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- Human Resource Dev
- Consulting Services
- Technical Instructional Design Services
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- Hubbard Diversity Measurement & Productivity Institute
- Management Research & Technologies
- Business Products
- International Services
Objectives

• Review practical tools and techniques to effectively plan and conduct ROI-based diversity training evaluations

• Define the ISD Process and the ADDIE Model

• Discuss Approaches to Determine What to Evaluate

• Using Case Studies, Apply Techniques to Measure Diversity Training ROI

• Describe the Elements of an Effective DTROI Evaluation Report

• Discuss Critical Challenges when Establishing the ROI Value of Diversity Training
Additional Objectives

• Identify Some Basic Processes for Measuring the ROI of Diversity Training
• Review The Need and Benefits of Measuring Your Diversity and Inclusion Training’s Impact
• Build Skills to Develop Effective Diversity Training Objectives
• Review The Hubbard Diversity ROI Analysis Model™
• Develop Diversity Training Measurement Evaluation Plans
• Calculate the Diversity Return on Investment (DROI) for a Diversity Training Program
Needs Analysis

• A thorough **Needs Analysis** should answer the question:
  – "What good *will* training do?“

• A thorough **Diversity ROI training evaluation** will answer the question:
  – "What good *did* training do and what was the Return on Investment?"
The Need and Benefits of Measuring Your Diversity and Inclusion Training Impact
The Ultimate Level of Evaluation

- The ROI Methodology adds a fifth level to the four levels of evaluation, which were developed almost 40 years ago by Kirkpatrick and enhanced with ROI more than 25 years ago by Phillips.
- The Hubbard Diversity ROI (DROI®) Model was created by Dr. Ed Hubbard 20 years ago.
### Diversity Evaluation Levels

<table>
<thead>
<tr>
<th>Level</th>
<th>Measurement Focus</th>
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<tbody>
<tr>
<td>1. Reaction &amp; Planned Action</td>
<td>Measures participant satisfaction with the initiative and captures planned actions.</td>
</tr>
<tr>
<td>2. Learning</td>
<td>Measures changes in knowledge, skills, and attitudes.</td>
</tr>
<tr>
<td>3. Applications and Implementation</td>
<td>Measures changes in on-the-job behavior.</td>
</tr>
<tr>
<td>4. Business Results</td>
<td>Measures changes in business impact variables.</td>
</tr>
<tr>
<td>5. Diversity Return on Investment (DROI&lt;sup&gt;™&lt;/sup&gt;)</td>
<td>Compares diversity initiative benefits to the costs.</td>
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</tbody>
</table>
Accountability Trend

• For years, Diversity training managers convinced top executives that the impact of diversity training couldn't be measured, at least at the monetary contribution level.
• Yet, many of the executives are now aware that it can and is being measured in many organizations.
• Top executives are subsequently demanding the same accountability from their Diversity training functions.
• With the acceptance of ROI as a mainstream measurement tool for Diversity functions, the debate has shifted from whether ROI should be conducted to how it should be conducted on a consistent, standardized basis.
Reasons Why Some Practitioners Fail to Measure Diversity Initiatives and their Impact

• Lack of Skills and Orientation
• Faulty Needs Assessment
• FEAR
• Discipline and Planning
• False Assumptions
Benefits of Measuring ROI of Training

- Measure Contribution
- Establish Priorities
- Focus on Results
- Earn Respect of Senior Executives and the Sponsor
- Alter Management's Perceptions of Diversity
What is Diversity Training

• Training can be defined as 'helping people to learn effectively to know or perform to meet a specific set of objectives' (Hubbard, 2010).

• Primary role of diversity training: “create the very best diversity and inclusion-based learning opportunities to meet business needs.

• Learning is something people choose to do when they are interested in what is happening around them.
Why Evaluate Diversity Training??

• Primary Reason:
  – “Determine if the benefits derived from the Diversity training program justified the costs.”

• Determine how well the Diversity training initiative met the participants' needs.

• Determine to what extent the participants mastered the Diversity training content.
What is ISD

- ISD is a *systems approach* for analyzing, designing, developing, implementing, and evaluating any type of training.
- Each phase of the ISD process provides information that feeds directly into the next phase.
- Each phase must be completed before moving on to the next phase. If a phase is skipped, the process being used is not ISD.
The A.D.D.I.E. Model
Introduction

- The ADDIE Model provides Diversity Trainers with a **comprehensive system** for designing diversity initiatives
- In the Model, **Analysis** is the **input** for the system
- **Design, Development, and Evaluation** are the **processes**
- **Implementation** is the **output** of the system
The Analysis phase is the data gathering step in the diversity initiative creation process.

Assemble all the information you can gather regarding your Client’s area of focus.
This step encompasses the activities required to understand your area’s focus and define the what objectives should be achieved.

**Diversity Action Plan Worksheet**

**Diversity Action Plan Worksheet - Example**

**Step 1: State the Problem/Opportunity:**

- **Actual:** Candidate Slates for Open Positions filled in FY’05 reflected less than 5% Diverse Slates
- **Ideal:** Candidate Slates for Open Positions filled in FY’06 reflect 80% Diverse slates for open positions

**Note:** Diverse Slate is defined as at least 1 POC and 1 Woman included in the candidate slate

**Step 1a: Organizational Driver/Goal/Objective Connected to the Problem/Opportunity:**

**Monster “Picture” Objectives**

- Have a workforce that looks like the population our members serve at all levels
- We are the most sought after place to work
During the **Design phase**, you determine how to present the initiative’s content

- Choosing the appropriate intervention to achieve the objective
  - Survey, Training, Process Improvement, Mentoring, etc.
- Structure the content of the initiative
  - **Understanding the medium** used to communicate the diversity initiative
  - **Sequencing** the information
  - **Breaking the content** into information modules (**What to present**)
  - Determine (**How to present**) the initiative information
    - Delivery method
    - When
    - Where
- **Creating Marketing Materials**
• **Development** is the phase where you convert your design into a finished product

• The **Implementation phase** puts the developed elements into Action
Evaluation

• This is the ultimate phase in the process of designing the diversity initiative.

• **Evaluation** is an activity intended to assess whether the diversity initiatives have achieved their objectives.

• Evaluation occurs on a number of different levels:
  - **Level I:** Reaction and Planned Actions
  - **Level II:** Learning
  - **Level III:** Application and Transfer
  - **Level IV:** Business Impact
  - **Level V:** ROI and BCR
  - **Level VI:** Intangibles
• The **Evaluation phase** doesn’t deserve to listed last in the ADDIE Model

• It takes place in every step of the process
Developing Diversity Training
Objectives: The Basis for Measurement
The DROI Process Takes A Balanced View Of Evaluation By Measuring And Reporting:

- Reaction to Diversity Initiatives
- Learning and Attitudes
- Applications on the Job
- Impact in Work Unit
- Intangible Benefits
- Impact on Diverse Customers
- The Financial Results
- Nature and Source of Problems and Opportunities
Level 1: Reaction and/or Satisfaction and Planned Action

• Reaction data reveals what the target population thinks of the program
• It may also measure another dimension: the participants' planned actions as a result of the training
Level 2: Learning

• The evaluation of learning is concerned with measuring the extent to which desired attitudes, principles, knowledge, facts, processes, procedures, techniques, or skills that are presented in the diversity training have been learned by the participants.

• It is more difficult to measure learning than to merely solicit reaction. Measures of learning should be objective, with quantifiable indicators of how new requirements are understood and absorbed.
Developing **Learning Objectives**

Learning objectives often have three components:

1. ____________
2. ____________
3. ____________
The three types of learning objectives are often defined as:

• ______________
• ______________
• ______________
Level 3: Application and/or Implementation

- This evaluation measures behavioral change on the job
- It may include specific application of the special knowledge, skills, etc., learned in the diversity training session.
- It is measured after the training has been implemented in the work setting. It may provide data that indicate the frequency and effectiveness of the on-the-job application.
Developing Application Objectives

Application or implementation objectives may have three components:

- ____________________________
- ____________________________
- ____________________________
Two types of basic Application Objectives:
Key Questions for Application and Implementation Objectives

• What new or improved knowledge will be applied on the job?
• What is the frequency of the skill application?
• What specific new task will be performed?
• What new steps will be implemented?
Diversity impact objectives include items such as:

• ____________________
• ____________________
• ____________________
• ____________________
• ____________________
Level 5: Diversity Return on Investment (DROI™)

- This is an evaluation of the monetary value of the business impact of the training, compared with the costs of the training.
- It is presented as an ROI value or cost-bene-fit ratio, usually expressed as a percentage. An improvement in a business impact measure as a result of diversity training may not necessarily produce a positive ROI (e.g., if the training was very expensive).
Intangible Benefits

- Intangible data is data that either cannot or should not be converted to monetary values.
- This definition has monetary terms nothing to do with the importance of the data
- It addresses the lack of objectivity of the data
- And the inability to convert the data to monetary values.
Steps for Selecting Evaluation Levels

- Establish goals for the evaluation
- Consider the potential benefits and costs
- Obtain needed commitment
## Suggested Evaluation Targets

<table>
<thead>
<tr>
<th>Level</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1, Reaction</td>
<td>100%</td>
</tr>
<tr>
<td>Level 2, Learning</td>
<td>75%</td>
</tr>
<tr>
<td>Level 3, Application &amp; Implementation</td>
<td>50%</td>
</tr>
<tr>
<td>Level 4, Business Results</td>
<td>20%</td>
</tr>
<tr>
<td>Level 5, ROI</td>
<td>10%</td>
</tr>
</tbody>
</table>
Strategically Linking Needs with Diversity Evaluation

The Assessment

4. Business Needs
3. Performance Needs
2. Skill/Knowledge/Attitude Deficiencies
1. Preferences

The Objectives

Impact Objectives
Application Objectives (job/task)
Learning Objectives (individuals)
Satisfaction Objectives

Evaluation

Business Impact
Job Application
Learning
Reaction
Calculating the Diversity Return on Investment (ROI) for Training
A Diversity Measurement Mini-Simulation
Mini-Case: TypiCo Organization

• At TypiCo Organization, a diversity training initiative was conducted with 15 location managers.
• One of the objectives of the diversity training program was to reduce the absenteeism in each work group using diverse work team relationship skills and organization-based flexibility processes.
• Level 1, 2, 3 and 4 Evaluations were conducted using Survey Pro Software and progress was measured and tracked using MetricLINK™ Software.

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Mini-Case: TypiCo Organization

• Using MetricLINK™ to track average absenteeism rates before the initiative was conducted, the average absenteeism rate for the employees in the location was 7%.

• It was determined, in the follow-up analysis using MetricLINK™, that the new average rate was 4%. In the post-initiative Survey Pro Software follow-up analysis, managers estimate that 40% of the reduction was directly related to the diversity initiative.

• A total of 120 employees work for the 15 location managers.

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Mini-Case: TypiCo Organization

- During the diversity learning intervention, managers (program participants) estimated the costs of a single absence to be $81. (This is the average value from all 15 managers.)
- External studies have shown that the cost of a single absence ranges from $60 to $70, depending on the industry and specific job.
- Assume that employees are expected to work 240 days per year.
- Fully loaded program costs were $7,565.23

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Hubbard MetricLink™ - Automated Performance Measurement and Tracking Software
The Hubbard Diversity ROI Analysis Model™
Hubbard Diversity ROI Analysis Model™

1. Know What You Want to Know
2. Collect Data and Analyze It
3. Isolate Diversity’s Contribution
4. Convert the Contribution to Money
5. Calculate the Costs and Benefits (Including DROI)
6. Report It to Others
7. Track & Assess Progress
Diversity Measurement Books and Software by Dr. Hubbard
Collecting Post Initiative Data: Sample Methods

• Follow-up Surveys
• Follow-up Questionnaires
• Interviews
• Etc
# Diversity Training Evaluation Planning Tool

## Evaluation Plan: Data Collection

<table>
<thead>
<tr>
<th>Evaluation Level</th>
<th>Program Objective(s)</th>
<th>Evaluation Method</th>
<th>Timing</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Reaction, satisfaction, and planned actions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>II. Learning</td>
<td></td>
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<td></td>
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<tr>
<td>III. Job Application</td>
<td></td>
<td></td>
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<tr>
<td>IV. Business Results</td>
<td></td>
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</tr>
</tbody>
</table>
Isolating the Effects of Diversity Initiatives - Sample

- Use of Control Groups
- Trend line Analysis
- Forecasting Methods
- Etc.
Diversity Training Solution Begins

Potential Influences on the Diversity Training Solution

Impact of Diversity Training on Results

Improvement in Organizational Results

# of confounding variables – things that influence results

- Compensation Change
- Reorganization of Unit
- New Process

3 Months 6 Months 9 Months

Isolate Diversity’s Contribution
Isolate Diversity’s Contribution

Sample Trend Line Analysis

Average Post Program 35

Average Pre Program 55

Sexual Harassment Prevention Program

Projected Trend

Complaints

Time

Formal Internal Complaints of Sexual Harassment


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Converting Data to Monetary Values - Sample

• Converting output to profit contribution
• Converting the cost of quality
• Converting employee’s time
• Etc.
Defining The Diversity

Return On Investment

\[
\text{DROI} = \frac{\text{Net Initiative Benefits}}{\text{Initiative Costs}}
\]

\[
\text{Benefit/Cost Ratio} = \frac{\text{Initiative Benefits}}{\text{Initiative Costs}}
\]
Defining Diversity Return on Investment: Example

$200,000 - $50,000

\[
\frac{\$200,000}{\$50,000} = 3 \times 100 = 300\% \quad \text{DROI}
\]

$200,000

\[
\frac{\$200,000}{\$50,000} = 4 : 1 \quad \text{BCR}
\]
Potential Intangible Benefits

• Increased Job Satisfaction
• Increased Organizational Commitment
• Improved Teamwork
• Other ________________________________
Tabulating Diversity Initiative Costs: Sample Items

- Needs Analysis (Prorated)
- Diversity Initiative Development Costs
- Materials / Tools
- Consultant / Instructor Fees
- Facilities Costs
- Travel / Lodging / Meals
- Participant Salaries and Benefits
- Administrative / Overhead Costs
- Evaluation Costs
- Additional Staff Costs
- Software Costs
### Sample Evaluation Tasks and Time Frames

<table>
<thead>
<tr>
<th>Stage</th>
<th>Tasks</th>
</tr>
</thead>
</table>
| Focus | 1. Identify who will use the evaluation data.  
2. Determine evaluation questions to be answered.  
3. Establish evaluation goals.  
4. Define resource requirements and responsibilities.  
5. Gain management's commitment to proceed. |
| Plan  | 1. Determine what data will be collected.  
2. Identify the data sources to be used.  
3. Select the data collection method(s) to be used.  
4. Estimate the costs and time frames for collecting the data.  
5. Get approval for proceeding. |

<table>
<thead>
<tr>
<th>Time Frame</th>
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<tbody>
<tr>
<td>1 Month</td>
</tr>
<tr>
<td>2 Months</td>
</tr>
<tr>
<td>Stage</td>
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<tr>
<td>--------------</td>
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<tr>
<td>Implement</td>
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<td>Evaluate</td>
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<tr>
<td>Evaluation</td>
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</tbody>
</table>
Establishing Diversity
ROI Value and Worth
Establishing Diversity

ROI Value and Worth

• If diversity is considered an investment—not an expense—then it is appropriate to place the diversity investment in the same funding process as other investments.

• Therefore, it is critical to the success of the diversity field to develop specific values that reflect Diversity’s Return on Investment (DROI®).
**Example:** assume that a work-life and family training program had initial costs of $\_\_\_\_\_\_\_\_\_.  

- The program will have a useful life of three years with negligible residual value after that time.
- During the three-year period, the program produces a net savings of $\_\_\_\_\_\_, or $\_\_\_\_\_\_ per year ($\_\_\_\_\_\_/\_\_\_\_\_).
Other Calculations – Average ROI

• The average investment is $__________ ($__________ / _____) since the average book value is essentially half the costs.

• Then the average return is:

• Average ROI = annual savings / average investment

• = $__________ / $__________

• = ________%
Other Calculations – Payback Period

• **Example:** Assume that an initial diversity initiative cost is $____________ with a three-year useful life.

• The annual net savings from the diversity initiative are expected to be $__________.

• Therefore, the payback period becomes:

  $$\text{Payback Period} = \frac{\text{Total Investment}}{\text{Annual Savings}}$$

  $$\text{Payback Period} = \frac{\$__________}{\$__________} = _____ \text{ Years}$$

• The diversity initiative will contribute a “payback” of the original investment in ________ years.
Reporting the Results

DTROI® Evaluation Report
How to Reach Us

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