

Hope is not a plan: measuring learning impact

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In the past, leaders of project management offices (PMOs), Centre's of Excellence (COEs) and chief learning officers have been willing to buy hope. Hope that whatever training course they provided or comprehensive learning programme they invested in would deliver results. They believed that by investing in the development of the skills and knowledge of their programme leaders, project managers and project team members the individuals would grow as professionals, and in the process, benefit themselves and the organisation through improved project management capabilities.

Realising value from learning based on hope is a thing of the past. Today, project management and learning leaders want, and need for senior management, proof. Proof that the £125,000 they plan to invest in a learning programme will yield at least that much in bottom line benefit to the organization. Even those with robust learning budgets need to provide measurement plans that demonstrate initial need and chart a path to prove organisational impact over time to justify expenditures.

The coming PM talent crisis

More than many other professions, project management has an even greater sense of urgency to be able to measure learning impact. Despite the economic downturn of the last couple of years, there was still robust global demand for qualified project management professionals – especially those with strong leadership skills. In part, this is being driven by an ageing workforce, but the effect is amplified by the increasing reliance on project management to help organizations execute projects quickly, efficiently, on-time and on-budget. As the global economy improves, this situation is set to worsen.

Further complicating the pressing need for PM talent are the non-traditional attitudes of the new generation entering the workforce. A traditional, classroom-based, instructor-led learning approach does not best leverage the technically savvy, individual mindset of this rising brain trust. Yet, retaining this new talent by engaging and motivating them is essential to any organizations long-term success in the 21st century.

Given these two global trends, many are predicting the largest workforce turnovers in history. Although there is no consensus on the number, one example that may highlight the severity of this concern predicts that for the average large global organisation of 140,000 employees, management should be planning for an employee turnover rate of 200 percent during the next eight years. No, that is not a typo!



Assessments should be the foundation for any learning solution. They provide the baseline that lets you show improvement results.

This puts a different set of pressures on leaders to identify their talent management, or human capital strategy, in order to be a viable business in the coming years. Without an effective measurement plan to assess the impact of various interventions – such as specific training activities as well as comprehensive learning programmes – on the bottom line and strategic alignment, an organization could easily be heading towards receivership.

Return v value

The subject of measurement is a personal passion of mine and I am almost fanatical about sharing best practices and tactical credible ways to measure impact. Most people focus on the term Return on Investment or ROI. However, very few people have real answers for actually measuring ROI – especially when it comes to something as intangible as human beings and learning – therefore, we need a different approach.

When most people think about ROI, they think of it in financial – Pounds, Euros, Yen – or percentages. Rather than ROI, over my career I have worked toward showing impact through value, what I call Value of Investment or VOI. VOI is a collection of multiple data points, some financial, some not, that together make the business case and demonstrate proof of learning value that is credible and conservative. And, most importantly makes sense to even the most critical executive directors. As an added benefit, the VOI approach is actionable, enabling decision makers to adjust learning programmes to increase and maximise impact – and value.

It is all about the as-is

Whatever metrics you select for your VOI measurement, or any measurement programme, one universal necessity is baselining the current state. Without a baseline, it is extremely difficult to show proof of improvement or help build your VOI. This may seem very elementary, but you will be surprised how many well-known global companies – and plenty of small ones as well – fail to meet this basic requirement.

Even most project management professionals fail to develop an appropriate risk plan for the learning programmes. They choose instead to cut measurement altogether based on time or other resource constraints. Inevitably this leads to one, or all, of the following scenarios:

- 6, 12 or 18 months down the road a review of the programme is requested by senior management and there's no one to prove any impact – all you can talk about are the number of people who have completed the programme.
- During the first year or two of the programme a budget review is conducted and the programme is at risk because no one can demonstrate any measurable impact to the organization.
- 6 to 12 months into the programme there is universal acknowledgement that the programme isn't working because the learning isn't meeting the needs of the participants resulting in most of the investment from that period being wasted.
- The need to try to look backwards or simply look at the current as-is to establish a baseline moving forward.

By determining in advance how you are going to measure the value of your investment, 90 percent of the heavy lifting of measuring learning impact will be completed and you will have the added benefit of clearly determining and documenting the programmes' requirements. As noted in the diagram below, the as-is assessment is the first step in any well-structured learning programme. A well-designed baseline assessment should measure the: individuals' knowledge; individuals' competency; and organizational maturity



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The baseline assessment

Assessing the level of individuals' knowledge is a low effort and low investment endeavour. There are many existing instruments, typically online, available to measure the level of knowledge. The important thing is to select a tool that matches to your organization's approach to project management. For example, if your organization follows the Project Management Institute's (PMI) *A Guide to the Project Management Body of Knowledge (PMBOK Guide)* and encourages project professionals to pursue their Project Management Professional (PMP) certification you should use a tool that will measure them in the nine knowledge areas of the *PMBOK Guide*. Knowledge assessments establish where an individual or a group is and should be repeated at future points to demonstrate progress. While, knowledge is a prerequisite to performance it is not a guarantee.

Assessing individuals' competency is a bit more complicated. Many organizations embark on establishing a competency model and assess individuals against that model typically through a 360-degree, multi-rater approach. While this can be complicated, simplifying it is the key to ensuring it is executed effectively, and regularly, to track progress. I have found through many years that the following informal approach quickly yields a basic, yet clear picture that establishes a competency baseline that can be tracked by individual or group over time:

1. Identify a distinct set of key success metrics that can be evaluated across all projects, such as cost performance, profit, schedule and customer satisfaction.
2. Identify the last three to five projects an individual has managed.

3. Score the individual performance using an appropriate rating scale.
4. Aggregate results for a snapshot of a group's competency.

Does your organization measure customer satisfaction on a regular basis? If you answered yes, you are among the 15% minority that does. Customer satisfaction – whether you serve clients internal or external to the organisation – can be an important metric, not just for the individual, but also for the entire PMO or department. It can also be very easy. You only have to ask one simple question: How likely are you to recommend to a colleague or friend? This is known as the Net Promoter benchmark and is a well-established tool in the UK, Europe and US. Its acceptance as a well-researched management tool also makes it an ideal metric to demonstrate the value of a learning investment to senior management.

Your organization's maturity in project management is another key metric to consider. One way to do this is to embark on an Organizational Project Management Maturity Model (OPM3) or other framework assessment. These assessments are ideal for truly assessing an organization's current state so it can be re-assessed over time – ideally each year – to show the impact of a learning program as part of a VOI analysis. However this approach can take significantly time and resources to implement.

What if you had to do this in a couple of days with not much funding available? One approach is to assess the performance of your portfolio of projects. This simple assessment allows you to quickly determine a credible organizational maturity baseline, which in turn enables the straightforward calculation of the financial impact

of even a small one percent improvement of that baseline in terms of Pounds or Euros.

- Identify a distinct set of key success metrics that can be evaluated across all projects, such as cost performance, profit, schedule and customer satisfaction. (Hint: start with the criteria you used for the individual competency assessments.)
- Identify your top projects – it might 10, or 50.
- With no more than four colleagues score each of the projects based on the criteria.
- Aggregate the results for a baseline view of portfolio success that can be tracked over time.

An additional measure of organizational maturity that can prove very valuable for this level of reporting is to simply note your employee turnover rate and of course track it moving forward.

Many leaders hoped their learning programmes would succeed, in large part because there was a belief that assessing individual and group knowledge, competency and performance was too hard, too time consuming and too costly. However, thanks to years of academic research and today's economic realities we can prove the value of learning investment and demonstrating its impact over time quickly and efficiently – all in a way that resonates with senior management.

About the Author

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