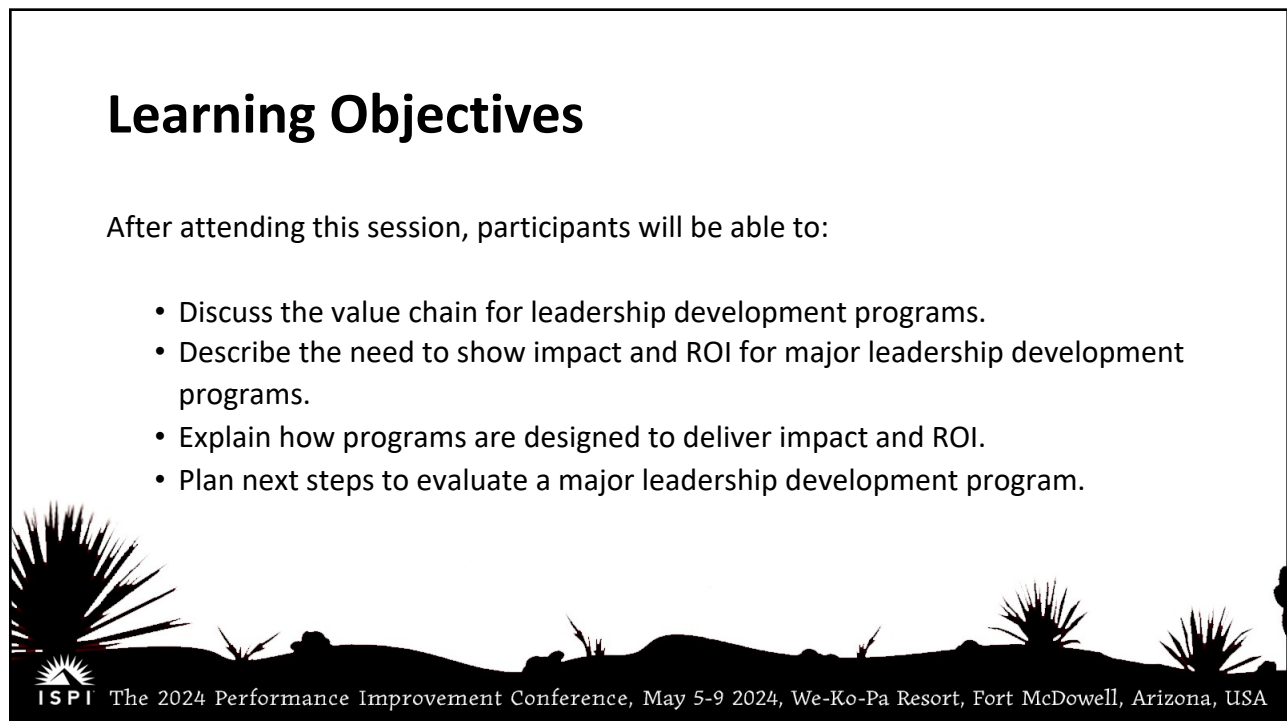
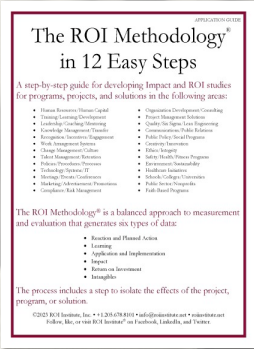




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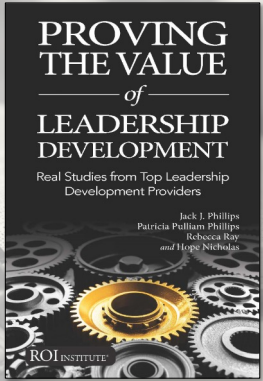


2



Resources






3

3

Reasons Why Leadership Fails to Deliver Impact and ROI



Failure to align to the business



Not expecting success



Failure to design for application and impact



Waiting too late to start the evaluation process



Not isolating the effects of the program

4

4

The Value Chain is Always There!

	LEVEL	ISSUE	MEASURES	TARGETS [†]
<u>This is easy</u> Always measured	0	Inputs	Volume, Hours, Convenience, Cost	100%
*Can predict	1	Reaction	*Relevance, Engaging, *Important, Useful, *New Content, *Intent to Use, *Recommend to Others	100%
	2	Learning	Concepts, Trends, Facts, Contacts, Skills, Competencies	90%
	3	Application	Use of content, Frequency of Use, Success with Use, Barriers, Enablers	30%
Executives prefer	4	Impact	Productivity, Time, Quality, Costs, Image, Reputation, Engagement, Compliance	10%
	5	ROI	Benefit Cost Ratio or Return on Investment, Expressed as a Percent	5%

[†] Best Practice: Percent of Programs Evaluated at this level each year.

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Serious Performance Challenges

**True
or
False?**

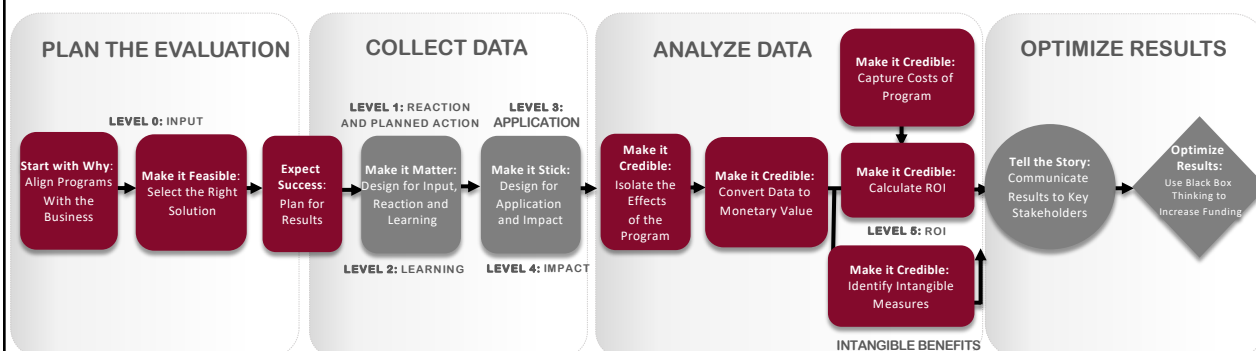
1. Most leadership development (LD) is wasted (not used).
2. The results from LD programs desired by executives are rarely measured.
3. Most LD providers lack data showing they make a difference.
4. Most executives see LD as a cost and not an investment.
5. Most executives view hard skills more valuable than soft.

6

6

The ROI Methodology Process Model

Designing for the Delivery of Business Results



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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 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.

8

8

**What is
your
status?**

***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

9

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Characteristics of Investments Suitable for Impact & ROI

Cost of the project

Linkage of project to operational goals and issues

Importance of project to strategic objectives

Top executive interest in the evaluation

Visibility of the project

Size of target audience

Investment of time required

10

10



What is your experience with ROI?

- A. No experience with it.
- B. It's been suggested, but no action has been taken.
- C. I have attempted it.
- D. I have conducted an ROI study.
- E. I wish ROI would go away.

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11

Case Study: Global Technology Company

Empathetic and Inclusive Leadership



Communicate
often and openly.



Clearly communicates
expectations.



Open to new ideas
and approaches.



Listens intently to
team members.



Involves all team
members in key issues.



Has the flexibility to
change opinions.



Create a feeling of succeeding
and failing together.

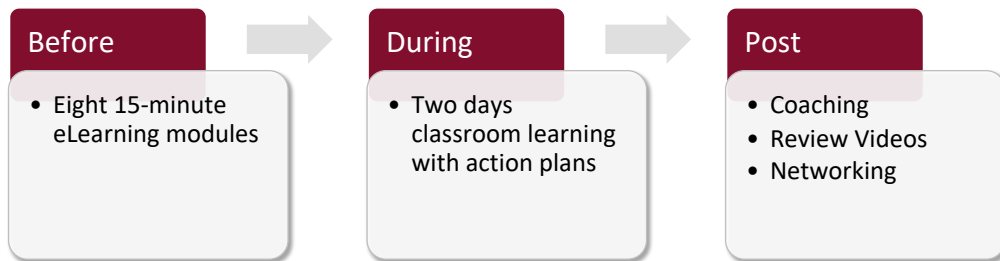


Provides safety
for trial and error.

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Program Design



Evaluate three groups (48)

13

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Empathetic and Inclusive Leadership: Global Technology Company

1. Start with Why—Align to Business Measures

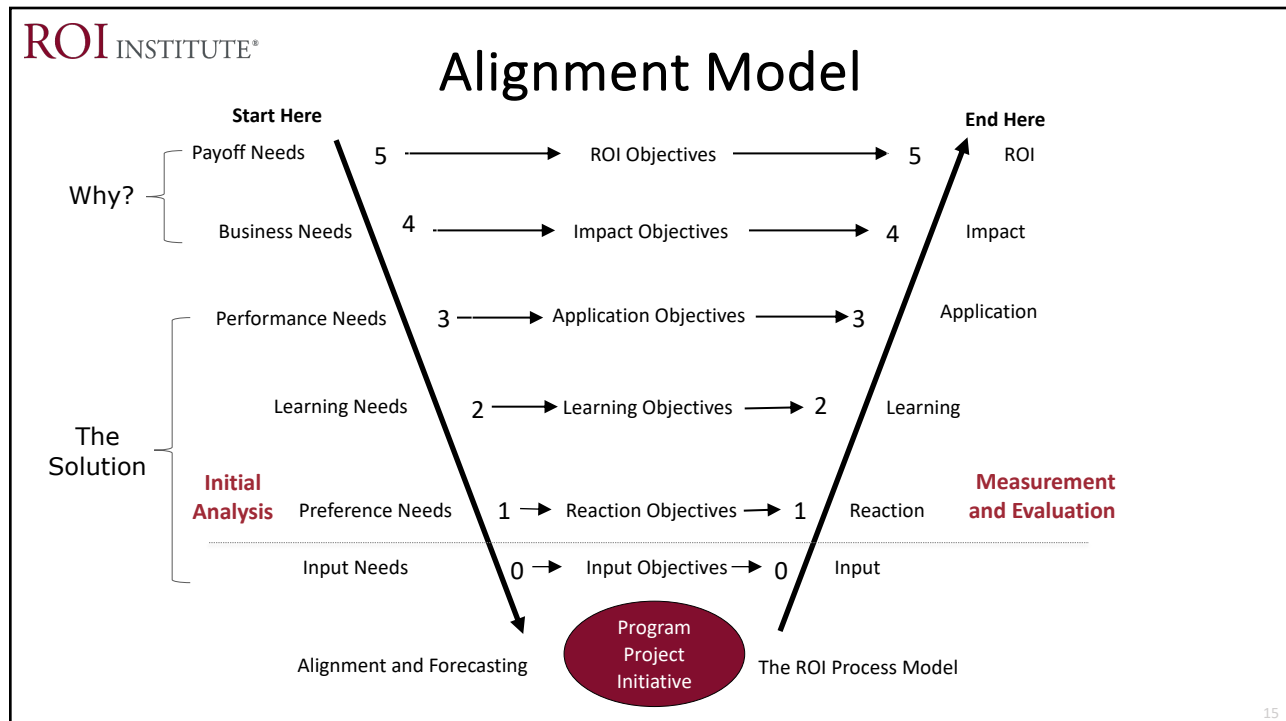
- Data, discussion, benchmarking led to business measures
- Voluntary turnover, transfers, absenteeism, job engagement, other measures

2. Make it Feasible—Select the Right Solution

- The leaders (participants) made the connection.

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Empathetic and Inclusive Leadership: Global Technology Company

3. Expect Success

- Definition of success: Impact (business measures)
- Objectives developed for reaction, learning, application, and impact
- Objectives provided to all stakeholders with the request: Design to application and impact

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Matching Evaluation Levels with Objectives

Objective	Evaluation Level
After completing this program or project, participants should:	
1. Decrease employee transfers by 20% in one year.	_____
2. Listen intently to team members routinely.	_____
3. Be able to demonstrate the five steps to diffuse a conflict, given two individuals in a heated argument.	_____
4. Rate the content 4 out of 5 on relevance.	_____
5. Deliver at least 20% return on the investment.	_____

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Matching Evaluation Levels with Objectives

Objective	Evaluation Level
After completing this program or project, participants should:	
1. Decrease employee transfers by 20% in one year.	4
2. Listen intently to team members routinely.	3
3. Be able to demonstrate the five steps to diffuse a conflict, given two individuals in a heated argument.	2
4. Rate the content 4 out of 5 on relevance.	1
5. Deliver at least 20% return on the investment.	5

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Empathetic and Inclusive Leadership: Global Technology Company

3. Make it Matter - Reaction

- This is important to our mission. 4.2
- This is important to me. 4.6
- This is something I will use. 4.9
- This is something I will recommend to others. 4.0

(Ratings based on a five-point scale.)

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Empathetic and Inclusive Leadership: Global Technology Company

4. Make it Matter - Learning

I am competent to:

- Communicate often and openly. 4.2
- Clearly communicate expectations. 4.9
- Open up to new ideas and approaches. 4.0
- Listen intently to team members 4.0
- Involve all team members in key issues. 4.1
- Be flexible to change opinions. 3.9
- Create a feeling of succeeding and failing together. 3.8
- Provide safety for trial and error. 3.9

(Ratings based on a five-point scale.)

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Empathetic and Inclusive Leadership: Global Technology Company

5. Make it Stick - Application

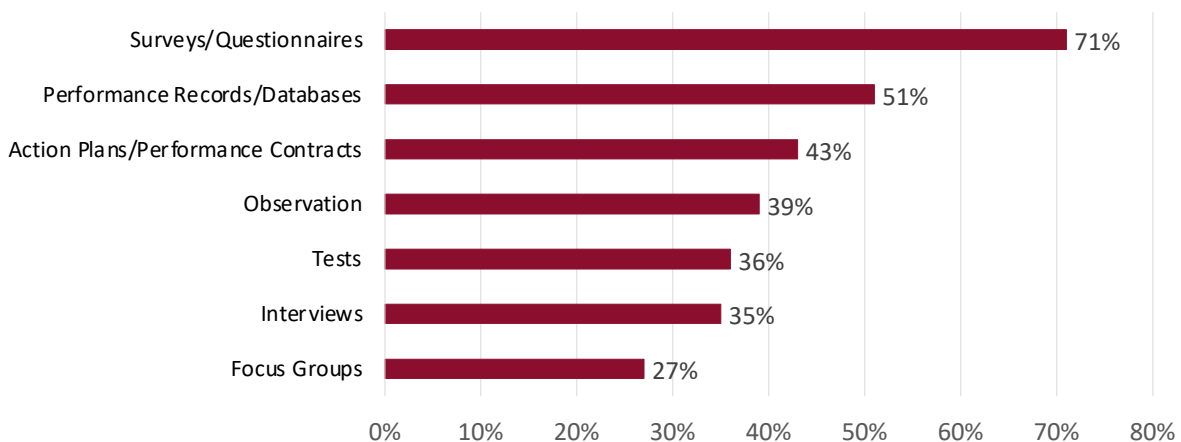
	Extent of Use	Success with Use
• Communicate often and openly.	4.3	4.4
• Clearly communicate expectations.	4.2	4.3
• Open up to new ideas and approaches.	4.3	4.3
• Listen intently to team members.	3.9	4.2
• Involve all team members in key issues.	4.1	4.0
• Be flexible to change opinions.	3.2	3.9
• Create a feeling of succeeding and failing together.	3.4	4.1
• Provide safety for trial and error.	3.5	3.8

(Ratings based on a five-point scale.)

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Data Collection Methods



*Survey of Users, N = 246

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Empathetic and Inclusive Leadership: Global Technology Company

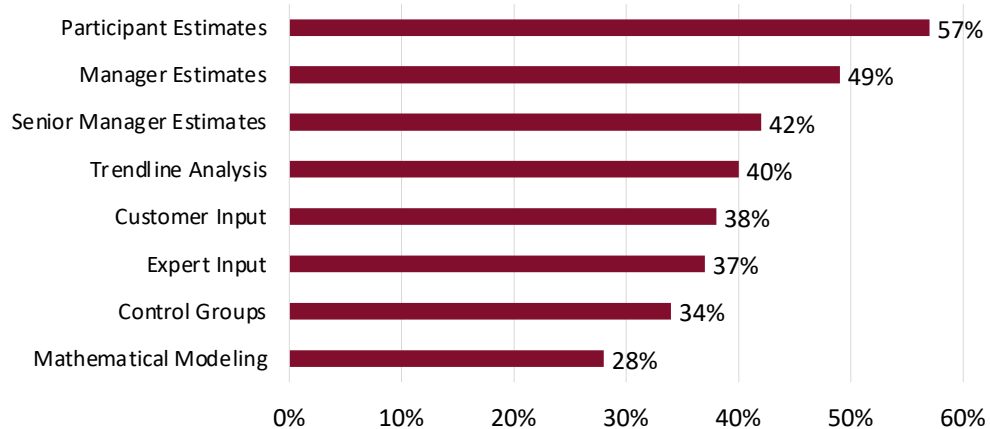
6. Make it Credible: Isolate the Effects of the Program

- Explored: experimental versus control group
- Tried: trend line analysis
- Used: estimates from participants, adjusted for error

23

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Isolation Methods



*Survey of Users, N = 246

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Empathetic and Inclusive Leadership: Global Technology Company

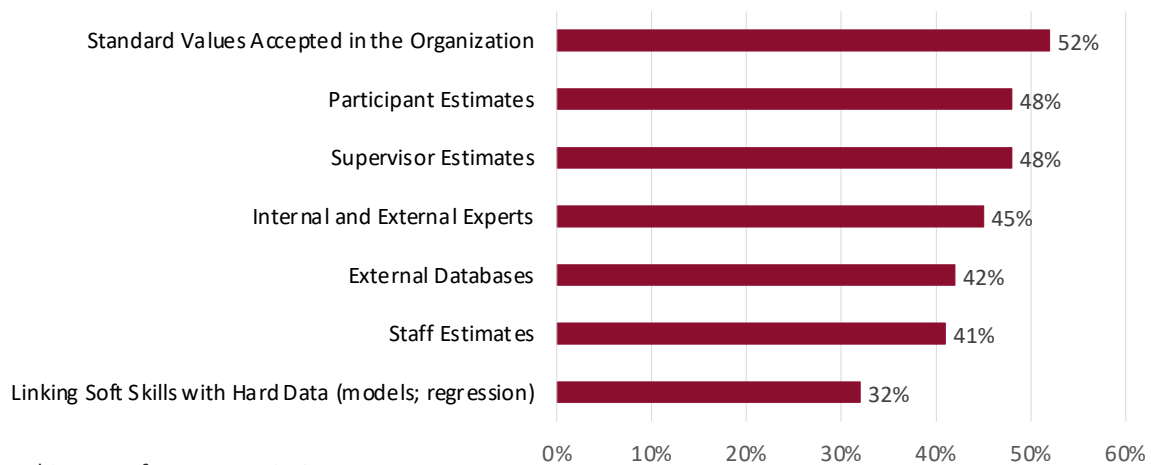
7. Make it Credible: Convert Data to Money

- Voluntary Turnover – HR provided (150% of annual pay)
- Transfers – HR provided (\$15,500)
- Absenteeism – Payroll provided (\$428 per absence)
- Others – Varies
- Total Monetary Value – One year of benefits

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Data Conversion Methods



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Monetary Calculations From Action Plans

Measure	% Participants Claiming	# Prevented Annually	Unit Cost	Annual Value	Contribution	Confidence	Total
Voluntary Turnovers	42% (20)	14	\$222,000	\$3,108,000	31%	72%	\$693,706
Transfers	54% (26)	9	\$15,500	\$139,500	43%	76%	\$45,589
Absenteeism	38% (18)	25	\$428	\$10,700	37%	73%	\$2,890
Others* *Questionnaire	10% (5)	Varies	Varies	\$39,600	63%	81%	\$20,208
							Total \$762,393

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Empathetic and Inclusive Leadership: Global Technology Company

8. Make it Credible: Identify Intangible Benefits

Productivity	4.8
Innovation	4.7
Compassion	4.6
Job Satisfaction	4.6
Engagement	4.5
Quality of Work	4.5
Trust	4.4
Collaboration	4.2
Recruiting Impact	4.1
Stress	3.9

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9. Make it Credible: Capture Costs of Program

Needs assessment (prorated)	\$20,000 / 2,400 x 48	\$400
Research/Development costs (prorated)	\$50,000 / 2,400 x 48	\$1,000
Production costs (prorated)	\$25,000 / 2,400 x 48	\$500
Salaries/benefits facilitation	\$10,000 x 3	\$30,000
Salaries/benefits coordination	\$4,800 x 3	\$14,400
Salaries/benefits participation	\$2,770 x 48	\$132,960
Coaching	\$2,100 x 48	\$100,800
Travel and lodging	\$1,976 x 48	\$94,848
Facilities	\$300 x 6	\$1,800
Evaluation (internal and external)		\$11,000
Prorated over life of program = 2,400 managers Three groups of 16 managers = 48 managers		Total \$387,708

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What is ROI?

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

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



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10. Make it Credible: Calculate ROI

Total Monetary Benefits = \$762,393

Total Costs = \$387,708

$$\text{BCR} = \frac{\$762,393}{\$387,708} =$$

$$\text{ROI} = \frac{\$762,393 - \$387,708}{\$387,708} \times 100 =$$

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10. Make it Credible: Calculate ROI

Total Monetary Benefits = \$762,393

Total Costs = \$387,708

$$\text{BCR} = \frac{\$762,393}{\$387,708} = \mathbf{1.97}$$

$$\text{ROI} = \frac{\$762,393 - \$387,708}{\$387,708} \times 100 = \mathbf{97\%}$$

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Empathetic and Inclusive Leadership: Global Technology Company

11. Tell the Story: Communicate Results to Key Stakeholders

With numbers and narrative, results were communicated to:

- Executives — face-to-face briefing
- Immediate managers — executive summary
- Participants — infographic with webinar
- Talent development team — full report with webinar

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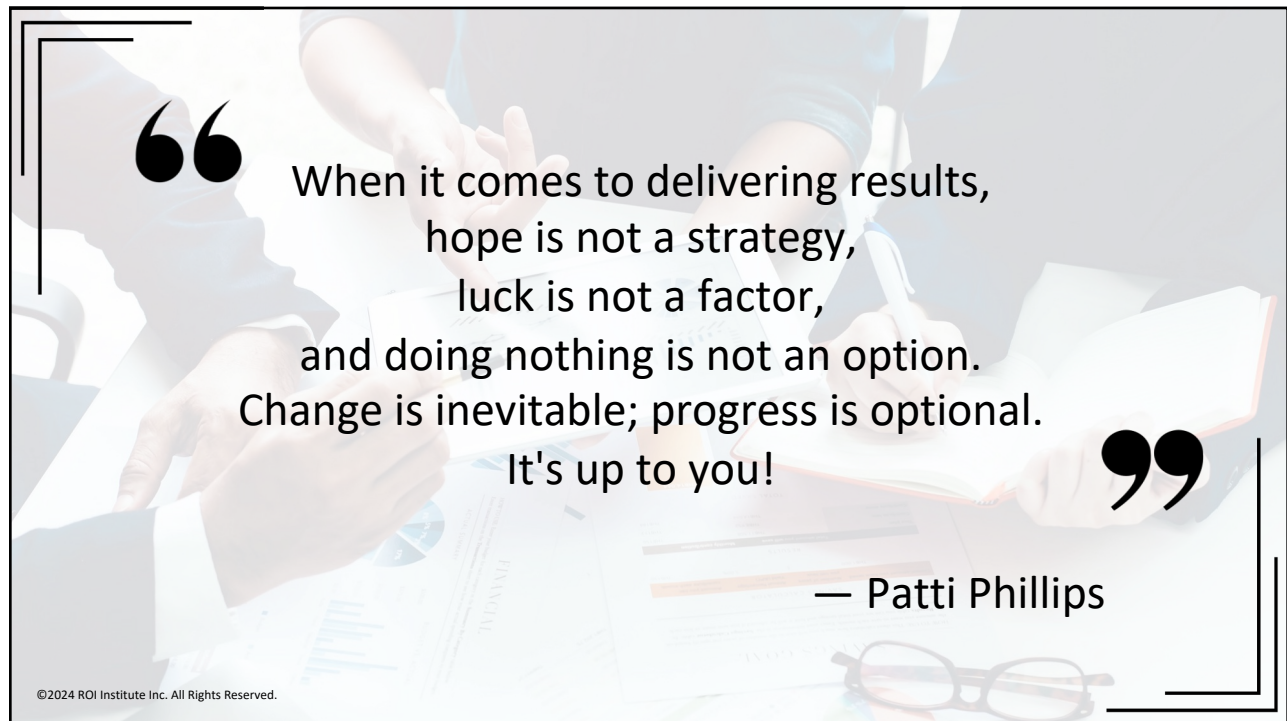
Empathetic and Inclusive Leadership: Global Technology Company

12. Optimize Results: Use Black Box Thinking to Increase Funding

- Although the objectives were met, there is always room for improvement.
- The barriers, enablers, and suggestions are sources for making it better.
- There may be an opportunity to connect this problem to tangible measures of productivity, quality, innovation, and recruiting effectiveness.
- This program should not be in jeopardy of funding and enjoy increased support and commitment based on this study.
- The reputation of talent development was enhanced because of this study.

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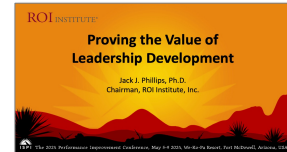
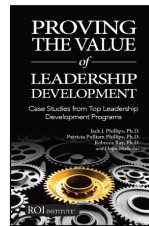
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Resources

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



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