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Aligning Performance Improvement Projects to the Business

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ISPI The 2024 Performance Improvement Conference, May 5-9 2024, We-Ko-Pa Resort, Fort McDowell, Arizona, USA

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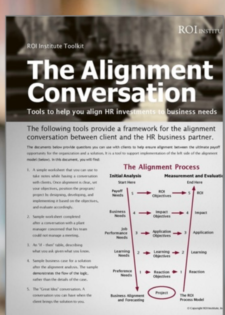
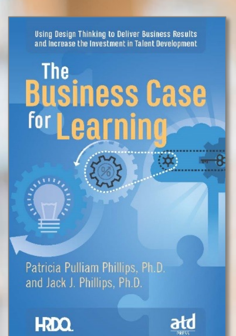
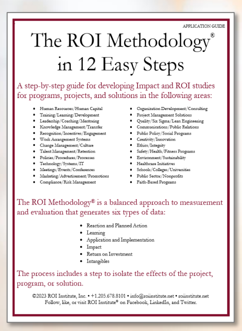
Resources







SCAN ME

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Learning Objectives

During the session, participants will learn how to:

- Describe the alignment model to a particular client.
- Identify five levels of outcome.
- Align performance improvement projects to the business in the beginning.
- Keep the focus on alignment with impact objectives.
- Validate the alignment on a follow-up evaluation.

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Scotland Yard

The Program
- Leadership Development
- Classic blend of soft skill tools
- 50,000 hours of one-to-one coaching
- Five days of workshops in person
- 360-degree feedback processes
- 4D personality profile (blue, red, green, yellow personality)

The Feedback

"Everyone who attended was angry as they felt it was a waste of money and it took us out of the borough at a time when we have so much work to do."

--- *Participant*

"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."

--*Metropolitan Police Federation Chairman*

The Defense

"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."

--*Spokesperson for the Met*


The Telegraph HOME | NEWS

Metropolitan Police Service

PREMIUM

Met police accused of 'wasting' £10m o leadership training programme as crime soars

What's going on here?

[1]H. Dixon. "Scotland Yard 'wasting' £10M on leadership training." *The Sunday Telegraph*. June 3, 2018. 1-2.
[2]J. Ungoed-Thomas, K. Shveda, S. Joiner, and D. Collins. "Under 5% of all burglaries and robberies solved." *Sunday Times.* June 17, 2018. 1.

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Framework: Five Levels of Outcomes

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

Katzell developed four steps of training evaluation; Kirkpatrick wrote about four steps of training evaluation; Phillips improved the measures, added economic theory (Level 5). More importantly, Phillips operationalized the framework by adding process and standards and applying them in practice.

What is ROI?

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

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

What is ROI?

$$BCR = \frac{\$750{,}000}{\$425{,}000}$$

$$ROI = \frac{\$750{,}000 - \$425{,}000}{\$425{,}000} \times 100$$

Sometimes we will see this:

BCR = [illegible],000 / $42[illegible] = 1.76 x 100 = 176%

BCR and ROI are similar, yet different!

$$\text{BCR} = \frac{\$750{,}000}{\$425{,}000} = 1.76{:}1$$

$$\text{ROI} = \frac{\$750{,}000 - \$425{,}000}{\$425{,}000} \times 100 = 76\%$$

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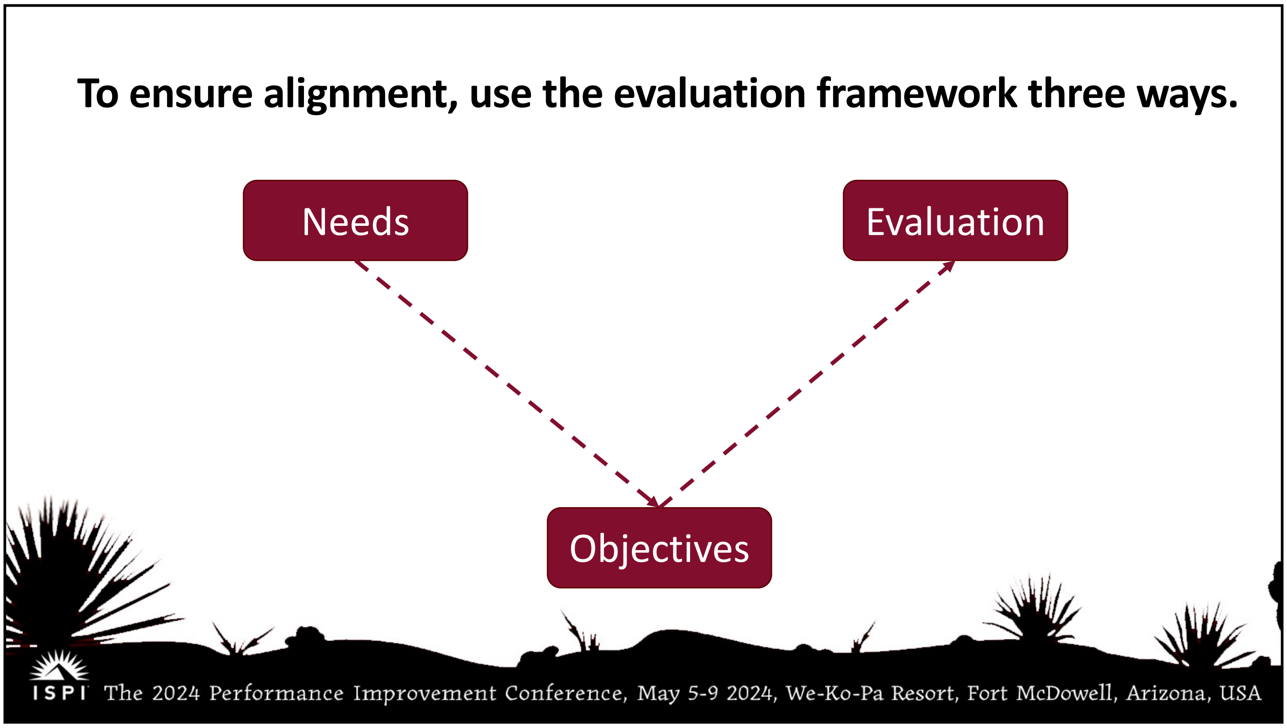
To ensure alignment, use the evaluation framework three ways.
Needs
Evaluation
Objectives
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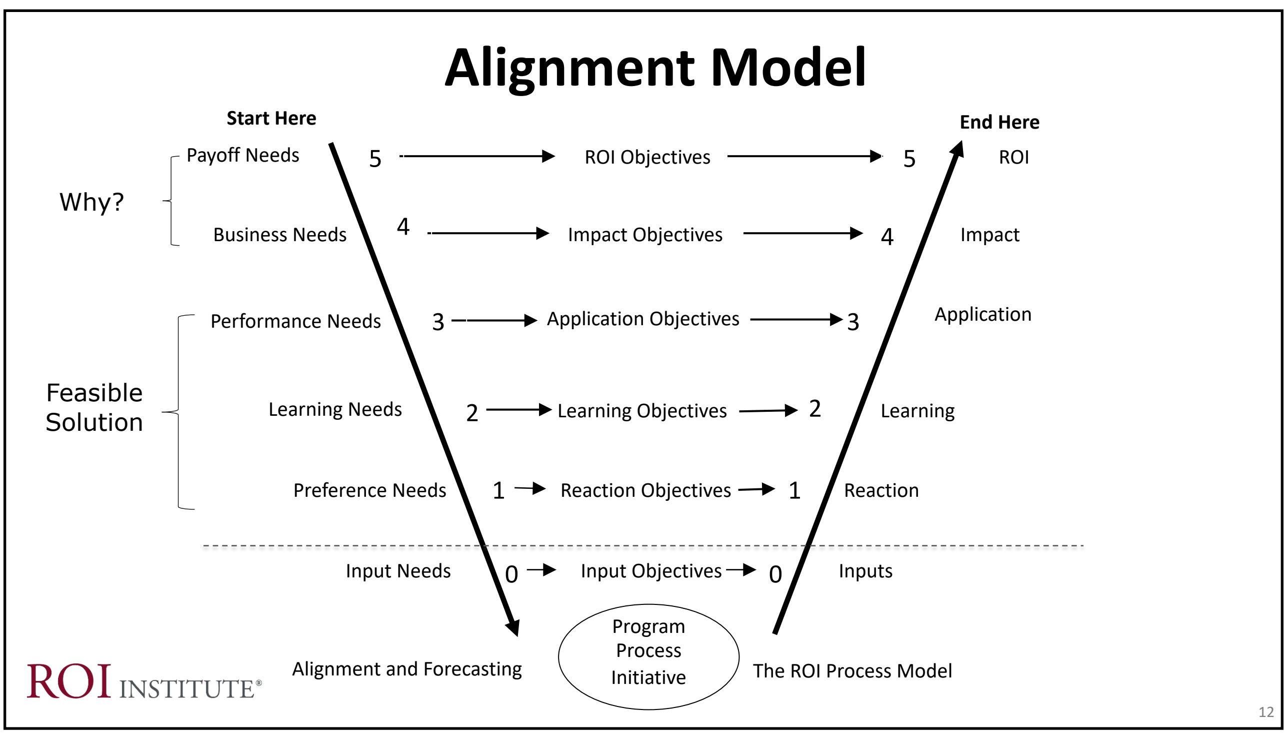
Alignment Model
Start Here
End Here
Why?
Payoff Needs
Business Needs
Feasible Solution
Performance Needs
Learning Needs
Preference Needs
Input Needs
5 ROI Objectives 5
4 Impact Objectives 4
3 Application Objectives 3
2 Learning Objectives 2
1 Reaction Objectives 1
0 Input Objectives 0
ROI
Impact
Application
Learning
Reaction
Inputs
Alignment and Forecasting
Program Process Initiative
The ROI Process Model
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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?

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

Ideal Approach

5 **Payoff Needs**
- The business case development process starts by identifying the payoff need, which represents the economic opportunity or problem that the organization is facing. This could be related to cost savings, revenue generation, or other financial or reputational factors.

4 **Business Needs**
- Next, the specific business needs that contribute to the payoff need are identified. These could include issues related to processes, operations, or performance metrics that need to be addressed.

3 **Performance Needs**
- The performance needs represent the behaviors or processes that need to change in order to address the business needs. This involves analyzing the root causes of the issues and identifying the specific actions or changes required. The solution begins to surface.

2 **Learning Needs**
- To facilitate the necessary performance changes, the learning needs are identified. These represent the knowledge, skills, or information that employees need to acquire in order to change their behaviors or processes

1 **Preference Needs**
- The preference needs the specific solutions or methods that will be implemented to address the learning needs. This could include workshops, job aids, or other training and development initiatives.

0 **Investment Needs**
- This investment needs include who and how many people are involved, how much the investment is going to cost, the potential payoff for the project, and the forecast ROI when necessary.

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“Great Idea” Approach

0 **Investment**
- The client presents a "great idea" for a solution, such as a two-day workshop on meaningful conversations.

1 **Preference Needs**
- Client decides how the solution be roll out, who will facilitate it, and when it will take place.

2 **Learning Needs**
- Clarify what the client wants employees to learn from the proposed solution.

3 **Application Needs**
- Identify the specific behaviors or processes that the client wants employees to change as a result of the learning.

4 **Business Needs**
- Determine the underlying business need that the client is trying to address, such as an absenteeism problem.

5 **Investment Needs**
- Calculate the potential payoff or cost savings associated with addressing the business need, such as the cost of absenteeism.

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If-Then

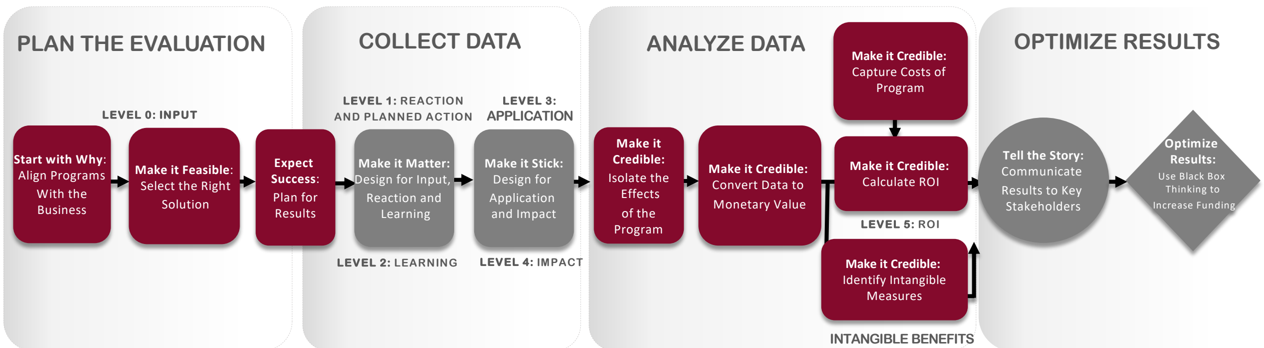
If You Only Know...	Then Ask For...
Payoff Opportunity (Level 5)	The estimated value of the opportunity and the specific business measures that need to improve.
Business Measures (Level 4)	Clarity on the measure, including baseline and target performance, and the monetary value of the measure.
Performance Needs (Level 3)	Specific business measures that will improve by addressing the performance needs.
Learning Needs (Level 2)	Specific behaviors that need to change as a result of addressing the learning needs.
Preference Needs (Level 1)	Specific knowledge, skills, or information the client wants people to acquire, and the behaviors that will change as a result.

Expect Success: Develop 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 or behaviors changed 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

The ROI Methodology Process Model

Designing for the Delivery of Business Results



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What is ROI?

$$BCR = \frac{\$4,131,300}{\$1,374,796}$$

$$ROI = \frac{\$\ 4,131,300 - 1,374,796}{\$\ 1,374,796} \times 100$$

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Guiding Principles

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 alternatives for calculations.
5. Use at least one method to isolate the effects of the program or project.
6. If no improvement data are available for a population or from a specific source, assume that no improvement has occurred.
7. Adjust estimates of improvements for the potential error of the estimates.
8. Avoid use of extreme data items and unsupported claims when calculating ROI.
9. Use only the first year of annual benefits in the ROI analysis of short-term solutions.
10. Fully load all costs of the 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 the ROI Methodology to all key stakeholders.

The Complete Story

Inputs
↓
Reaction
↓
Learning
↓
Application
↓
Isolate the Effects of the Program
↓
Impact
↓
ROI

Intangible Benefits

Next Steps

- Schedule a meeting with an ROI team leader.
- Register for ROI Boot Camp or ROI Certification.
- Leverage ROI Institute's expertise through our consulting or coaching services.
- Share the information I learned with a colleague.
- Review the materials from today's session.

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Resources

Scan the QR code to access resources from today's session.

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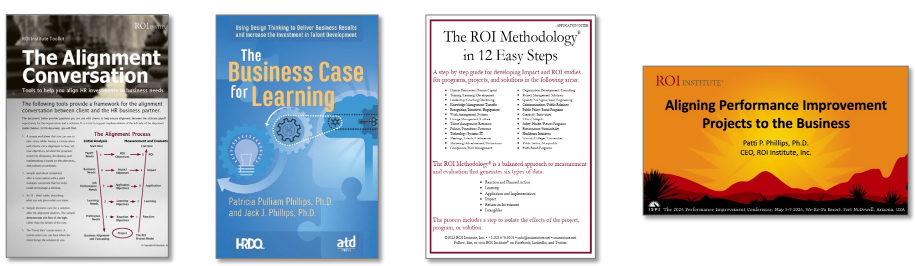

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Questions?

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