



How to Ensure that Your Learning and Development Delivers Business Value

Presented By:
Jack Phillips, Ph.D.
Chairman, ROI Institute, Inc.

Objectives

After completing this session, participants should be able to:

1. Explain the data sets possible from learning and development, by categories, including ROI.
2. Identify the categories that are desired by top executives and other key stakeholders.
3. Design learning programs to deliver application, impact, and a positive ROI.
4. Pursue a plan to measure results and communicate results to different audiences.

ROI INSTITUTE®

Phone: +1 205-678-8101
Email: info@roiinstitute.net
Web site: www.roiinstitute.net

Like, Follow, or Visit us:   

Scotland Yard

For the supporters of soft skills, the headline on the front page of the Sunday Telegraph was a nightmare. “Scotland Yard ‘wasting’ £10M on Leadership Training” was the headline for a major story about this hidden expenditure.¹ Despite a requirement for the Mayor’s Office for Policing and Crime to publish all expenditures exceeding £500, the details of Scotland Yard’s £10 million outlay have been kept secret until now.

The Concern

The Metropolitan Police has been accused by its officers of “wasting” £10 million on a leadership training program as the crime rate soars. More than 10,000 officers and staff at the rank of sergeant and above will attend five days’ worth of training courses before the end of the year. A spokesman said that the course cost £5 million a year over two years.

Officers who recently completed the course are understood to have confronted bosses at the end, questioning why the money could not have been used to recruit new police officers, provide police cars, or enhance operational training. The £10 million budget would be enough to fund roughly 1,000 police cars, at a time when the fleet is being reduced to save money, or the yearly salary of more than 400 police officers.

The course – for which staff will be taken off duty for a total of more than 50,000 days—comes amid soaring crime levels in the capital including more than 60 murders this year, with the monthly homicide rate overtaking that of New York. It also comes at a time when the Sunday Times reported in a front-page story, “Under 5% of all burglaries and robberies solved: New shock figures reveal failure of police.”²

The Program

The program is a classic blend of soft skills tools, including, “50,000 hours of one-to-one coaching; five days of full workshops per person; two 360-degree feedback processes per person and one clarity 4D personality profile per person.” The profile test, at a cost of £17 per person, tells someone whether they are a “blue”, “red”, “yellow” or “green” personality. “Yellows”, for example, discover that they are “talkative, expressive, light-hearted, sociable, flamboyant and enthusiastic.”

At the end of the course, they were asked to come up with personal “pledges”, such as to do more exercise.

“Police told whether they are ‘red’ or ‘blue’ personalities.”

The training days are being run by Lane4, a management consultancy company founded by the former British swimmer Adrian Moorhouse, an Olympic gold medalist. The company says that their leadership program will help people with “self-development (their identity, self-reflection, their behaviours, their impact on others)” as well as “creating meaning through shared identity.”

The Reaction

A source who went through the course told The Sunday Telegraph: “Everyone was angry as they felt it was a waste of money and it took us out of borough for two days at a time when we have so much work to do.”

Ken Marsh, the Metropolitan Police Federation chairman, said that all officers wanted was to get on with their jobs. He said: “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.”

A Met spokesman said: “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.”

The Met’s summary of the program says it is designed “as a lever to drive positive behaviours and to empower our staff to communicate and engage more effectively.”

Scotland Yard said it was “confident this investment is worthwhile” and it had received positive feedback from many attendees.

A spokesman for the Mayor of London said: “As outlined in the Mayor’s Police and Crime Plan, the Met’s most valuable asset is its people and so it is important that staff have the right training and support to lead the organization.”

Questions for Discussion

1. Is this a typical situation?
2. What went wrong with this program?
3. What should have been the approach?

¹H. Dixon. “Scotland Yard ‘wasting’ £10M on leadership training.” *The Sunday Telegraph*. June 3, 2018. 1 -2.

²J. Ungoed-Thomas, K. Shveda, S. Joiner, and D. Collins. “Under 5% of all burglaries and robberies solved.” *Sunday Times*. June 17, 2018. 1.

This is Much Better: Kansas City Police

In Kansas City, Missouri, the 1910 Squad SWAT team had a reputation for having the most complaints of any unit. They were a very tough group aimed at arresting the criminal using whatever means necessary. Along the way, they left families, friends, and others upset to the point where they were complaining about excessive force. About three complaints per month were reported, and each complaint cost the city about \$70,000. The chief of police determined this had to be fixed.¹

Chip Huth was put in charge of the group to change their approach. Chip had been introduced to a leadership concept from the Arbinger Institute. The concept's approach was about transforming an inward mindset to an outward mindset. The team began to realize that their focus had been entirely inward, focusing on meeting their goals, and in these situations, they perceived people and pets involved as objects instead of human beings and pets who are loved by family members. Team members began to see this shift in mindset as:

- Necessary to instill the type of culture where each person felt supported and had an opportunity to make meaningful contribution.
- Important to develop the capacity to conduct dangerous and kinetic police work safely, while instilling community trust.
- Feasible and practical to instill mindset shift into all aspects of dynamic police work.

The design was to SEE and RESPOND to people as people. The design was to develop and implement an outward mindset toward fellow team members, people from other department elements, people from teams on other agencies, the people in the house where the warrant is served, the neighbors around the house, etc.

When they changed their thinking and subsequent approach, there was a dramatic difference. The complaints reduced from three per month to zero, and this result has continued for several years. The outward mindset training program yielded a very high ROI calculation of more than 5,000%, a low-cost program solving an expensive problem.

Contrast the difference between these two police examples. In Scotland Yard, the definition of success at the end of the program was behavior. In Kansas City, it was impact because the program began with the end in mind with the business impact measure of citizen complaints. This concept is simple, yet powerful. You start where you want to finish. Success does not occur until impact is achieved.

¹ The Arbinger Institute. *The Outward Mindset: How to Change Lives and Transform Organizations, Second Edition*. Oakland, CA: Berrett Koehler Publishers, 2019.

Questions for Discussion

1. Is it possible to “start with why” (the business measure) with every project? Explain.
2. What are the business measures for your project?

Designing for Results

- 1. Start with Why:** Aligning Programs with the Business
 - Alignment is the key
 - Is it a problem or opportunity?
 - Need specific business measure(s)
- 2. Make it Feasible:** Selecting the Right Solution
 - What are we doing (or not doing) that's influencing the business measure?
 - How can we achieve this performance?
- 3. Expect Success:** Designing for Results
 - Set objectives at multiple levels
 - Redefine success of learning
 - Expand responsibilities
- 4. Make it Matter:** Designing for Input, Reaction, and Learning
 - Focus on the objectives
 - Think about ROI
 - Make it relevant
 - Make it important
 - Make it action-oriented
- 5. Make it Stick:** Designing for Application and Impact
 - Focus on objectives
 - Ensure transfer of learning
 - Design application tools
 - Collect data
- 6. Make it Credible:** Measuring Results and Calculating ROI
 - Isolating the effects of programs
 - Converting data to money
 - Tabulating Costs
 - Calculating ROI
- 7. Tell the Story:** Communicating Results to Key Stakeholders
 - Define audience
 - Identify why they need it
 - Select method
 - Move quickly
 - Consider one-page summary
- 8. Optimize Results:** Using Black Box Thinking to Increase Funding



Taken from Phillips, Patti P. and Jack J. Phillips. (2017). *The Business Case for Learning: Using Design Thinking to Deliver Business Results and Increase the Investment in Talent Development*. West Chester, PA: HRDQ and ATD Press.

The Value Chain

		<u>LEVEL</u>	<u>ISSUE</u>	<u>MEASURES</u>	<u>TARGETS</u> [†]
*Can predict	<u>This is easy</u> Always measured	0	Inputs ↓	Volume, Hours, Convenience, Cost	100%
	<u>This is easy</u> Almost always measured	1	Reaction ↓	*Relevance, Engaging, *Important, Useful, *New Content, *Intent to Use, *Recommend to Others	100%
	<u>Not difficult</u> Usually measured	2	Learning ↓	Concepts, Trends, Facts, Contacts, Skills, Competencies	98%
Executives prefer	<u>Possible</u> Often measured	3	Application ↓	Use of content, Frequency of Use, Success with Use, Barriers, Enablers	30%
	<u>Not so difficult to connect</u> Sometimes measured	4	Impact ↓	Productivity, Time, Quality, Costs, Image, Reputation, Engagement, Compliance	10%
	<u>Possible for many programs</u> Rarely measured	5	ROI	Benefit Cost Ratio or Return on Investment, Expressed as a Percent	5%

Must take a step to isolate the effects of program.

†Best Practice: Percent of programs evaluated at this level each year.

Matching Evaluation Levels with Objectives

Instructions: For each objective listed below, indicate the level of evaluation at which the objective is aimed.

- Level 1: Reaction
- Level 2: Learning
- Level 3: Application
- Level 4: Business Impact
- Level 5: Return on Investment

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 calm an upset customer.	_____
4. Perceive the content to be relevant their situation (4.5 out of 5).	_____
5. Decrease security breaches by 25% in six months.	_____
6. Achieve a 20% ROI one year after implementation of sales incentive system.	_____
7. Perceived the content to be relevant to job situations (4.5 out of 5).	_____
8. Decrease security breaches by 25% in six months.	_____
9. Conduct a proper investigation using the seven-step process in 95% of complaint situations.	_____
10. Score an average of 75 or better on new strategy quiz.	_____
11. Complete a disclosure form each year as part of the new ethics policy.	_____
12. Use all 10 negotiation skills in at least 50% of negotiation situations.	_____

How do Level 3 and Level 4 objectives provide benefit? To whom?



Status of Measurement				
Level	Measurement Category	Current Status*	Best Practice	Comments About Status
0	Inputs/Indicators Measures the number of programs, participants, audience, costs, and efficiencies.	100%	100%	This is being accomplished now
1	Reaction and Planned Action Measures reaction to, and satisfaction with, the experience, contents, and value of program.	100%	100%	Need more focus on content and perceived value 79% †
2	Learning Measures what participants learned in the program – information, knowledge, skills, and contacts (takeaways from the program).	30 – 40%	80 – 90%	Must use simple learning measures 54% †
3	Application Measures progress after the program – the use of information, knowledge, skills, and contacts.	10%	30%	Need more follow-up 31% †
4	Business Impact Measures changes in business impact variables such as output, quality, time, and cost-linked to the program.	5%	10%	This is the connection to business impact 14.4% †
5	ROI Compares the monetary benefits of the business impact measures to the costs of the program.	1%	5%	The ultimate level of evaluation 4.3% †

* Percent of Programs Evaluated at This Level

† Best Practice Benchmarking (user for 5 plus years)

» **Add your numbers in each box**

What concerns do you have about these percentages?

Example of a One-Page Executive Summary

Leadership Development: Precision Manufacturing

The Leadership Challenge

- 4 day workshop with actions plans and support tools
- Each participant selects 2 KPIs to improve using the competencies with his or her team.

Target:
 First Level Managers 970
 Sample 72
 (18 managers, 4 groups)

Reaction – Objectives Met

Relevance	✓
Important	✓
Intent to use	✓

Application Objectives on a 5 point scale

Extent of use	4.3
Frequency of use	4.5
Success with use	3.9

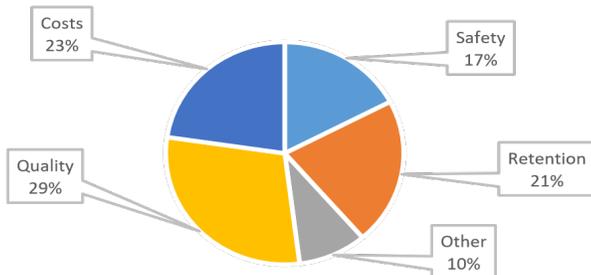
Barriers

Not enough time	23%
Lack of support	18%
Doesn't fit	14%
Other	10%

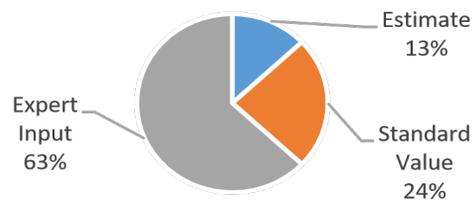
Learning Objectives Met Pre- Post- Improvements	
1. Communicate values and beliefs	48%
2. Focus on key values through actions	57%
3. Build collaboration teamwork and trust	42%
4. Strengthen others abilities to excel	69%
5. Inspire others to share a common vision	53%
6. Recognize the accomplishments of others	67%

Methods of Isolation: Participant Allocation Adjusted for Error

Impact Objectives Two Objectives Each Distribution

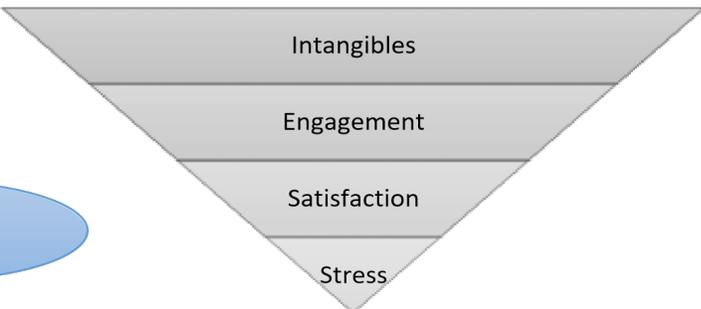


Method of Converting Data to Money



Costs – Direct \$355,370
 Indirect – Prorated \$9,890
 Total \$365,260

Total Monetary Benefits = \$538,640



BCR = 1.47

ROI = 47%