

ROI at Level 3 Handout

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Application Exercise

The U.S. federal government recently redesigned its Introduction to Supervision course, a five-day learning program for newly appointed supervisors. The program focuses on eight competencies:

- Role and responsibilities of the supervisor
- Leadership and motivation
- Communications
- Analyzing performance problems
- Planning, assigning, controlling, and evaluating work
- Customer service
- Managing diversity
- Ethics.

The immediate managers of the new supervisors indicated that the competencies accounted for 81 percent of the first-level supervisors' jobs. In the target group being evaluated, the average annual salary (plus benefits) for the newly appointed supervisors was \$42,202. Thus, multiplying this figure by the amount of job success accounted for by the competencies (81 percent) yielded a dollar value of \$34,184 per participant. If a person were to perform successfully in these competencies for one year, the value to the agency would be \$34,184.

Managers rated the skills for each of the competencies before the program was conducted using a scale of 0 to 9. The skill ratings, prior to the job, were 4.96, which indicated participants were performing at 77 percent of the level to be successful in the competencies. After the program, the skill rating was 5.59, representing 87 percent of the level to be successful. The program cost \$1,368 per participant.

What is the ROI for this program?

How credible is this approach to calculating ROI?

How should this information be used?
