



# RESEARCH RESULTS

## REALIZATION RESULTS:

Leaders' confidence in their ability to manage their staff's performance increased by an average of 44.3 percent following the training.

This increase represented nearly a \$2.2 million return on investment, reflecting a return of nearly \$10.60 for every training dollar spent.

## MAXIMIZING PERFORMANCE

### INDUSTRY

Australian Directories, Multimedia Advertising, and Online Information

### ORGANISATION

Sensis (Australia)

### DDI PRODUCTS USED

Maximizing Performance®

### BUSINESS NEED

Sensis is one of Australia's leading directory, advertising, and information providers. It manages brands such as White Pages® and Yellow Pages®.

In 2003 almost half of Australia's Internet population visited sites managed by Sensis. According to Chief Executive Officer Andrew Day, Sensis aims to be "the major player in local Australian advertising and search, and our growth strategy includes the development of online, voice, and wireless multimedia search solutions tailored for the local market."<sup>1</sup> To meet this objective, the organisation places a high priority on developing its people, a philosophy that is reflected in its "People Commitment" to personal and career development.

<sup>1</sup> Media Statement: Sensis acquires LookSmart Australian Assets, January 2004.

In addition to this commitment, the need for leadership development in the area of managing performance was highlighted in the Sensis Employee Opinion Survey (EOS) and follow-up focus groups. According to Sensis University, the survey showed that "people have had less than good experiences with performance management." Previous initiatives had "managed to increase the incidence of performance management, but the *experience* of it had not improved at all." To address this development need, Sensis worked with DDI to identify an appropriate training solution that could be rolled out to the business quickly and effectively.

### SOLUTION

Sensis chose DDI's Maximizing Performance®, which is designed to create a high-performance workplace by:

- > Aligning individual performance with an organisation's vision, values, and strategic priorities.
- > Placing the responsibility for performance management in the hands of staff.
- > Giving all employees the ability to develop objectives, identify the competencies they need to succeed, create development plans, measure progress, assess performance, and plan for the future.

In choosing DDI, Sensis University stated that "DDI would be the best company to use because we already had a very satisfactory experience with them," and that the Maximizing Performance® programme was "a very, very professional programme with materials of a high quality."

Sensis University also was interested in ensuring alignment between current management development programmes and any new initiatives. Because a number of DDI's Interaction Management® modules had been rolled out over the previous 12 months as part of a leadership development effort, Sensis emphasised that any performance management programme chosen needed to “complement what had been going on for 12 months.”

## RESEARCH DESIGN

Along with participants' reaction to the Maximizing Performance® programme, data was collected about their confidence in their ability to manage performance prior to the training and after the training.

Of the 290 participants, 47 completed the post-training evaluation. Questions covered key skill areas addressed in the training, from participants' confidence in linking individual performance objectives to the overall Sensis vision and values through to identifying development opportunities and tracking performance.

Participants were required to rate 14 critical skill areas, from 1 (“not confident”) to 4 (“highly confident”).

## RESULTS

### Programme Reactions

*Sensis University summed up participant reactions, stating that Maximizing Performance® delivered “consistency and uniformity; everyone is performance-managed in the same way.”*

The training was extremely well received, and Sensis gathered more than 100 testimonials following the rollout. Following are some of the comments:

- > “It's great to take home a folder with some real logical information.”
- > “The manual to refresh and remind us is really fantastic.”
- > “Very effective feedback model.”
- > “Very simple and easy to use.”
- > “Easily understood concepts.”

The tools to help participants apply their training in the workplace were particularly well received. Sensis University emphasised that “everyone really liked . . . that they got tools to use in the real world.”

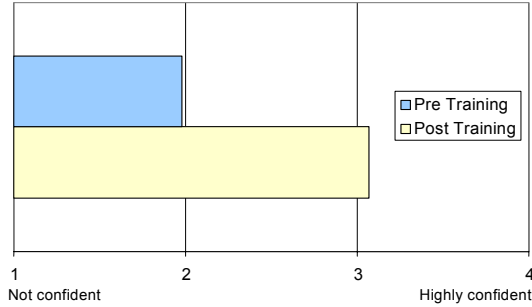
### Behaviour Change

*Trained leaders increased their confidence in managing performance on the job by 44.3 percent.*

Sensis University sought to enhance the quality—rather than the quantity—of participants' performance management experience. The post-training evaluation concluded that leaders' confidence in their ability to effectively manage performance increased by an average of 44.3 percent.

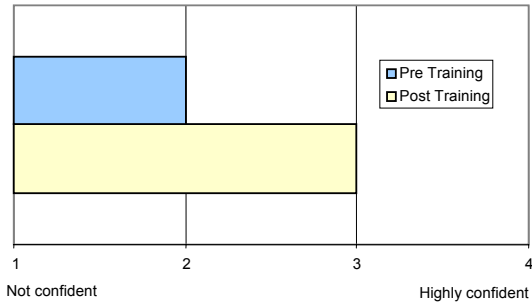
In particular, participants rated increases in confidence of more than 55 percent in their ability to provide balanced, timely, and specific feedback (see **Figure 1**).

**Figure 1: Leaders’ Confidence in Providing Effective Feedback**



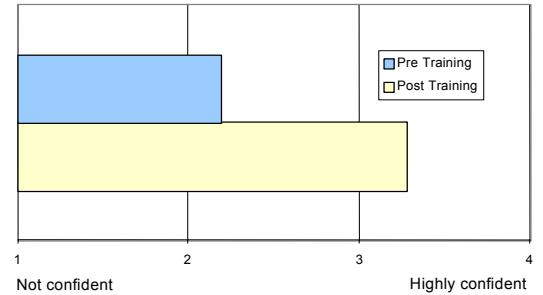
Having an honest discussion about recommended ratings with staff members (based on data gathered through tracking) is a skill many leaders find difficult. Following the training, Sensis leaders’ confidence in their ability to conduct this discussion jumped by a significant 50 percent (see **Figure 2**).

**Figure 2: Leaders’ Confidence in Discussing Ratings with Staff Members**



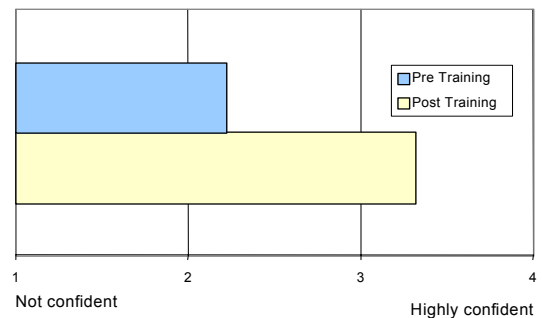
The emphasis on development as part of Sensis’ overall “People Commitment” also was enhanced by the training, with more than 49 percent of leaders indicating they were more confident in their ability to track and discuss their staff’s personal development plans (PDPs) throughout the year (see **Figure 3**).

**Figure 3: Leaders’ Confidence in Tracking and Discussing PDPs Throughout the Performance Cycle**



The evaluation also showed an increase of more than 49 percent in leaders’ confidence in using PDPs as a development tool to discuss career planning (see **Figure 4**).

**Figure 4: Leaders’ Confidence in Using PDPs as a Development Tool**



The increase in leaders' confidence in each of the 14 skill areas documented in the post-training evaluation is detailed in **Table 1** below.

**Table 1: Behavioural Change Results**

Survey Item	% Increase
Linking individual goals to the organisational vision and values.	37.74%
Analysing development needs and discussing a variety of development options with staff members.	42.31%
Determining methods for tracking and monitoring own performance.	36.36%
Sharing the responsibility of making performance plans work between manager and staff member.	46.38%
Determining methods of tracking and monitoring staff member performance.	46.74%
Using STAR/AR to provide balanced, timely, and specific feedback.	55.21%
Writing goals that include all elements of the SMART principles.	48.42%
Defining performance management and how to complete the PDP templates at Sensis.	40.57%
Understanding what factors drive job satisfaction.	38.40%
Planning and reviewing the "whats" as well as the "hows."	42.29%
Tracking and discussing PDPs through the entire performance cycle.	49.63%
Using PDPs as a development tool to discuss career planning.	49.64%
Discussing "recommended ratings" with staff members based on evidence gathered through tracking.	50.00%
Identifying development opportunities through tracking performance and interim discussions with staff members.	40.07%

**CONTACT INFORMATION**

WORLD HEADQUARTERS  
412.257.0600

E-MAIL [INFO@DDIWORLD.COM](mailto:INFO@DDIWORLD.COM)

[WWW.DDIWORLD.COM/LOCATIONS](http://WWW.DDIWORLD.COM/LOCATIONS)

**Return on Investment**

*This increase in confidence and skills represents a return of 1,060 percent, or \$2.2 million, on the training investment made by Sensis.*

Calculating a return on investment (ROI) requires converting improvements into a monetary value. To estimate the value of this behaviour change, we had to place a value on incremental improvements in leader skills. Leaders who have experienced behaviour changes in critical skills become more valuable for the organisation (i.e., an improvement in human capital). One way to determine the value of an individual employee is to use his or her overall salary. Employees should return to the organisation a level of value in proportion to what they are paid. When employees improve their skills, their value increases in proportion to their salaries. Each leader should bring back at least that amount of value to the organisation or they are a “losing investment.”

Using the behaviour change ratings, we estimated the dollar value of the improvements based on salary. We subtracted programme costs and computed an overall percentage ROI. Some assumptions involved in the calculations are listed below (all calculations are made in Australian dollars):

- > Programme costs, including training materials, facilitator salaries, travel, and accommodation to deliver the programme, totaled \$120,000.
- > Cost of attendance, based on average participant salaries, totaled \$66,923 (excluding lost opportunity costs).
- > The skills addressed in the training represented 75 percent of the job skills required by Sensis leaders.

- > Behaviour change was defined as average improvement in ratings (post-training minus pre-training rating) for the trained group.
- > Deviation of leader performance was defined as salary  $\pm 40$  percent (the highest performers are worth the average salary plus 40 percent; the lowest performers are worth the average salary minus 40 percent).<sup>2</sup>

Using these calculations, the return on investment to the Sensis business is nearly \$2.2 million, or a return of \$10.60 for every \$1 of training investment.

**CONCLUSIONS**

Sensis’ business strategy includes a commitment to people that requires leaders to effectively manage their staff’s performance. This study of leader behaviour shows that the Maximizing Performance® programme made a quantifiable difference to the Sensis business, increasing the confidence of Sensis leaders to provide feedback both for reinforcement and for development and to more effectively plan for staff development.

The General Manager of Human Resources summed up the impact like this: “DDI has given us a really effective programme and some tools which meet not only the strategic direction that we are going in with our people, but also give us a very practical, everyday skill that can be used effectively in the business.”

<sup>2</sup> Schmidt and Hunter (1983, *Journal of Applied Psychology*) examined empirical estimates of the variability of employees’ productivity as a percentage of annual salary. They found that the standard deviation varied from about 40 to 60 percent of average salary. For these analyses, the more conservative 40 percent estimate was used.