MEASUREMENT: WHY, WHAT, AND HOW

WHY measure? You probably already realize the critical importance of measuring the effectiveness of talent management initiatives like leadership development, selection, performance management, and succession management. But you may also be asking: With so many other competing priorities, how can I find time for measurement? Understanding the critical value of measurement in tracking implementations and demonstrating impact will help you to see that it’s not a matter of how, but when. Talent management without measurement is like baking a cake without using measuring cups or spoons. You might get lucky with a haphazard approach, but the chances you’ll end up hungry and with a mess on your hands are much, much higher. Measurement focuses efforts toward goals, monitors progress, and objectively assesses whether you achieved those goals. Shouldn’t you be prioritizing your efforts to measure in order to ensure that talent management in your organization doesn’t end up a mess?

FIVE REASONS TO MEASURE TALENT MANAGEMENT INITIATIVES NOW

1. **Demonstrating Value.** Organizations are always looking for ways to cut costs and HR programs are often the first to go. This is partly because competing departments already have metrics that demonstrate their worth. HR departments must demonstrate the business value of their programs to higher management if they want to keep their budgets or minimize their cuts.

2. **Tracking Progress.** Talent management initiatives can easily get off track, not because the program itself is lacking, but because of poor installation or other organizational factors. Measurement can maintain the focus on the objectives that led to the talent initiative in the first place and definitively track progress towards achieving those objectives.

3. **Diagnosing Problems.** All too often, organizational issues and problems such as poor execution sidetrack talent management initiatives like leadership development. Measurement can help identify and leverage factors that are supporting the program and pinpoint factors that may be hindering its impact.

4. **Guiding Decisions.** Measurement tells you if strategies are working or if they need to change. They can inform when

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You can’t manage what you don’t measure.
and which obstacles to a talent management initiative need to be removed, and under which situations an initiative has been successful.

5. **Motivating Change.** Most people recognize that what gets measured gets done. That’s because measurement builds in accountability. If an objective is defined and regularly measured, people are motivated to make the initiative a higher priority and see to it that progress is being made. In essence, measurement is fundamental to the sustainability of talent management initiatives.

**WHAT TO MEASURE**

Determining what to measure when it comes to talent management can be overwhelming and confusing. DDI takes a strategic and systematic approach to measuring talent management initiatives. We organize measurement around the four major areas described below (Figure 1). Even though the specifics of a measurement plan will differ from one situation to another, DDI positions the metrics and analytics around a structure that keeps the process on track and avoids common measurement pitfalls.

In each area we seek answers to key questions. The first two areas relate to a particular talent management initiative: selection, development, succession, or performance management.

> **FOCUS** refers to whether the initiative addresses the most critical business needs. For example, is the competency model aligned with business objectives? Have development gaps been identified?

> **PROCESS** refers to the implementation of the initiative. Has it been implemented properly? Have steps been taken to assure that it will endure in the organization?

The next two areas refer to the results you hope the initiative will achieve.

> **OUTCOMES** refer to your talent. Did the initiative enhance the available talent? Has it positively affected the behavior, attitudes, and performance of participants and others?

> **IMPACT** refers to your business. Has the business benefitted from the changes the initiative produced? Were customers or other external stakeholders affected positively?

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"One of the great mistakes is to judge policies and programs by their intentions rather than their results."

— Milton Friedman

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![Figure 1: DDI’s Approach to Measuring Talent Management Initiatives](image)
LOGICAL PATH APPROACH

A distinctive element of the approach is our Logical Path method, which guides clients through a thoughtful examination of how their various initiatives can positively enhance their organization’s talent and lead to the achievement of business objectives. DDI’s unique logical path approach goes beyond collecting information in distinct areas, but links data together to define *how* an initiative can be expected to lead to the desired objectives (Figure 2).

It may be helpful to think of measurement from left to right. For example, it may be difficult to explain how client satisfaction increased as a result of a training program without first explaining how the training impacted the behavior or performance of employees. Once a logical path is created, metrics that indicate progress along that path are more easily defined. The logical path helps assure that measures are addressing meaningful targets and are sufficiently comprehensive.

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<tr>
<th>FOCUS</th>
<th>PROCESS</th>
<th>OUTCOMES</th>
<th>IMPACT</th>
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<tbody>
<tr>
<td>Improved customer service</td>
<td>Selection assessment center for customer service agents</td>
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<td>Better employee performance</td>
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Figure 2: Example Logical Path

HOW TO MEASURE

Realizing why it is critical to focus on measurement and knowing what to measure are vital to proving the value of talent management. All you need now is to get started. Figure 3 illustrates the measurement cycle, which has four major phases. DDI plays different roles to help clients with each of these phases in the process.

1. **Create a plan.** We often hear the phrase “start with the end in mind.”
   A measurement plan should start (and end) with the reasons the program was instituted in the first place. An effective plan begins by clarifying objectives, from which you can create one or more logical paths and identify appropriate metrics for each step on the path. Next you identify sources of data, determine timelines for each phase of data collection, and assign accountabilities for carrying out the plan. DDI can help clients to create the best plan for their situation. Projects are scalable from tactical (focus and process areas only) to strategic (all

Figure 3: Measurement Cycle
four measurement areas). The level of our involvement is also scalable, from consultation and guidance to managing all data collection, analysis, and reporting.

2. **Gather data.** Data gathering should be strategic and planful to ensure the right data is being collected at the right time. Many organizations do not plan ahead for measurement and miss opportunities to gather important baseline measures (i.e., quality of hires before a selection initiative is implemented). Others may rush to judgment about a program’s effectiveness too soon; for example, trying to measure a manager’s effectiveness before he or she has had a chance to apply knowledge and skills learned in training on the job. In addition, DDI can supplement client metrics with special tools. For example, DDI’s Checkpoint surveys can measure stakeholder reactions and outcomes for various solutions.

3. **Analyze and report data.** Conducting statistical analyses of the data and inferring implications from results of those analyses usually requires professional expertise. DDI has expertise in manipulating and interpreting research data.

4. **Move forward.** A presentation of the research results interpreted with respect to the original objectives can build buy-in, rally support, and ensure sustainability for the initiative. Results also help to inform decisions about next steps such as improving the program, expanding upon it, or moving on to something new.

**MEASUREMENT’S RIGHTFUL PLACE**

While measurement is clearly important, it also can prove intimidating. But we believe that when the why, what, and how of measurement are understood, measurement can take its rightful place as an integral part of any talent management initiative.

If you need guidance, DDI can help. We have expertise in program evaluation, validation, surveying, quantitative and qualitative data collection, data management, and statistical analyses. To learn more about our measurement capabilities and solutions, please contact your DDI representative.