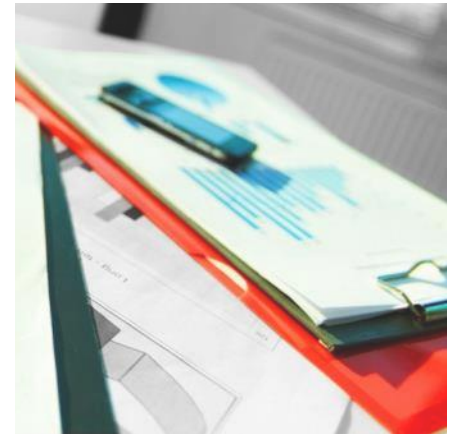


*Talent Development
Reporting Principles
(TDRp):
Standards for Human
Capital Measurement,
Reporting and
Management*



David Vance
Executive Director

The Center for Talent Reporting: The Home of TDRp



- Established October 2012
 - » Not-for-profit, 501c(6) organization (used for trade associations)
- Mission
 - » Improve and standardize the **measurement, reporting, and management** of human capital to deliver significant business value
- Governance
 - » Nine-member Board of Directors
 - » Standards Committee to provide continued guidance on standards and reporting
 - » Advisory Council
- Funding: Sponsors, members, revenue from workshops

Today's Discussion

3

- ❖ Introduction and Background
- ❖ Framework
- ❖ TDRp Measures
- ❖ TDRp Reports
- ❖ Conclusion





Introduction and Background

The Current State

5

- We don't speak the language of business and we don't act like strategic business partners
- We are not having the impact we should and we struggle to demonstrate our worth.
- We don't use standard management principles to plan and run our functions
- We don't have standards for
 - » Measures
 - » Reports

A Lot of Opportunity!

Talent Development Reporting Principles (TDRp)



- Brings standards to L&D and HR for the management of human capital
 - » Planning
 - Alignment
 - Reaching agreement on measures of success
 - » Measurement
 - » Reporting
 - » Execution

Center for Talent Reporting Mission:
Improve & standardize the measurement, reporting, and management of human capital to increase business value

Talent Development Reporting Principles (TDRp)



- Engaged 30 industry thought leaders like Fitz-enz, Bassi, Phillips, Bersin, Brinkerhoff, and CLOs/ Senior Talent Leaders of major organizations to develop the standards in 2010 & 2011
- TDRp for L&D completed in 2011
- Extended to all HR processes in 2012
 - » Learning & Development
 - » Talent Acquisition
 - » Leadership Development
 - » Performance Management
 - » Capability Management
 - » Total Rewards (C&B)



TDRp Designed to Run L&D and HR with Business-like Discipline



In Support of Business Goals

1. Identify the business goals
2. Align L&D and HR initiatives to business goals
3. Get upfront agreement with sponsor on planned impact and other measures
4. Review progress against plan every month using reports which show year-to-date results and forecast
5. Take appropriate management actions to achieve plan

In Support of L&D/HR Goals

1. Decide on key initiatives for the department
2. Select appropriate measures to manage key initiatives
3. Agree on a plan for each one
4. Review progress against plan every month using reports which show year-to-date results and forecast
5. Take appropriate management actions to achieve plan

What TDRp Offers

- Guidance for
 - » Identifying organizational and department goals
 - » Aligning your initiatives to them
 - » Choosing the right measures
 - » Reaching agreement on planned impact on organizational goals
 - » Setting plans for effectiveness and efficiency measures at department level
 - » Creating and using reports to manage
- Classification of measures into three types
 - » From work of Trolley (1999) and Boudreau (2007)
- Standard names and definitions for measures
 - » Built on work of ATD, Fitz-enz, Higgins, others
- Three customizable management reports

The Target Audience for TDRp

10

- Talent leaders and managers
 - » All those responsible for programs, people, and budgets
- Senior talent leaders
 - » SVP of HR, CLO, Head of Talent Acquisition, heads of other talent processes (leadership development, capability management)
- Senior organizational leaders
 - » CEO, CFO, EVPs, SVPs, governing boards
- L&D and HR employees
- Different reports required for different audiences





TDRp Framework

Our Vision: “Talent Development Reporting principles are broadly accepted and widely employed as the world-class reporting standard for all human capital processes.”

The TDRp Reporting Framework

12

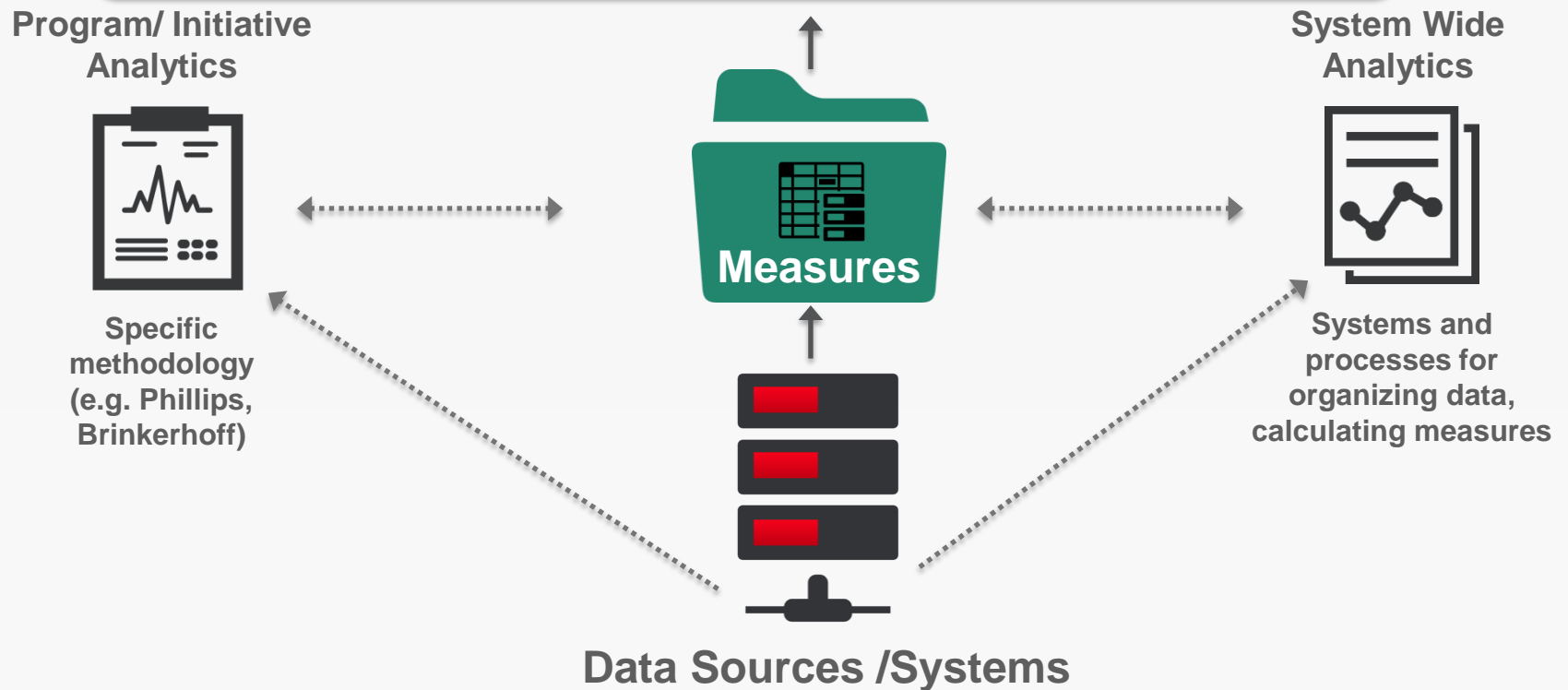


- What types of measures should be reported?
 - » **Outcome, effectiveness, and efficiency**
- How should the measured be reported?
 - » **Three executive reports: Summary, Operations, and Program**
- What do leaders want to see in the reports?
 - » **Proactive, strategic alignment** to their goals
 - » **Planned impact for key initiatives**
 - » **L&D department is run effectively and efficiently**
 - » **Plan, Year-to-date results, and Forecast**

Executive Reporting: Standard Measures

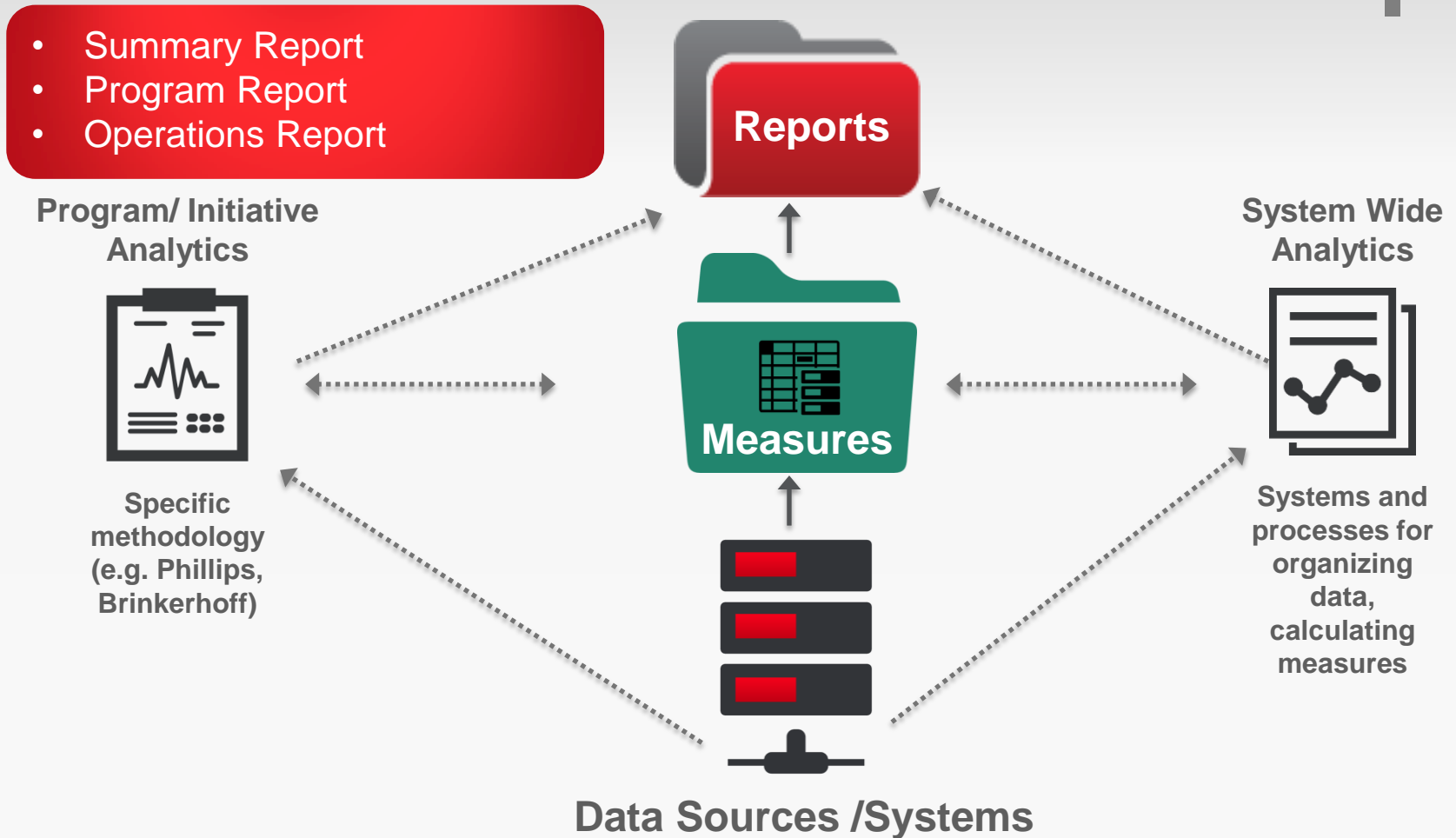
13

- Efficiency measures: How much? How many? At what cost?
- Effectiveness measures: How well?
- Outcome measures: What is the impact on the business?



Executive Reporting: Three Reports

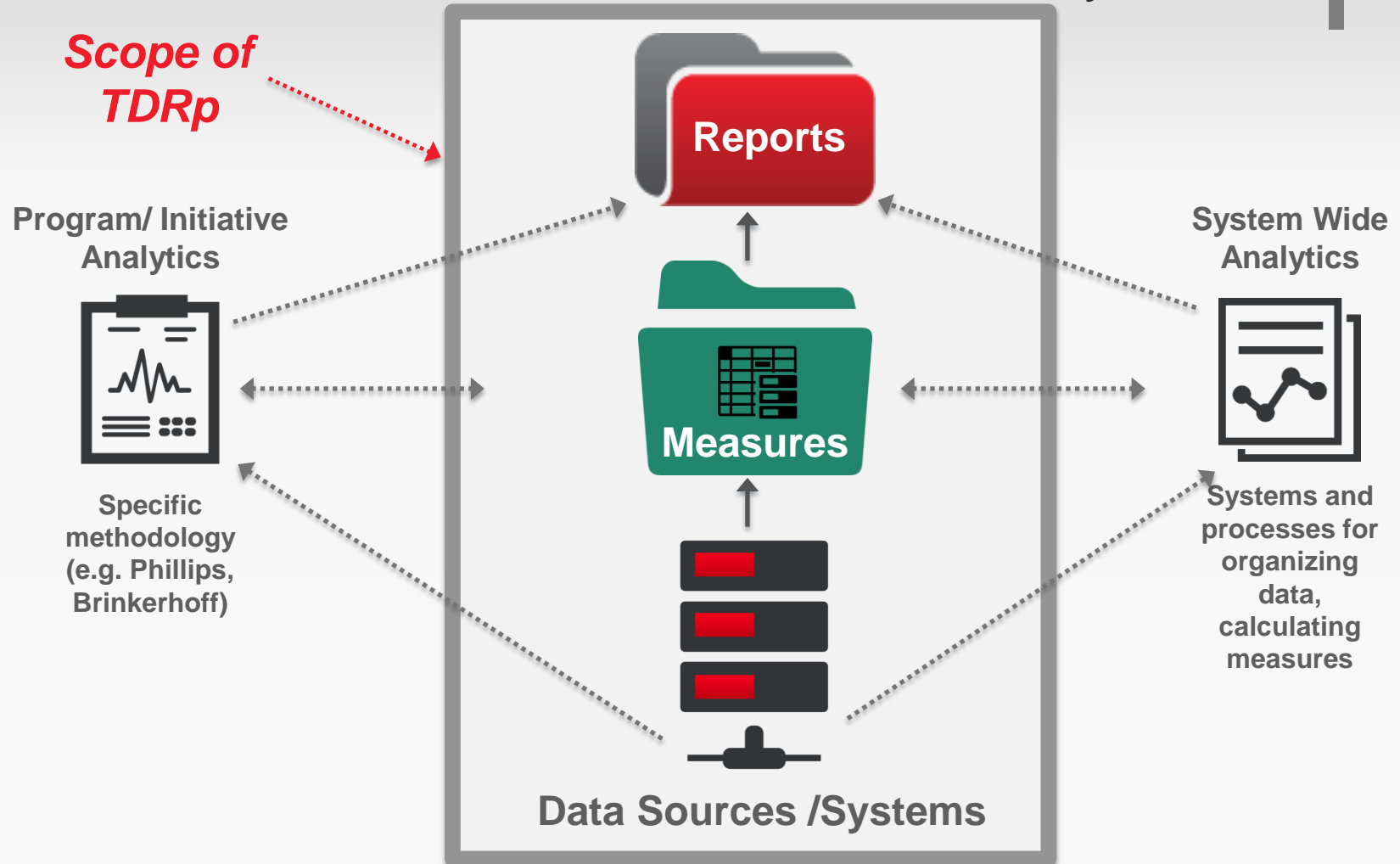
14



Executive Reporting Focus

15

Summary Conclusions, Actionable
Recommendations, Issues for Further Analysis



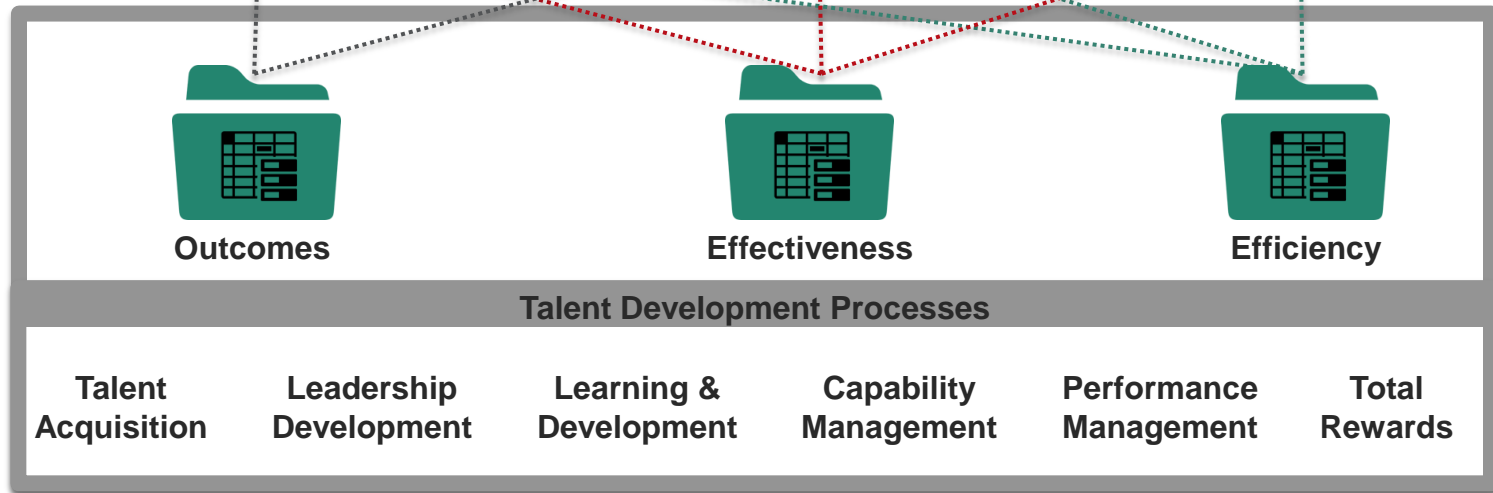
Executive Reporting Process

Executive Reports



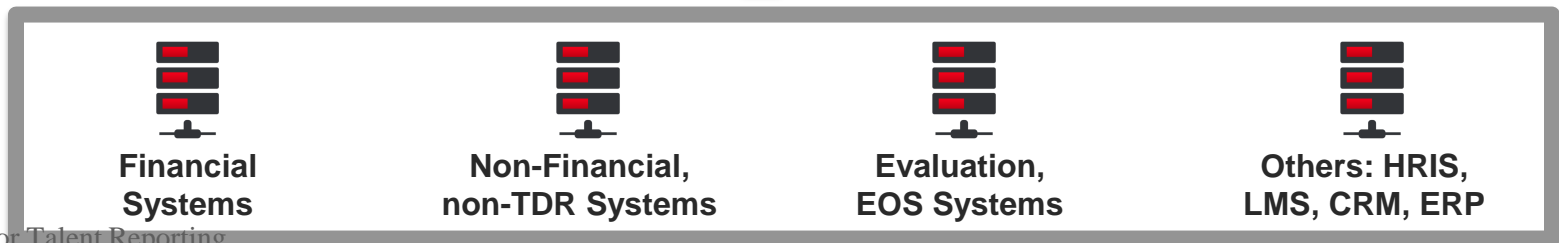
Measures

Note:
Measures can be organized by processes and/or efficiency, effectiveness & outcomes



Extract, convert and calculate **Standard Measures**

Data Sources



Guiding Principles



Yes, but what are your goals?

TDRp Measures

The Three Types of TDRp Measures

- **Effectiveness:** quality of program or initiative
 - » For individual programs and for enterprise overall
 - » Examples: Participant satisfaction with training, sponsor satisfaction, learning, application, reinforcement, supervisor support, ROI (levels 1-5)
- **Efficiency:** efficiency of program or initiative
 - » For individual programs and for enterprise overall
 - » Examples: Number of participants, courses, hours; cost, completion dates, utilization rates, cycle times (activity measures)
- **Outcomes:** impact of L&D and HR initiatives on org. goals
 - » Will be a different set for each organization because goals and initiatives are different.
 - » Common outcome measures are impact on: sales, cost, quality, employee engagement, leadership score, diversity, etc.

Measures can be used to Manage or Monitor

- Measures to manage
 - » Most important
 - » Typically directly aligned to your goals
 - » Plan or target has been established
 - » Forecast is made and updated
 - » Reviewed at least monthly by senior leaders
 - **If not on plan, or if forecast is to fall short of plan, senior leaders discuss and agree on action to take to achieve plan**
- Measures to monitor
 - » Less important
 - » Typically involve more detail
 - » Reviewed as needed

Target the vital few

May have many

Effectiveness Measures



Process	Effectiveness Measures
Learning & Development	Satisfaction, amount learned, application, impact
Talent Acquisition	Quality of hire, hiring process effectiveness
Leadership Development	Bench strength, Succession planning success rate
Performance Management	% of employees with improved ratings, % of employees with rating turnaround
Capability Management	% of employees with career discussion, % career movement, % of positions with ready replacement
Total Rewards	High performers salary differential, compa ratio

List of Effectiveness Measures for L&D

21



	<u>Unit of Measure</u>	<u>Historical Data Available?</u>	<u>Manage or Monitor</u>
Level 1: Participant Satisfaction (All programs and initiatives)			
Quality of content	% favorable	Yes	Manage
Quality of instructor	% favorable	Yes	Manage
Relevance	% favorable	Yes	Manage
Alignment to goals	% favorable	Yes	Manage
Total for Level 1	Average of measures	Yes	Manage
Level 1: Sponsor Satisfaction (Select programs)	% favorable	No	Manage
Level 2: Learning (Select programs)	Score	Yes	Manage
Level 3: Application (Select programs)			
Intent to apply (from survey at course completion)	% top two boxes	Yes	Manage
Actual application (after three months)	% who applied it	Yes	Manage
Level 4: (Select programs)			
Estimate by participants (end of course)	% Contribution to goal	Yes	Manage
Estimate by participants (after three months)	% Contribution to goal	No	Monitor
Level 5: (Select programs)			
Net benefits	Thousands \$	Yes	Manage
ROI	%	Yes	Manage

Efficiency Measures



Process	Efficiency Measures
Learning & Development	Number of participants, courses; utilization rate
Talent Acquisition	Number of internal/external hires, acceptance rate, time to start
Leadership Development	Span of control, tenure, % of positions filled internally
Performance Management	Number of performance discussions, % of employees with goals, % of employees with performance reviews
Capability Management	Number of promotions, number of transfers, average time in position
Total Rewards	Average benefit cost, variable compensation %

List of Efficiency Measures for L&D



	<u>Unit of Measure</u>	<u>Historical Data Available?</u>	<u>Manage or Monitor</u>
Total Participants	Number	Yes	Manage
Total Unique Participants	Number	Yes	Manage
Courses Taken by Type of Learning			
ILT only	% of total	Yes	Manage
vILT only	% of total	Yes	Manage
E-learning only	% of total	Yes	Manage
Blended	% of total	Yes	Manage
Total courses	% of total	Yes	Manage
Utilization			
E-learning Courses			
Available	Number	Yes	Manage
Taken by more than 20	Number	Yes	Manage
% taken by more than 20	%	Yes	Manage
Reach			
Percentage of employee reached by L&D	%	Yes	Manage
Percentage of ee's with development plan	%	Yes	Manage

List of Efficiency Measures for L&D (continued)

	<u>Unit of Measure</u>	<u>Historical Data Available?</u>	<u>Manage or Monitor</u>
Course Management			
Total Developed	Number	Yes	Manage
Number Meeting Deadline	Number	Yes	Manage
% Meeting Deadline	%	Yes	Manage
Total Delivered	Number	Yes	Manage
Number Meeting Deadline	Number	No	Monitor
% Meeting Deadline	%	No	Monitor
Cycle Time			
Performance consulting	Days	No	Monitor
Development	Days	No	Monitor
Delivery	Days	No	Monitor
Investment			
L&D Expenditures	Million \$	Yes	Manage
Cost Reduction	Thousand \$	Yes	Manage
Opportunity Cost	Thousand \$	No	Monitor

Outcome Measures

- The impact of your initiatives on the organization's goals
 - » May be expressed quantitatively, qualitatively, or with a proxy
- Examples
 - » Impact of L&D on sales
 - » Impact of L&D on employee engagement
 - » Application rate of training (as a proxy for impact)
- Bottom line, some measure of impact or success will be needed
 - » All selected outcome measures will be managed



List of Organization Goals, Outcome Measures, and Sponsors

- The list should include
 - » Top 5-10 organization goals in CEO's priority order
 - Maybe numerical or High, Medium, Low
 - » The outcome measure stated as
 - "Impact of L&D on goal" or
 - "Contribution of L&D" or
 - The name of the proxy or other measure of success
 - » Sponsor's name
 - The single, highest ranking individual responsible for achieving the organization goal
 - Like the SVP of Sales

List of Organizational Goals, Outcome Measures, and Sponsors



Priority	Business Goals and Supporting L&D Programs	Unit of Measure	Sponsor
1	Revenue: Increase Sales by 20% Corporate Goal or Actual Impact of L&D Initiatives: Use quantitative impact measure New product features training Consultative selling skills	% %	Ortega
2	Safety: Reduce Injuries by 20% Corporate Goal or Actual Impact of L&D Initiatives: Use qualitative impact measure Safety programs to address top five causes of injuries	% H/M/L	Swilthe
3	Costs: Reduce Operating Expenses by 15% Corporate Goal or Actual Impact of L&D Initiatives: Use qualitative impact measure Training for purchasing agents Training for all employees on reducing costs Training for department heads to meet 15% goal	% H/M/L	Salvatore
4	Quality: Improve Quality Score by 4 Points to 80% Corporate Goal or Actual Impact of L&D Initiatives: Use application rate as a proxy for impact Design skills for engineers to improve manufacturability Sourcing training for purchasing to reduce purchased defects Cell leader training to ensure manufacturing to specifications	Points %	Johnson

List of Organizational Goals, Outcome Measures, and Sponsors (continued)



Priority	HR Goals and Supporting L&D Programs	Unit of Measure	Sponsor
A	Engagement: Increase Engagement Score by 3 Points to 69.4%		Wang
	Corporate Goal or Actual	Points	
	Impact of L&D Initiatives: Use qualitative impact measure	H/M/L	
	IDP for each employee to include some training		
	Purchase suite of online learning		
B	Leadership: Improve Score by 4 Points to 75%		Wang
	Corporate Goal or Actual	Points	
	Impact of L&D Initiatives: Use qualitative impact measure	H/M/L	
	Intro to Supervision		
	Leadership for managers		
	Advanced leadership for department heads		
C	Retention: Improve Retention of Top Performers by 5 Points to 90%		Wang
	Corporate Goal or Actual	Points	
	Impact of L&D Initiatives	None planned	
	No training identified		

Copyright 1996 Randy Glasbergen. www.glasbergen.com



**“I figured out how we can double our quarterly sales.
From now on, each quarter will last six months.”**

TDR Reports

The Reports



- Three levels of reports
 - » Program Report (for Managers and Dept. Head)
 - » Operations Report (for Managers and Dept. Head)
 - » Summary Report (for CEO, SVPHR, and Dept. Head)
- Contain your most important outcome, effectiveness, and efficiency measures to be managed
- Executive-level reports show
 - » Last year's actual
 - » Plan (or goal) for this year
 - » Year-to-date results
 - » Forecast for this year
- Detailed reports for managers may show
 - » Monthly, quarterly, trend data
 - » Granularity
 - » Without plan or forecast

Reports Designed to be used in Monthly Meetings to Manage/Share Results



- Department Head meeting with direct reports
 - » Ideally in a 1-2 hour meeting dedicated to managing results
 - » Cover Summary Reports, Operations Report, Program Reports
 - » Take management action as necessary to deliver plan
- Program Manager with team
 - » Use Program Reports to manage program
 - » Prepare program Report to be shared with Department Head
- Other meetings (Senior Leaders, Board of Governors, CEO)
 - » Use Summary Report

Sample Program Report for L&D

Programs in Support of the Goal to Reduce Injuries

32

Results through June

		2015	2016	YTD Compared		Forecast Compared			
		<u>Metric</u>	<u>Actual</u>	<u>Plan</u>	<u>YTD</u>	<u>to Plan</u>	<u>Forecast</u>	<u>to Plan</u>	<u>Notes</u>
Goal Owner: Swithe, VP of manufacturing		%	12%	20%	9%	45%	20%	100%	
Enterprise Goal: Reduce Injuries		%	NA	High		Below Plan		On Plan	YTD and FC contribution based on level 1 and 3 results and ongoing discussions with sponsor
Impact of Learning: High contribution		%							
		2014	2015	YTD Compared		Forecast Compared			
		<u>Metric</u>	<u>Actual</u>	<u>Plan</u>	<u>YTD</u>	<u>to Plan</u>	<u>Forecast</u>	<u>to Plan</u>	<u>Notes</u>
<u>Programs to Reduce Injuries</u>									
1	Deliver Phase 1 Courses								
	Effectiveness measures								
	Level 1: Participants	%	70%	80%	85%	5% above	82%	2% above	YTD sample size = 1872
	Sponsor	%	75%	90%	88%	2% below	88%	2% below	
	Level 2: Test score	%	86%	90%	95%	5% above	92%	2% above	YTD sample size = 3848
	Level 3: Application rate	%	53%	95%	75%	20% below	95%	On plan	YTD sample size = 270. Reinforcement plan in place
	Efficiency measures								
	Unique Participants	Number	452	3,000	2,800	93%	3,200	107%	Manufacturing leaders responsible for attendance
	Total Participants	Number	858	6,000	5,542	92%	6,300	105%	
	Percentage complete by 3/31	%	NA	95%	92%	97%	92%	97%	
2	Develop Phase 2 Courses								
	Efficiency measure: Complete by 3/31	Number	NA	3	3	100%	3	100%	
	Effectiveness measure: Sponsor Satisfaction	%	NA	90%	90%	100%	90%	100%	
3	Deliver Phase 2 Courses								
	Effectiveness measures								
	Level 1: Participants	%	NA	80%	80%	On plan	82%	2% above	YTD sample size = 39
	Sponsor	%	NA	90%	90%	On plan	88%	2% below	
	Level 2: Test score	%	NA	90%	92%	2% above	90%	On plan	YTD sample size = 98
	Level 3: Application rate	%	NA	95%	71%	14% below	95%	On plan	YTD sample size = 215. Reinforcement plan in place
	Efficiency measures								
	Unique Participants	Number	NA	1,000	892	89%	1,100	110%	Manufacturing leaders responsible for attendance
	Total Participants	Number	NA	3,000	2,651	88%	3,200	107%	
	Percentage complete by 7/31	%	NA	90%	88%	98%	92%	102%	

Sample Operations Report for L&D

33



Sample Operations Report for L&D

Results through June

<u>Effectiveness Measures</u>	<u>Unit of Measure</u>	2015 <u>Actual</u>	For 2016				
			<u>Plan</u>	<u>Jun YTD</u>	Comparison <u>to Plan</u>	<u>Forecast</u>	Comparison <u>to Plan</u>
Level 1: Participant Feedback (All programs)							
Quality of content	% favorable	76%	80%	79%	1% below	79%	1% below
Quality of instructor	% favorable	80%	85%	86%	1% above	85%	on plan
Relevance	% favorable	72%	78%	73%	5% below	75%	3% below
Alignment to goals	% favorable	68%	75%	69%	6% below	71%	4% below
Total for Level 1	Average of measures	74%	80%	77%	3% below	78%	2% below
Level 1: Sponsor Feedback (Select programs)	% favorable	66%	80%	68%	12% below	75%	5% below
Level 2: Learning (Select programs)	Score	78%	85%	83%	2% below	85%	on plan
Level 3: Application rate (Select programs)							
Intent to apply (from survey at end of course)	% top two boxes	70%	75%	70%	5% below	72%	3% below
Actual application (after three months)	% who applied it	51%	65%	55%	10% below	63%	2% below

Sample Operations Report for L&D

(continued)

34

Efficiency Measures	Unit of Measure	2015 Actual	For 2016				Comparison to Plan
			Plan	Jun YTD	to Plan	Forecast	
Total Participants	Number	109,618	147,500	67,357	46%	145,000	98%
Total Unique Participants	Number	40,729	45,313	36,998	82%	44,000	97%
Courses Taken by Type of Learning							
ILT only	% of total	56%	25%	40%	15% below	33%	8% below
vILT only	% of total	3%	12%	9%	3% below	10%	2% below
E-learning only	% of total	35%	48%	39%	9% below	42%	6% below
Blended only	% of total	6%	15%	12%	3% below	15%	on plan
Total courses	% of total	100%	100%	100%		100%	
Utilization of E-learning Courses							
Available	Number	60	74	65	88%	70	95%
Taken by more than 20	Number	50	70	19	27%	55	79%
% taken by more than 20	%	83%	95%	29%	66% below	79%	16% below
Reach							
% of employee reached by L&D	%	85%	88%	72%	16% below	88%	on plan
% of employees with development plans	%	82%	85%	84%	1% below	90%	5% above
Course Management							
Total Developed	Number	22	36	18	50%	36	100%
Number Meeting Deadline	Number	16	33	12	36%	28	85%
% Meeting Deadline	%	73%	92%	67%	25% below	78%	14% below
Total Delivered	Number	143	178	99	56%	180	101%

L&D Summary Report

35

Results Through June

Priority	Business Goals and Supporting L&D Programs	Unit of Measure	2015 Actual	For 2016				Forecast as % of Plan
				Plan	YTD Results	% of Plan	Forecast	
1	Revenue: Increase Sales by 20%							
	Corporate Goal or Actual	%	10%	20%	20%	100%	25%	125%
	Impact of L&D Initiatives: 25% contribution to goal	%	1%	5%		On plan		Above plan
	<i>New product features training</i>							
	<i>Consultative selling skills</i>							
2	Safety: Reduce Injuries by 20%							
	Corporate Goal or Actual	%	10%	20%	15%	75%	20%	100%
	Impact of L&D Initiatives: High Impact on goal	H/M/L	Med	High		Below Plan		On plan
	<i>Safety programs to address top five causes of injuries</i>							
3	Costs: Reduce Operating Expenses by 15%							
	Corporate Goal or Actual	%	5%	15%	2%	13%	10%	67%
	Impact of L&D Initiatives: Medium Impact on goal	H/M/L	Low	Med		Below Plan		Below Plan
	<i>Training for purchasing agents</i>							
	<i>Training for all employees on reducing costs</i>							
	<i>Training for department heads to meet 15% goal</i>							
4	Quality: Improve Quality Score by 4 Points to 80%							
	Corporate Goal or Actual	Points	1.6 pts	4 pts	2.9 pts	73%	3.5 pts	100%
	Proxy for impact: Application of Key Behaviors	% who applied them	84%	95%	80%	15% below	90%	5% below
	<i>Design skills for engineers to improve manufacturability</i>							
	<i>Sourcing training for purchasing to reduce purchased defects</i>							
	<i>Cell leader training to ensure manufacturing to specifications</i>							

L&D Summary Report (continued)

36

Priority	HR Goals and Supporting L&D Programs	Unit of Measure	2015 Actual	For 2016				Forecast as % of Plan
				Plan	YTD Results	% of Plan	Forecast	
A	Engagement: Increase Engagement Score by 3 Points to 69.4%	Points	1 pt	3 pts	1.9 pts	63%	3 pts	100%
	Corporate Goal or Actual	H/M/L	Low	Low		On plan		On plan
	Impact of L&D Initiatives: Low Impact on goal							
	<i>IDP for each employee to include some training</i>							
	<i>Increase use of online learning for general development</i>							
B	Leadership: Improve Score by 4 Points to 75%	Points	1 pt	4 pts	2.2 pts	63%	4 pts	100%
	Corporate Goal or Actual	H/M/L	Med	High		On plan		On plan
	Impact of L&D Initiatives: High Impact on goal							
	<i>Intro to Supervision</i>							
	<i>Leadership for managers</i>							
	<i>Advanced leadership for department heads</i>							
C	Retention: Improve Retention of Top Performers by 5 Points to 90%	Points	-3 pts	5 pts	2 pts	67%	5 pts	100%
	Corporate Goal or Actual							
	<i>No training identified</i>							
Effectiveness Measures								
	Participant Feedback	% favorable	74%	80%	77%	3% below	78%	2% below
	Sponsor Feedback	% favorable	NA	80%	68%	12% below	75%	5% below
	Learning	Score	78%	85%	83%	2% below	85%	On plan
	Application rate	% who applied it	51%	65%	55%	10% below	63%	2% below
Efficiency Measures								
	Percentage of employees reached by L&D	%	85%	88%	72%	16% below	88%	On plan
	Percentage of ee's with development plan	%	82%	85%	84%	1% below	90%	5% above
	Percentage of courses developed on time	%	73%	92%	67%	15% below	78%	14% below
	Participants in All Programs							
	Total Participants	Number	109,618	147,500	67,357	46%	145,000	98%
	Unique Participants	Number	40,729	45,300	36,998	82%	44,000	97%



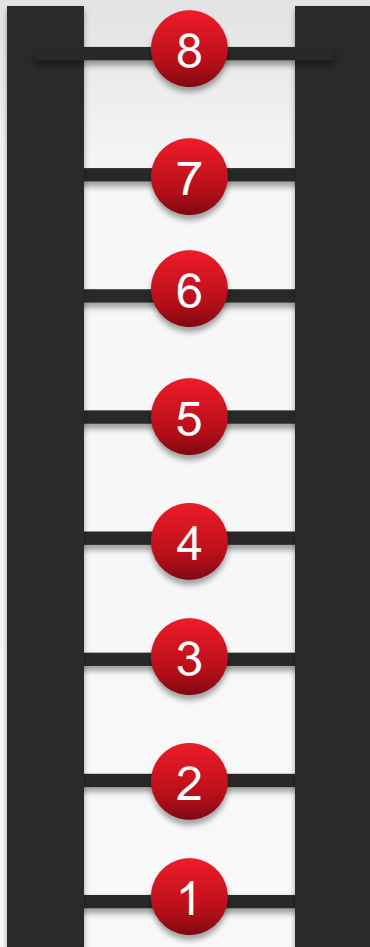
Conclusion

Key Take-Aways



- TDRp is not just about measures or a measurement strategy
- It is about changing the conversation and the role of L&D and HR
 - » Proactive discussions with sponsors and senior leaders
 - » Upfront agreement with sponsor on planned impact or success
 - » Engaging the Dept. Heads to set a plan or goal for key measures
 - » Create a business plan for the department with specific, measurable goals
 - » Execute with discipline monthly. Be accountable
- **It is about the process of managing the business.**
 - » **Align, plan, manage**

Adopting TDRp: Start From Where You Are



8. Use the principles and reports of TDRp to run L&D and HR like a business
7. Create the Summary Report (show alignment and impact)
6. Create outcome measures list with input from senior leaders
5. Create the Program Report (even if outcome measures are not available)
4. Create the Operations Report by adding plan and forecast for effectiveness and efficiency measures
3. Set plans for the effectiveness & efficiency measures you will manage
2. Create effectiveness and efficiency lists and decide which measures to manage versus monitor (Leverage the TDRp Measures Library)
1. Adopt the framework of outcome, effectiveness & efficiency measures

Learn More about TDRp



- Learn more and get implementation guidance at www.CenterforTalentReporting.org
 - » Introduction to TDRp whitepapers
 - » Over 700 measures
 - » More than 70 sample statements and reports
 - » Guidance on implementation
 - » Workshop and webinar registration
- Contact for more information:
 - » Dave Vance: DVance@CenterforTalentReporting.org
 - » Peggy Parskey: PParskey@CenterforTalentReporting.org

