**Valuing HR Initiatives Course Project**

**Part One: Determining When ROI Makes Sense**

Before applying an ROI appraisal towards programs in your organization, you must determine whether the costs, time, and expertise involved are worthwhile. The decision-making framework has four key elements that aid in deciding whether executing an ROI is worth the investment. After applying the decision-making framework, there is still an additional step of planning for a successful ROI implementation.

Use the grids below to identify an HR program in your organization that you think has potential for a worthwhile ROI and apply the decision-making framework to the program. Then you will put together an initial plan for measuring ROI for the program.

**Deciding When to Measure ROI**

Use the decision-making framework to identify an HR program in your organization that is a good candidate for ROI.

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| Identify the program you are analyzing: |
| We deliver several leadership development programs that target several types of people managers in the organization. We offer classroom and virtual classroom delivery formats to a global audience of approximately 30,000 managers. While we have a few courses that are delivered in classroom and virtual classroom settings, there are “core” programs that do not have the virtual classroom option. This analysis will evaluate the potential of converting Leading at Citi 1 from a classroom to a virtual delivery format. |
| Provide some background information on the program (e.g., content, targeted employees, goals, and expected impact): |
| Leading at Citi 1 is targeted to mid-level managers who manage teams of direct reports who are individual contributors. The course has a global design delivered by each of four regions, North America, EMEA, Asia/Pacific, Latin America. At this time, there is not a version of the course that can be delivered in a virtual classroom. This limits the reach of the program to regional centers or headquarters where there are enough managers to offer a class. While the course is generally available, many managers are not able to attend due to a limited ability to afford travel to the class locations.  In the past few weeks with the outbreak of the COVID-19 virus, the need for a virtual classroom alternative has become much more apparent. While it is unlikely that the development can occur in time to meet this need, the longer term benefits should be evaluated. |
| **Resource Intensity**  How much of an investment is being made in the program? |
| The target population for the program is 20,000 managers world-wide. In 2019, 1,750 managers completed the Leading at Citi program. This represents a significant investment of organization resources in time away to attending the class, pre/post assignments, facility and travel expenses. The development of the course materials for the virtual classroom approach will be modest; primarily the activities and discussions will need to be redesigned. We already have the infrastructure and skilled facilitators in place to support delivery of this course. |
| **Visibility**  How visible is the program and its outcomes, both inside and outside the organization? |
| The Leadership Development programs, including Leading at Citi 1, are key components of senior management’s talent strategy. Monthly updates on attendance and progress are reviewed at the most senior levels of the organization. Even during the economic financial crisis for 2008, the programs were funded with no restrictions on the number of classes or participation. There have been a few studies trying to uncover the impact of these programs, none have been justified on a cost/benefit basis. |
| **Timing**  Is the program an ongoing initiative or a short-term event? |
| The pandemic only highlights a long-term need. We would have much more flexibility, provide more access, and allow more managers to attend the training by considering a virtual delivery approach. |
| **Feasibility**  How feasible is it to conduct a credible ROI analysis? Can you access the data needed to measure outcomes of the program? Can you reasonably isolate the impact of the program? Is it possible to convert this impact of the program to a monetary value? Will you be able to calculate the cost of the program? |
| I believe there is enough information to provide a credible analysis of the costs associated with both approaches. We have historical information on participation and the costs of delivering Leading at Citi 1. We also have the information needed to determine the costs of virtual classroom delivery in our organization. There was a study conducted in 2015 that attempted to isolate the impact of this program on performance, span of control, mobility, and attrition. I will use some of these findings as a basis for evaluating the ROI of this project. The approach taken was to historically compare attendees to non-attendees (control) over the 2010-2014 timeframe. |
| Using the factors outlined in the decision-making framework guidelines above, justify why the program you selected is a good candidate for ROI. Be sure to describe both the pros and the cons of measuring ROI for this program. |
| This initiative is a good candidate for a ROI analysis because the resource intensity is high, there is senior management attention on the Leadership Development programs to today, and the timing, while meeting an immediate need is expected to have long term benefits.  The rationale for not conducting this ROI study is that we have a strong track record with our other virtual classroom programs, development effort is modest, and there is an immediate need to address an evolving concern about not being able to sustain talent development throughout the year. Taking the time to analyze the costs and benefits could be viewed as unnecessary.  However, there are trade-offs in the number of faculty needed (more faculty for virtual delivery) and the effectiveness of virtual classroom delivery could be lower. For this reason, the effort required to conduct the analysis has merit for this program and to build an approach for evaluating our other programs in the future (there are two other programs that do not have a virtual alternative). |

**Planning for a Successful ROI Implementation**

Begin to put together an initial project plan for measuring ROI for the program identified above. Some of the issues you may want to address in your plan include the following:

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| **Organizational Support** |
| How will you start to build organizational support for the ROI? |
| Organizational support will be important to gather the necessary information, validate the findings, and obtain sponsorship for the initiative. We have a mandate to develop our capability in learning measurement and to sharpen our focus on more data-driven approaches to training. We have the backing of the Chief Learning Officer and the Learning Operations Council. The council is made up of senior learning leaders representing the regions and functions within our organization. |
| Whose cooperation and buy-in is critical? |
| We will need the support of our management team, the Chief Learning Officer, Learning Operations Council, HR senior management, and HR Learning Advisors who work with functional and regional organizations. We will need buy-in from the managers participating in the program during the testing phase of the program. They must be willing to be assigned to their participation group without choice and fairly evaluate their experience. This will be especially true with the group who is in the control group as they will need to wait until next year to attend the course. |
| Where is there likely to be resistance? How might you engage detractors to better understand and respond to their concerns? |
| Even with the strong track record and support we’ve had for virtual classroom delivery, there are functional and regional managers who prefer face to face delivery. It will be important engage these stakeholders and ask for their active participation in the delivery of the program. They often ask about the benefits provided by our learning programs. This is a chance to address the question and involve them in the process of uncovering the answers. |
| Who might serve as a champion for the project? |
| Given the visibility of the program and the potential for embedding ROI in our decision-making process, our Chief Learning Officer is in the best position to champion this project. Our Learning and Performance Solutions lead should also be actively involved because we will need the help of several teams to develop and deliver the initiative. |
| **Resources** |
| What resources will be needed to carry out the ROI analysis? |
| We will need part-time support from:  1 Project manager  1 HR data analysts  1 Experimental design advisor  1 Instructional designer  2 Faculty |
| What type of budget is available? |
| While there is no allocated budget, we have the flexibility to redeploy resources to this project. |
| What expertise will be needed? Is it available? |
| We will need assistance from HR reporting and data analysts to gather and analyze the results of the program. We will need design resources to analyze, design, and development the virtual classroom version. Last year, we created a cross-functional team to organize and launch learning measurement initiatives. This project would have the support and resources available to carry out this project. |
| How long will the project take? What type of time commitment will be required of those involved? |
| I anticipate that this will require one FTE for a duration of a month to redesign/develop the virtual program. The study will require three months of part-time support for the study design, data collection, analysis, and final report. I expect that we will need a project manager, data analyst, experimental design advisor, and faculty to assist with the project. Participation will vary, but I expect the combined contribution to be 10 hours a week for three months. There will also be an extended period of evaluation following the delivery of the sessions to collect and analyze the outcomes after one year. |
| **Goals and Objectives** |
| Is there clarity around the program’s goals and objectives? |
| At this time, we have not defined the goals and objectives of the project. We have been consulting with an HR analytics manager to determine the scope, goals and objectives. A preliminary draft includes:  **Goals and Objectives:**   * Compare the effect of Leading at Citi 1 virtual classroom and classroom delivery on selected workforce measures, attrition, span of control, participant reaction to the course, and the Voice of the Employee (VOE) manager index. * Conduct a comparative return on investment (ROI) analysis of the programs to determine the costs and benefits of the delivery approaches. * Based on the findings, consider other programs for conversion to a virtual classroom platform |
| Was a needs assessment conducted during the design phase? |
| A needs analysis, was not conducted, but will be included as an initial step in the analysis plan. |
| Is there clarity and agreement about expected program outcomes among key stakeholders? |
| The Learning Measurement team was established to undertake these learning impact studies. The team is sponsored by the CLO and management by his Chief of Staff. While the project has not been approved yet, there has been general agreement that another study should be undertaken to update the finding of the 2015 study. The addition of a delivery format comparison will achieve the goal of replicating the study and add an additional valuable comparison to address the ongoing use of virtual classroom delivery for our programs. |

**Part Two: Applying a Process to Measure ROI**

The five key steps in the ROI process help you to measure the value of HR programs in your organization. Some of these key steps involve isolating the effects of the program, converting those impacts to a monetary value, and calculating the costs of the program.

In this part of the course project, you will use the grids below to collect evaluation data for the program you identified in the first part of the course project. You will then isolate the effects of the program, convert the impacts to a monetary value, and calculate the costs of the program.

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| **Collecting Evaluation Data** |
| What are the business outcome(s) you want to use to assess the impact of the program? |
| 1. A comparison of manager span of control (number of direct reports) one year after attendance in the courses 2. Voluntary manager attrition during a one-year evaluation time period 3. A comparison of the Voice of the Employee Survey (VOE) manager index 4. Comparison of reaction level evaluation survey questions, specifically the questions (Likert scale 1-strongly disagree to 5-strongly agree)    1. This course increases my ability to add value to my role    2. I will apply what I’ve learned in the next two weeks |
| What are the data sources (e.g., business records, surveys) you would use to measure these outcomes? |
| HR Database – includes records by person on the number of direct reports and voluntary attrition  Voice of the Employee (VOE) survey conducted once a year that is aggregated by manager and compared year over year including internal and external benchmarks  Learning Management System data warehouse – includes transcript and evaluation survey results |
| **Isolating the Effects of the Program** |
| What is the method (e.g., control group, trend analysis, estimation) you would use to isolate the effects of the program? |
| We plan to use two main approaches 1) control group 2) estimation. For the group comparisons, 300 managers would be randomly assigned to one of three groups:   1. Control – will be registered for a class next year 2. Classroom 3. Virtual Classroom   The participants and their managers will be asked to estimate the extent to which changes in the VOE manager index, span of control, and voluntary attrition can be attributed to attendance in the learning program (scale of 0 to 100%). They will also estimate their confidence in the estimate on a scale of 0 to 100). |
| Why did you choose this particular method? What are its pros and cons in the current context? |
| The 2015 study used a retrospective comparison of managers who attended the program and those who did not attend during the same time period. While they found increases in span of control and less voluntary attrition, it is possible that those who decided to attend the class were either encouraged to attend or were allowed to attend because they were perceived as having higher potential than the other managers. This selection bias could have had a confounding effect on the outcomes. It is possible that higher potential managers were asked to take on larger teams or had a greater personal investment in the organization making it more attractive to remain with the company.  The use of a control group, while more complex, require more buy in, and involve more planning will control for the self-selection by randomly assigning managers to each group. |
| **Converting Impact to a Monetary Value** |
| How would you convert the program impact to a monetary value? |
| In the two primary business measures, span of control and voluntary attrition, would be related to the annual average salary of the managers selected. With an increase span of control, fewer managers would be needed to manage a team of a comparable size. Decreases in voluntary attrition would include the average manager salary plus recruiting and other on boarding costs.  Another monetary aspect of this study is the cost difference between classroom and virtual delivery. Classroom delivery is expected to take more time to complete (16 vs. 10 hours of delivery) and includes travel and accommodation costs for the participants and the faculty. There is an offsetting cost associated with needing two facilitators (one faculty and one assistant) for virtual delivery. Overall, it is expected that the cost of virtual will be less than classroom. There would also be an up-front cost for converting the classroom course to a virtual classroom format. |
| What is the smallest meaningful unit of the outcome you plan to measure (e.g., one case of voluntary turnover)? |
| For the comparison of the cost of training delivery, costs would first be estimated at the unit of the class to capture the facility, travel and accommodations, faculty salary, and manager salary costs. These costs would be converted to a per manager participation cost for each version of the program (based on the average class size). This would allow us to assign a cost to the number of managers participating in each training group and make comparisons to the other measures on a per manager basis. |

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| How would you determine the value of each of these units? |
| The difference in the span of control would be converted in a reduction of managers (based on their average salary). The difference in attrition would be reflected in the voluntary attrition replacement cost. |
| How long do you expect the results of the program to be sustained (e.g., six months, one year)? |
| We would evaluate the effects of the program beginning one year after completion of the program and continue to monitor these measures for another year. We wouldn’t expect the results to be maintained or improved longer than two years because of other factors that can influence the careers of these managers. |
| **Calculating Program Costs** |
| Describe the expected direct or hard costs associated with the design, development, delivery, implementation, and evaluation of the program. Note that you do not need to provide specific cost estimates, but rather should describe the different types of costs that likely should be included. |
| Direct costs would include:   * Development of the virtual classroom version of the course. * Classroom facility cost (per class) * Faculty cost (per class) * Travel and accommodations (airfare, car service, meals, hotel, etc.) |
| Describe the expected indirect or soft costs associated with people’s participation in the program as well as overall support and administration of the program. Note that you do not need to provide specific cost estimates, but rather should describe the different types of costs that likely should be included. |
| Indirect costs include:   * Participation in the design and implementation of the study * Manager time spent preparing for the training (both participant and their manager) * Manager attendance in the class * Class set up and administration * Ongoing monitoring and data analysis of the results |
| Describe whether any of the costs that you will include will need to be prorated and, if so, the method you plan to use for proration. |
| The costs of training are allocated to the functional organizations from a global learning and development budgets. Other expenses would be incurred by departmental budgets at the time of training or during the support effort. |

**Part Three: Applying ROI Frameworks**

Even if your ROI analysis shows promising results, this data is useless unless you can communicate it in an easy-to-understand and credible manner to key stakeholders.

In this part of the course project, you will use the grids below to indicate how you will communicate the results of the ROI for your selected program and how you plan to enhance its credibility for key stakeholders.

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| **Communicating the Results** |
| What groups should receive information about the results of the ROI evaluation? |
| The Chief Learning Officer, Learning Operations Council, Leadership and Performance Solutions teams, HR senor leaders, functional and regional senior management. |
| What are the primary reasons for targeting each of these groups? |
| These groups represent the primary stakeholders of Learning and Development programs within the company. |
| How would you communicate with each of them (e.g., a report, a meeting)? |
| We would create a report on the findings to be able to explain in detail the methodology used. Having a more formal report would increase the credibility of the study and allow others to understand the methods used including the ROI analysis and calculations employed. We would arrange several meetings using an executive summary presentation to communicate the findings (organized by regular stakeholder meetings). We would also publish the executive summary on our internal websites to make the information available to a broader audience. |
| **Enhancing Credibility** |
| Discuss how you could enhance the credibility of your ROI analysis through both the design of the evaluation as well as your communication with key stakeholders: |
| The ROI analysis project would be under the advisement of the Learning Measurement team. This is a multi-functional team with expertise in training design, evaluation, HR analytics, and financial management. This team will be provided with status updates and will provide the “critical eyes” needed to question our approach, offer suggestions, and serve as a sounding board. This team has credibility with the stakeholder groups because these groups recommended or influenced the assignment of the team members. In a way, if questions were raised, we would have a group outside of the project team who could attest to the soundness of the study. |
| How would you maximize data integrity?. . |
| We would use standard HR reporting and Learning Management Systems for the analysis. These are common reporting platforms used by the organization. If we need a custom report, we have the HR analytics team involved. They are responsible for the maintenance and integrity of the data. |
| How could you adopt a conservative approach? |
| I considered using performance and career mobility in the measurement of the benefits. However, we do not have a clear mapping of the relationship between these measures and the monetary value associated with the measure. We might consider using these measures in the future, but to guard against inflating the benefits we will not use them in this analysis. For span of control, the assumption that a direct reduction in managers could be achieved through increases in span of control seems overly optimistic. For this reason, the median increase in span of control should be used to make the estimate more conservative. Asking the managers to estimate the contribution of the training and their confidence in the estimate is a way to provide a more conservative judgement of the outcomes.  Our experience has been that the virtual classroom programs have lower reaction level survey scores than classroom programs. For this reason, we will use the ratings of the two questions mentioned previously to add another means of calibrating the outcomes by multiplying the percent difference in the scores by the span of control, attrition, and survey changes. |
| How could you enhance transparency? |
| In addition to the report, we could increase transparency by making the data available in a repository that would allow others to explore and apply their own methods of analysis. For example, the dataset could be used by others to apply machine learning techniques to model the findings and make predictions (regression, cluster analysis, deep learning). |