IMPACT ASSESSMENT FRAMEWORK

SEAL

www.seal-project.eu

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Introduction

Innovation does not refer only to science and technology; it may also refer to changes in business organization and management, workplace organization and external relations. Within this framework, innovation is vital in the workplace because it gives companies an edge in penetrating markets faster and provides a better connection to developing markets, which can lead to bigger opportunities and, therefore, to a sustainable business growth. Investing in your employees intrapreneurial skills and ideas can be a means to unlocking the innovation potential right in front of you.

This Impact Assessment Framework aims to function as an evaluation model that will allow any interested organization assess any relevant costs and benefits incurred as a result of promoting and developing its employees' intrapreneurial skills and mindsets. The contents of the framework are guidelines on what indicators to collect, monitor, and evaluate in order to understand and conceptualize the impacts (cost/benefits, pros and cons, etc.) of incorporating relevant training in your work force. This type of analysis is advantageous to an organization in multiple ways, but especially in decision-making, making relevant adjustments where needed, and to acknowledge successes.

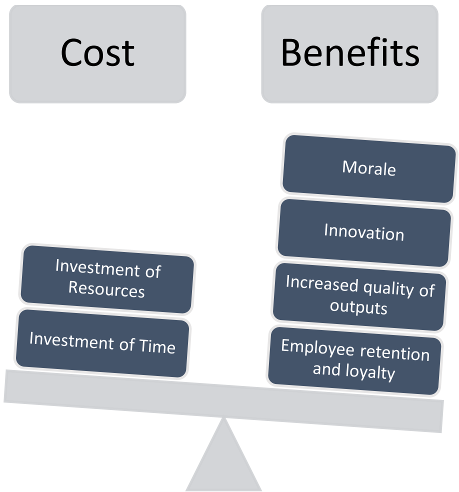

Figure 1 Balancing Cost versus Benefits

Evaluation Framework: Expected Outcomes and KPIs

The following section provides the framework base of an evaluation scheme (Table 2). The framework, read left to right, indicates the level of impact within the organization; the anticipated impact or outcome dimension, the indicators that should be collected, monitored, and measured; and the instrument as to where the indicators may be extracted (further detailed in Table 1).

To further illustrate the application of this framework, please find examples starting on page 5 of this document.

Table 1: Definitions and details of key terms

Impact level	This describes where the impact or outcome will occur. The levels in this framework are at the Employee or at the Organizational level.
Impact/ outcome	This describes what dimension the intervention will influence, from which the expected outcomes are derived. Every organization is different structurally, and has different goals for growth or improvement. This framework has identified general expected outcomes, or areas where your organization can reasonably expect for impact to occur.
Indicators	In order to measure the impact/outcome, indicators are to be evaluated periodically to compare and track growth. In Table 2, costs and benefits can be understood in the following ways: - Indicators, left in normal text, are subject to contextual interpretation and/or actual results in order to conclude whether they are positive or negatively influenced (cost or benefit) - Some indicators, delineated in **RED,** are clear, undisputed costs to the organization - Some indicators, delineated **YELLOW**, in are clear costs to the organization, but are a benefit at another level, and/or could change, resulting positively as an overall benefit.
Qualitative Indicators	These are measurements taken that do not include a numeric calculation, but rather derives from intangible perceptions, feelings, or descriptions.
Quantitative Indicators	The measurements have a countable measurement, and can be tracked in a more straightforward manner from everyday data sources.
Measurement Instrument	All indicators will need one or more instruments in order to measure. These instruments may already be employed to track other processes, or Alternatively, may need to be deliberately administered for this evaluation, such as employee or customer surveys.

Table 2: Evaluation Framework

Impact Level	Impact/Outcome	Indicators	Measurement Instrument
Employee	Skill and Professional Development	**Quantitative:** # of certifications # of Awards/ recognition # of conference attendance/presentations	-Self-Monitoring
	Task/Job Efficacy (alignment to the job, market, and target audience)	**Quantitative:** Δ in Sales Δ in returns/ exchanges Δ in QA Ratings (Scale) Δ in productivity (efficiency formula) **Qualitative:** (Self-Evaluation) -Level of comfort in job related tasks -Knowledge of the market/ customer needs (Internal evaluation) -Performance Levels (External) Complaints/Feedback from customers (customer satisfaction)	-Employee Self-Evaluation -Internal Performance Reviews -Internal monitoring -QA
	Job Satisfaction	**Qualitative:** Perceptions of: -Alignment with mission of the company -Personal stake in company -Task/job contentment/ enjoyment	-Employee evaluation
	Improvements in remuneration	**Quantitative:** Δ in salaries Δ in commissions or performance incentives Δ in benefits (e.g. insurance, company car, etc.)	-Internal HR monitoring
	Internal Mobility	**Quantitative:** Δ in positions (vertical or horizontal) # of promotions	-Internal HR monitoring

Impact Level	Impact/Outcome	Indicators	Measurement Instrument
	Service/ Product Development	**Quantitative:** # of new services/products Δ in Sales Δ Costs	-Internal Monitoring
Organizational	Existing Service/product Improvement	**Quantitative:** Δ in Sales Δ in Costs Δ in returns/ exchanges Δ in QA Ratings (Scale) **Qualitative:** Complaints/Feedback from customers (customer satisfaction)	-Surveys - Internal Monitoring -QA
	Employee Retention	**Quantitative:** Δ in training and onboarding cost Δ in recruitment costs # of employees # of open positions	-Internal HR monitoring
	Workplace Cohesion and Morale	**Quantitative:** Δ in Efficiency rate (output/standard output) Δ in average length of employment **Qualitative** -Employee Job satisfaction* *see breakdown above	-Internal HR monitoring -Employee evaluations
	Program-related Resources (Initial teaching investment)	Cost of Training Materials including software or professional experts Cost of Facilities (e.g. rental/ conference space) Cost of other incurrence related to initiating program	-Accounting of materials
	Program- related Time (Initial Learning investment)	# of training hours Costs in Opportunity (opportunity costs)	-Accounting of time

Conclusions

This framework is useful in establishing a basis of evaluation when implementing initiatives that encourage and develop skills in intrapreneurialship within any organization. There are outcomes anticipated in crucial domains and further innovative elements that are expected in establishing new approaches to development. For further consideration, when applying this evaluation, the following implications exist.

- In theory, all impacts/outcomes can be argued as resulting in costs or benefits depending on the context and goals.
- Indicators and outcomes overlap and are interrelated to each other. For instance, higher salaries can influence job satisfaction, and job satisfaction can influence sales. However correlation does not always equal causation, and perhaps other indicators should be assessed.
- Company capacity and context should be taken under consideration.

Application Examples

The following section provides the ways in which this framework can be applied. As demonstrated, the framework can isolate specific indicators in order to address specific concerns, or additionally, be pieces to a larger analysis.

<table>
<tr><td colspan="4">Company: Innovation+
Innovation+ begins implementing a program that encourages developing new ideas of employees. After incorporating some new approaches, Innovation+ is interested in assessing if/how its impacted the company's current production of products/services.</td></tr>
<tr>
<td>Existing Service/product Improvement</td>
<td>Quantitative Indicators :
Δ in Sales

Δ in Costs</td>
<td>Sales:<table><tr><td>Period 1</td><td>Period 2</td><td>Δ</td></tr><tr><td>21,250</td><td>25,000</td><td>+16,500</td></tr></table>Costs:<table><tr><td>Period 1</td><td>Period 2</td><td>Δ</td></tr><tr><td>(-)35,000</td><td>(-)20,000</td><td>15,000</td></tr></table></td>
<td>By tracking these indicators, Innovation+ can see that their sales have increased, but importantly, their costs have decreased significantly, allowing for a greater profit margin.

*This 'benefit' can now be weighed against initial investments to teaching and learning costs</td>
</tr>
</table>

<table>
<tr><td colspan="4">Company: Hard work, Inc.
Hard work, inc. has been experiencing high turnover for the past couple of years. This causes a lot of costs in recruiting, training, and causes operations to be disrupted and slowed. As such, Hard work begins implementing a program that encourages entrepreneurial mindsets, skill, and the developing new ideas of employees. After incorporating some new approaches Hard work, inc. is interested in assessing if/how its impacted the company's workplace morale and retention.</td></tr>
<tr>
<td>Employee Retention</td>
<td>Quantitative:
Δ in training and onboarding cost</td>
<td>Training and onboarding costs<table><tr><td>Period 1</td><td>Period 2</td><td>Δ</td></tr><tr><td>15,000</td><td>7,500</td><td>-7,500</td></tr></table>
Recruitment costs</td>
<td>By tracking these indicators, Hard work, inc. can see that over these two periods training and onboarding costs were positively impacted, and there appears to be a downward trend. Recruitment Costs remained unchanged, which may be</td>
</tr>
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<table>
<tr>
<td></td>
<td>Δ in recruitment costs

# of employees</td>
<td><table><tr><td>Period 1</td><td>Period 2</td><td>Δ</td></tr><tr><td>2000</td><td>2000</td><td>-</td></tr></table>
# of Employees<table><tr><td>Period 1</td><td>Period 2</td><td></td></tr><tr><td>4</td><td>5</td><td></td></tr></table></td>
<td>explained by unfilled positions or growing need for expanding the team.

Depending on the context and capacity of the company, this could indicate positively, or at least neutral in the short term (to be reassessed medium and long term).</td>
</tr>
<tr>
<td>Workplace Cohesion and Morale</td>
<td>Quantitative:
Δ in average length of employment

Qualitative
-Employee Job satisfaction</td>
<td>Average length of employment<table><tr><td>Period 1</td><td>Period 2</td><td>Δ</td></tr><tr><td>1 year</td><td>8 mos.</td><td>-4 mos.</td></tr></table>
Employee perceptions survey (scale 1-5 survey, avg response)

Alignment with company mission<table><tr><td>Period 1</td><td>Period 2</td><td></td></tr><tr><td>2</td><td>2</td><td></td></tr></table>
Personal stake in company<table><tr><td>Period 1</td><td>Period 2</td><td></td></tr><tr><td>2</td><td>4</td><td></td></tr></table>
Task/job contentment/enjoyment<table><tr><td>Period 1</td><td>Period 2</td><td></td></tr><tr><td>2</td><td>4</td><td></td></tr></table></td>
<td>By tracking these indicators, Hard work, inc. observes a decline in average length of employment, however it may be misleading due to onboarding new employees.

A positive trend is observed in the employee job satisfaction surveys, especially in the perception of feeling to have a personal stake, and job contentment/enjoyment. Hard work, inc. can consider these results as moving further in the positive direction.</td>
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</table>

About the SEAL Project

Shaping the Employees of the Future by Strengthening Intrapreneurial Skills and Mindsets (SEAL) project is a EU Funded Strategic Partnership project in the framework of the Erasmus+ programme and is run in cooperation with organisations from 8 EU countries.

The SEAL project is specifically targeted for SMEs and aims to support employers and employees respond to the challenges that today's innovation models and the "Entrepreneurial Economy" bring to human resources and its links to SMEs' competitiveness. SEAL's main objective is to provide innovative solutions to SMEs and VET organizations/ trainers for assessing and developing employees' intrapreneurial skills and mindsets.

The project will create:

- An intrapreneurial skills training curriculum;
- An Intrapreneurship training course;
- An e-learning platform with resources;
- A manual/toolkit for trainers and policy makers

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