

*"However beautiful the strategy, you should occasionally look at the results." — Winston Churchill*

# Calculating the Value of Human Capital Investments: *3 Massive Mistakes even Smart Human Resource Leaders Make that Keep Their Projects from Getting Approved*

**By Sonia Di Maulo, MA, CRP**  
Founder, **Harvest Performance**  
[www.harvestperformance.ca](http://www.harvestperformance.ca)  
Author, **The Apple in the Orchard**  
[www.theappleintheorchard.ca](http://www.theappleintheorchard.ca)  
Speaker, Consultant, Coach

*Whenever you see a successful business, someone once made a courageous decision. — Peter Drucker*



Harvest Performance | [www.harvestperformance.ca](http://www.harvestperformance.ca)  
The Apple in the Orchard | [www.theappleintheorchard.ca](http://www.theappleintheorchard.ca)

## TABLE OF CONTENTS

TABLE OF CONTENTS .....	2
ABOUT THIS SESSION .....	2
REFLECTION FOR THE FUTURE .....	3
3 MASSIVE MISTAKES EVEN SMART HR LEADERS MAKE THAT KEEP THEIR PROJECTS FROM GETTING APPROVED .....	4
MASSIVE MISTAKE #3: THE USE OF AN INEFFECTIVE COMMUNICATION STRATEGY FOR BUSINESS STAKEHOLDERS .....	4
MASSIVE MISTAKE #2. FOCUS ON MEASURING ACTIVITY.....	6
MASSIVE MISTAKE #1. NO FORECASTING OF THE VALUE THE PROJECT WILL BRING TO THE ORGANIZATION .....	7
MY NEXT STEPS .....	8

## ABOUT THIS SESSION

This session is right for you if you are ready to demonstrate, in business terms, the value your projects bring to the organization!

### Calculating the Value of Human Capital Investments

Organizations are increasingly more selective of the types of human performance initiatives that get approved. Using the return on investment (ROI) methodology helps prioritize project initiatives by calculating the forecasted value and increasing project approval. Human resource leaders who show the contribution of training/human resource initiatives: earn the respect of senior management, justify/defend budgets, improve programs support and provide a process for ongoing improvement and business alignment.

**Sonia Di Maulo**, MA, CRP, is a performance improvement professional with 15 years of experience partnering with organizations to analyze, design/develop, deliver and evaluate human resource initiatives that measure the value and impact of organizational effectiveness.

*By the end of this 90-min session, you will be able to recognize the 3 mistakes HR Leaders Make and move towards calculating the value of your projects and getting them approved.*

*"Sustaining high business performance is a product of continuous strategic alignment." — Med Yones*

## REFLECTION FOR THE FUTURE

<p><b>Your Past</b> Have you ever wondered how to get your projects budgets approved, earn respect from management, and align human capital investments to the business bottom line? If you've been in this situation how does it make you feel?</p>	<p><b>Your Present</b> Is there a project that you have planned that could have benefitted from this kind of approach? Is there a project in the present or future that could benefit from calculating a return on investment?</p>
<p><b>Your Future</b></p> <p>How important is this for you?</p> <p>1 2 3 4 5 6 7 8 9 10</p>	

### How to determine if your project is best suited to this strategy?

Write your projects in the first row and check off the criteria that apply to that project

Project	Expected life cycle of the solution	Linkage of solutions to organizational goals and strategic objectives	Management interest in the outcomes of the project (project's accountability)	Cost of the solution	Visibility of the solution	Size of the target audience
1.						
2.						
3.						
4.						
5.						

## 3 MASSIVE MISTAKES EVEN SMART HR LEADERS MAKE THAT KEEP THEIR PROJECTS FROM GETTING APPROVED

### Massive Mistake #3: The use of an ineffective communication strategy for business stakeholders

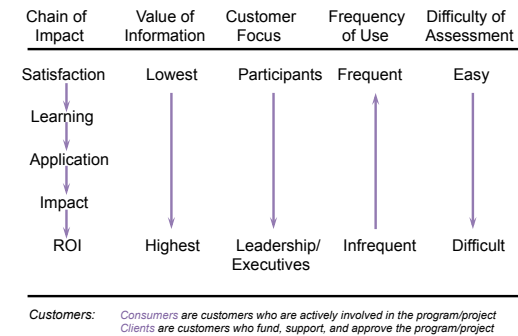
Once you identify that this project is a candidate for calculation of value, it's time to move to determining how to communicate it in business terms.

Let's start with looking at the need.

Levels	Needs Analysis	Key Question
1	Feasibility	Is the problem worth solving?
2	Business Need	What business measures reflect the problem?
3	Work Performance Needs	What should change in the work environment that will enhance this business measure?
4	Learning Needs	What skills or knowledge must be developed to meet the work performance need?
5	Preferences	How should the solution be structured?

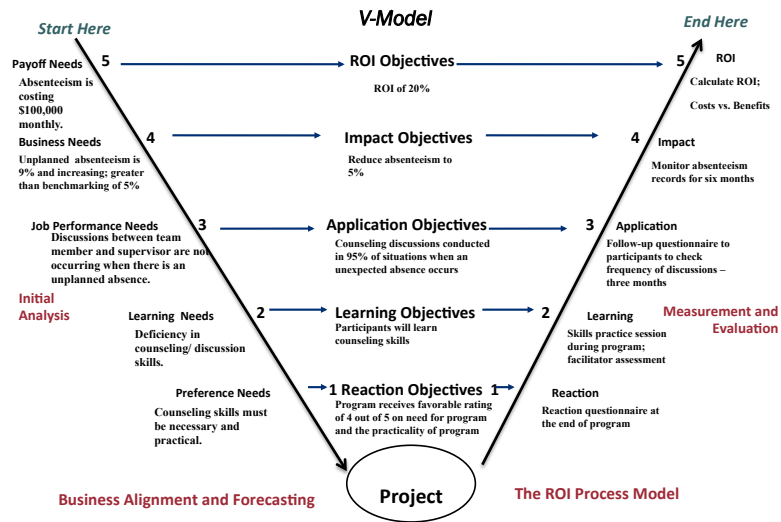
*Proving the Value of HR: How and Why to Measure ROI, Phillips & Phillips, p. 46*

### Characteristics of Evaluation Levels



These key questions will help you determine the level of value of the project to stakeholders and the organization. In order to facilitate a discussion of the future that aligns and determines project outcomes, you can use the following chart, The V-Model.

## The Alignment Process



## 3 MASSIVE MISTAKES EVEN SMART HR LEADERS MAKE THAT KEEP THEIR PROJECTS FROM GETTING APPROVED

### Massive Mistake #2. Focus on Measuring Activity

For each objective, determine the level of evaluation at which the objective is aimed.

**Level 0:** Inputs/Indicators  
**Level 1:** Reaction  
**Level 2:** Learning/Confidence

**Level 3:** Application  
**Level 4:** Business Impact  
**Level 5:** Return on Investment

After completing this program or project, participants will be able to:	Level
1. Decrease citizen complaints by 20 % in one year.	
2. Use all 10 negotiations skills in at least 50% of negotiation situations.	
3. Demonstrate the five steps to diffuse a conflict, given two individuals in a heated argument.	
4. Rate the facilitator 4 out of 5 on presentation skills.	
5. Decrease the amount of time required to develop a proposal.	
6. Achieve a 20% ROI on year after program implementation.	
7. Perceive the content to be relevant to job situations (4.5 out of 5).	
8. Decrease security breaches by 25% in six months.	
9. Conduct a proper investigation using the seven-step process in 95% of complaint situations.	
10. Score an average of 75 or better on new strategy quiz.	

“The approach to organizing, managing and implementing the HR function has shifted from a traditional activity-based approach to a more results-based approach. Table 3 shows the major shifts that have occurred with HR programming. The trend has been away from a focus on generating programs and projects and inputs to the current focus on results from the beginning of the process to the conclusion of the project.”

*Proving the Value of HR: How and Why to Measure ROI, Phillips & Phillips, p. 11*

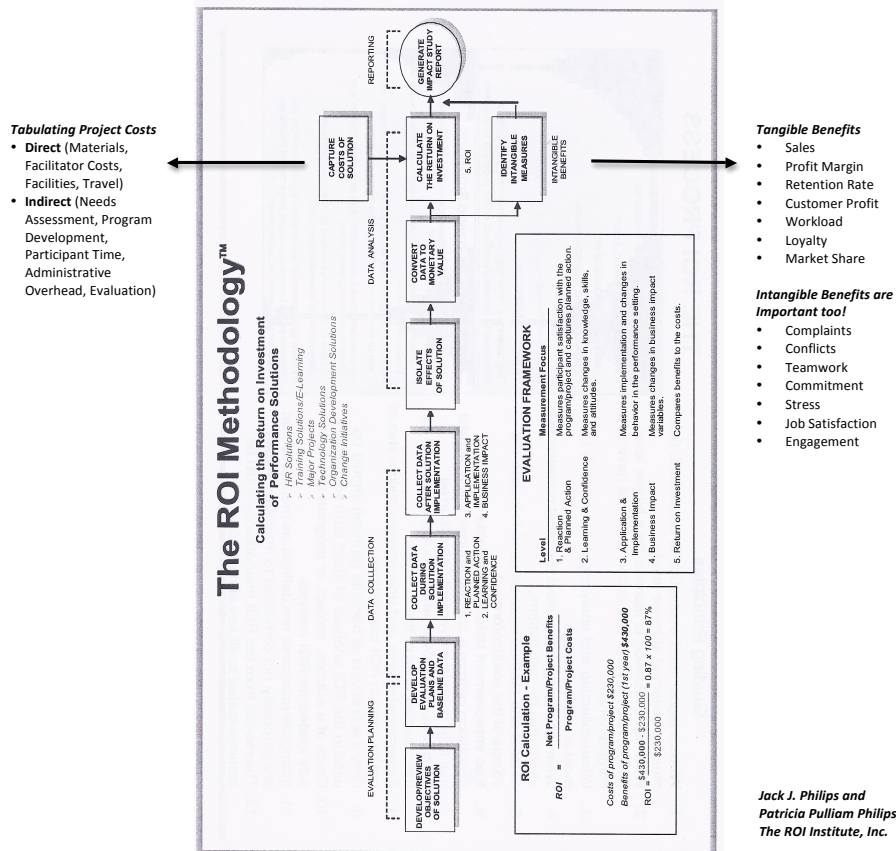
In Activity-Based Programs	In Results-Based Programs
There is no business need for the program.	The program is linked to specific business needs.
There is no assessment of performance issues.	There is an assessment of performance effectiveness.
There are no specific measureable objectives.	Specific objectives are set for application and business impact.
There is no effort to prepare program participants to achieve results.	The results expectations are communicated to participants.
There is no effort to prepare the work environment to support the program.	The environment is prepared to support the program.
There are no efforts to build partnerships with key managers.	Partnerships are established with key managers and clients.
There is no measurement of results or cost benefit analysis.	There is a measurement of results or cost benefit analysis (ROI).
The reporting on programs is input focused.	Reporting on programs is output focused.

*10 Steps to Successful Business Alignment, Phillips & Phillips, p. xxii*

“Simple can be harder than complex: You have to work hard to get your thinking clean to make it simple. But it's worth it in the end because once you get there, you can move mountains.” — Steve Jobs

## 3 MASSIVE MISTAKES EVEN SMART HR LEADERS MAKE THAT KEEP THEIR PROJECTS FROM GETTING APPROVED

### Massive Mistake #1. No Forecasting of the Value the Project Will Bring to the Organization



## MY NEXT STEPS

What I will continue doing	What I will start doing	What I will stop doing
How important is this for you?		
1 2 3 4 5 6 7 8 9 10		
How confident are you in your new knowledge and abilities?		
1 2 3 4 5 6 7 8 9 10		
Will you apply what you have learned?		
1 2 3 4 5 6 7 8 9 10		
Will this new knowledge and abilities have impact?		
1 2 3 4 5 6 7 8 9 10		

*Just as your car runs more smoothly and requires less energy to go faster and farther when the wheels are in perfect alignment, you perform better when your thoughts, feelings, emotions, goals, and values are in balance. — Brian Tracy*





## More Learning and Support!

### Program: Develop Your Strategy *with Confidence...* & Prove the Value of Your Projects

Harvest Performance is offering a 4-week virtual coaching program that will help you plan for and prove the value of your projects! We are only accepting 7 leaders to take through this process, which keeps the program more personal... if you are interested you can fill out this form and we will be in contact with you.

Module 1: Develop Your Communication Alignment Strategy

Module 2: Develop Results-Based Objectives for your Project

Module 3: Develop an Evaluation Plan

Module 4: Determine Potential Costs and Tangible and Intangible Benefits

Option A. Develop Your Strategy & Prove the Value!	Option B. Add Advanced Personal Support!
<ul style="list-style-type: none"><li>4 step-by-step modules (one per week for four-weeks) to help you develop the strategy to prove the value of your project</li><li>4 Strategy Group Mentoring Calls, and recordings of the calls</li><li>Email access each week</li><li>Treasured Templates, checklists and reference material to support you</li><li>Book: Proving the Value of HR: How and Why to Measure ROI by Jack and Patricia Philips</li></ul>	<ul style="list-style-type: none"><li>A Personalized Getting Started Phone Call to learn about your specific needs and direct your focus</li><li>2 Private 30-min Laser Coaching Sessions during the program</li></ul>
<b>Investment</b> Regular: \$1997 Special for conference attendees: \$997	<b>Investment</b> Option A+B Regular: \$2997 Option A+B Special for Conference Attendees: \$1497

*If your learning, confidence, and application of the concepts does not have impact to how you strategize and plan your projects, you can opt for our 90-Day Money-back Guarantee.*

### Sign me up for Develop Your Strategy *with Confidence...* & Prove the Value of Your Projects

First Name:	
Last Name:	
Organization:	
Address:	
Email:	
Phone/Cell:	
Payment Type:	<input type="checkbox"/> Credit Card <input type="checkbox"/> Check <input type="checkbox"/> PayPal