

**Training Scorecards:
How Nextel Communications Uses a
Training Scorecard to Prove Training Pays**

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Using a Training Scorecard to Prove Training Pays

Session Objectives

- List the seven components of a training scorecard.
- Define the types of data in a training scorecard.
- Describe the biggest challenges in implementing a training scorecard.
- State tips & techniques for dealing successfully with those challenges.

Why Use a Training Scorecard?

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Training Scorecard Action Ideas	
<i>Your Challenges</i>	<i>Action Ideas</i>

Building a Scorecard

- Provides macro-level perspective of success
- Serves as a brief report versus detailed study
- Shows connection of training's contribution to business objectives
- Integrates various types of data
- Demonstrates alignment between programs, strategic objectives, and operating goals

Seven Categories of Data

- Indicators
- Level 1 - Reaction & Planned Action
- Level 2 - Learning
- Level 3 - Application
- Level 4 - Business Impact
- Level 5 - ROI
- Intangibles

Indicators

- Number of employees involved
- Total hours of involvement
- Hours per employee
- Training investment as a percent of payroll
- Cost per participant

Level 1 - Reaction Data

- Relevance to job *
- Amount of new information
- Recommendation to others *
- Importance of information *
- Intention to use skills/knowledge*
- Effectiveness of facilitator
- Effectiveness of delivery system

Level 2 - Learning Self Assessment & Pre/Post Tests

- **Understanding of the skills/knowledge**
- **Ability to use the skills/knowledge**
- **Confidence in the use of skills/knowledge**

Level 3 - Follow-up Application

- **The importance of the skills/knowledge in my work (after applied on the job)**
- **The frequency of use of new skills/knowledge (on the job)**
- **The effectiveness of the skills/knowledge (as applied on the job)**

Level 4 - Linking Program to Business Measures

Indicate the extent to which you think this program has influenced each of these measures in your work unit, department, or business unit:

- **Productivity**
- **Quality**
- **Customer Response Time**
- **Cost Control**
- **Employee Satisfaction**
- **Customer Satisfaction**
- **Other**

Level 4 - Linking Program to Business Measures Collecting Levels 3 & 4 Data

What are methods for collecting levels 3 and 4 post program data?

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Isolation Techniques

- Use of control groups
- Trend line analysis
- Forecasting methods
- Participant's estimate of impact (percent)
- Management's estimate of impact (percent)
- Use of experts/previous studies
- Calculating/Estimating the impact of other factors
- Customer Input

Data Conversion Techniques

- Converting output to contribution – Standard Values
- Converting the cost of quality – Standard Values
- Converting employee's time – Standard Values
- Using historical costs
- Using internal and external experts
- Using data from external databases
- Using participants' estimates
- Linking with other measures
- Using supervisors' and senior managers' estimates
- Using staff estimates

Level 5 – ROI

- $\text{Benefit/Cost Ratio} = \text{Program Benefits/Program Costs}$
- $\text{ROI} = \text{Net Program Benefits/Program Costs}$

Intangible Benefits

- List of intangible benefits (top 10)
- How intangibles were captured

Training Scorecard Template

Training Scorecard				
<i>Program Title:</i>				
<i>Target Audience: Indicators</i>				
<i>Duration: Indicators</i>				
<i>Business Objectives:</i>				
Results				
Satisfaction	Learning	Application	Tangible Benefits	Intangible Benefits
Level 1	Level 2	Level 3	Levels 4 & 5	
<i>Technique to Isolate Effects of Program:</i>				
<i>Technique to Convert Data to Monetary Value:</i>				
<i>Fully-loaded Program Costs:</i>				
<i>Barriers to Application of Skills:</i>				
<i>Recommendations:</i>				

Case Study – Nextel

Utilizing a Training Scorecard to Prove Training Pays

An All-Inclusive Workplace (AIW) *Return-on-Investment Study*

Introduction/Background

- **Business drivers: retention, employee satisfaction and productivity**
- **Required course for all employees**
- **Two versions of course: Management and Non-Management**
- **Study focuses on Management version**
- **Survey for ROI study included 300+ managers, 600+ employees**

Key Ingredients

- **Business Objectives**
- **Performance Objectives**
- **Learning Objectives**
- **Action Planning**

An All-Inclusive Workplace - Course Objectives

Business

- Increase productivity
- Improve retention
- Increase diversity
- Improve job satisfaction

Performance

- Recognize and address an inappropriate comment and/or behavior.
- Teach your staff how to be more aware of differences.
- Implement actions to improve the inclusiveness of your communications.
- Design and implement initiatives that contribute to the “Model for Success - An Employee Life Cycle” (attracting, recruiting, retaining, developing, and managing diversity in the workplace).

Learning

- Identify and list the value of differences that individuals bring to the workplace.
- Explain your individual responsibility for supporting an all-inclusive workplace.
- Assess your communications skills across cultures and genders
- State the costs of not paying attention to the way we treat our workforce.
- Describe the five factors of the “Model for Success - An Employee Life Cycle.”

An All-Inclusive Workplace – Action Plan

Action Plan			
Name:		Program: An All-Inclusive Workplace	
Evaluation Period:		Follow-Up Date:	
Tangible Business Impacts	Action Steps	Consequences	Measures
The specific results targeted for improvement.	What you are going to do differently to impact business results.	What will be different if you actually start taking action?	How will you know if the consequences actually happened?
Improve Retention			
Increase Productivity			

Collecting Data

- Level 1 & 2 - In-class evaluation
- Level 3, 4 & 5 - Post-class online survey (54% response rate)
- Results of 3-5 isolated to portion that managers attributed to training

Level 1 - Reaction Results

- Satisfied with course 4.37
- Recommend course 4.43
- Achieved stated objectives 4.45
- Content directly applied to job 4.43
- Able to apply learning on job 4.41
- Linkage of content to needs 4.26

Scale: 'Strongly Agree' (5), 'Agree' (4), 'Partly Agree/Partly Disagree' (3), 'Disagree' (2), and 'Strongly Disagree' (1)

Level 2 - Learning Results

- Identify and list value of differences of each individual 4.34
- Recognize/address inappropriate behavior or comment 4.48
- Teach staff to be more aware of differences 4.19
- Explain individual responsibility for supporting AIW 4.39
- Design initiatives that contribute to employee life cycle 4.13
- React to and solve diversity-related issues in the workplace 4.17

Scale: 'Strongly Agree' (5), 'Agree' (4), 'Partly Agree/Partly Disagree' (3), 'Disagree' (2), and 'Strongly Disagree' (1)

Level 3 – Application Results

Change in Manager Behavior	
Managers	Employees
<ul style="list-style-type: none"> • Exhibiting responsibility for inclusiveness (86%) • Addressing inappropriate comments/behaviors (81%) • Encouraging staff to be more aware of differences (78%) • 79% of managers reported success in implementing action plans 	<ul style="list-style-type: none"> • Exhibiting responsibility for inclusiveness (65%) • Identifying value of differences individuals bring to the workplace (63%) • Encouraging staff to be more aware of differences (60%) • Also noted: no need to change, i.e., no problem

Level 4 - Business Results

Retention Improvement Results

<u>Factor</u>	<u>Percentage</u>
AIW Course	9.77%
Courses Prior	8.95%
Courses After	5.81%
Org Changes	11.48%
Interactions	11.28%
Economy	20.87%
Other	6.95%

Retention Improvement & Value

- **Decrease in 2001 turnover: 2.2%**
- **2.2% = 371 people**
- **9.77% (% of reduced turnover attributed to AIW)**
- **371 x 9.77% = 36 people**
- **\$89,000 (average per person turnover cost - 1999 Saratoga Institute study)**
- **36 x \$89,000 = \$3,204,000 annually**

Level 5 - ROI Results

Benefits: \$3,204,000 annually

Costs: \$1,216,836 (fully loaded)

Benefit-to-Cost Ratio: 2.6:1

Return-on-Investment: 163%

For every \$1 spent on AIW training Nextel received a \$1.63 net benefit.

Intangible Benefits – Employee Satisfaction

Survey

“Nextel does a good job of valuing diversity of cultural backgrounds, personal styles, and ideas among its employees.”

- **5% increase in 2001 favorable responses**
- **3% decrease in 2001 unfavorable responses**

Additional Intangible Benefits

Managers

- **Improved relationship with direct reports**
- **Increased communication among staff**
- **Increased cooperation**
- **Increased diversity**

Employees

- **Improved relationship with manager**
- **Increased communication among team members**
- **Increased cooperation**
- **Increased teamwork**

Barriers to Implementation

Time constraints	60%
Other priorities	35%
Finding activities to build team	24%
Following through	12%
Upper management support	10%
Resistance of team to change	8%

Additional Suggestions for Building Inclusiveness

- Ideas, budget, and management support for teambuilding activities
- Ongoing AIW training for new employees, and refresher training for all employees
- Top management/Senior leadership to set the tone
- Reminders of key skills and knowledge via posters, re-training, email reminders, etc.
- Continued management support

Summary

- Raised manager awareness
- Helped initiate action to promote inclusiveness
- Contributed to reduced turnover and increased employee satisfaction
- Intangible improvements in culture and atmosphere at Nextel
- Managers are willing, but need time, resources, and suggestions to continue improving

Recommendations

- Communicate findings
- Submit Nexaminer article on findings
- Add regular diversity column to Nexaminer
- Roll-out management self-guided AIW reinforcement tool
- Continue company-wide training
- Provide 2002 refresher training to all employees

Training Scorecard

Program Title: An All-Inclusive Workplace

Target Audience: Supervisors, Managers, Executives (1,254)

Duration: 1 day, 84 sessions

Business Objectives: Enhance Employee Satisfaction, Improve Retention, Increase Productivity

Results

Satisfaction End of Class Evaluation 1-5 Scale	Learning Self-Assessment on Performance Objectives 1-5 Scale	Application Manager Behavior Change Survey % increase = Some to Very Significant Change	Tangible Benefits Retention Improvement Results	Intangible Benefits Employee Satisfaction Survey: Question # 48 – valuing diversity
Overall rating: 4.37	Identify value of differences: 4.34	Identify value of differences: Mgrs: 73% Emps: 63%	\$3,204,000 annually ROI = 163% BCR = 2.6:1	5% increase in 2001 favorable responses 3% decrease in 2001 unfavorable responses
Recommend: 4.43	Address inappropriate comment: 4.48	Address inappropriate comment: Mgrs: 81% Emps: 54%		Additional Intangible Benefits
Achieved obj.: 4.45	Encouraging staff: 4.19	Encouraging staff: Mgrs: 78% Emps: 60%		Improved relationships between manager and direct reports
Applied to job: 4.43	Exhibit individual responsibility: 4.39	Exhibit individual responsibility: Mgrs: 86% Emps: 65%		Increased communication among staff
Links to needs: 4.26	Implement initiatives: 4.13	Implement initiatives: Mgrs: 67% Emps: 54%		Increased cooperation
Action plans completed	React to and solve diversity issues: 4.17	Leverage team differences: Mgrs: 70% Emps: 57%		Increased diversity
	Skill practice demonstration	Improve communications: Mgrs: 76% Emps: 58%		Increased teamwork
		79% reported success in implementing action plans		

Technique to Isolate Effects of Program: Participant estimates, estimating impact of other factors

Technique to Convert Data to Monetary Value: Standard values, internal experts, external experts

Fully-loaded Program Costs: \$1,216,836

Barriers to Application of Skills: Time constraints, finding activities that build cohesiveness and other priorities

Recommendations: Communicate findings, Nexaminer article, add diversity column to Nexaminer, provide additional teambuilding ideas to managers, continue AIW training for new employees, provide refresher training in 2002

Training Scorecard - Biggest Challenges

- **Resources**
- **Leadership**
- **Timing**
- **Communication**
- **Commitment**

Training Scorecard Tips & Techniques

- **Plan for evaluation early in the process**
- **Select the most appropriate programs**
- **Keep it simple & be conservative**
- **Share the responsibilities for evaluation**
- **Use estimates in data collection and analysis**
- **Educate others: staff, managers, executives**
- **Develop internal capability**

Resources

- **Handbook of Training Evaluation and Measurement Methods, 3rd Edition, Jack Phillips, ISBN 0-88415-387-8**
- **ASTD In Action: Implementing Training Scorecards, Editors: Jack Phillips and Lynn Schmidt, 1Q03**