

How to Prove the Value of Soft Skill Programs

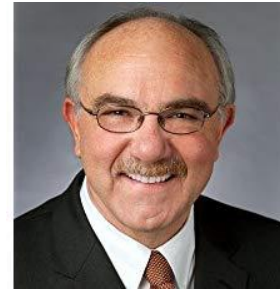
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Objectives

After attending this webinar, participants will be able to:

1. Explain the value chain for soft skills.
2. Describe the need to show impact and ROI for major programs.
3. Design soft skills programs to deliver impact and ROI.
4. Explain how to measure program results at all five levels of outcomes.

The Importance Of Soft Skills

“You cannot over-invest in communication skills—written and oral communication skills...Learn how to motivate people—small groups, medium-sized groups, large groups—and how to write in a way that’s pithy and to the point.”

Indra Nooyi, *former* CEO, PepsiCo



The Importance Of Soft Skills

“Communication skills and the ability to work well with different types of people are very important ... software innovation, like almost every other kind of innovation, requires the ability to collaborate and share ideas with other people, and to sit down and talk with customers and get their feedback and understand their needs.”

Bill Gates, Co-Founder, Microsoft



The Importance Of Soft Skills

"Talent wins games, but teamwork and intelligence win championships."

Michael Jordan, NBA Legend



5 Of The Most In-Demand Soft Skills Companies Are Looking For This Year



Naz Beheshti Contributor

ForbesWomen

CEO-Pranaz, Executive Coach, Corporate Wellness Consultant, Speaker



GETTY

LinkedIn recently analyzed hiring trends across its platform to determine both the hard and soft skills companies need most in 2020. The trends align with what I see in my executive coaching practice, where I help leaders manage stress, build resilience, unleash creativity, develop emotional intelligence, and communicate and collaborate better.

The Importance Of Soft Skills

In January, LinkedIn [analyzed hiring trends across its platform](#) to determine both the hard and soft skills companies need most in 2020; here's what they found:

- **Creativity** ranked the highest in-demand soft skill for the second year in a row
- Persuasion
- Collaboration
- Adaptability
- Emotional Intelligence

EDITORS' PICK | 9,681 views | Aug 26, 2020, 04:30am EDT

The Communication Skills Marc Benioff Says They Don't Teach You In Business School



Carmine Gallo Senior Contributor

Leadership Strategy

I write about leadership communication to grow sales and build brands.



Marc Benioff, chairman and chief executive officer of Salesforce.com Inc., speaks during the ... [+] © 2018 BLOOMBERG FINANCE LP

It's a good week for Salesforce and CEO, Marc Benioff. One day after its name was added to the Dow Jones Industrial Average, Salesforce reported one of its best quarters in company history, blowing past Wall Street's expectations.

Benioff is a pioneer of cloud computing, a visionary, and passionate philanthropist. He's also a disciplined communicator, a skill he began to hone early in his career.

While attending USC, Benioff's professors told him, "When you play with better tennis players, you're going to get better. You need to go find the best salespeople possible."

Benioff heard that Oracle had the best salespeople in technology. He applied and was hired. "They started to work with me and helped me understand how to be a better communicator," he said.

The Importance Of Soft Skills

“Communication is probably the most essential part of my job.”

Salesforce CEO, Marc Benioff, one day after Salesforce was added to the Dow Jones Industrial Average, reporting one of its best quarters in company history and blowing past Wall Street's expectations.

Common Soft Skills Training Programs

1. Effective Interviewing Skills
2. Communication Skills
3. Teamwork & Collaboration
4. Outstanding Customer Service
5. Empathetic Listening Skills
6. Problem Solving & Critical Thinking
7. Building An Inclusive Culture
8. Developing Emotional Intelligence
9. Coaching For High Performance
10. Becoming An Engaging, Inclusive Leader
11. Delivering Presentations For Results
12. Writing With Impact
13. Conflict Resolution Skills
14. Building Agile Teams
15. Dealing With Difficult People
16. Customer Service Skills
17. Leadership Development
18. Management Development
19. Supervisor Development
20. Executive Development

Just How Important Are Soft Skills?

- In the *2019 Global Talent Trends: The 4 Trends Transforming Your Workplace** report, **91%** of the **5,000 talent professionals in 35 countries** who were surveyed believe that the lack of soft skills (**creativity, persuasion, collaboration, adaptability, and time management**) is the key trend impacting the work place.
- In that same study, **92%** say that soft skills are as, or more important than, hard skills.
- **80%** of those surveyed said that soft skills are increasingly important to the success of the organization
- **89%** cited a lack of soft skills prevalent among bad hires at their organization.
- [*https://www.weforum.org/agenda/2019/02/these-4-trends-are-shaping-the-future-of-your-job/](https://www.weforum.org/agenda/2019/02/these-4-trends-are-shaping-the-future-of-your-job/)

Even More So In The Future...

- McKinsey's *Skill Shift: Automation and the Future of the Workforce* research predicts that as automation transforms the skills companies need, **demand for creativity will rise sharply by 2030.**
- Demand for **social and emotional skills such as leadership and managing others will rise by 24 percent,** to 22 percent of hours worked.
- Demand for **higher cognitive skills will grow moderately overall, but will rise sharply for some of these skills, especially creativity.**

- <https://www.mckinsey.com/~media/mckinsey/featured%20insights/future%20of%20organizations/skill%20shift%20automation%20and%20the%20future%20of%20the%20workforce/mgi-skill-shift-automation-and-future-of-the-workforce-may-2018.ashx>

The World Economic Forum's, *The Future of Jobs Report 2018*, argues not only for significant reskilling and upskilling of employees but also a growing need for soft skills.

By 2022, no less than 54 percent of all employees will require significant re- and upskilling.

Soft skills such as **creativity, originality and initiative, critical thinking, persuasion, and negotiation** will likewise retain or increase their value, as will **attention to detail, resilience, flexibility** and **complex problem-solving.**

Emotional intelligence, leadership, and social influence as well as service orientation also see an outsized increase in demand relative to their current prominence.

<https://www.weforum.org/reports/the-future-of-jobs-report-2018>

Serious Challenges for Soft Skills

1. Most soft skills are wasted (not used after a program is conducted).
2. The soft skills outcome desired by executives is rarely measured in organizations.
3. Most soft skills providers do not have data that shows they make a difference in the organization.
4. Most executives see soft skills as a cost and not an investment.
5. Executives see hard skills as more valuable than soft skills.
6. Hard skills programs usually have higher ROI values than soft skills programs.



**Do Business
Leaders Want
The Analysis?**

ROI Institute and ATD research show that the data CEOs receive are not demonstrating what they want out of their talent investment. (N=96)

Measures	Currently Measure	Should Measure	Importance
Inputs and Indicators	94%	86%	6
Efficiency	78%	82%	7
Reaction	53%	22%	8
Learning	32%	28%	5
Application	11%	61%	4
Impact	8%	96%	1
ROI	4%	74%	2
Awards	40%	44%	3

What CEOs Want: Demonstration of Value!



**What
is value?**

The Value Chain is Always There!

		<u>LEVEL</u>	<u>ISSUE</u>	<u>MEASURES</u>	<u>TARGETS</u>
	<u>This is easy</u> Always measured	0	Inputs	Volume, Hours, Convenience, Cost	100%
*Can predict	<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	90%
	<u>Possible</u> Often measured	3	Application	Use of content, Frequency of Use, Success with Use, Barriers, Enablers	30%
Executives prefer	<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

*Best Practice: Percent of Programs Evaluated at this level each year.



What is ROI?

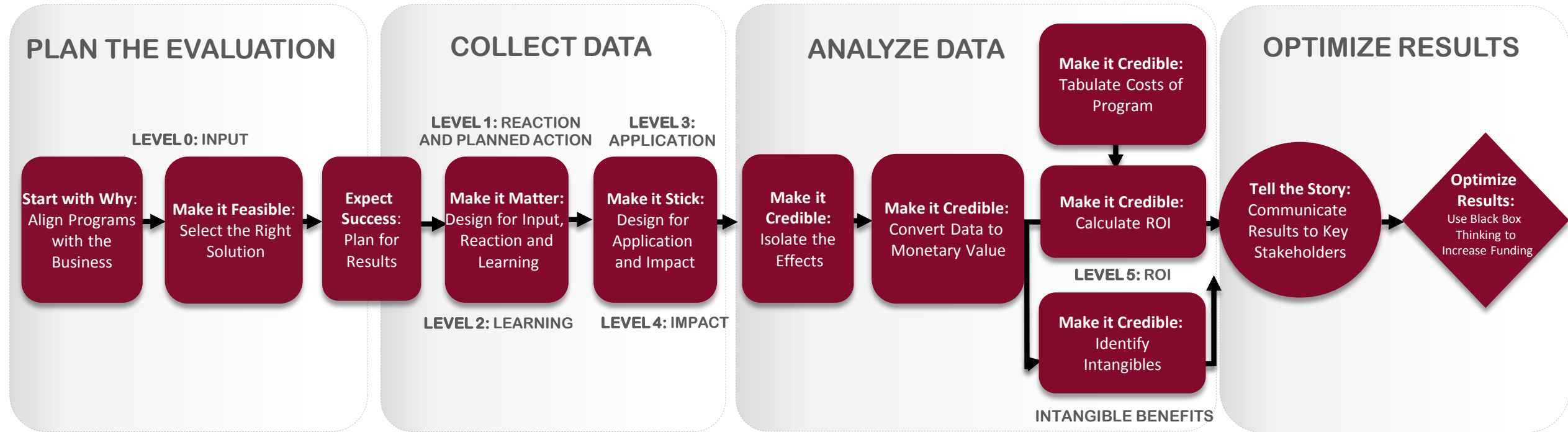
What is ROI?

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

Evaluation Framework

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

The ROI Methodology[®]



*Benchmarking Percentages

Measurement Targets

	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

Characteristics of Programs Suitable for Impact & ROI

Cost of the program

Linkage of program to operational goals and issues

Importance of program to strategic objectives

Top executive interest in the evaluation

Visibility of the program

Size of target audience

Investment of time required

Is it connected to the business? Is it the right solution?

1. Examine the Data and Records
2. Initiate the Discussion
3. Reference a Case Study
4. Use Benchmarking from Similar Solutions
5. Use Evaluation as the Hook
6. Involve Others in the Discussion
7. Discuss Disasters in Other Places
8. Use Diagnostic Tools



Expect Success: Developing 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 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

Matching Evaluation Levels with Objectives

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 diffuse a conflict, given two individuals in a heated argument.	_____
4. Rate the facilitator 4 out of 5 on presentation skills.	_____
5. Decrease the amount of time required to develop a proposal.	_____

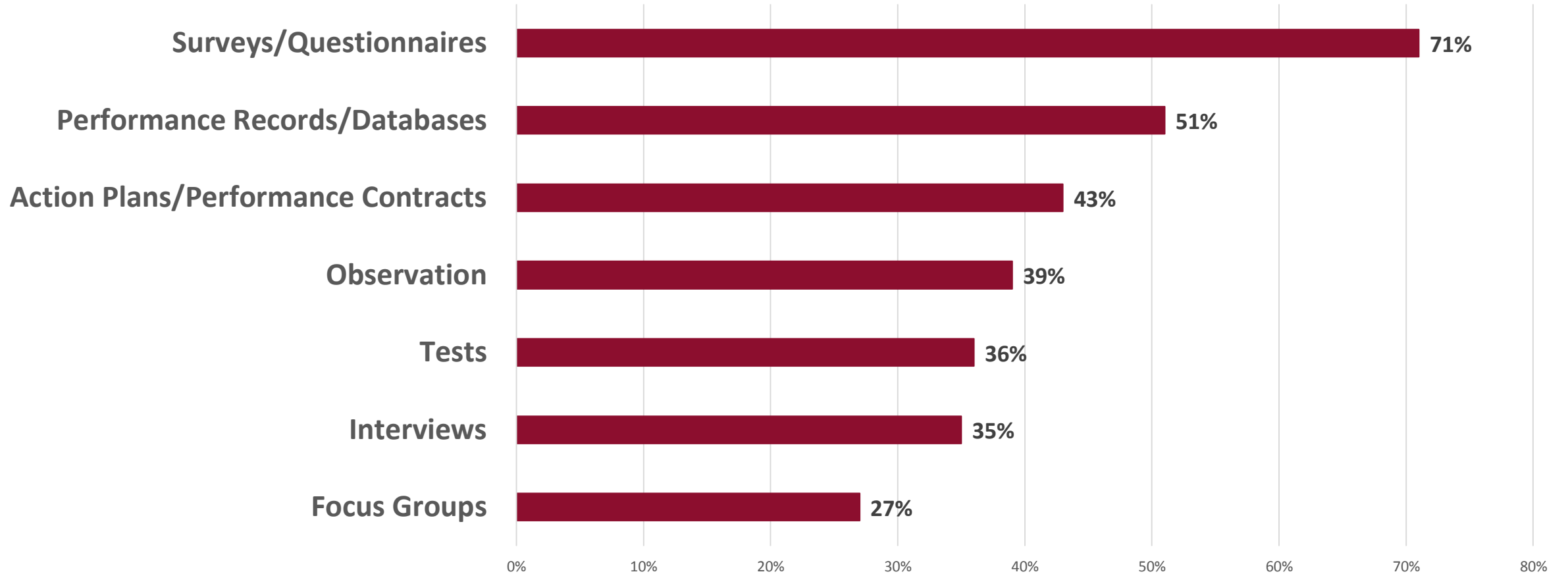
Matching Evaluation Levels with Objectives

Objective	Evaluation Level
After completing this program or project, participants should:	
1. Decrease citizen complaints by 20% in one year.	4
2. Use problem-solving skills to uncover product defect causes.	3
3. Be able to demonstrate the five steps to diffuse a conflict, given two individuals in a heated argument.	2
4. Rate the facilitator 4 out of 5 on presentation skills.	1
5. Decrease the amount of time required to develop a proposal.	4

Collecting Data

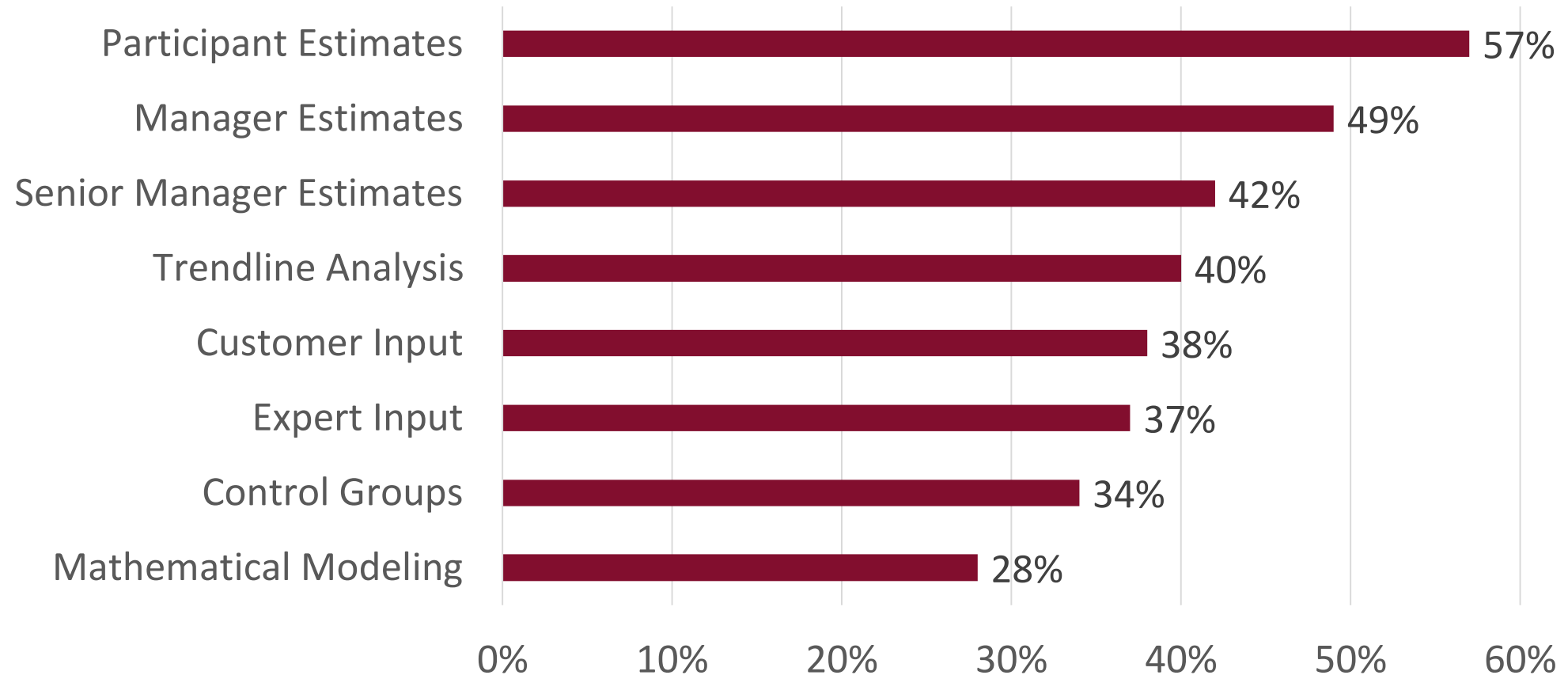
Method	Type of Data			
	1	2	3	4
Surveys	✓	✓	✓	
Questionnaires	✓	✓	✓	✓
Observation		✓	✓	
Interviews	✓	✓	✓	
Focus Groups	✓	✓	✓	
Tests/Quizzes		✓		
Demonstrations		✓		
Simulations		✓		
Action Planning/Improvement Plans			✓	✓
Performance Contracting			✓	✓
Performance Monitoring				✓

Data Collection Methods



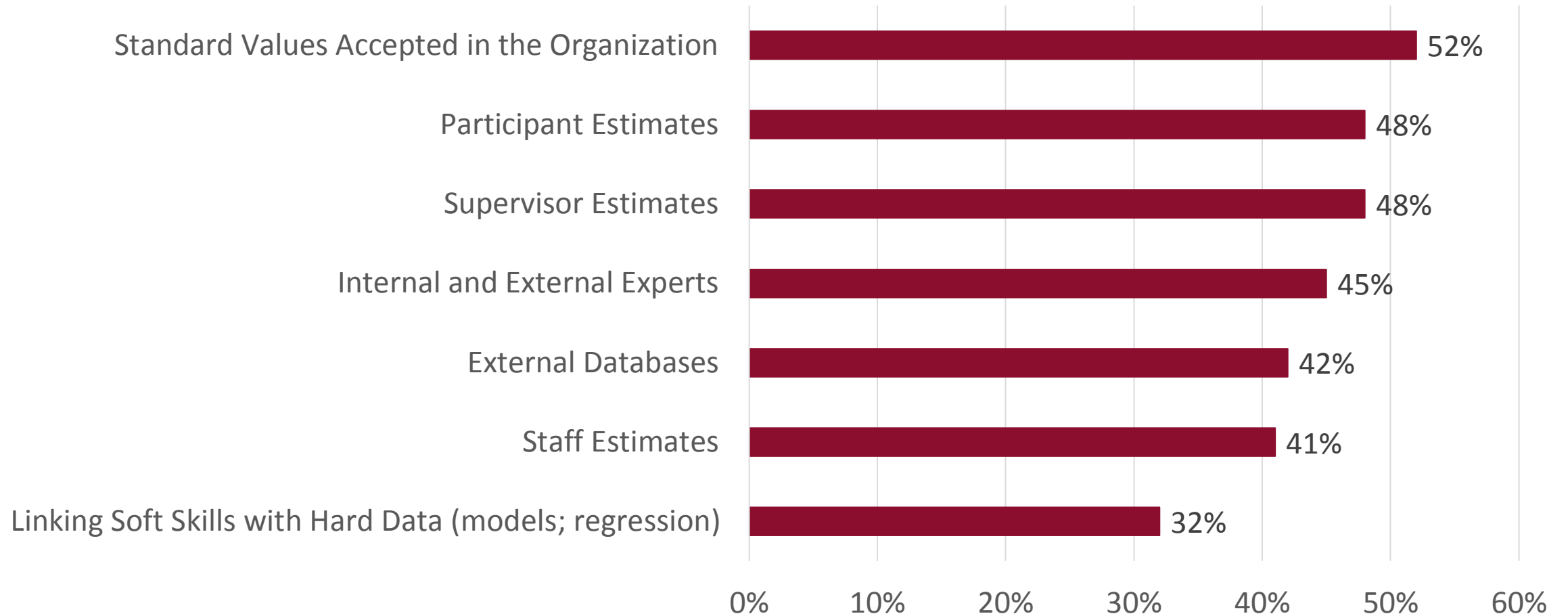
*Survey of Users, N = 246

Isolation Methods



*Survey of Users, N = 246

Data Conversion Methods



*Survey of Users, N = 246

Intangibles

- Adaptability
- Awards
- Brand awareness
- Career minded
- Caring
- Collaboration
- Communication
- Conflicts
- Corporate social responsibility
- Decisiveness
- Engagement
- Image
- Innovation
- Job satisfaction
- Leadership
- Networking
- Organizational climate
- Organizational commitment
- Reputation
- Stress
- Talent
- Teamwork

Fully Loaded Costs

“When in doubt, put it in.”

The process should withstand even the closest scrutiny in terms of its credibility.

DIRECT

- Program Materials
- Instructor / facilitator
- Facilities
- Travel, lodging, meals

INDIRECT

- Needs Assessment (Prorated)
- Program Development (Prorated)
- Participant Time (salaries & benefits)
- Administrative/overhead
- Evaluation

Example: Leadership Development

Presented to Managers: Designed to reduce departures of staff

1. Unit of Measure: 1 regrettable turnover of staff
2. $V = \$21,000$ (60% of annual salary)
3. $\Delta P = 3$ per month
4. $A\Delta P = 3 \times 12 = 36$
5. $A\Delta P \times V = 36 \times \$21,000 = \$756,000$

Given the cost of the blended learning program is \$339,400.

What is the ROI?

ROI Calculation

$$\text{BCR} = \frac{\$756,000}{\$339,400} = \boxed{2.2:1}$$

$$\text{ROI} = \frac{\$756,000 - \$339,400}{\$339,400} \times 100 = \boxed{122\%}$$



An ROI Example

Case In Point: Background

Leadership Development - Precision Manufacturing Company

- Program Description
- Business Need (the “Why”)
- Action Taken (the “Solution”)
- Result (the “Insight”)
- Why ROI?

Case In Point: Objectives & Results

Leadership Development - Precision Manufacturing Company

	Objectives	Results
Reaction	Relevance Importance Intent to Use	4.2 out of 5
Learning	Communicate Focus on Values Build Collaboration	Strengthen Abilities Inspire Others Recognize Accomplishments
Application	Extent of Use Frequency of Use Success with Use	4.3 out of 5 4.5 out of 5 3.9 out of 5
Impact	Sales Growth Operating Costs Productivity	Safety Retention Quality
ROI	14%	47%

Each participant reported improvement in two measures.

Case In Point: ROI Analysis

Leadership Development - Precision Manufacturing Company

Isolating the Effects: Estimate, Adjusted for Error

Converting Data to Money: Expert Input, Standard Value

Annual Monetary Benefits: \$534,640

Cost of Program: \$365,260

$$\text{ROI} = \frac{\boxed{\text{Benefits}} - \boxed{\text{Cost}}}{\boxed{\text{Cost}}} \times 100 = 47\%$$

Intangibles: Engagement, Job Satisfaction, Stress

Case In Point: Using The Results

Leadership Development - Precision Manufacturing Company

- Communication of Results: Executives, Participants, Managers of Participants, L&D Team
- Actions taken with results: Improvements were made for the next sessions.
- Lessons learned: Importance of connecting to the business in the beginning
- Reaction of key stakeholders: Very positive and encouraging

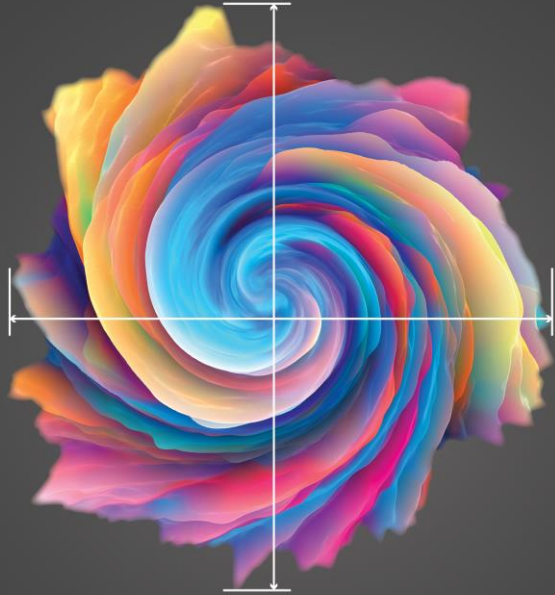


To receive an e-copy of the case study,
Precision Manufacturing, from our new book,
Proving the Value of Soft Skills,
email Melissa Brown.

melissa@roiinstitute.net



Patricia Pulliam Phillips, PhD + Jack J. Phillips, PhD + Rebecca Ray, PhD



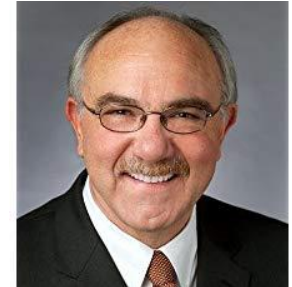
PROVING THE VALUE OF SOFT SKILLS

measuring impact and calculating roi

Thank you!



Dr. Patti P. Phillips
President & CEO
ROI Institute



Dr. Jack J. Phillips
Chairman
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Executive Vice President, Human Capital
The Conference Board

Proving the Value of Soft Skills BOOT CAMP

September 22, 2020

9 am - 3 pm CDT



This session is an intensive five-hour workshop that will provide useful, practical tools to help you show the value of soft skills programs. During this session, you will learn:

- The value chain for soft skills
- The five levels of evaluation
- The 12 steps of the ROI Methodology®

This boot camp also provides detailed case study examples to show how to measure and evaluate soft skill programs.

After attending this boot camp, participants will be able to:

1. Explain the need to show the value of soft skills
2. Describe the value chain for soft skills
3. Identify the 12 steps of the ROI Methodology®
4. Design soft skills programs to deliver impact and a positive ROI.
5. Explain ROI to stakeholders
6. Measure soft skills results at all five levels, including to calculate the return on investment of a program.

Virtual ROI Certification

The Approach is Accessible

ROI Institute's Virtual ROI Certification program makes learning accessible can be completed at a participant's own pace.

Why virtual?

- Virtual delivery is convenient for those who cannot or choose not to travel.
- Virtual delivery offers participants the opportunity to engage with others in locations other than their own.
- Virtual delivery allows continuous access to learning modules and resources, reinforcing the knowledge participants gain.

To enroll: <https://www.roiinstituteacademy.com>

ROI

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All Roads Lead to ROI