Measuring ROI in the Public Sector

Agenda

After attending this session, you will be able to:

- Identify the steps, elements, and standards involved in the ROI methodology
- Select particular programs for appropriate levels of analysis
- Explain the benefits of the use of ROI methodology
- Describe how ROI has been applied in Public Sector organizations

Jack J. Phillips, Ph.D.
The “New” Definition of Value

Value Must:

- Be balanced, with qualitative and quantitative data
- Contain financial and non-financial perspectives
- Reflect strategic and tactical issues
- Represent different time frames
- Satisfy all key stakeholders
- Be consistent in collection and analysis
- Be grounded in conservative standards
- Come from credible sources
- Reflect efficiency in its development
- Create a call for action

What is your definition of value?

The “Show Me” Evolution

Term

Show Me!

Show Me the Money!

Show Me the Real Money!

Show Me the Real Money, And Make me Believe it!

Issue

Collect Impact Data

And Convert Data to Money

And Isolate the Effects of the Project

And Compare the Money to the Cost of the Project

Is there any money in the public sector?

Could you “show the money”?
### Project or Program Value Chain

<table>
<thead>
<tr>
<th>Level</th>
<th>Measurement Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>0. Input</td>
<td>Measures input such as volume and efficiencies</td>
</tr>
<tr>
<td>1. Reaction &amp; Planned Action</td>
<td>Measures participant reaction to the program and captures planned actions</td>
</tr>
<tr>
<td>2. Learning &amp; Confidence</td>
<td>Measures changes in knowledge, skills, and attitudes</td>
</tr>
<tr>
<td>3. Application &amp; Implementation</td>
<td>Measures changes in on-the-job behavior or actions and progress with actions</td>
</tr>
<tr>
<td>4. Business Impact</td>
<td>Captures changes in business impact measures</td>
</tr>
<tr>
<td>5. ROI</td>
<td>Compares program benefits to program costs</td>
</tr>
</tbody>
</table>

Evaluating HR is more than telling a story.

### Global Trends in Measurement and Evaluation*

- Organizations are moving up the value chain in their evaluation strategies
- Investment is increasing to 3-5% of the budget
- Increased focus is driven by clients and sponsors
- ROI is the fastest growing metric
- Evaluation data is used to drive improvement and secure funding
- Evaluation is addressed early and often in the implementation cycle
- Processes are systematic and methodical, often designed into the delivery and implementation processes
- Technology is significantly enhancing processing

*Based on benchmarking with over 200+ organizations using a comprehensive measurement and evaluation process.
### Evaluation Targets

<table>
<thead>
<tr>
<th>Level</th>
<th>Current</th>
<th>Target</th>
<th>Suggested</th>
<th>Benchmarking*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Input</td>
<td></td>
<td></td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>2 Reaction</td>
<td></td>
<td>90 – 100%</td>
<td>79%</td>
<td></td>
</tr>
<tr>
<td>3 Learning</td>
<td></td>
<td>40 – 60%</td>
<td>54%</td>
<td></td>
</tr>
<tr>
<td>4 Application (Behavior)</td>
<td></td>
<td>30 %</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>5 Impact</td>
<td></td>
<td>10 – 20%</td>
<td>14.4%</td>
<td></td>
</tr>
<tr>
<td>6 Return on Investment</td>
<td></td>
<td>5 – 10%</td>
<td>4.3%</td>
<td></td>
</tr>
</tbody>
</table>

*2007 Survey of Users, N = 235

### When Selecting Programs for Level 4 and Level 5 Evaluation, Consider the Following

- Life cycle of the program: 14%
- Linkage of program to operational goals and issues: 29%
- Importance of program to strategic objectives: 50%
- Executive interest in the evaluation: 48%
- Cost of the program: 52%
- Visibility of the program: 45%
- Size of target audience: 6%
- Investment of time required: 7%

Top 3 Criteria

*2007 Survey of Users, N = 235
Five Levels of Measurement - Examples

Level 0 Input and Indicators
- Number of projects
- Audiences
- Web site hits
- Request
- Attendance
- Costs
- Time to Deliver

Level 1 Reaction and Planned Action
- Relevance
- Importance
- Usefulness
- Appeal
- Emotion
- Brevity
- Uniqueness
- Concreteness
- New Information
- Motivation
- Appropriateness
- Intent to Use

Level 2 Learning and Confidence
- Information
- Knowledge
- Understanding
- Capability
- Contacts
- Confidence
- Perceptions
- Skills

Level 3 Application and Implementation
- Use of Information
- Use of Knowledge
- Use of Skill
- Completion of Actions
- Completion of Tasks
- Implementation of Ideas
- Following the Policy
- Use of Procedure
- Use of Regulation
- Success with Application
- Barriers
- Enablers

Level 4 Business Impact
- Productivity
- Quality
- Incidents
- Efficiency
- Compliance Discrepancies
- Costs
- Employee Engagement
- Employee Retention
- Customer Service
- Sales
- Customer Satisfaction

Intangible Measures
- .... includes a technique to isolate the effects of the communication project.

Level 5 Return on Investment
- ROI (%)
- Benefit Cost Ratio
- Payback Period
### Shifting Paradigms

**Activity Based**
- No business need for the program
- No assessment of performance issues
- No specific measurable objectives
- No effort to prepare program participants to achieve results
- No effort to prepare the work environment to support application
- No efforts to build partnerships with key managers
- No measurement of results or ROI analysis
- Planning and reporting are input focused

**Results Based**
- Program linked to specific business
- Assessment of performance effectiveness
- Specific objectives for application and business impact
- Results expectations communicated to participants
- Environment prepared to support application
- Partnerships established with key managers and clients
- Measurement of results and ROI analysis
- Planning and reporting are outcome focused

### The ROI Process Collects Six Types of Results

1. Reaction and Planned Action
2. Learning and Confidence
3. Application and Implementation
4. Business Impact
5. Return on Investment
6. Intangible Benefits

... and includes a technique to isolate the effects of the program or solution.

### The use of the ROI Process is Widespread:

- Process refined over a 25-year period
- Thousands of impact studies conducted each year
- More than 200 case studies published on ROI use
- More than 20,000 have attended a two day ROI workshop
- More than 4,000 individuals attended the ROI certification workshop
- More than 40 books developed to support the process
- ROI Process adopted by hundreds of organizations in manufacturing, service, non-profit, and government settings in 50 countries

### The Payoff

**Why Use Impact and ROI Analysis**

**Reactive**
- Show contributions of selected programs
- Justify/defend budgets
- Identify inefficient programs that need to be redesigned or eliminated

**Proactive**
- Aligns learning to business needs
- Earn respect of senior management / administrators
- Improve support for projects
- Enhance design and implementation processes
- Identify successful programs that can be implemented in other areas
- Earn a “seat at the table”
Who is Using the Methodology?

- US Department of Defense
- US Department of Navy
- US Department of Labor
- National Security Agency
- Department of Veterans Affairs
- Central Intelligence Agency
- US Office of Personnel Management
- NASA
- National Science Foundation
- State of Texas
- State of New York
- Government of New Zealand
- Government of Singapore
- Government of Poland
- Government of Australia
- Government of Canada
- British Government

Over 200 public sector organizations

Applications

- Learning and Development
- Career Development
- Competency Systems
- Diversity Programs
- E-Learning
- Executive Coaching
- Gainsharing
- Meetings and Events
- Organization Development
- Orientation Systems
- Recruiting Strategies
- Safety & Health Programs
- Self-Directed Teams
- Skill-Based/Knowledge-Based Compensation
- Technology Implementation
- Quality Management
- Wellness/Fitness Initiatives

Drivers for Increased Public Sector Accountability

- Regulations are requiring more accountability
- Increase cost of programs
- Budget shortfalls
- Taxpayer pressure
- Consistent lack of results
- New breed of government managers

Public Sector Issues

(Real or Imagined)

- No profits – no ROI?
- Lack of business alignment
- Absence of hard data?
- Too much politics
- Programs are necessary
- Multiple ROI perspectives

The Money Issue in the Public Sector

- No profits
- Payoff in cost savings or cost reduction
  - OR
- Payoff in cost avoidance
- Costs of program are fully loaded
- Impact on budget?
Characteristics of Evaluation Levels

<table>
<thead>
<tr>
<th>Chain of Impact</th>
<th>Value of Information</th>
<th>Customer Focus</th>
<th>Frequency of Use</th>
<th>Difficulty of Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reaction</td>
<td>Lowest</td>
<td>Consumer</td>
<td>Frequent</td>
<td>Easy</td>
</tr>
<tr>
<td>Learning</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Application</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROI</td>
<td>Highest</td>
<td>Client</td>
<td>Infrequent</td>
<td>Difficult</td>
</tr>
</tbody>
</table>

Customers:
- **Consumers:** The customers who are actively involved in the process.
- **Client:** The customers who fund, support, and approve the project.
The Alignment Process

V Model

Start Here

Payoff Needs 5 ROI Objectives 5 ROI

End Here

Performance Needs 3 Application Objectives 3 Application

Business Needs 4 Impact Objectives 4 Impact

Learning Needs 2 Learning Objectives 2 Learning

Preference Needs 1 Reaction Objectives 1 Reaction

Business Alignment and Forecasting

Project

Measurement and Evaluation

The ROI Process Model
Needs

EXERCISE: Complete Objectives and Evaluation

Start Here

Payoff Needs
Absenteism is costing $100,000 monthly.

Business Needs
Unplanned absenteeism is 9% and increasing; greater than benchmarking of 5%

Performance Needs
Discussions between team member and supervisor are not occurring when there is an unplanned absence.

Learning Needs
Deficiency in counseling/discussion skills.

Preference Needs
Counseling skills must be necessary and practical.

Business Alignment and Forecasting

The Alignment Process V Model

Objectives

1 Reaction Objectives → 1 5 ROI Objectives → 5 Payoff Needs

2 Learning Objectives → 2 4 Impact Objectives → 4 Business Needs

3 Application Objectives → 3 3 Performance Needs

4 Impact Objectives → 4 3 Learning Needs

5 ROI Objectives → 5 Evaluation

End Here

Measurement and Evaluation

Project

The ROI Process Model

EXERCISE: Complete Objectives and Evaluation
The Alignment Process
V Model

Payoff Needs
Absenteism is costing $100,000 monthly.

Business Needs
Unplanned absenteeism is 9% and increasing; greater than benchmarking of 5%

Performance Needs
Discussions between team member and supervisor are not occurring when there is an unplanned absence.

Learning Needs
Deficiency in counseling/discussion skills.

Preference Needs
Counseling skills must be necessary and practical.

ROI Objectives
ROI of 20%

Impact Objectives
Reduce absenteeism to 5%

Application Objectives
Counseling discussions conducted in 95% of situations when an unexpected absence occurs

Learning Objectives
Participants will learn counseling skills

Reaction Objectives
Program receives favorable rating of 4 out of 5 on need for program and the practicality of program

ROI
Calculate ROI; Costs vs. Benefits

Impact
Monitor absenteeism records for six months

Application
Follow-up questionnaire to participants to check frequency of discussions – three months

Learning
Skills practice session during program; facilitator assessment

Reaction
Reaction questionnaire at the end of program

Business Alignment and Forecasting
The ROI Process Model

Initial Analysis

Measurement and Evaluation

Project
The ROI Methodology

**ROI Calculation**

ROI = \( \frac{\text{Net Project Benefits}}{\text{Project Costs}} \)

Cost of project $230,000  
Benefits of project (1st year) $430,000  

ROI = \( \frac{\$430,000 - \$230,000}{\$230,000} \) = 0.87 x 100 = 87%

**Evaluation Framework**

<table>
<thead>
<tr>
<th>Level</th>
<th>Measurement Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Reaction &amp; Planned Action</td>
<td>Measure participant satisfaction with the project/project and captures planned action.</td>
</tr>
<tr>
<td>2. Learning &amp; Confidence</td>
<td>Measures changes in knowledge, skills, and attitude.</td>
</tr>
<tr>
<td>3. Application &amp; Implementation</td>
<td>Measures implementation and changes in behavior in the performance setting.</td>
</tr>
<tr>
<td>5. Return on Investment</td>
<td>Compares benefits to the costs.</td>
</tr>
</tbody>
</table>
12 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 little or 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 calculations.
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 ROI Process

A comprehensive measurement and evaluation process that generates six types of measures:
- Reaction and Planned Action
- Learning and Confidence
- Application and Implementation
- Business Impact
- Return on Investment
- Intangible Measures

This balanced approach to measurement includes a technique to isolate the effect of the program or solution.

Results-based Solutions
- Performance solutions/projects are initiated, developed and delivered with the end in mind.
- Participants understand their responsibility to obtain results with programs/solutions.
- Support groups (management, supervisors, co-workers, etc.) help to achieve results from performance solutions.
- A comprehensive measurement and evaluation system is in place for each program/project.
- Variety of approaches utilized to measure contribution, representing a balanced viewpoint.
- Follow-up evaluations (Application, Impact, and ROI) are developed for targeted solutions/projects and results are reported to a variety of stakeholders.
Collecting Follow-UP Data

<table>
<thead>
<tr>
<th>Method</th>
<th>Type of Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surveys/Questionnaires</td>
<td>✓</td>
</tr>
<tr>
<td>Observation on the Job</td>
<td>✓</td>
</tr>
<tr>
<td>Interviews</td>
<td>✓</td>
</tr>
<tr>
<td>Follow-Up Focus Group</td>
<td>✓</td>
</tr>
<tr>
<td>Action Planning</td>
<td>✓</td>
</tr>
<tr>
<td>Performance Contracting</td>
<td>✓</td>
</tr>
<tr>
<td>Performance Monitoring</td>
<td>✓</td>
</tr>
</tbody>
</table>

Isolation Techniques Used in Studies

1. Control Groups
2. Trend Line Analysis
3. Forecasting Methods
4. Participant Estimates
5. Manager Estimates
6. Sr. Management Estimates
7. Expert Input
8. Customer Input

*2007 Survey of Users, N = 235

Converting Data to Money

<table>
<thead>
<tr>
<th>Credibility</th>
<th>Resources Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard values</td>
<td>High</td>
</tr>
<tr>
<td>Records / Reports analysis</td>
<td>High</td>
</tr>
<tr>
<td>Databases</td>
<td>Moderate</td>
</tr>
<tr>
<td>Expert estimation</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

Tabulating Program Costs

Direct
- Program Materials
- Facilitator Costs
- Facilities
- Travel
- Operating Costs

Indirect
- Needs Assessment
- Program Development
- Participant Time
- Administrative Overhead
- Evaluation
Potential Intangible Benefits

Adaptability
Awards
Brand awareness
Career minded
Caring
Collaboration
Communication
Conflicts
Cooperation
Corporate social responsibility
Creativity
Culture
Customer complaints
Customer response time
Customer satisfaction
Decisiveness
Employee complaints
Engagement
Execution
Image
Innovation
Job satisfaction
Leadership
Networking
Organizational climate
Organizational commitment
Partnering
Reputation
Resilience
Stress
Talent
Teamwork

Defining the Return on Investment

The ROI is calculated the same as the financial ROI for a building.

\[
\text{Benefits-Cost Ratio} = \frac{\text{Monetary Benefits}}{\text{Program Costs}}
\]

\[
\text{ROI (\%)} = \frac{\text{Net Monetary Benefits}}{\text{Program Costs}} \times 100
\]

Example

| Costs for project (25 participants) | $80,000 |
| Benefits from program (1st year)   | $240,000 |

BCR = 

ROI = \frac{\text{Net Monetary Benefits}}{\text{Program Costs}} \times 100 = ____% 

A great ROI? Depends on the objective.

ROI Objective Options

1. Set the value at the same level as other investments – 15%
2. Set slightly above other investments – 25%
3. Set at breakeven – 0%
4. Set at client expectations

Private sector organizations usually go with option #2; public sector organizations prefer #3.
ROI is Credible for Public Sector

• Common categories of data
• Systematic, step-by-step process
• Conservative standards
• Results-based approach
• High level of use
• Client focused
• Satisfies all stakeholders

ROI is Feasible for Public Sector

• Not very expensive
• Many shortcut methods
• Time requirement can be managed
• Fits all types of programs
• Technology helps with costs/time
• Implementation is planned/systematic

Have No Fear

• ROI is a process improvement tool – designed to improve projects and programs
• ROI is not designed for performance review for individuals
• Every study reveals opportunities for changes
• Negative results represent the best opportunity to learn
• Negative results have a positive story
• Don’t wait for a sponsor to ask for ROI

Implementation Strategies in the Public Sector

• Brief, train, educate
• Involve the staff – early and often
• Emphasize process improvement
• Explain why – routinely
• Build it into programs – not add it on
• Provide resources
• Use the results appropriately
• Celebrate and recognize

ROI Best Practices

1. The ROI methodology is implemented as a process improvement tool and not a performance evaluation tool for the staff.
2. ROI impact studies are conducted very selectively, usually involving 5-10% of projects and programs.
3. A variety of data collection methods are used in ROI analysis.
4. For a specific ROI evaluation, the effects of the program are isolated from other influences.
5. Business impact data are converted to monetary values.
6. ROI evaluation targets are developed, showing the percent of programs evaluated at each level.
7. The ROI methodology generates a micro level scorecard.
8. ROI methodology data are being integrated to create a macro scorecard for the learning/development function.
9. The ROI methodology is being implemented for about 3-5% of the budget.
10. ROI forecasting is being implemented routinely.
11. The ROI methodology is used as a tool to strengthen/improve the programs and processes.

*Based on benchmarking with over 200 organizations using ROI routinely
Cost-Saving Approaches to ROI

- Plan for evaluation early in the process
- Build evaluation into the process
- Share the responsibilities for evaluation
- Require participants to conduct major steps
- Use short-cut methods for major steps
- Use sampling to select the most appropriate programs for ROI analysis
- Use estimates in the collection and analysis of data
- Develop internal capability to implement the ROI process
- Streamline the reporting process
- Utilize web-based software to reduce time

Status of ROI Use*

Is your leadership and/or clients asking about ROI?

1. Yes
2. No

Does your company have a measurement/evaluation strategy?

1. Yes
2. No and no plans for it in the near future
3. No, but is it in process of being developed

Does your company have a measurement or evaluation function?

1. Yes
2. No and no plans for it in the near future
3. No, but being developed
How many ROI studies has your company completed to date?

1. 1
2. 2 – 3
3. 4 – 8
4. 9 – 15
5. 16 or more

*2007 Survey of Users, N = 235

What happens if we maintain a status Quo?

- Budget?
- Influence?
- Support?
- Other Issues?

ROI Reality

- Impact/ROI information is desired by clients/executives
- The impact/ROI process provides a balanced, credible approach with six types of data
- All types of organizations are routinely using impact/ROI
- The impact/ROI process can be implemented without draining resources
- The impact/ROI process is a long-term goal for many organizations.

Impact/ROI Standards*

1. When a higher-level evaluation is conducted, data must be collected at lower levels.
2. When an evaluation is planned for a higher level, the previous level of evaluation does not have to be comprehensive.
3. When collecting and analyzing data, use only the most credible source.
4. When analyzing data, choose the most conservative among the alternatives.
5. At least one method must be used to isolate the effects of the solution.
6. If no improvement data are available for a population or from a specific source, it is assumed that little or no improvement has occurred.
7. Estimates of improvements should be adjusted for the potential error of the estimate.
8. Extreme data items and unsupported claims should not be used in ROI calculations.
9. Only the first year of monetary benefits should be used in the ROI analysis for short-term solutions.
10. Costs of the solution should be fully loaded for ROI analysis.
11. Intangible measures are defined as measures that are purposely not converted to monetary values.
12. The results from the ROI methodology must be communicated to all key stakeholders.

* Developed by the ROI Institute with input from users. The standards are used by more than 2,000 organizations in 41 countries.
ROI Quiz

True or False? Please choose the answer you feel is most correct

1. The ROI Methodology generates just one data item, expressed as a percentage.  
   - T  
   - F

2. A program with monetary benefits of $200,000 and costs of $100,000 translates into a 200% ROI.  
   - T  
   - F

3. The ROI Methodology is a tool to improve process and projects, learning/development process.  
   - T  
   - F

4. After reviewing a detailed ROI impact study, senior executives will usually require ROI studies on all programs.  
   - T  
   - F

5. ROI studies should be conducted very selectively, usually involving 5-10% of programs.  
   - T  
   - F

6. While it may be a rough estimate, it is always possible to isolate the effects of a program on impact data.  
   - T  
   - F

7. A program costing $100 per participant, designed to teach basic skills with job related software, is an ideal program for an ROI impact study.  
   - T  
   - F

8. Data can always be converted to monetary value, credibly.  
   - T  
   - F

9. The ROI Methodology contains too many complicated formulas.  
   - T  
   - F

10. The ROI Methodology can be implemented for about 3-5% of my budget.  
    - T  
    - F

11. ROI is not future oriented; it only reflects past performance.  
    - T  
    - F

12. ROI is not possible for soft skills programs.  
    - T  
    - F

13. If an ROI impact study, conducted on an existing program, shows a negative ROI, the client is usually already aware of the program’s weaknesses.  
    - T  
    - F

14. The best time to consider an ROI evaluation is three months after the program is completed.  
    - T  
    - F

15. In the early stages of implementation, the ROI Methodology is a process improvement tool and not performance evaluation for the team.  
    - T  
    - F

16. If senior executives are not asking for ROI, there is no need to pursue the ROI Methodology.  
    - T  
    - F
So, how did you do?

Now that the answers to the quiz have been explained, see how you fared. Tally your scores. Based on the interpretations below, what is your ROI acumen?

<table>
<thead>
<tr>
<th>No. of Correct Responses</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>14-16</td>
<td>You could be an ROI consultant</td>
</tr>
<tr>
<td>10-13</td>
<td>You could be a speaker at the next ROI Conference</td>
</tr>
<tr>
<td>7-9</td>
<td>You need a copy of a thick ROI book</td>
</tr>
<tr>
<td>4-6</td>
<td>You need to attend a two-day ROI workshop</td>
</tr>
<tr>
<td>1-3</td>
<td>You need to attend the ROI certification</td>
</tr>
</tbody>
</table>
## Sample of Published ROI Studies

<table>
<thead>
<tr>
<th>Case Study Name</th>
<th>Measuring the ROI:</th>
<th>Key Impact Measures:</th>
<th>ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cracker Box</td>
<td>Performance Management (Restaurant Chain)</td>
<td>A variety of measures, such as productivity, quality, time, costs, turnover, and absenteeism</td>
<td>298%¹</td>
</tr>
<tr>
<td>Federal Information Agency</td>
<td>Internal Graduate Degree Program (Federal Agency)</td>
<td>Retention, individual graduate projects</td>
<td>153%⁴</td>
</tr>
<tr>
<td>Healthcare, Inc.</td>
<td>Sexual Harassment Prevention (Health Care Chain)</td>
<td>Complaints, turnover, absenteeism, job satisfaction</td>
<td>1052%²</td>
</tr>
<tr>
<td>Imperial National Bank</td>
<td>Executive Leadership Development (Financial)</td>
<td>Team projects, individual projects, retention</td>
<td>62%²</td>
</tr>
<tr>
<td>International Car Rental</td>
<td>First Level Leadership Development (Auto Rental Company)</td>
<td>Various measures – at least two per manager</td>
<td>105%⁷</td>
</tr>
<tr>
<td>MetroTransit</td>
<td>Absenteeism Control/Reduction Program (Major City)</td>
<td>Absenteeism, customer satisfaction</td>
<td>882%²</td>
</tr>
<tr>
<td>Midwest Electric</td>
<td>Stress Management Program (Electric Utility)</td>
<td>Medical costs, turnover, absenteeism</td>
<td>320%²</td>
</tr>
<tr>
<td>National Crushed Stone</td>
<td>Skill-Based Pay (Construction Materials Firm)</td>
<td>Labor costs, turnover, absenteeism</td>
<td>805%²</td>
</tr>
<tr>
<td>National Steel</td>
<td>Safety Incentive Plan (Steel Company)</td>
<td>Accident frequency rate, accident severity rates</td>
<td>379%²</td>
</tr>
<tr>
<td>Nations Hotel</td>
<td>Executive Coaching (Hotel Chain)</td>
<td>Cost reduction, sales growth, operating efficiency, retention, and customer satisfaction</td>
<td>221%⁵</td>
</tr>
<tr>
<td>Nextel Communications</td>
<td>Diversity (Communications Company)</td>
<td>Retention, employee satisfaction</td>
<td>163%⁶</td>
</tr>
<tr>
<td>Southeast Corridor Bank</td>
<td>Retention Improvement (Financial Services)</td>
<td>Turnover, staffing levels, employee satisfaction</td>
<td>258%³</td>
</tr>
<tr>
<td>United Petroleum</td>
<td>E-Learning (Petroleum)</td>
<td>Sales</td>
<td>206%²</td>
</tr>
<tr>
<td>VA Sunshine Healthcare Network</td>
<td>Competency Development (Veteran’s Health Administration)</td>
<td>Time savings, work quality, faster response</td>
<td>159%⁴</td>
</tr>
</tbody>
</table>
 References for Published Studies


 Additional Reading


Jack J. Phillips, Ph.D.

Jack J. Phillips is a world-renowned expert on accountability, measurement, and evaluation. Phillips provides consulting services for Fortune 500 companies and major global organizations. The author or editor of more than fifty books, he conducts workshops and presents at conferences throughout the world.

Phillips has received several awards for his books and work. On two occasions, Meeting News named him one of the 25 Most Influential People in the Meetings and Events Industry, based on his work on ROI. The Society for Human Resource Management presented him an award for one of his books and honored a Phillips ROI study with its highest award for creativity. The American Society for Training and Development gave him its highest award, Distinguished Contribution to Workplace Learning and Development for his work on ROI.

His expertise in measurement and evaluation is based on more than 27 years of corporate experience in the aerospace, textile, metals, construction materials, and banking industries. Dr. Phillips has served as training and development manager at two Fortune 500 firms, as senior human resource officer at two firms, as president of a regional bank, and as management professor at a major state university.

This background led Dr. Phillips to develop the ROI Methodology—a revolutionary process that provides bottom-line figures and accountability for all types of learning, performance improvement, human resource, technology, and public policy programs.

Dr. Phillips regularly consults with clients in manufacturing, service, and government organizations in 44 countries in North and South America, Europe, Africa, Australia, and Asia.

Phillips and his wife, Dr. Patti P. Phillips, recently served as authors and series editors for the Measurement and Evaluation Series published by Pfeiffer (2008), which includes a six-book series on the ROI Methodology and a companion book of 14 best-practice case studies. Other books recently authored by Phillips include ROI for Technology Projects: Measuring and Delivering Value (Butterworth-Heinemann, 2008); Return on Investment in Meetings and Events: Tools and Techniques to Measure the Success of all Types of Meetings and Events (Butterworth-Heinemann, 2008); Show Me the Money: How to Determine ROI in People, Projects, and Programs (Berrett-Koehler, 2007); The Value of Learning (Pfeiffer, 2007); How to Build a Successful Consulting Practice (McGraw-Hill, 2006); Investing in Your Company’s Human Capital: Strategies to Avoid Spending Too Much or Too Little (Amacom, 2005); Proving the Value of HR: How and Why to Measure ROI (SHRM, 2005); The Leadership Scorecard (Elsevier Butterworth-Heinemann, 2004); Managing Employee Retention (Elsevier Butterworth-Heinemann, 2003); Return on Investment in Training and Performance Improvement Programs, 2nd ed. (Elsevier Butterworth-Heinemann, 2003); The Project Management Scorecard (Elsevier Butterworth-Heinemann, 2002); How to Measure Training Results (McGraw-Hill, 2002); The Human Resources Scorecard: Measuring the Return on Investment (Elsevier Butterworth-Heinemann, 2001); The Consultant’s Scorecard (McGraw-Hill, 2000); and Performance Analysis and Consulting (ASTD, 2000). Phillips served as series editor for ASTD’s In Action casebook series, an ambitious publishing project featuring 30 titles. He currently serves as series editor for Elsevier Butterworth-Heinemann’s Improving Human Performance series.

Dr. Phillips has undergraduate degrees in electrical engineering, physics, and mathematics; a master’s degree in Decision Sciences from Georgia State University; and a Ph.D. in Human Resource Management from the University of Alabama. He has served on the boards of several private businesses—including two NASDAQ companies—and several nonprofits and associations, including the American Society for Training and Development. He is chairman of the ROI Institute, Inc., and can be reached at (205) 678-8101, or by e-mail at jack@roiinstitute.net.