



April 20, 21 & 22
3 HALF-DAY SESSIONS

Virtual Conference
UP TO 28 SHRM AND
HRCI CREDITS

NAVIGATING
NEXT

HR Solutions for the
Evolving Workplace



MEASURING THE ROI OF TALENT DEVELOPMENT PROGRAMS

Sy Islam, PhD.

sy@Talentmetrics.io

Please introduce yourselves in the chat, tell us:

- Your name
- Your role
- How you use data in your role
- share your LinkedIn profile link

Your Presenter



Dr. Sy Islam, PhD.
Vice President of Consulting, Talent Metrics Consulting
Associate Professor of Industrial Organizational
Psychology, SUNY Farmingdale

AGENDA

Defining Talent Management
Why ROI?
Defining an Approach
Real Life Examples





Kick Off Question

How do you define talent management?
What are some programs that fit under
the heading of talent management?

Change Clock Type
Square

Duration: 00 00
10

TimeUp Reminder (Optional):
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Interval:
5 in
seconds

Choose Sound Effect
Tick

Choose TimeUp Sound
Alarm

Talent Management

A system that promotes a high-performing workforce, identifies and closes skills gaps, and implements and maintains programs to attract, acquire, develop, promote, and retain quality and diverse talent. (Office of Personnel Management)



Talent Management

- Talent acquisition
- Diversity and inclusion
- Talent development
- Workforce planning

Why ROI?

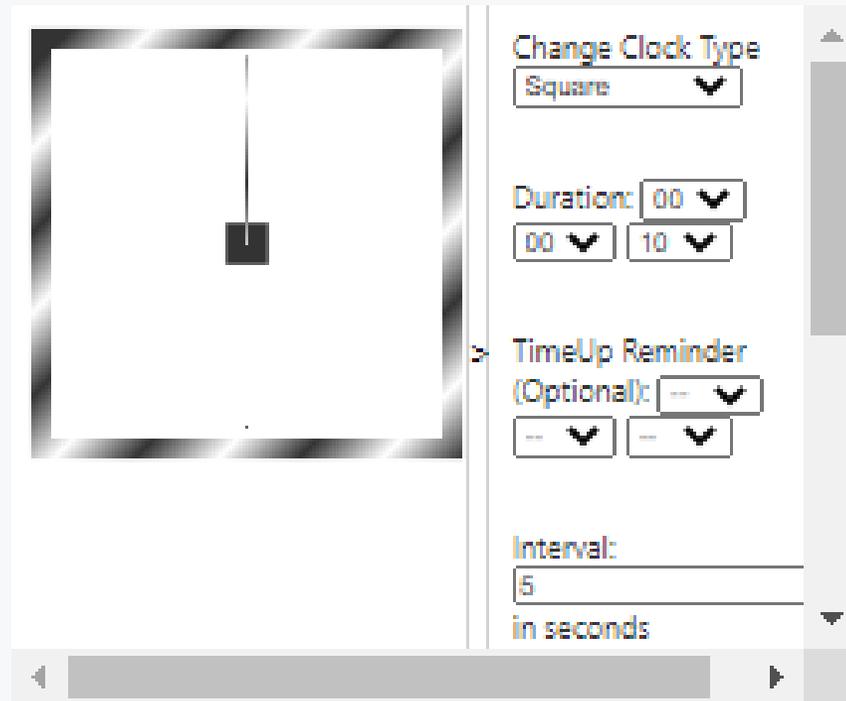


ROI=Value

Value=a seat at the table

Question

In the chat tell us what your organization values?



Overcoming the Wall

Technical knowledge

Accountability concerns

Fear of failure



**What
percentage of
training
interventions
transfer to
the job?**

A 10%

B 20%

C 50%

D 75%

Type your answer in the chat!

Step 1: Define business strategy

Step 2: Translate your programs into business outcomes

Step 3 Assign monetary values to those outcomes

Step 4: Tell the story of your program

DEFINE BUSINESS STRATEGY

CUSTOMER





What Employee Behavior Leads to Positive Organizational Outcome?

Strategy

Define your business' strategy

Identify an ideal customer

Relate employee behavior to those customers



Translate Programs into Outcomes

Recruiting

- Reduced time to hire=lower lost productivity

Learning

- Improve productivity=improved business outcomes
- Reduce errors=reduced losses

Engagement

- Improve productivity=improved business outcomes



ASSIGN MONETARY VALUE TO THE PROGRAMS

What are some program outcomes or employee behaviors that you would like to know the monetary value of?

Type your response in the chat

Monetary value of human behaviors

Internal Actions

Who the business selects

Employee selection

What the business does

Employee behavior

Management interventions



External Outcomes

Employee behavior

What do employees do?

Customer behavior

Purchase

FINANCIAL INFORMATION

Who in your organizations can provide you with financial values for your program outcomes?

Type your responses in the chat





Financial Calculation

Actual savings based on outcomes

Cost of performance prior to program

- Cost of performance after program

= Performance savings

- Cost of Program

= **Cost Savings**

Return on Investment ratio (ROI)

= (Cost Savings/Cost of Program) x 100

Real Life Example: Talent Acquisition

You work for a healthcare organization in recruitment.

Your organization faces challenges in recruiting new staff

Your HR team has implemented a new ATS to reduce hiring time

The ATS includes a pre-hire assessment to help your team select who to interview

	<u>Pre -ATS</u>	<u>Post ATS</u>
Interview time 1 <i>hours/candidate</i>	1 hr. X 63 interviews = 63 hrs.	1 hr. X 30 interviews= 30hrs.
Total Cost HR rep time \$50/hr.	63 hrs. X \$50 = \$3,150	
Total		30hrs. X \$50 = \$1500
Reduction in cost of interview time:: 3,150-1500= \$1,650		
Cost saving for the first year \$1,650		
Cost of ATS: \$1000/license		
ROI: Cost Savings/ Cost of program: \$1650/1000= 1.65 1.65 x 100= 165%		

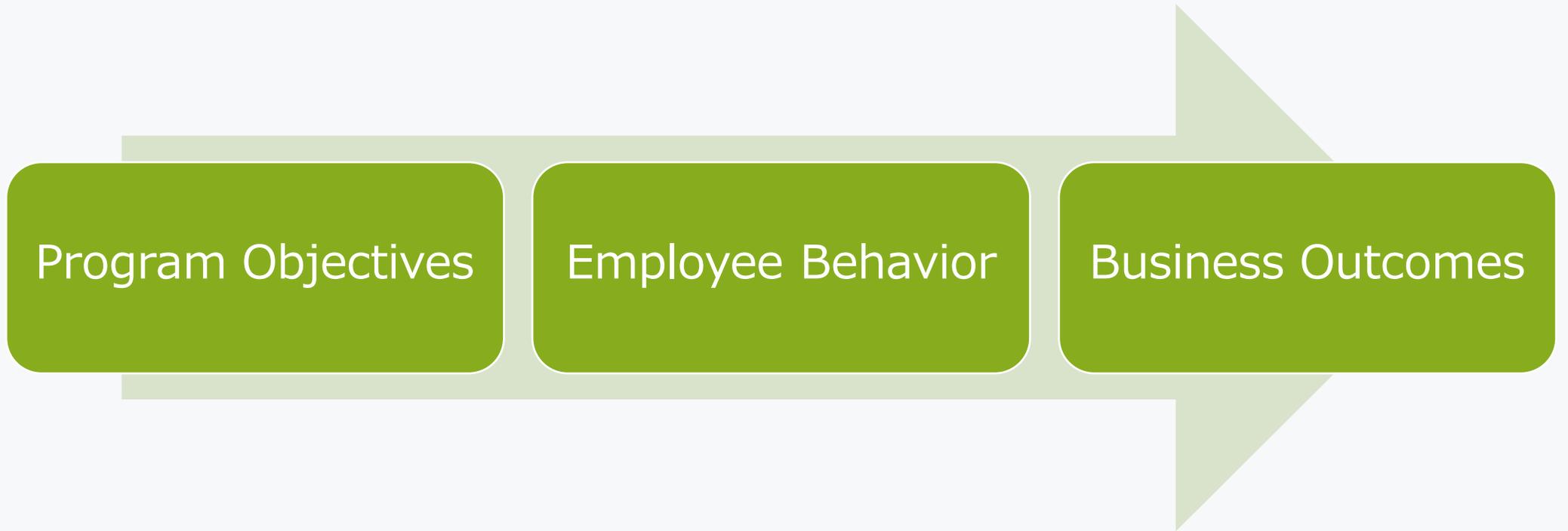
Real Life Example: ATS Implementation

Program Value Chain

Program Objectives

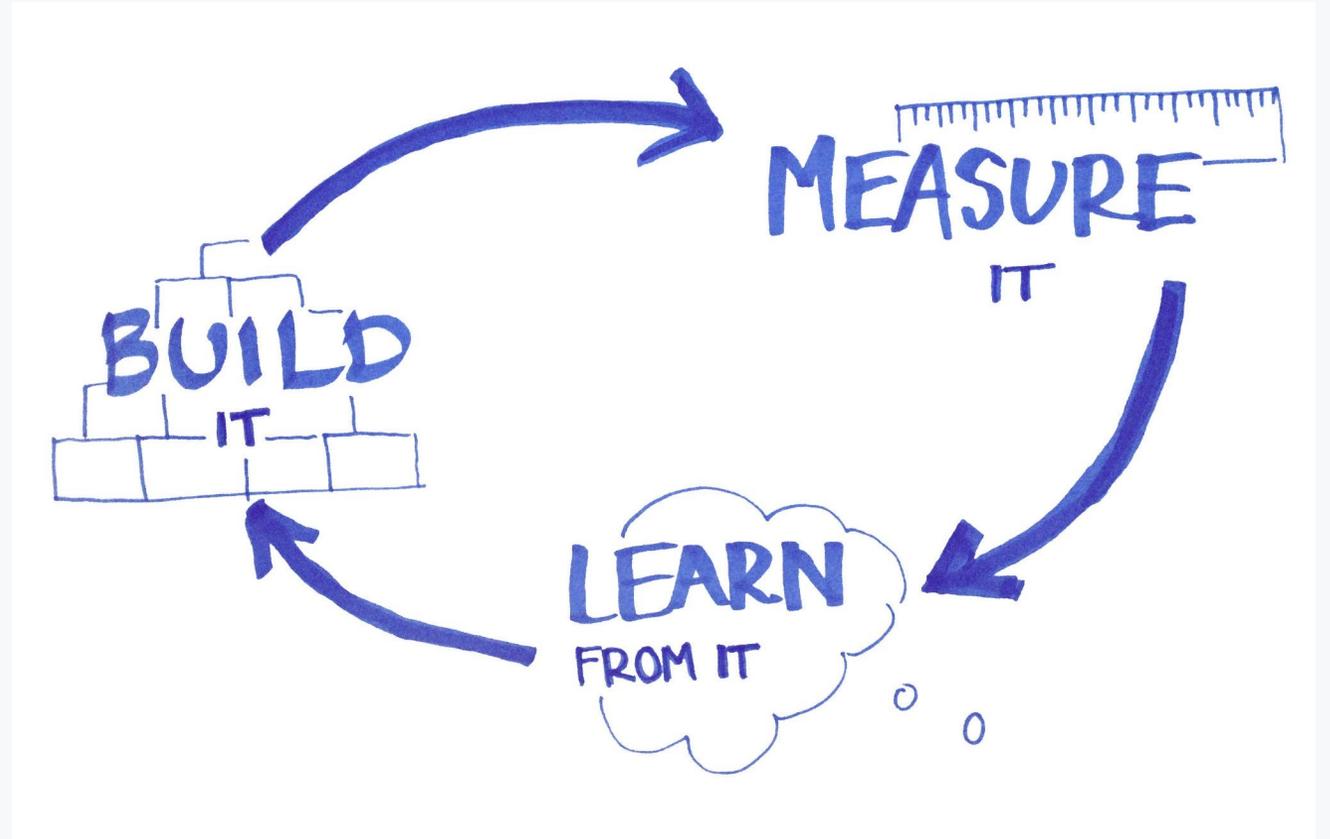
Employee Behavior

Business Outcomes



STORYTELLING

THE ITERATIVE STORY



Tell a story

Based on our previous findings of a \$1500 savings from the new ATS what story could we tell?



Possible Storylines



**IMPROVED HR SELECTION
DECISIONS**



COST SAVINGS



CANDIDATE EXPERIENCE

	<u>Pretraining</u>	<u>Post training</u>
Number of accidents cost/accident: \$1000	40 accidents/year . 40 x 1000=\$40,000	10 accidents/year 10 x 1000=\$10,000
Trainer cost time <i>10 hrs//training</i> <i>Trainer hourly rate:</i> <i>\$25/hour</i>	0 hours	10 X 60 trainings = 600 hrs Trainer . 600 x \$25= \$15,000
Total Cost	\$40,000	\$25,000
Reduction in cost of accidents: \$40,000-10,000		
Cost of training: <u>-15,000</u>		
Cost saving for the first year \$ 15,000		
ROI: Cost Savings/ Cost of program: \$15,000/\$15,000=1 x 100= 100%		

Real Life Example: Safety Training



IMPROVED SAFETY



COST SAVINGS



EMPLOYEE EXPERIENCE

Possible Storylines

Lessons Learned

- 1) Start with business strategy
- 2) Identify the relevant business outcomes
- 3) Define how employee behavior affects business outcomes
- 4) Provide meaning to measures
- 5) Build the story out of your program objectives and business outcomes
- 6) Use the Value Chain to provide structure to your story

I've learned two important lessons in life. I can't recall the first one, but the second one is that I need to start writing stuff down.



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Sy Islam, PhD. VP of Consulting

Email: sy@talentmetrics.io

Twitter: @IOSyIslam

LinkedIn: <https://www.linkedin.com/in/sislam/>

Company website: www.talentmetrics.io

Company Twitter: @Talent_Metrics

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