Metrics That Matter™ in Leadership Development

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Overview

• Introductions
• Trends in Measuring Leadership Development
• How Ninth House Uses MTM
• Key Findings from 15 Client Implementations
• Select Customer Stories
• Best Practices & Recommendations
• Questions & Answers
Ninth House

- **Focus:** Leadership Development

- **Unique Approach:**
  Great content in a blended package for more effective results, faster and less expensive than traditional training.

- **Tailored Business Solutions:**
  High Potential & New Manager Development
  Creating More Adaptive Organizations
  Selecting and Retaining Key Talent

- **Customers & Awards:**
  Nearly 200 Fortune 1000 and Federal Organizations
Today’s Speakers

Jami York
Director of Learning Services
Ninth House, Inc.

Since joining Ninth House in 1999, Jami has led the implementation of more than 40 online and blended leadership deployments.

Jami now serves as the Director of Learning Services and is responsible for the successful implementation and measurement of almost 200 Ninth House customers.

Jeff Snipes
CEO & Founder
Ninth House, Inc.

Named by both Gartner and Forbes as a leader in its industry, Ninth House offers organizations a highly effective yet scalable approach to leadership development.

Jeff works closely with the leading HR and Training executives of several Fortune 500 organizations to design effective, large scale leadership development systems.
Market Trends

• U.S. Organizations spend $9B a year on formal leadership development programs (ASTD/Training).

• Yet less than half (40%) have metrics in place to evaluate the overall effectiveness of their leadership development practices (NH).

• And only 55% monitor objective, quantifiable indicators of leadership effectiveness on an ongoing basis (NH).

# How Top Organizations Measure Leadership

<table>
<thead>
<tr>
<th>Category</th>
<th>Current</th>
<th>Ideal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent Retention</td>
<td>31%</td>
<td>46%</td>
</tr>
<tr>
<td>Learner Satisfaction</td>
<td>19%</td>
<td>0%</td>
</tr>
<tr>
<td>Knowledge Retention</td>
<td>15%</td>
<td>0%</td>
</tr>
<tr>
<td>Financial Results</td>
<td>12%</td>
<td>46%</td>
</tr>
<tr>
<td><strong>Employee Engagement</strong></td>
<td>8%</td>
<td>38%</td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>8%</td>
<td>12%</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>0%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Our Approach to Blended Learning

**Plan**
- Initiative-Specific Learning Strategy
- Align Training & Business Goals
- Implementation Strategy

**Learn**
- Self-Paced Interactive Learning
- Engaging Format
- High-Quality Content

**Apply**
- Community Discussion
- Group Session in Virtual Classroom
- Applying New Skills to Daily Environment

**Sustain**
- Full Library of Instant Advice Modules
- Features 450+ Workplace Challenges

**Measure**
- Assessing & Tracking Progress
- Measuring Organizational Impact
- Pre/Post Testing & 360 Degree Multi-raters
1. MTM is a standard component of all Ninth House pilots and a recommended best practice for all deployments.

2. Custom MTM surveys for self-paced online and blended learning experiences.

3. Ninth House administers MTM for our pilot clients.
Metrics That Matter™ at Ninth House

4. MTM Post Event survey completed immediately following learning experience.

5. Quick Question and Human Capital ROI Scorecard are standard reports.

6. Creation of Executive Summary Report leveraging the End of Program Summary from MTM.
Key Findings across NH Clients

Based on MTM aggregate reports:

- 80% expect the program will significantly impact employee satisfaction (78% above average)
- 65% expect the program will significantly impact productivity (37% above average)
- 65% experienced significant knowledge and skill gains (25% above average)
- 70% were very satisfied with the overall program, content & delivery (20% above average)
Online Learning (Leadership vs. All Other Topics)

Measurement Summary

- Satisfaction: 57%, 70%, 60%
- Effective: 50%, 62%, 50%
- Impact: 39%, 51%, 36%
- Results: 36%, 41%, 39%

All Topics = 128,298
Online Tech = 12,939
Online Leadership = 636
Measurement of “Results”

All Topics = 128,298
Online Tech = 12,939
Online Leadership = 636
Instructor-Led Training (Leadership vs. Other Topics)

Measurement Summary

- All ILT Topics = 539,653
- ILT Leadership = 880
Instructor-Led Training (Leadership vs. Other Topics)

Measurement of "Results"

- Quality
- Costs
- Cycle time
- Productivity
- Sales
- Cust Sat
- Employee Sat

All ILT Topics = 539,653
ILT Leadership = 880
Leadership Training (On-Line vs. Instructor-Led)

Measurement of “Results”

ILT Participants = 880
Online Participants = 636

ILT Participants = 880
Online Participants = 636
Summary of Key Findings

1. Leadership Training scores better than the average of other training topics across all measurement categories…

… and it is more effective at improving employee satisfaction.

2. Leadership Training has a 60% greater cost / benefit ratio than the average of all other training programs.

3. Instructor-Led Leadership Training is slightly more effective than Online delivery alone (10%), but Online Leadership Training has a 300% greater cost / benefit ratio.
Client Stories: TAP Pharmaceutical

• Blended Leadership initiative with District Managers and Regional Managers across the country.
• Used a customized approach to measurement and found the following results:
  - 51% expect an increase in customer satisfaction
  - 73% expect an increase in employee satisfaction
  - 88% expect an increase in employee retention
  - 81% expect an increase in the quality of the manager/employee relationship
• Positioned MTM as part of an integrated leadership development solution for Ford IT.

• MTM measures impact of the Ford IT initiatives involving the following NH courses:
  
  - **Systems Thinking** ("Forging Breakthroughs")
  - **Diversity and Community Building** ("Building Community")
  - **Internal & External Partnering** ("Partnering for Results")
  - **Leadership & Management** (Situational Leadership II)
• Key Findings:
  
  ➢ 70% expect the program will significantly impact increasing employee satisfaction
  
  ➢ 61% expect the program will significantly impact increasing productivity
  
  ➢ 74% were very satisfied with the overall program, content & delivery
  
  ➢ 70% felt the training was a very worthwhile investment

During times of a challenging fiscal environment, this data enabled Ford to justify continued investment in people through Leadership Development.
Client Stories: United States Navy

- 44% improvement in knowledge and retention of material
- 94% cost savings with online learning
- 90% saving in time required for course
- Statistically significant improvement in on the job performance (3,500 multi-rater participants over 12 months)
Best Practices & Recommendations

• Incorporate some measurement practices into all leadership development initiatives.

• Maintain a simple process/tool for gathering data. (i.e. One assessment for each blended initiative)

• Establish consistency in surveys so as to be able to leverage benchmarking capability of MTM.

• Continuously analyze the data being gathered, and learn from it to improve your offerings.
Measuring Employee Engagement

Organizations evaluating Leadership Development initiatives should customize their standard MTM “Results” metrics to include measuring impact on retention and employee engagement in more detail:

- Manager / Direct Report Relationship
- Recognition / Feeling Valued
- Opportunity for Learning & Growth
- Team Collaboration / Sense of Community
- Making an Impact
Q & A