Identifying High Potentials and Evaluating the Impact of Learning Experiences

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Agenda

- Identifying High Potentials
- Pipeline for Development
- Evaluating Leadership Development
- Recommendations
How Does Your Organization Identify High Potentials?

- Randomly select from the most experienced candidates
- Identify top performers within each level of the organization
- Allow employees to self-identify as future leaders
- Nomination by supervisors
- Other?

The Facts

Only 15% of high performers actually qualify at high potentials

After identifying high potentials, 95% of organizations fail to follow through on development plans

73% of businesses cannot show business outcomes or ROI for their high potential development efforts!
A Model for Identifying High Potentials

A proven high performer with three distinguishing attributes:

1. **High Aspiration**: yields 11x higher probability to achieve executive position. Will they get there?

2. **High Ability**: yields 12x higher likelihood of being effective in senior roles. Will they be effective?

3. **High Engagement**: yields 2x higher probability to stay, put in extra effort and meet performance goals. Will they remain with your company?

Pipeline for Development

Audience Question

What does high potential development look like in your organization?
Leader Development Programs

- Increased Complexity
  - Multiple learning methods (ILT, VILT, eLearning)
  - Longer time courses
  - More learning
  - Multiple content providers

- More collaboration
  - Flatter teams
  - Connect with project members across teams
  - Connect with experts through social portals

- Increased diversity
  - Globalization
  - Multiple generations
  - Learner desire for various learning channels
  - Faster pace of business
  - Multiple stakeholders
  - Constant change

Audience Question

How do you know if your development efforts are effective?

Measure, Monitor & Manage
Increasing L&D’s Influence

**Measure**
Determine the key performance indicators of success and gather data

**Monitor**
Review the measures and understand why and how they fluctuate

**Manage**
Take corrective action to align performance to goals

What Should You Measure?

- **Efficiency (Activity & Cost)**
  - Amount of people trained
  - In what way
  - Cost / learner
  - Cost / hour

- **Effectiveness (Quality)**
  - Learning
  - Application (scrap)
  - Performance Improvement
  - ROI estimates

- **Outcomes (Business Impact)**
  - Decreased safety issues
  - Improved project management
  - Increased revenue

These measures are fairly standard and can be captured across programs

What Metrics Are Needed?

<table>
<thead>
<tr>
<th>Metrics L&amp;D Needs</th>
<th>Metrics Executives Care About</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set Goals</td>
<td>Application: How can we increase application of new skills on the job?</td>
</tr>
<tr>
<td>Monitor and Report</td>
<td>Results: To what degree will a learning program improve a specific business outcome?</td>
</tr>
<tr>
<td>Improve Benchmark</td>
<td>Value: What will be the return on the learning investment?</td>
</tr>
</tbody>
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Source: Adapted from Boudreau & Ramstad (2007)
Evaluating the Impact of Leadership Programs

How Does L&D Create Value?
A Framework for Connecting to Business Outcomes

<table>
<thead>
<tr>
<th>L&amp;D Value Driver</th>
<th>Business Objective</th>
<th>Leading Indicators</th>
<th>Lagging Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximize Operational Efficiency</td>
<td>Drive bottom line profitability</td>
<td>Productivity</td>
<td>Profit EBITDA</td>
</tr>
<tr>
<td>Drive Growth</td>
<td>Drive top line revenue growth</td>
<td>Cycle Time Cost</td>
<td>Revenue Market Share</td>
</tr>
<tr>
<td>Mitigate Risk</td>
<td>Cost avoidance: Minimize costs due to non-compliance</td>
<td>Cost</td>
<td>Legal Costs Reputational Damage</td>
</tr>
<tr>
<td>Build / Maintain Foundational Skills</td>
<td>Cost avoidance: Minimize turnover costs</td>
<td>Quality</td>
<td>Bench Strength Organizational Flexibility</td>
</tr>
</tbody>
</table>

Portfolio Activity

- Think of your leadership development curriculum
- Which course aligns to which value driver for the business?
- Using the chat feature, please list one of the four value drivers for your top three courses. (Do not name the courses, just the drivers at left)
Leadership Development Programs are substantially different from technical skills training:
- For an Excel course, the skills can be applied immediately on the job and performance improvement is evident
- For a team leader course, the behaviors may not be applied for a few days or even a few weeks
- The impact of those behaviors on others may take months to have an effect

**Suggested Solution**
Measure now and measure later
Gather immediate feedback
Predict future performance
Gather feedback after learners have been on the job

**How CEB Metrics That Matter™ Can Help**

Implement a Scalable Measurement Framework to Deliver Analytics and Insights that Enable You to...

- Make More Informed Investment Decisions
- Continuously Improve Learning Solutions
- Communicate the Value of L&D to Senior Leadership
- Ensure Alignment with Key Business Outcomes
- Build and Align with Business Outcomes (CRM, HRIS, TMS, RMS, Financial)
- Communicate the Value of L&D to Senior Leadership

**MTM Automates Measurement and Reporting**

- LMS & Portals
  - Class & Content information
  - Learner demographics
- Reports, Alerts, and Dashboards
  - Aggregated data on KPIs connected to L&D
  - L&D, Talent, and Business Outcomes
  - (CRM, HRIS, TMS, RMS, Financial)

**MTM Automates Measurement and Reporting**

- Post Event Evaluation - Tests - 360’s
  - Impact, results predictors
  - Satisfaction indicators
- Instructor Evaluation
  - Feedback on content, environment, and students
- Follow Up Evaluation
  - Impact, results indicators
  - Post-class support input
- Manager Evaluation
  - Impact and results indicators and validation
  - Support reinforcement
- Class & Content information
  - Learner demographics
- Metrics That Matter™
  - Aggregated data on KPIs connected to L&D
  - L&D, Talent, and Business Outcomes
  - (CRM, HRIS, TMS, RMS, Financial)
Level of Rigor Examples

- Compliance course: How to Secure Your Laptop
  - MTM Post-event
  - 10,000 people annually
  - 15 minute eLearning program
  - Important because 3 – 5 laptops are stolen annually
- Leadership Development: Leading the New Sales Process
  - Impact Study
  - 3,500 people (entire sales force)
  - Blended solution with 3 eLearning modules and 3-day ILT
  - Critical to revenue plan for the year
- Leading Project Teams
  - MTM Post-event & Follow-up
  - 200 people
  - Blended solution with 1 eLearning course and 4-hours of ILT
  - Keeps the project teams running smoothly.

Rigorous Impact Study Design

- KPIs* before attending
- Development Opportunity
- KPIs* after attending
  - Measures
  - Leadership Course
  - Measures
  - No course
  - Measures

*Example KPIs: Team engagement, team productivity, achievement of business goals

*Use business data (team productivity) beyond MTM to track performance before, during and after the program to demonstrate impact.
Example: Portfolio Alignment & Measurement Rigor

- **Leading Project Teams**
  - Maximize Operational Efficiency
  - MTM SmartSheets
  - Post-event, Follow-up and Manager Follow-up

- **Managing Budgets**
  - Build / Maintain Foundational Skills
  - MTM SmartSheets
  - Post-event

- **Lead New Sale Initiative**
  - Drive Growth
  - Impact Study

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**Recommendations**

- Measure early and often so there are no surprises
- Use MTM's standard Portfolio Model approach and supplement with specific measures aligned to your business
- Measure every course using a scalable approach, but use impact studies selectively for the strategic, visible and costly programs

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**Challenges and Recommendations**

**Challenges**

- Leadership development programs often require some time for behaviors to change and impact to occur
- Outcome metrics are hard to determine and hard to gather
- Some leadership programs are more important than others

**Recommendations**

- Measure early and often so there are no surprises
- Use MTM's standard Portfolio Model approach and supplement with specific measures aligned to your business
- Measure every course using a scalable approach, but use impact studies selectively for the strategic, visible and costly programs
Recommendations

Your Mission: ID & Develop Leaders

Your Measures & Reports

Your Operations

- Your Mission: ID & Develop Leaders
- Your Measures & Reports
- Your Operations

Thank You

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