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Client Story

Calculating the ROI of SLII® Training at Nissan

Nearly sixteen years ago, when Nissan Motor Company was employing several different leadership training programs simultaneously, top management decided it would be more effective to have one unified approach to leadership. They began looking for a model that could be translated into several languages and delivered globally so that all of their leaders could use the same skills. After piloting several programs, they selected SLII® from Blanchard®.

“We had a lot of brilliant people working for us, but many of them lacked the fundamental leadership skills of goal setting, giving feedback, and praising a job well done,” explains Jim Irvine, global dean of leadership and professional development at Nissan. “The SLII® training program was exactly what we needed because it was simple and practical. Our employees could use their new skills back on the job the day after training. They loved SLII® and ranked the program very high in evaluations because it helped them do their jobs better.”

Fast forward sixteen years: Nissan continues to train SLII® to their leaders around the world. The company frequently conducts ROI studies to measure the program’s effectiveness on specific skills such as engagement, communications, productivity, and listening. They recently did an ROI study to determine the positive impact SLII® training can have on the organization’s bottom line.



Jim Irvine

Many people believe an ROI study must be a rigorously designed large-scale project—but it doesn't have to be a daunting task, according to Irvine. He has discovered that smaller scale studies with 100 participants, which represents only four or five workshops, can provide the kind of data senior executives need to make good financial decisions and support key initiatives.

For the most recent study, Irvine worked with his team from Blanchard® and with ROI expert Dr. Paul Leone of MeasureUp Consulting to determine how SLII® had impacted business metrics across three countries, five locations, and four business functions—engineering, sales, marketing, and finance. Dr. Leone created a post-training survey that not only measured self-reported data from participants but also included corroborating data from their bosses and direct reports.

“The five-minute survey asked the groups if they had observed changed behavior on the job, if that behavior had impacted performance, and, if yes, by how much,” explains Irvine.

The methodology was based on these six levels of evaluation:

- Did participants like the training?
- Did they learn anything?
- Did they change behaviors back on the job?
- Did the new behaviors make them more productive?
- Did the bottom-line impact exceed the cost of training?
- What climate factors help or hinder the long-term sustainability of the training?*

Results of the ROI Study

Level 1 scores showed that participants liked the training, giving it an average rating of 4.74 out of 5. Participants also reported they would recommend the program to others, with an average rating of 9.3 out of 10. Even more impressive was the 100 percent rating on the Level 2 evaluation score: every participant said they felt they had acquired new and valuable knowledge from the SLII® training.

Next, participants were asked if they had been able to apply new SLII® skills on the job in the first few months after training. A full 95



percent said yes, that they had applied their new learnings with direct reports. Additionally, 90 percent said they had felt more engaged in their role since the training, and 95 percent said they now felt more committed to staying at Nissan.

The company wanted more data.

“To corroborate the behavior change, the Level 3 evaluation went more in-depth by sending a multi-rater survey not only to participants but also to their direct reports and managers,” explains Irvine. People were asked about performance improvement on nine specific behaviors:

- Frequency of one-on-one conversations with team members
- Value of one-on-one conversations
- Clarifying goals with team members
- Actively listening to team members' unique needs
- Giving specific and actionable feedback
- Proactively seeking input about putting SLII® skills to use
- Praising a job well done
- Helping team members solve problems or clarifying project details when more support or direction was needed
- Giving more autonomy when team members didn't need much direction or support

Overall results indicated that 92 percent of participants showed improvement on these behaviors, with 52 percent showing significant to exceptional improvement. Comparing the results from participants with the results from their direct reports and managers, direct reports indicated 80 percent improvement with 54 percent significant improvement while managers reported 76 percent improvement with 35 percent significant improvement.

“One of the most remarkable measurements resulted when we asked participants and direct reports to rank the nine behaviors from most improved to least improved,” explains Irvine. “The lists almost mirrored each other, with three of the four most improved behaviors showing up on both lists. This confirmed that both groups were seeing the same post-training behavioral changes—and it also confirmed areas where improvement was still necessary.”

Another notable measurement indicated that 87 percent of direct reports said their leader's improved performance had increased their own engagement and commitment to Nissan.

Level 4 and 5 Evaluations

“For Level 4 data, we asked participants and direct reports if they saw an improvement in their team's job performance, and if so, at what level,” says Irvine. “92 percent of participants said the new leader behaviors did improve the performance of their team and estimated that it had improved by 64 percent. Individual team members reported their leader's new skills helped their own performance improve by 70 percent, which helped overall team performance improve by 61 percent.”

These results prove that not only did leaders see an improvement in their ability to use SLII® skills to influence higher team performance, team members also recognized they were able to improve their own performance because of their leader's new skills.

Now Nissan had the data to complete the Level 5 evaluation. “This is where we started using math,” says Irvine. “The purpose of this study was to be extra conservative with the numbers. While we could have used the 61 percent overall improvement to figure ROI, we decided to use

the data that measured significant improvements only. The average number of direct reports who observed significant improvements after training was 54 percent. The average number of employees who were impacted by those leader improvements was 70 percent. Overall performance improvement attributed to the leader changes was 61 percent. We calculated 61 percent of the 70 percent of the 54 percent—and arrived at 23 percent. Consequently, we determined that 23 percent was the average improvement in performance per participant,” Irvine explains.

So what does a 23 percent improvement in performance mean to business? Irvine collected data from Nissan's financial call center and determined that a 23 percent increase represented \$13,805 in additional revenue per participant over two months. To finalize the ROI calculation, the benefit (\$13,805) minus the cost of training (\$2,500) divided by the cost of training (\$2,500) multiplied by 100 equals 452 percent. The ROI of 452 percent means that for every dollar invested in training, there was a \$452 return to the organization.

Level 6 Evaluation

This level takes a look at climate factors, or elements of the organizational culture that can maximize the ROI of training. Dr. Leone's Level 6 theory measures the impact on participants whose managers provided high support for their training versus those whose managers provided low support. In Nissan's study, when participants were asked to rate the support and guidance they received from their manager when they started applying SLII® skills back on the job, 97 percent said their managers did support them.

“In our example, the \$13,805 of additional revenue received by each person is an average. Participants who received high support from their manager collected \$15,010 while participants who received low or no support collected \$12,161. The \$2,849 difference is significant,” explains Irvine.

These numbers are early calculations that the team at Nissan expects to keep improving. Dr. Leone reports that it isn't uncommon for ROI to be as much as three times higher with increased manager support.

Putting ROI Data to Work

Irvine continues to use data collected from numerous ROI studies to make the business case for training. “I use Level 1 data to help market the program to other participants. Level 2 data helps demonstrate that the training teaches the knowledge and skills leaders need to be successful. Level 3 data helps leaders understand that the training changes on-the-job behaviors of participants. Level 4 data is great for convincing leaders that changed behaviors have a positive impact on the business. Level 5 data demonstrates the monetary value of training. And Level 6 data can help drive organizational support for training.”

An additional benefit to ROI studies: they have caused Nissan’s training department to constantly focus on improving training design, delivery, and sustainability activities. There is always room to improve on ROI results.

“If you are nervous about conducting an ROI study, I recommend you partner with someone like Blanchard® or Dr. Leone of MeasureUp Consulting to do it,” says Irvine. “Conducting these studies on your own can take a lot of time and energy—it’s so much more efficient to work with a team that has experience.”

Continued Improvements at Nissan

With these kind of measured results, it only makes sense for Nissan to continue to use SLII® as the foundation for all of their leadership training. The company has built a comprehensive training curriculum that includes other programs from Blanchard such as Self Leadership, Team Leadership, Coaching Essentials, and Executive Coaching.

“We offer Self Leadership to our individual contributors,” says Irvine. “The program dovetails beautifully with SLII® and teaches individuals how to take ownership of their work and how to manage up.” Irvine recognized that it didn’t make sense to provide a leadership language to the leaders in the company without providing the same language to direct reports.

Knowing the SLII® model enables direct reports to ask their leaders for the kind of support and direction they need for each task and allows leaders to use the appropriate leadership style for each person on each task.

Teaching leaders how to be better coaches is another key initiative at Nissan. “We offer Coaching Essentials because it ties into SLII® and teaches additional skills that help leaders develop their staff by focusing on strengths. This program has increased the frequency and quality of conversations between leaders and direct reports.”



The Coaching Essentials process teaches leaders to:

- Connect—build trust and positive relationships
- Focus—identify topics and goals
- Activate—collaborate to develop a plan for action
- Review—clarify agreements and discuss accountability

The program also focuses on four main coaching skills—listen to learn, inquire for insight, tell your truth, and express confidence.

Nissan brings in executive coaches from Blanchard to work individually with leaders. "Our leaders take an assessment and receive feedback from a Blanchard coach who meets with them regularly, either in person or virtually. They develop an action plan based on improvements the leader wants to make and work through that plan over the next six to twelve months. Blanchard coaches work well for us because they are located all around the world and cover different time zones and languages. Having native language coaches in our major markets is a great benefit for us. That's difficult to find," says Irvine.

Another Blanchard program Nissan offers is Team Leadership training. Also based on the SLII® model, this training teaches managers how to diagnose a team's development level and apply the right leadership style to build and sustain a high performing team.

"All of these programs use SLII® language throughout, so the learning is embedded," says Irvine. "It has become the standard language of leadership at Nissan.

"We've had a long, successful partnership with Blanchard® and their suite of SLII® programs. With the kind of data we've gathered from this ROI study, I know our partnership will continue to thrive."

**Dr. Paul Leone created the sixth level of measurement, which won the 2019 Brandon Hall Gold Award for best advance in measuring the impact of leadership training. Level 6 is described in his book Measuring and Maximizing Training Impact.*

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