

Why Measure

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TED: Hello, I'm Ted, the Director of Learning at McZeed Company. I have to confess, I can't bear the idea of measurement. Unfortunately, my new boss sees things differently.

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BRUNO: Ted, I need to see some evidence that your new leadership program is doing this organization some good!

TED: I know from experience that it's the coolest program I ever ran or even saw. Why do I have to spend time digging up a bunch of numbers to prove what I already know is true?

BRUNO: This isn't about numbers, it's about evidence. Surely you've heard about evidence-based medicine. Well, we're going to practice evidence-based HR in this organization. Talk to your friend in health care if you want to understand what I mean.

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TED: Linda, I need your help. My boss says I've got to bring him evidence about my leadership development program, but measurement makes my head buzz. What's the big deal with evidence-based medicine anyway? What do you get out of it?

LINDA: I get to keep my budget, for one thing. If I can't demonstrate value for this new treatment for Blue Moon disease, it won't get funded. And if you want to keep your budget and your staff, you'd better demonstrate the value of your leadership development program.

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TED: But suppose I gather a bunch of data and I can't prove my program added any value. Then I'm worse off than if I didn't measure at all!

LINDA: Actually, you're not. That's another advantage: If you measure during the implementation of your program, you can keep track of how things are going. We monitor our patients' vital signs to make sure the treatment isn't upsetting anything. That gives us more confidence that we'll get the impact we want.

TED: Well, I guess I could survey the leaders going through my program to make sure they're getting what they thought they would from the program. Would that be a way of keeping track?

LINDA: It sure would!

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TED: But even if I keep track of how my program is progressing, something could still go wrong later when they try to use their skills back on the job.

LINDA: Absolutely. That's where another advantage of measurement comes in. When things go wrong, you can take measures to diagnose problems. I can have patients with steady vital signs who still don't show the results I want. With blue moon disease, if I find out I'm not getting the tumor shrinkage I expect from this new drug, I do other types of measurements to see what's happening. Maybe the patient is taking something else that's interfering with the drug.

TED: You've given me an idea. I've always thought that a lot of our leadership development efforts get lost because the boss doesn't reinforce what we're teaching on the job. Maybe I could measure what's happening on the job that might interfere with getting good results from my program.

LINDA: Perfect. That way you're using measurement to diagnose problems.

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TED: But even if I diagnose problems in the workplace, like poor leadership support, I won't necessarily be able to do something about it. Leaders might not give a hoot about whether my program works or not.

LINDA: I have the same problem. Part of our treatment program is keeping patients trim and fit. Our medication doesn't work nearly as well with overweight patients as with those who are slim. So we use measurement to motivate change – another benefit. We told our patients to lose weight, but it usually didn't happen. So we decided to set weekly targets and then take a measure each week and post it on the bulletin board. They started competing with each other, and you should see the weight come off!

TED: I could probably do something like that in my program. One of the things we teach them is how to engage their employees. Maybe we could set targets for engagement of work teams and then measure it periodically.

LINDA: That should motivate them to change!

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TED: Do you think if I showed more engagement it would establish the value of my leadership development program for my boss?

LINDA: It would be one piece of evidence, for sure. Measurement is a way to keep score. My patients' weight is one kind of score, but I need other scores to verify that my treatment program is working. Counting tumor shrinkage is one of my scores. But the biggest score is my cure rates.

TED: Oh, I get it. More engagement is one score I get, but I could also keep score about what engagement does for my company. Like better customer satisfaction.

LINDA: Good idea! You could measure customer satisfaction over time and see if it improves.

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TED: Well thanks, Linda. That sounds like a lot of reasons to measure.

LINDA: There are a lot of reasons. But we haven't touched on the most important one. Measurement helps to guide decisions, business decisions. In our hospital, we need to decide whether to invest in treatment with this new drug, Citraxis, stay with an older drug, or try a hyperbaric treatment center.

TED: Well, I guess my management would have to decide whether to keep my leadership development program or not.

LINDA: That's one decision, but there could be others. Why don't you go over to Krosstag, the computer hardware company, and talk to Michael. He's their new VP of Human Capital Analytics. He makes a lot of decisions based on measurement.

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TED: Michael, I understand you use various kinds of measures of your talent to help you make decisions for the company. What got you into doing that?

MICHAEL: My former company made a terrible mistake – all because they didn't measure the contributions of their talent!

MICHAEL: They were so obsessed with controlling costs; they laid off 5,000 of their most experienced salespeople and replaced them with lower-wage people. Within 5 years they went bankrupt. I decided then and there that I needed to measure the value of human talent and prove to organizations what the payoff is, and how to make it even bigger.

TED: So how have you improved the payoff from the talent at Krosstag?

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MICHAEL: We measured customer loyalty, linked that to system performance, and then linked system performance to specific employee attitudes and actions. That helped us to decide what programs to emphasize for our employees. We ended up making tons more money!

TED: Congratulations! With that kind of information, I'd know what learning to emphasize for both our employees and their supervisors! Now I see how measurement can be used to guide decisions!

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TED: Measurement really has a lot of benefits -- It lets me do all these things!
There's honey in this pot! Mmmmm.