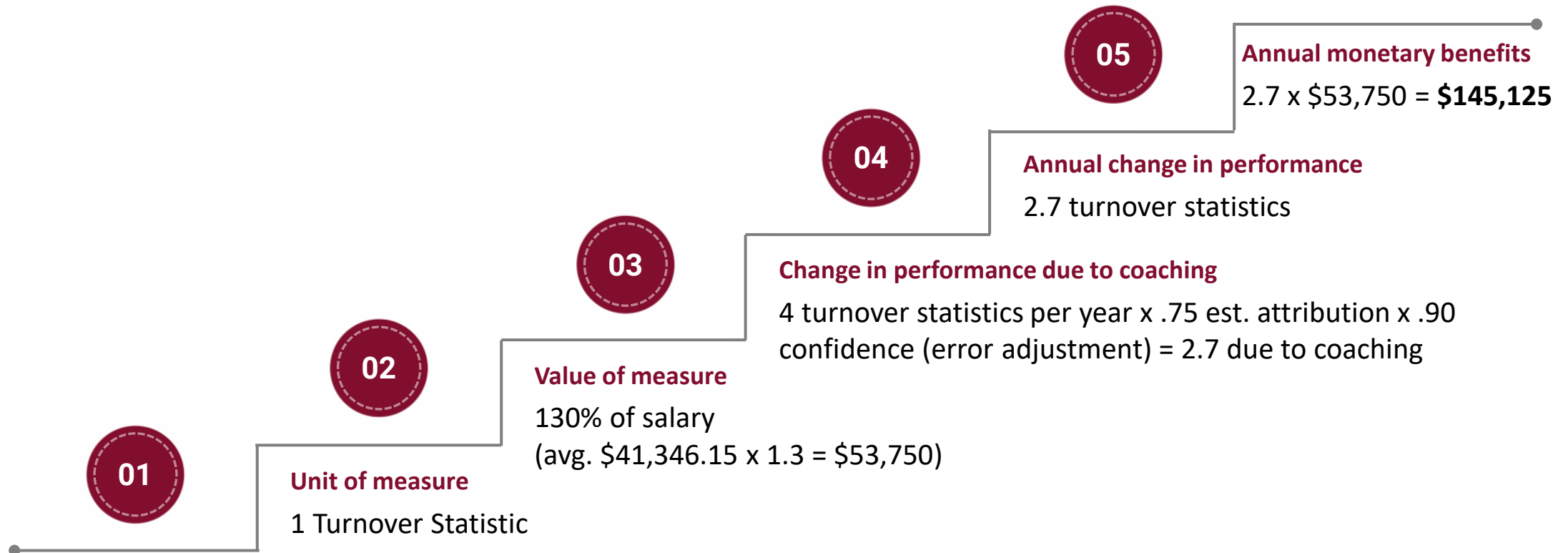
Action Steps		Analysis
1. <u>Meet with team to discuss reasons for turnover – using problem-solving skills.</u>	31 Jan	A. What is the unit of measure? <u>One voluntary turnover</u>
2. <u>Review exit interview data with HR – look for trends and patterns.</u>	15 Feb	B. What is the value (cost) of one unit? <u>Salary × 1.3</u>
3. <u>Counsel with “at-risk” employees to correct problems and explore opportunities for improvement.</u>	1 Mar	C. How did you arrive at this value? <u>Standard Value</u>
4. <u>Develop individual development plan for high-potential employees.</u>	5 Mar	D. How much did the measure change during the evaluation period? <u>11% (annual %) (4 turnovers annually)</u>
5. <u>Provide recognition to employees with long tenure.</u>	Routinely	E. What other factors could have contributed to this improvement? <u>Growth opportunities, changes in job market</u>
6. <u>Schedule appreciation dinner for entire team.</u>	31 May	F. What percent of this change was actually caused by this program? <u>75%</u>
7. <u>Encourage team leaders to delegate more responsibilities.</u>	31 May	G. What level of confidence do you place on the above information? (100% = Certainty and 0% = No Confidence) <u>90%</u>
8. <u>Follow-up with each discussion and discuss improvement or lack of improvement and plan other action..</u>	Routinely	
9. <u>Monitor improvement and provide recognition when appropriate.</u>	11 May	

Intangible Benefits: Less stress on team, greater job satisfaction

Comments: Great Coach – She kept me on track with this issue.

FIVE STEPS TO ANNUAL MONETARY BENEFITS

Executive # 11 Caroline Dobson



ACTION PLAN OUTPUT

EXEC #	MEASUREMENT AREA	TOTAL ANNUAL VALUE (\$)	BASIS	METHOD OF CONVERTING DATA	CONTRIBUTION FACTOR	CONFIDENCE ESTIMATE	ADJUSTED VALUE (\$)
1	Revenue growth	11,500	Profit margin	Standard value	33 %	70 %	2,656
2	Retention	175,000	3 turnovers	Standard value	40 %	70 %	49,000
3	Retention	190,000	2 turnovers	Standard value	60 %	80 %	91,200
4	Direct cost savings	75,000	From cost statements	Participant estimate	100 %	100 %	75,000
5	Direct cost savings	21,000	Contract services	Standard value	75 %	70 %	11,025
6	Direct cost savings	65,000	Staffing costs	Standard value	70 %	60 %	27,300
7	Retention	150,000	2 turnovers	Standard value	50 %	50 %	37,500
8	Cost savings	70,000	Security	Standard value	60 %	90 %	37,800
9	Direct cost savings	9,443	Supply costs	N / A	70 %	90 %	5,949
10	Efficiency	39,000	Information technology costs	Participant estimate	70 %	80 %	21,840
11	Retention	215,000	4 turnovers	Standard value	75 %	90 %	145,125
12	Productivity	13,590	Overtime	Standard value	75 %	80 %	8,154
13	Retention	73,000	1 turnover	Standard value	50 %	80 %	29,200
14	Retention	120,000	2 annual turnovers	Standard value	60 %	75 %	54,000
15	Retention	182,000	4 turnovers	Standard value	40 %	85 %	61,880
16	Cost savings	25,900	Travel	Standard value	30 %	90 %	6,993
17	Cost savings	12,320	Administrative support	Standard value	75 %	90 %	8,316
18	Direct cost savings	18,950	Labor savings	Participant estimate	55 %	60 %	6,253
19	Revenue growth	103,100	Profit margin	Participant estimate	75 %	90 %	69,592
20	Revenue	19,500	Profit	Standard value	85 %	75 %	12,431
21	Revenue	21,230	Profit %	Standard value	80 %	70 %	18,899
22	Revenue growth	105,780	Profit margin	Standard value	70 %	50 %	37,023

Total \$ 1,716,313

Total \$ 817,126
2nd Measure Total \$ 649,320
3rd Measure Total \$ 394,712
Total Benefits \$ 1,861,158

FULLY-LOADED COSTS

Item	Cost
Needs assessment/development	\$10,000
Coaching fees	\$480,000
Travel costs	\$53,000
Executive time	\$9,200
Administrative support	\$14,000
Administrative overhead	\$2,000
Telecommunication expenses	\$1,500
Facilities (conference room)	\$2,100
Evaluation	\$8,000
Total	\$ 579,800

LEVEL 5 ROI

Program benefits (22 people)	\$1,861,158
Program costs (25 people)	\$579,800
ROI	????

*Target 25%

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

A green street sign with white lettering that reads "EASY ST" is shown against a clear blue sky. The sign is mounted on a metal post and is tilted slightly. 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



The ROI Methodology[®]
in 12 Easy Steps

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

- Process Re-engineering/Process Capital
- Training Learning Development
- Leadership Coaching/Development
- Knowledge Management/Transfer
- Business Process Management
- Risk Management/Control
- Change Management/Process
- Total Management Services
- Project/Program/Process
- Technology Services/IT
- Strategic Financial/Operations
- Strategic Administrative/Procurement
- Compliance/Risk Management

The ROI Methodology[®] is a balanced approach that generates six types of data:

- Evaluation and Plans
- Learning
- Applications and Solutions
- Digital
- Return on Investment
- Innovation

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

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

Click the link below or scan the QR code to access resources from today's session.

<https://roiinstitute.net/atd-21-proving-the-value-of-soft-skills-2/>

ROI CERTIFICATION®

SCHEDULED EVENTS

September 13-24, 2021 – Live Virtual

September 27-October 1, 2021 – New Orleans, LA

October 4-8, 2021 – Atlanta, GA

October 18-22, 2021 – Boston, MA

November 8-12, 2021 – Milwaukee, WI

February 28-March 4, 2022 – Orlando, FL

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.


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Patti P. Phillips, Ph.D.

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