Show the Value of What You Do

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

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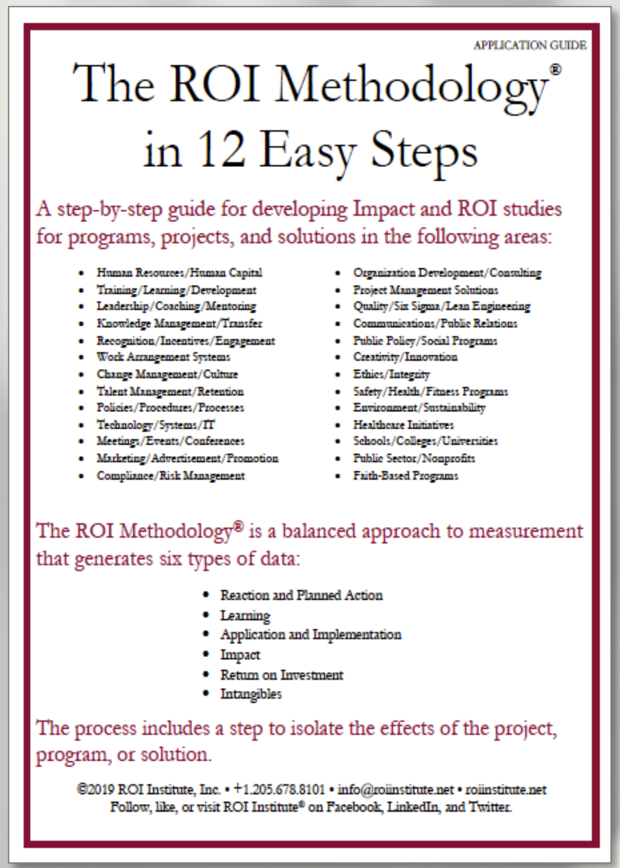
Resources


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:

- 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/Advertisement/Promotion
- Compliance/Risk Management
- Organization Development/Consulting
- Project Management Solutions
- Quality/Six Sigma/Lean Engineering
- Communications/Public Relations
- Public Policy/Social Programs
- Creativity/Innovation
- Ethics/Integrity
- Safety/Health/Fitness Programs
- Environment/Sustainability
- Healthcare Initiatives
- Schools/Colleges/Universities
- Public Sector/Nonprofits
- Faith-Based Programs

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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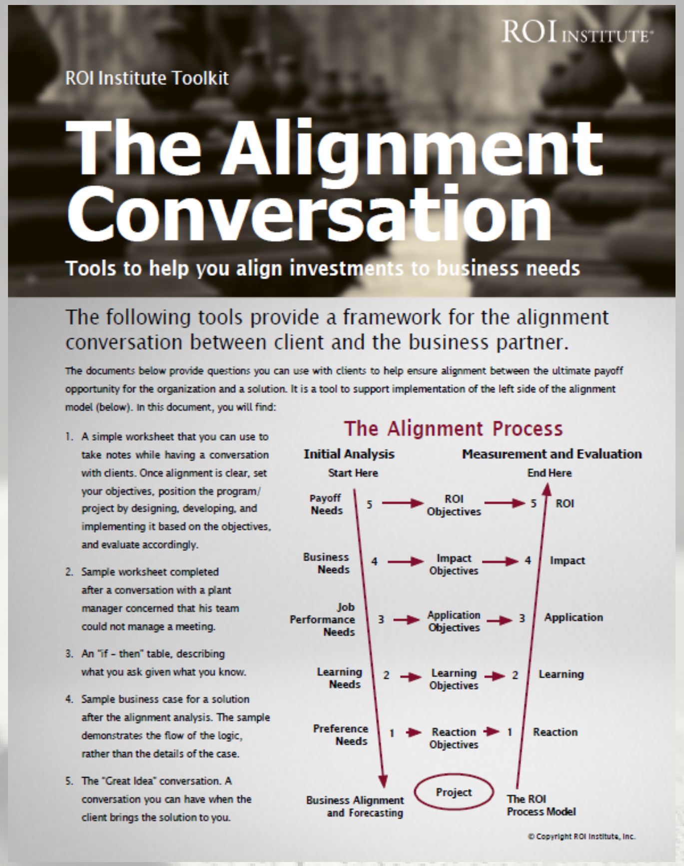
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ROI Institute Toolkit

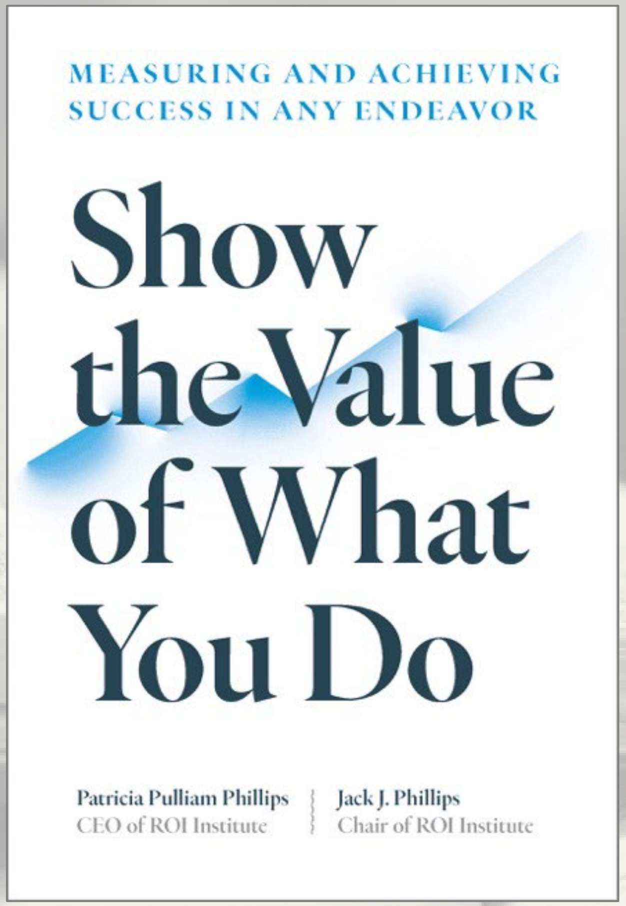
The Alignment Conversation

Tools to help you align investments to business needs

The following tools provide a framework for the alignment conversation between client and the business partner.

The documents below provide questions you can use with clients to help ensure alignment between the ultimate payoff opportunity for the organization and a solution. It is a tool to support implementation of the left side of the alignment model (below). In this document, you will find:

1. A simple worksheet that you can use to take notes while having a conversation with clients. Once alignment is clear, set your objectives, position the program/project by designing, developing, and implementing it based on the objectives, and evaluate accordingly.
2. Sample worksheet completed after a conversation with a plant manager concerned that his team could not manage a meeting.
3. An "if – then" table, describing what you ask given what you know.
4. Sample business case for a solution after the alignment analysis. The sample demonstrates the flow of the logic, rather than the details of the case.
5. The "Great Idea" conversation. A conversation you can have when the client brings the solution to you.



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The Value of Chaplaincy

*Skills required of a chaplain:
- Excellent listening, communication and interpersonal skills in order to build and develop relationships with the people you are helping.
- An understanding and willingness to engage with people of all cultures

*from prospects.ac.uk

Business Needs

- Length of stay (LOS) of patients in high-cost units such as the intensive care unit (ICU)
- Patient satisfaction including that of the patient's family members

Results

- Cost savings to hospital in one year of $251,640
- Ensured patient care
- Improved family care
- Secured future funding
- Cost of solution: $33,800
- ROI: **644%**

Approach

Action 01

Aligned chaplaincy with the needs of the business.

Action 02

Positioned chaplaincy integration in the ICU for success by developing clear objectives

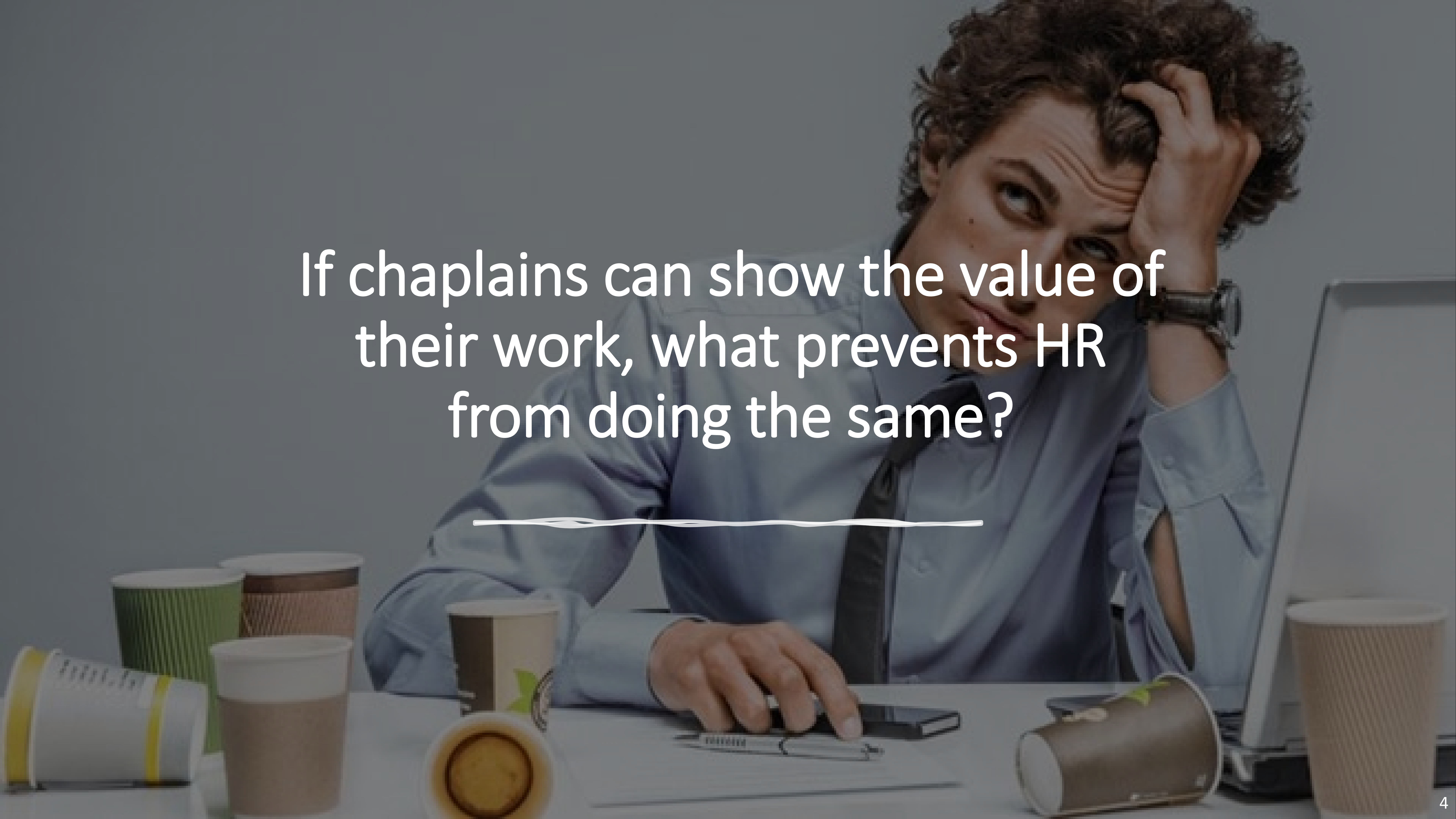
Action 03

Ensured buy-in and knowledge of process from ICU medical team, patient, and patient's family

Action 04

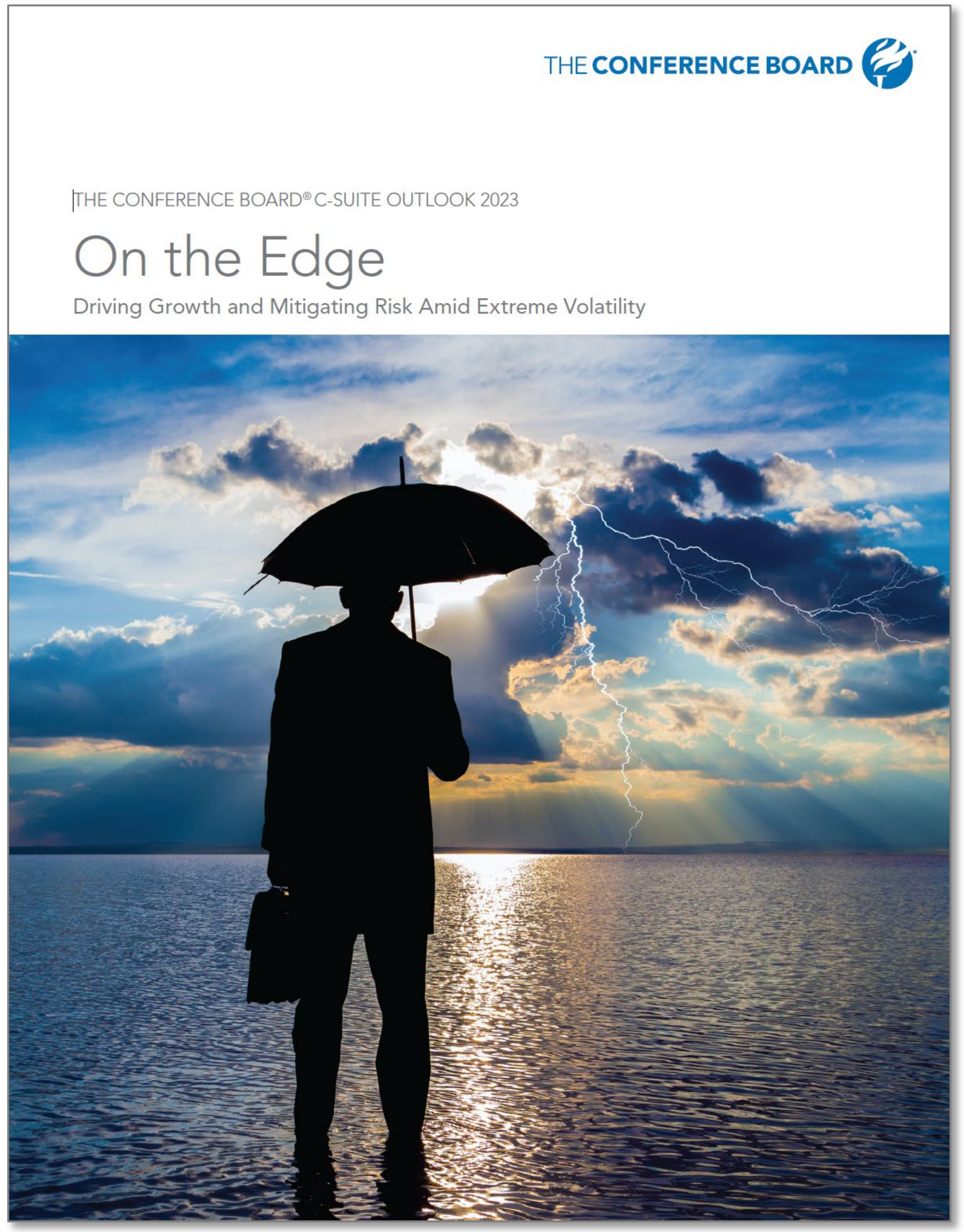
Collected data along the way. Compared LOS in ICU with chaplain integration to LOS in similar ICU settings without chaplain integration

Source: Doug Stewart, Chief Chaplain at Memorial Regional Health System in Belleville, Illinois. Featured in Phillips, P. P. and Phillips, J. J. (2023) Show the Value of What You Do. Oakland, CA: Berrett-Koehler Publishing.



If chaplains can show the value of their work, what prevents HR from doing the same?

CEOs look to drive revenue and profit growth with a focus on retaining quality talent, modifying business models, and accelerating digital transformation.



High-impact issues and top internal focus areas for CEOs in 2023

Select the **external factors** or **issues** that you think will have the greatest impact on your business in 2023.

HIGH IMPACT

- Economic downturn/recession
- Inflation
- COVID-19 related disruptions
- Global political instability
- Supply chain disruptions
- Labor shortages

LOW IMPACT

- Corporate tax rates
- More agile competitors
- Industrial policy in your region
- Lack of infrastructure investment in your region
- Global rise in authoritarianism

Select the **internal factors** or **issues** that your company will focus on in 2023.

HIGH FOCUS

- Attract and retain talent
- Drive revenue growth
- Modify business model
- Drive profit growth
- Accelerate pace of digital transformation

LOW FOCUS

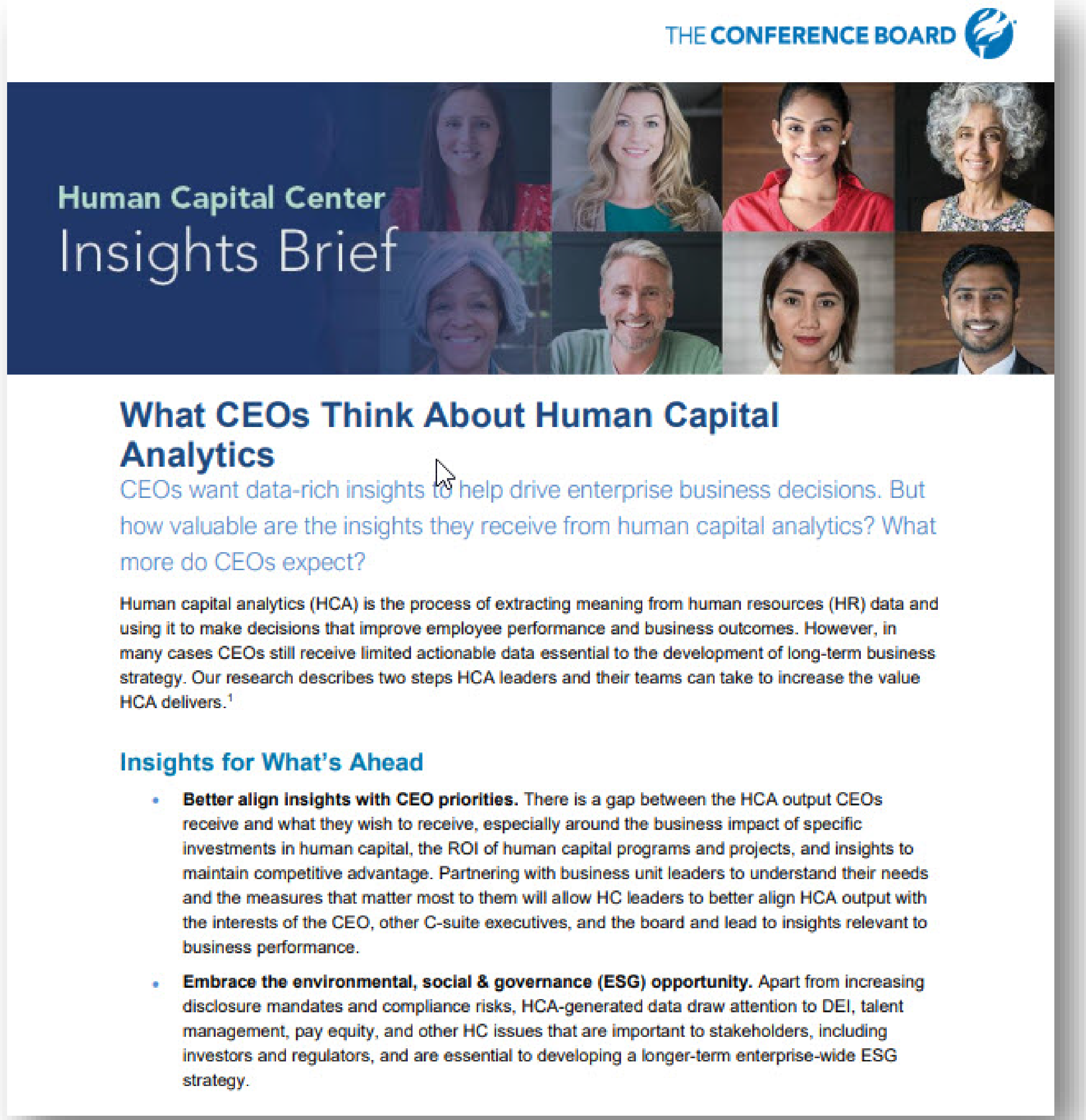
- Overhaul supply chain
- Accelerate shift to renewable energy sources
- Rethink corporate real estate/ space needs
- Improve board governance
- Expand talent pools to include underrepresented groups

Source: The Conference Board C-Suite Outlook 2023: On the Edge. p.3

What CEOs Think About Human Capital Analytics

Gaps between HCA outputs CEOs receive and what wish to receive.	
What CEOs Receive	**What CEOs Wish to Receive**
• Workforce demographic profiles	• Business impact of specific investments in human capital
• Employee experience data	• ROI in human capital programs and projects
• Cost of human capital	• Insights to help maintain competitive advantage
• Insights to better inform human capital and business resource strategy	• Forecasts of business outcomes related to human capital investments
	• Workforce capability metrics
	• Workforce planning strategies

https://bit.ly/tcbhcaceo


THE CONFERENCE BOARD

Human Capital Center

Insights Brief

What CEOs Think About Human Capital Analytics

CEOs want data-rich insights to help drive enterprise business decisions. But how valuable are the insights they receive from human capital analytics? What more do CEOs expect?

Human capital analytics (HCA) is the process of extracting meaning from human resources (HR) data and using it to make decisions that improve employee performance and business outcomes. However, in many cases CEOs still receive limited actionable data essential to the development of long-term business strategy. Our research describes two steps HCA leaders and their teams can take to increase the value HCA delivers.[1]

Insights for What's Ahead

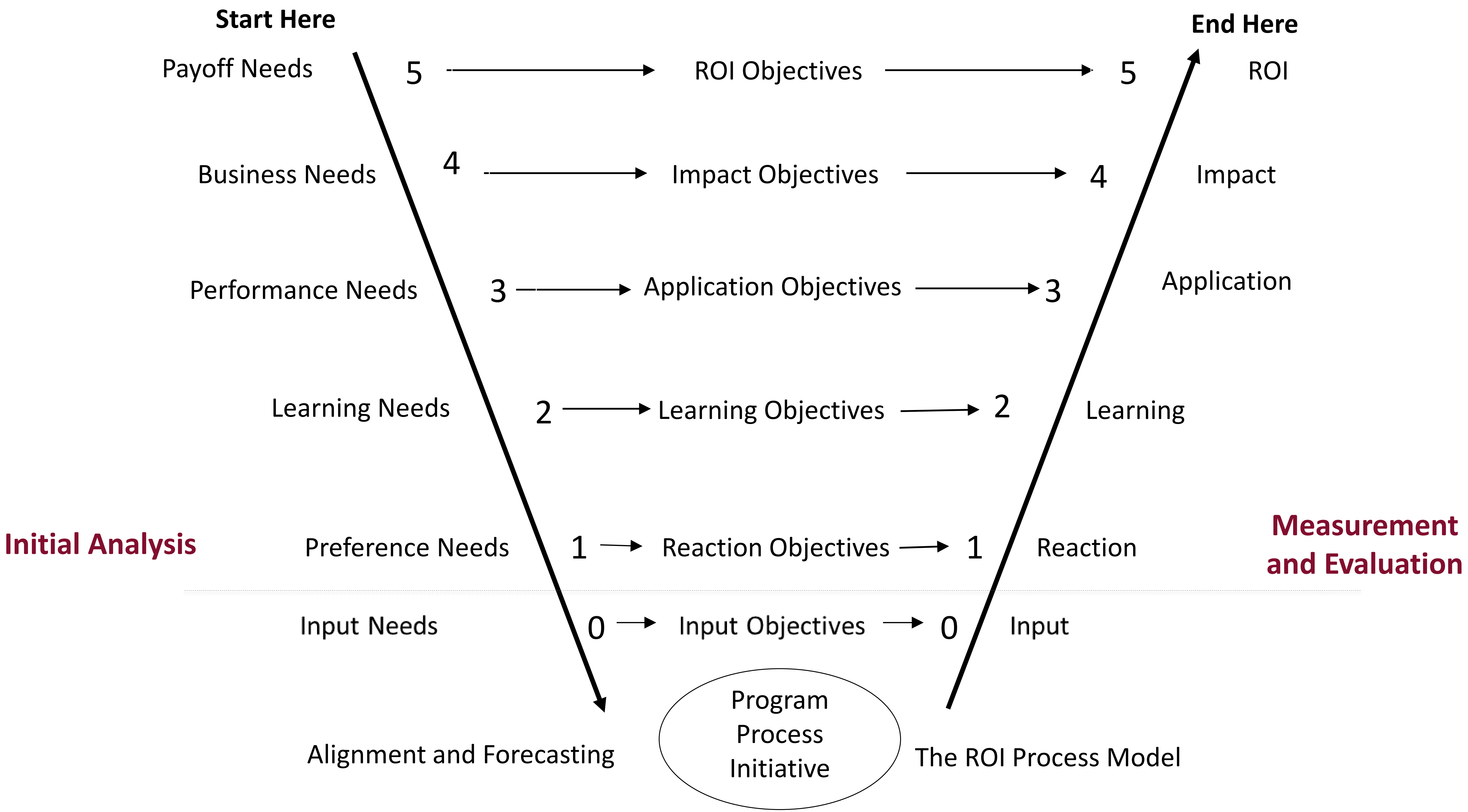
- **Better align insights with CEO priorities.** There is a gap between the HCA output CEOs receive and what they wish to receive, especially around the business impact of specific investments in human capital, the ROI of human capital programs and projects, and insights to maintain competitive advantage. Partnering with business unit leaders to understand their needs and the measures that matter most to them will allow HC leaders to better align HCA output with the interests of the CEO, other C-suite executives, and the board and lead to insights relevant to business performance.
- **Embrace the environmental, social & governance (ESG) opportunity.** Apart from increasing disclosure mandates and compliance risks, HCA-generated data draw attention to DEI, talent management, pay equity, and other HC issues that are important to stakeholders, including investors and regulators, and are essential to developing a longer-term enterprise-wide ESG strategy.

Organizations that create and demonstrate value, begin with a framework of measures.

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, Insight, 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

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.

Alignment Model



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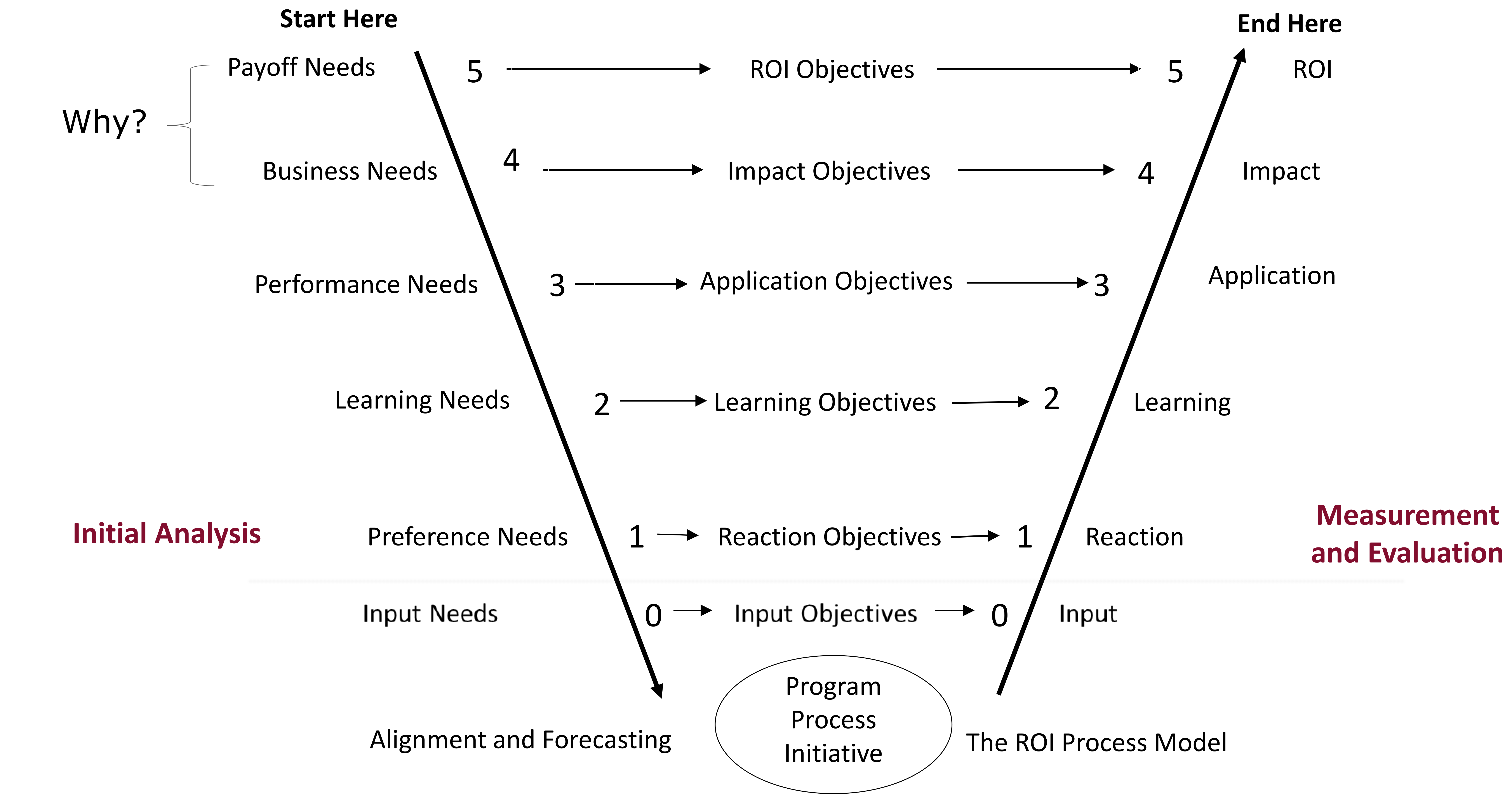

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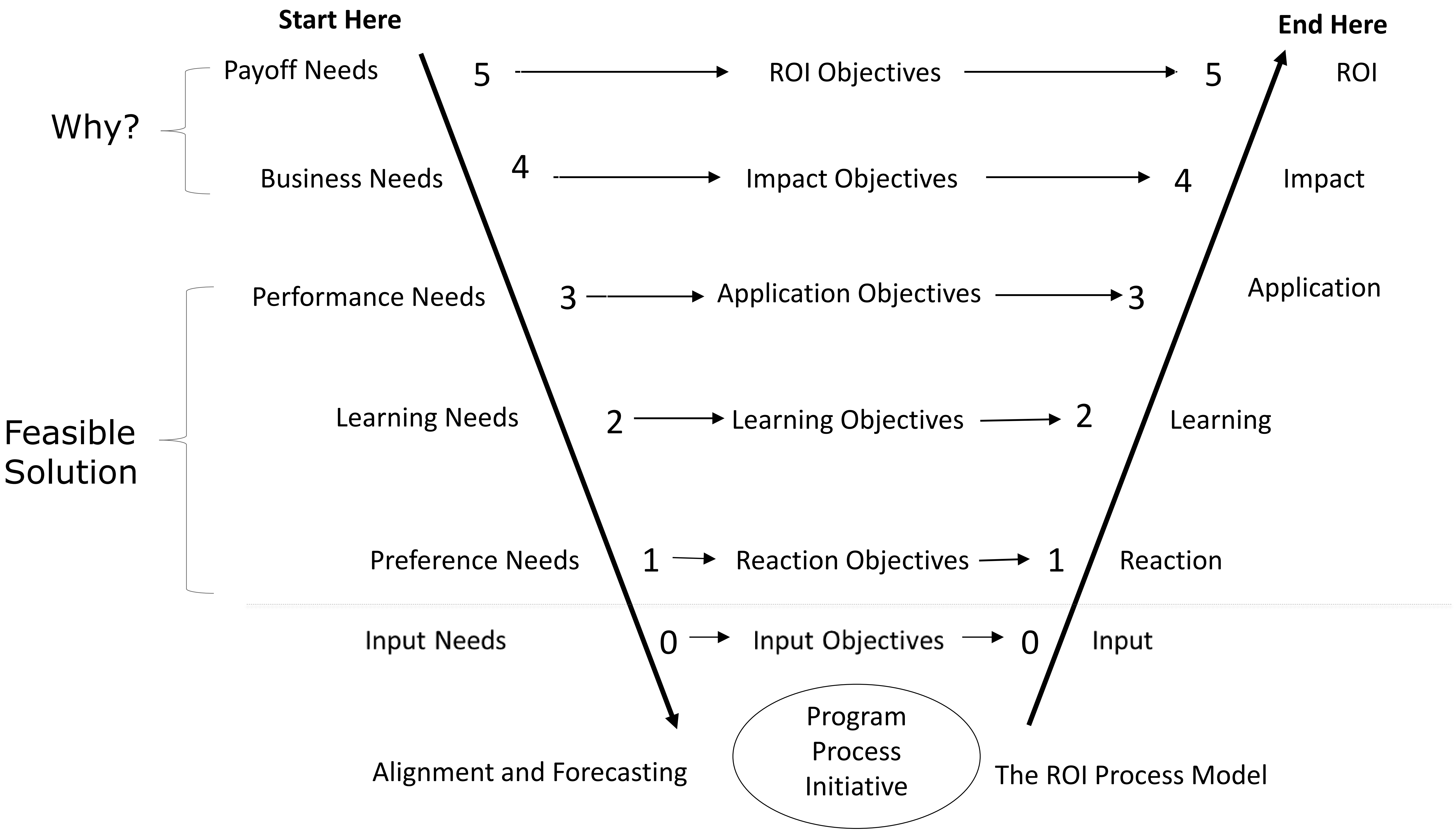

SECOR Bank: The Why

Payoff Need	• Mergers and acquisitions taking out the competition. • Financial institution facing operational issues. • Customer service scores at an all time low. • Overall turnover 57% compared to 26% for the industry. • Cost of turnover ranges from 110% to 125% of salary.
Business Need	• Voluntary turnover in branches is the biggest problem. • Turnover is 71% or 336 employees voluntarily leaving each year. • This contributes to the customer service problem. • Cost of turnover per job is $16,650 per person.
What would be your approach to determine the cause of turnover?	

SECOR Bank: The Solution

Performance Needs	• Exist interviews offered limited perspective. • Nominal group technique used to discover cause of turnover. • Results indicated the top five reasons for departure were 1. Lack of opportunity for advancement 2. Lack of opportunity to learn new skills and new product knowledge 3. Pay level not adequate 4. Not enough responsibility and autonomy 5. Lack of recognition and appreciate • Solution: Skill-based Pay Program
Learning Needs	• Why the initiative is underway • Role of branch employees • How the process works • Target staff acquire certain knowledge and skills • Managers learn how to coach to process
Preference Needs	• Launch within each of the branches • Ensure those who do not participate are not penalized
Investment	• Estimate the program will prevent 60 turnovers in the first year, leading to a cost avoidance of $999,000 • Initial investment of $800,000 • Target ROI for year one is 25%

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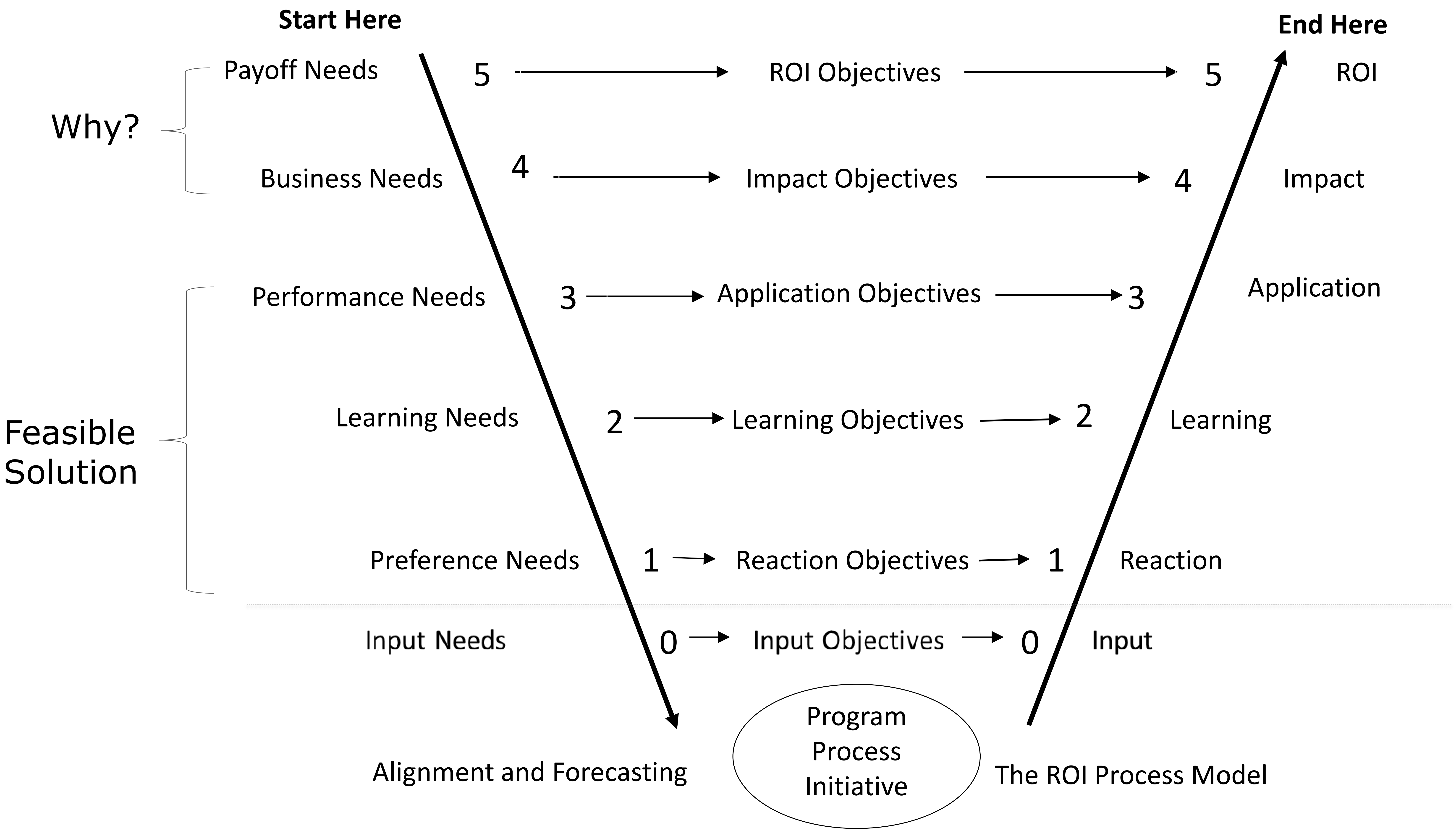
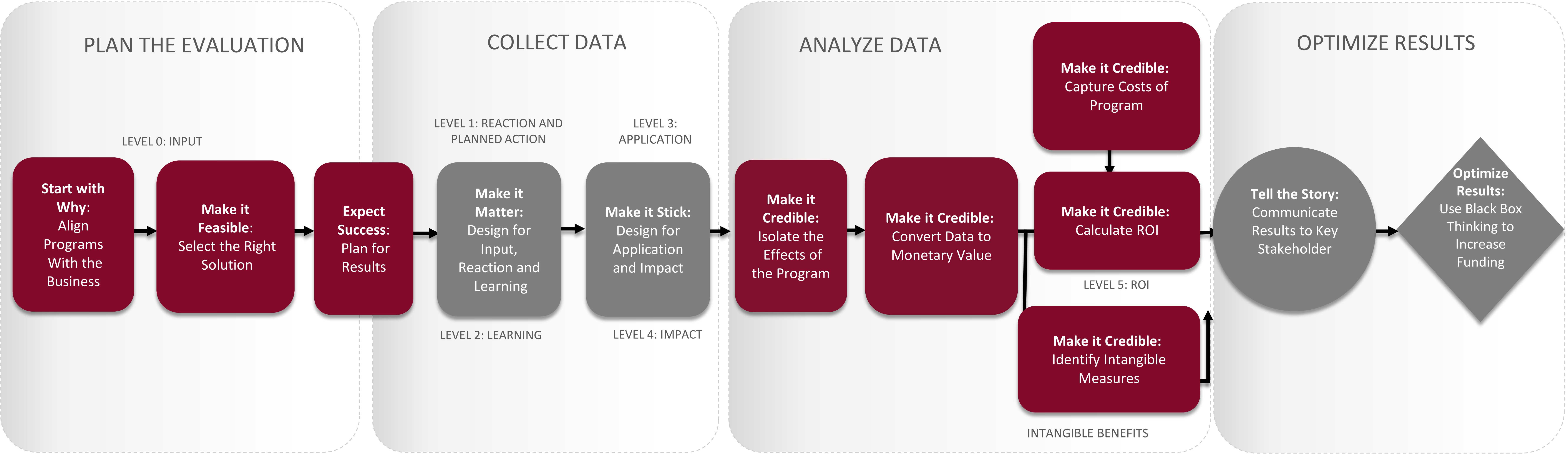
Alignment Model



The ROI Methodology Process Model



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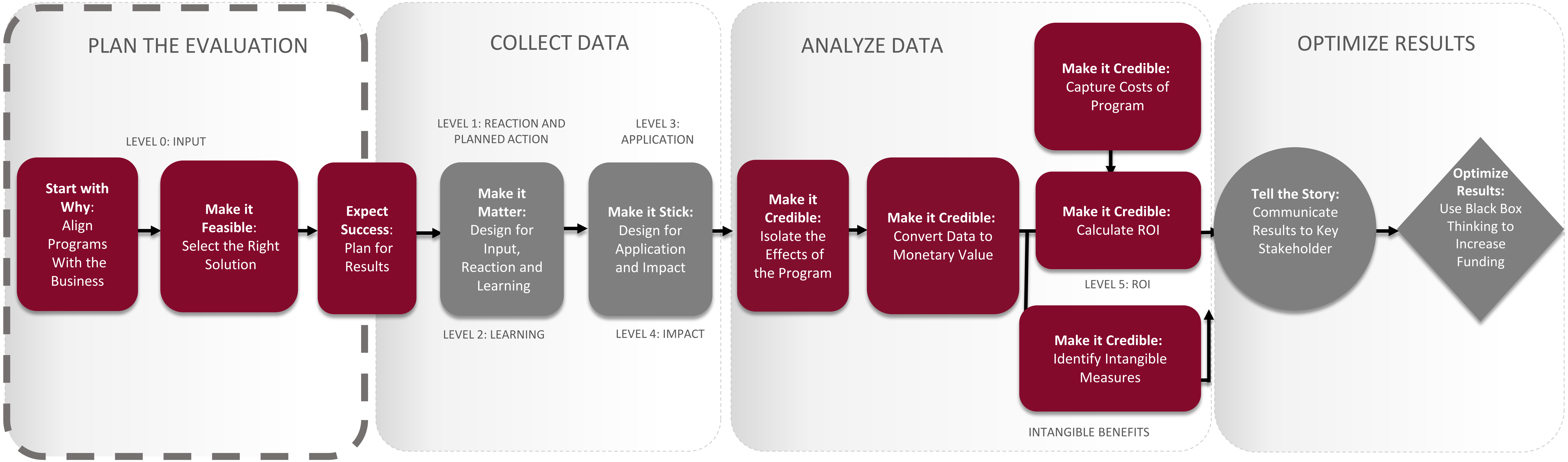

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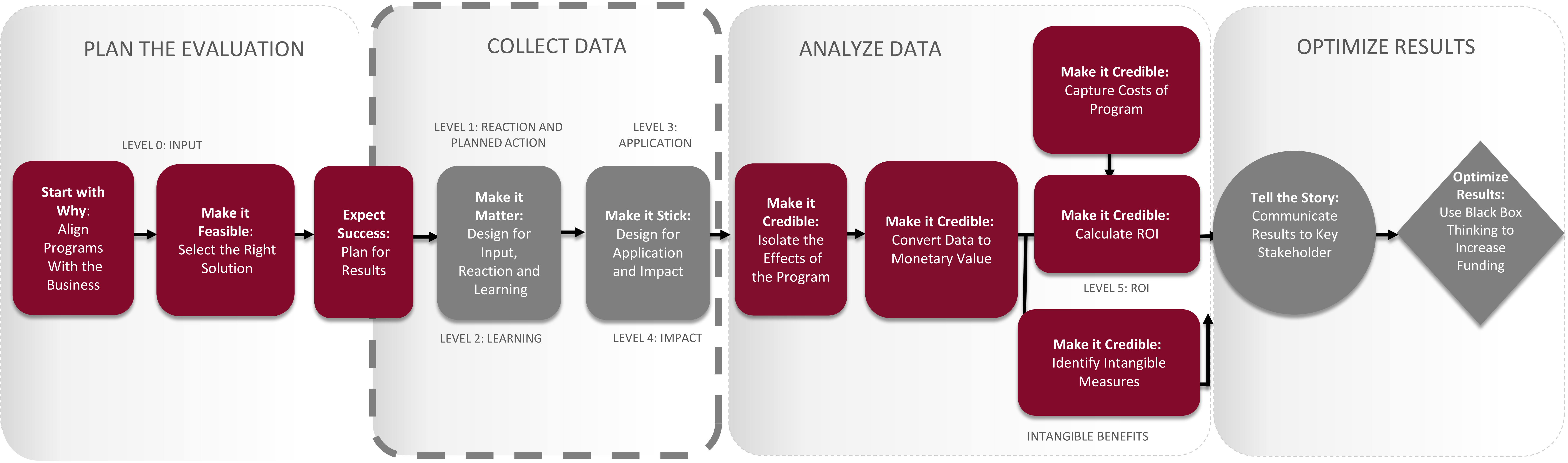

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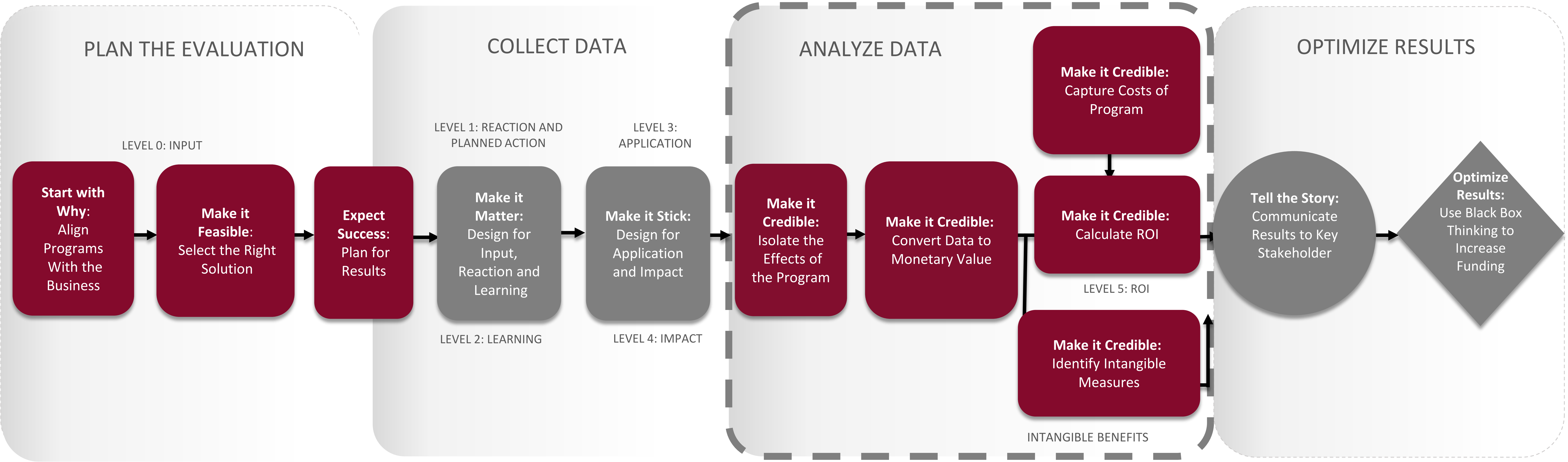
Collect Data Along the Way

- Six-week virtual leadership development
- Pre-program assessment including targeted business measures
- Application data collected throughout
  - System data
  - Built in questionnaire (Qualtrics)
  - Facilitator/moderator feedback
- Post-program data collection
- ROI Forecast 310%

Download the report: https://roiinstitute.net/report/

The ROI Methodology Process Model



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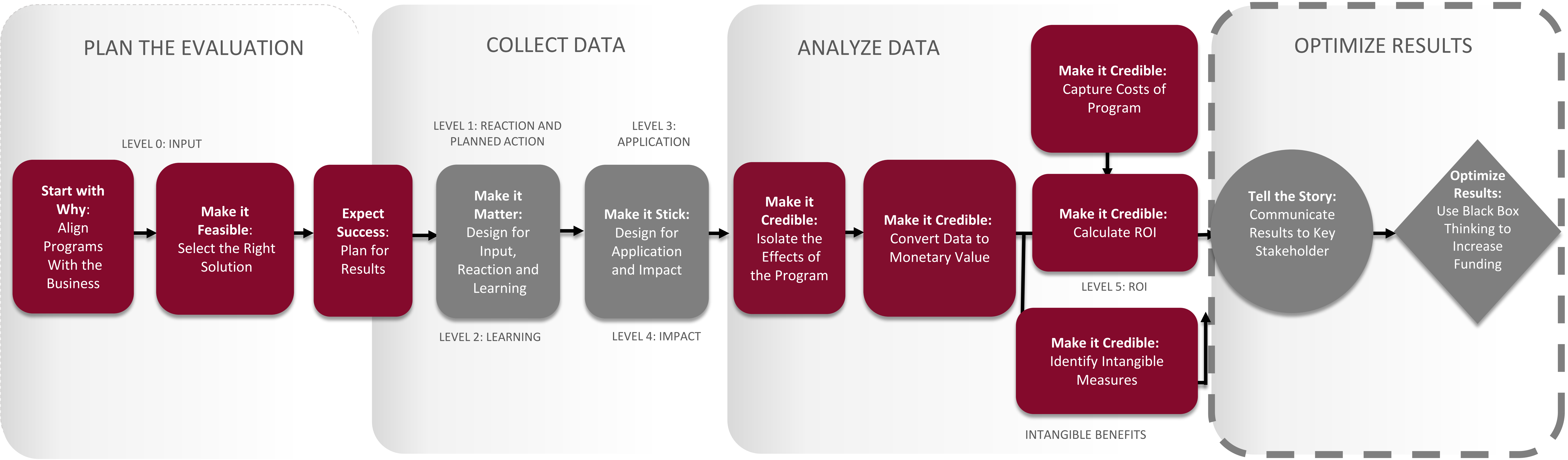

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With more than 20 years of experience in the learning & development industry, **Kaycee Buckley is Director for Global Commerical Talent.** She works with organizational leaders to define talent development, strategies, develop and deploy learning events, and measure the business impact for these training initiatives.

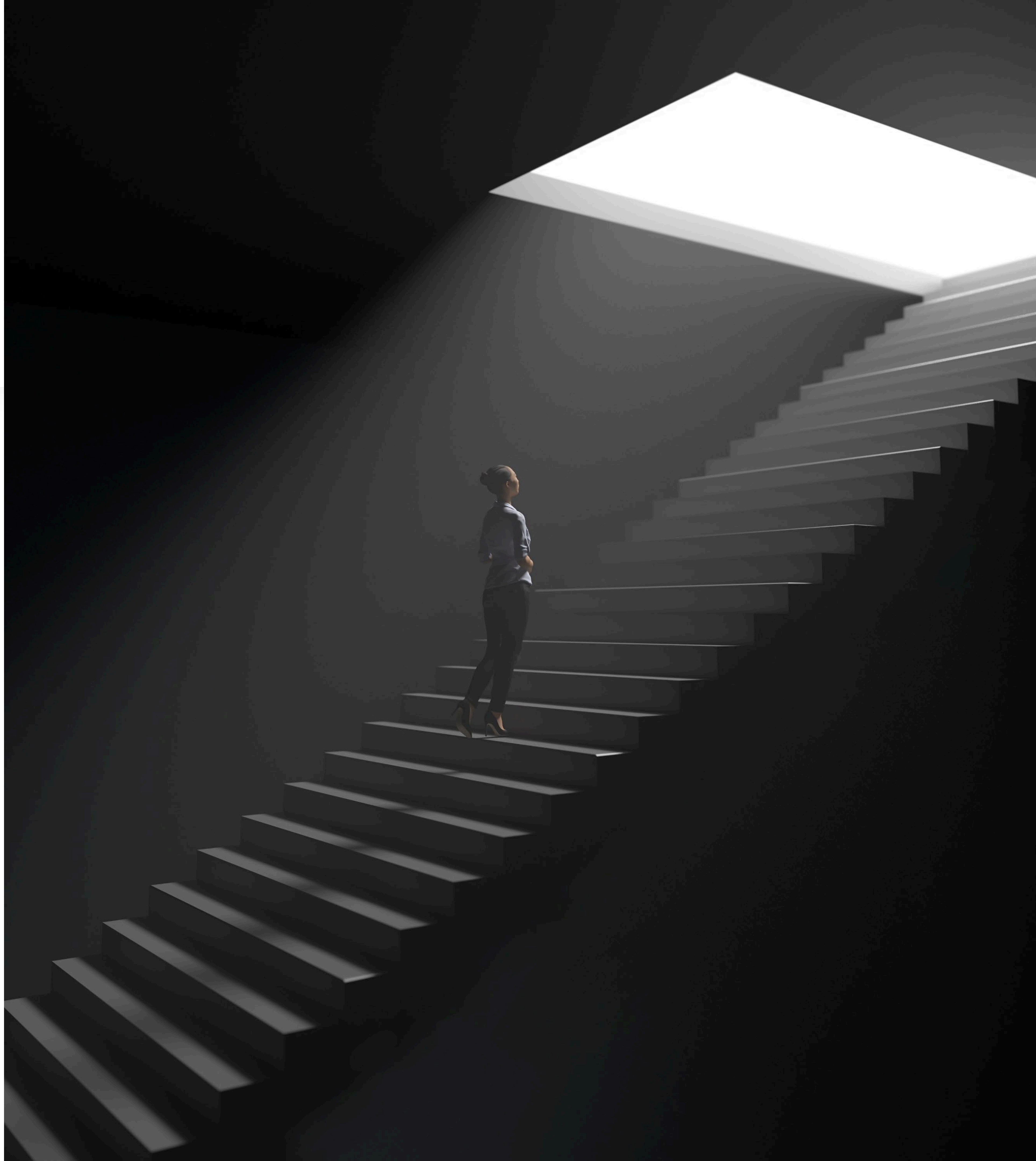
Just wanted to let you know that I presented the Coaching ROI results to my DVP and the Area Commercial Directors last Thursday. It was AMAZING! They were surprised and not surprised by the results. That is, ***they were not surprised that the ROI was negative*** *because they are all aware that the Sales Managers are not coaching and agreed with the barriers as I had outlined in the study.* ***They were surprised at what a negative impact "not applying Coaching" was making to the business, which sparked a very productive conversation as to what to do to fix it.***

Wow...such positive outcomes from my stakeholders...and with a negative ROI!

Tell your story. Optimize results.

Six Steps to Show the Value of What You Do

1. Start with why
2. Select the right solution
3. Expect success with objectives
4. Collect data along the way
5. Analyze the data
6. Optimize the results



Remember, when it comes to showing value:

- Hope is not a strategy.
- Luck is not a factor.
- Doing nothing is not an option.

Change is inevitable.

Progress is optional.

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Need an ROI study on an important program or project?

ROI Certification is the Solution!

By attending ROI Certification, you will:

- Build serious measurement and evaluation capability.
- Maximize learning through weekly group coaching with ROI Institute leaders.
- Complete an ROI evaluation study on an important program.
- Earn the Certified ROI Professional® (CRP) designation and digital badge.
- Join the ROI Network with more than 6,000 ROI professionals.
- Advance your professional skills and improve organization outcomes.

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