

SOLUTION FOCUSED LEADERSHIP and ROI

By Atom Wave – Olympia Mitsopoulou, April 2014

Recent research¹ indicates that most leaders consider investment on Leadership Development ineffective. During this financial crisis, Return on Investment in corporate leadership development is more crucial than ever.

The **client company** is in the financial sector, based in Greece and employing more than 10.000 people. The program that is described is about a group of 14 Branch managers with teams between 5 and 10 people.

The **need** for this intervention arose because these managers were so good at generating sales that they had taken most of the burden for this on themselves. Consequently, they were overworked and their staff resources under utilized.

The proposed **design** was a Solution Focused program, which combined both training and coaching to each participant and had a duration of 6 months in order to allow participants to incorporate the new SF way of managing people.

Moreover, each participant was required to select one particular member of their team in order to focus and apply a development plan during the program so that progress can be more visible.

PROGRAM STAGES

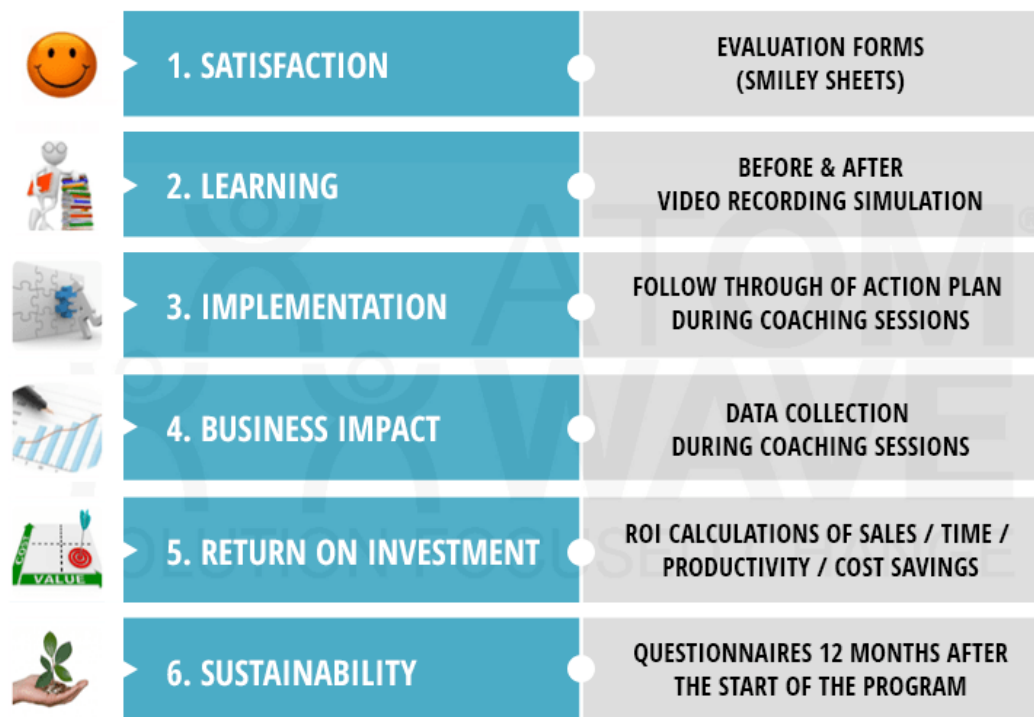


The whole program was about changing management style. How to move from Telling to Asking, how to ask SF questions, how to SF talk, how to identify resources and how to have at the end of the SF conversations, conversations that are constructive and useful. As **content** designers, we focused on making all of the above very relevant to the participants' every day work and thus designed a series of SF based tools

So how did we measure this intervention?

We followed Philips methodology for measuring ROI and added one more level of our own, measuring Sustainability.

THE SIX LEVELS OF EVALUATION



What were the results (in short)?

Level 1: How did they like it?

On a scale of 1 to 10, participants rated the program with 9.55. Obviously they liked it but as we know not all programs that score high on these evaluations are useful.

Level 2: What did participants learn to do differently?

Our methodology to measure this learning was based on a BEFORE and AFTER video recording of a simulated situation where the SF approach could be used. Here are the results:

Level 3: How applicable was what the participants learnt?

We followed through the implementation of the new SF ways of working during the three 1to1 SF coaching sessions that followed the first workshop. During these sessions each participating manager was working on two action plans. One was a Personal Development Plan where they had identified areas for development like «changing attitude», «being more able to spot my people resources», «incorporating Solution Talk», «asking vs telling» etc. And the second level was a «Coachee Development Plan» which was drafted during the first workshop and was about ONE selected member of the participating manager's team. In this plan, development objectives included Soft skills such as «developing self-confidence», «taking initiative» to more «hard» skills like «sales effectiveness», «Product knowledge» and other.

Out of the 14 participating managers, ALL of them applied the new SF techniques during the program duration.

Level 4: What is the business impact of applying SF techniques?

Overall, these 14 managers achieved a total of 50 objectives that had tangible, visible results. These results were in the following five categories:

1. Sales Increase 2. Productivity increase 3. Better management Skills 4. Attitude Change 5. Communication and Collaboration improvement.

Example:

Before: The participating manager wanted to develop the coachee's initiative level. She was spending some considerable time answering his questions before taking action.

What happened? As a result of the program SF content and the coaching sessions, she realized that her coachee's «lack of initiative» was largely due to her «too dynamic» way of managing her team and that she needed to change that.

On a scale of 1 – 10, she assessed her «too dynamic» management style to a 3 where 10 is as dynamic as it should be.

At the end of the program, she was at a 7.

What she did differently?

She started asking before telling what should be done and realized that her coachee had very good ideas himself! And then she continued that and from a point on, she stopped supervising him so closely.

The result:

The coachee got promoted within 3 months after the program completion so the organization gained a new empowered manager.

The participating manager improved the management skills and also gained at least 1 hr per day from supervising time.

Level 5: So what is the ROI of the business impact of this SF Intervention?

Not all business results are calculable. Out of the 14 participating managers, 9 reported significantly increased sales results both for the selected coachee and for the rest of the teams. Yet, these are not calculable in terms of Euros as it is not easy to tell how much does each product sale bring to the organization in the financial sector.

So, we only calculated what we could, and this was time related savings. The team of 14 participants had a total of **16.5 saved hrs** daily from delegating better, developing skills and increasing productivity or saving time.

Calculating the value of these 16.5 hrs daily at a 33 euro/hr which is the AVG cost of each manhour in this organization, gave us this:

16.5 hrs daily X 33 euro manhour cost X 230 working days = 125,235 euro

Subtracting from this amount of **125,235 euro** the following:

- Program Cost
- Attendance time cost
- Transport cost
- Admin and HR cost

The remaining amount is **58.334 euro**.

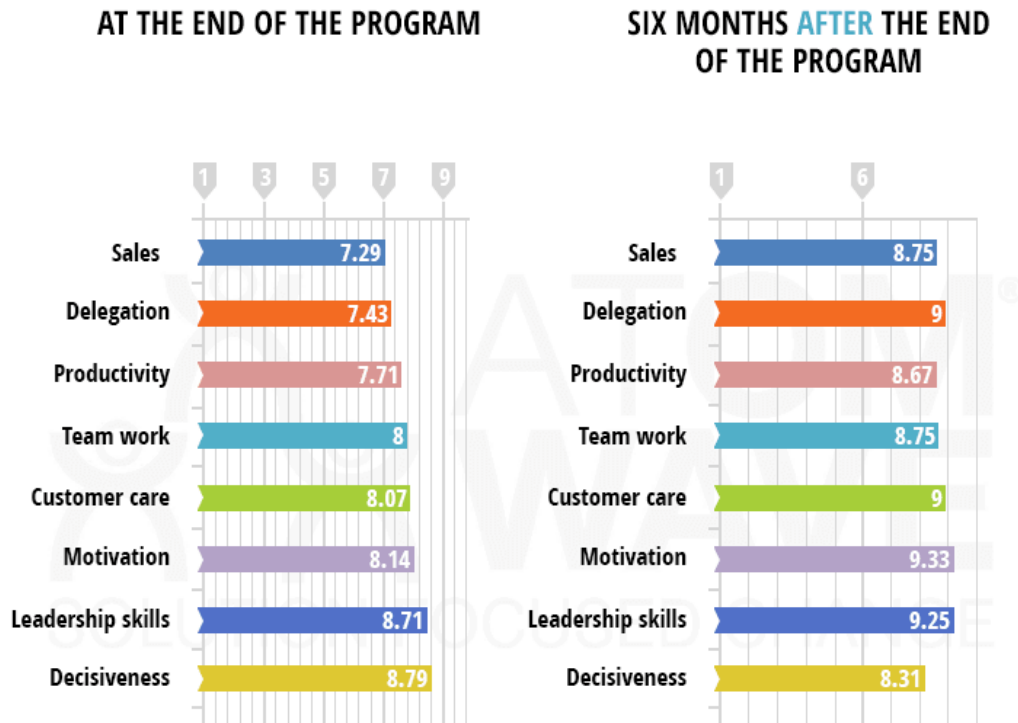
Thus we have according to the ROI formula:

$$\text{ROI} = \frac{\text{€}125,235 - \text{€}58,334}{\text{€}58,334} \times 100\% = \mathbf{115\%}$$

Level 6: Sustainability

Wondering how many of the new know-how will have remained with the participants, we addressed all of them a questionnaire 12 months after the beginning of the program.

Here are the answers of the 12 out of the 14 participants.



Conclusion:

SF can bring visible, measurable and tangible results because we have tools that work beyond techniques, and people can better incorporate a new way of looking at things.

¹ Matthew Gitsham et al., Developing the Global Leader of Tomorrow, Ashridge Business School, July 2009, ashridge.org.uk

² Jazmine Boatman et al, UK highlights Global leadership forecast, 2011, DDI/CIPD