Determining the ROI of learning content

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What’s inside

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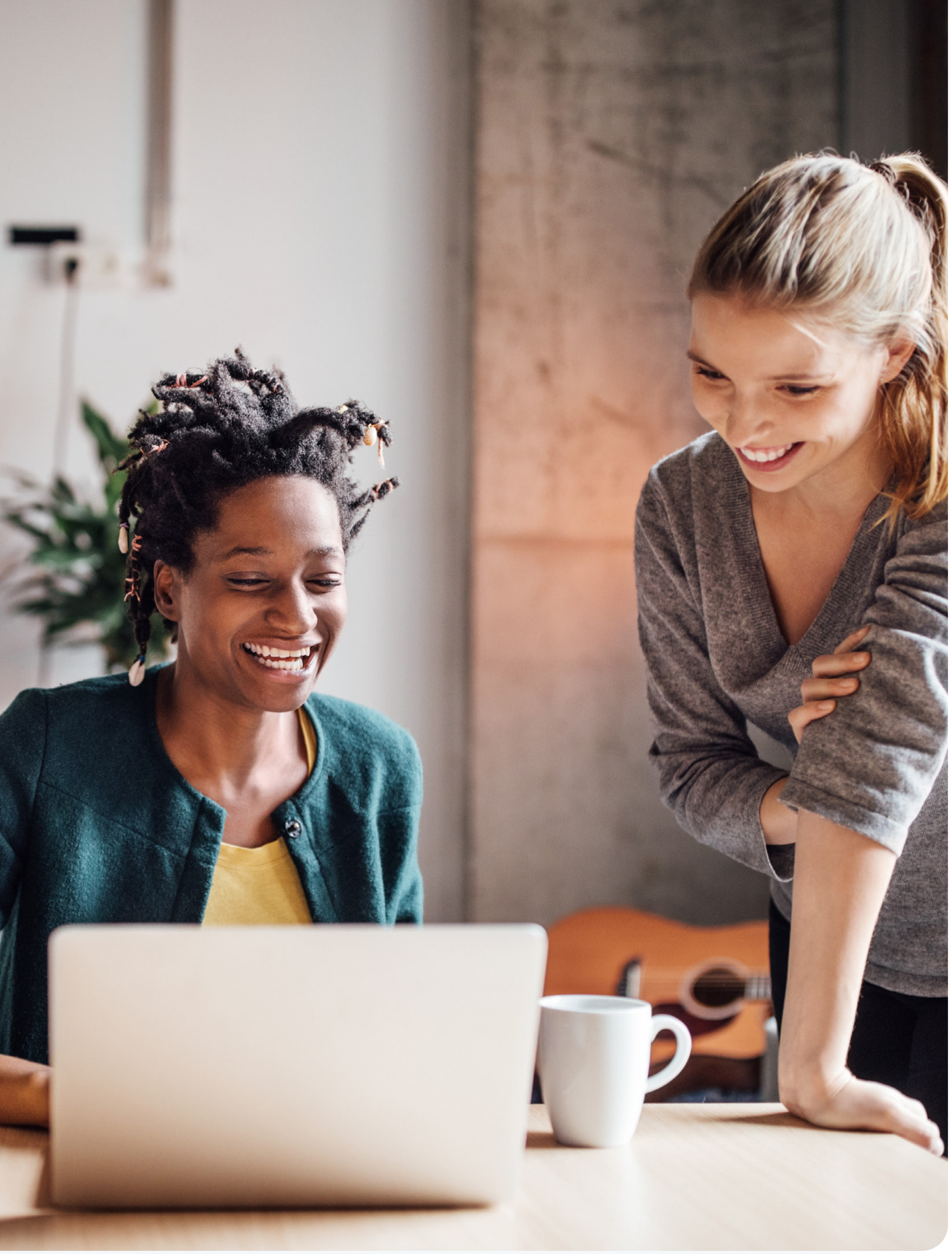

Introduction

As many as six in 10 workers will require training before 2027, but only half have access to adequate training opportunities today[1].

The same survey found that two-thirds of companies expect to see a return on investment in skills training within a year of the investment, whether in the form of enhanced cross-role mobility, increased worker satisfaction or enhanced worker productivity. However, many organizations need help determining and communicating the ROI of their learning programs.

This eBook will discuss the importance, challenges, methods, strategies, and best practices for determining the ROI of learning content. It aims to provide the knowledge and tools needed to measure the ROI of your learning content effectively, driving continuous improvement and paving the way for more strategic learning and development initiatives.

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ROI defined: what is ROI, and why is it important?

What is ROI?

Simply put, ROI measures an investment's financial gain or benefit relative to its cost. When applied to learning and development, ROI helps quantify the value or impact produced by training programs and initiatives. Whether it's increased employee productivity, improved job satisfaction, or reduced turnover rates, ROI aims to capture the tangible and intangible benefits that learning content brings to an organization.

✦ **Learning ROI** (Gain from learning – Cost of learning) / Cost of learning x 100

Why is determining the ROI of content important?

As organizations navigate evolving business environments, competitive pressures, and market dynamics, they often ask their teams to achieve more with fewer resources. Many organizations assess their technology stacks and vendor relationships to identify potential efficiencies and cost savings. We know that learning experiences and the content delivered within them are critical to building, maintaining, and evolving skills. Thus, proving the value and impact of learning content on business outcomes ensures that learning and development teams have what they need to help the organization meet its organizational strategy and objectives. This accelerates the need to prove that learning programs have a net-positive effect, which can be challenging and complex.

Don't forget the soft benefits of learning

While ROI is most commonly measured on 'hard' data or figures such as dollars, cents, and completions, many 'soft' benefits often go unquantified. These include:

- Employee or candidate experience
- Employee engagement and lifetime value
- Manager experience or satisfaction
- Administrative or curation efficiencies
- User experience

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Why determining ROI is challenging

Despite its importance, determining the ROI of learning content or programs is a known challenge for many organizations. Traditional methods often fall short, primarily focusing on direct financial outcomes and overlooking factors such as knowledge retention, behavioral changes, and long-term impacts on organizational culture. Additionally, isolating the effects of a specific learning program from other variables within a business environment can be complex and resource-intensive.

Below are some additional challenges in determining the ROI of content:

- **Lack of a baseline across the business –** We need to know if our goals, skills, and competencies are progressing or regressing, but we don't have a baseline to compare to.
- **Disconnected systems or sources of data –** The average HR environment now has more than 16 HR tools per organization[2], making it difficult to get the insights you need.
- **Lack of alignment between learning and business goals –** Organizations have varying buy-in from leadership for learning and development and visibility into business goals.
- **Attributing results to specific training –** A single training course is unlikely to move the proverbial needle. Instead, building skills and competencies takes a sustained effort of multiple learning experiences delivered over time.
- **Difficult to measure or quantify intangible benefits –** While content can contribute to an overall employee experience, it can be difficult to quantify its impact on employee engagement and job satisfaction.
- **Delayed results –** This is especially true for soft skills or outcomes realized over time, such as cultural or behavior change, making benchmarking necessary.

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How to get started with measuring content ROI: a framework

A systematic approach is best to measure the ROI of learning content. We need a starting point to improve our strategies and adjust as business needs change continually. Follow these steps to get started with measuring content ROI:

1

Start with a baseline

Establish a baseline as a reference starting point to track positive or negative progress.

2

Align to business objectives

Understand the primary business objectives and ensure that learning programs drive the skills and competencies required to achieve them. This alignment will require cross-functional buy-in, coordination, and regular measurement and communication.

3

Determine what metrics matter

Work cross-functionally to understand what key performance indicators (KPIs) the business wants to measure and report on to align learning programs with desired outcomes.

4

Identify how you'll collect and aggregate data and feedback

Determine the reporting, insights, or benchmarking capabilities available and on what time horizon. Discuss how you'll combine quantitative data with qualitative data from surveys, interpret them, and report back to the organization with recommendations.

Content ROI framework

Use this framework to create a process or methodology for measuring the ROI of content and learning programs. There will be different considerations and nuances for almost every organization, however this framework can be used as a starting point to build upon for individual needs. It's important to work cross-functionally to understand the priorities and initiatives across the organization and the outcomes its looking to drive to inform the ROI framework to ensure alignment and realization of busiess objectives.

Increasing complexity / maturity

ESTABLISH

A baseline

- Minutes spent learning
- Completion rate of assigned vs. self-directed learning
- Time spent creating content
- Time spent curating content
- Consumption by objective
- Modalities consumed

IDENTIFY

Business objectives

- Skills needed to meet organizaional objectives
- Current and future innovation and transformation projects and initiatives

DETERMINE

Metrics that matter

- Time to productivity and/or contribution
- Customer or employee satisfaction
- Cost reduction or risk avoidance
- Employee retention or attrition
- On-time delivery of projects
- Revenue performance

COLLECT

Quantitative and qualitative data

- Learning completed by objective
- Survey results
- Key performance indicator reports
- Cross-functional feedback
- Costs associated with training

BENCHMARK

Against relative peers

- Assigned vs. self-directed learning
- Skills attained
- Time spent learning
- Active learners

COMMUNICATE

Findings and recommendations

- Results
- Trends and insights
- Needs for investment or continued focus

Strategies to measure content ROI

To accurately measure the ROI of learning content, L&D professionals must adopt a multi-faceted approach that includes both qualitative and quantitative data. Measuring the ROI of content or learning programs is not a one-time effort but a continuous process to measure their impact and performance to drive repeated, predictable results.

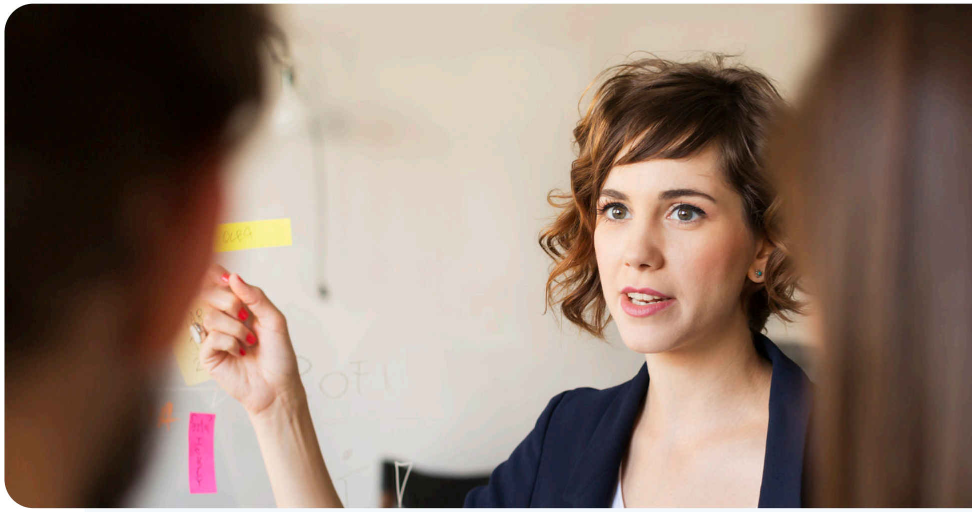
Strategies to measure content ROI:

Surveys and feedback – Collecting participant feedback before and after training can provide insights into the content's perceived value and applicability.

Performance metrics – Tracking key performance indicators (KPIs) such as productivity levels, retention rates, customer service levels, on-time delivery of projects, and sales figures helps link learning initiatives to business outcomes.

Behavioral observations – Monitoring changes in employee behaviors and attitudes post-training can highlight the practical application of learned skills.

Cost-benefit analysis – Comparing the costs of designing and delivering training with the financial benefits of improved performance and efficiency offers a clear picture of ROI.



Key questions to ask

- What are the top three priorities of the business? How is L&D expected to support these priorities?
- What are the key initiatives and projects across the business, and how is L&D expected to support them?
- How will roles (and skills) change to support these initiatives?
- What are the KPIs cross-functional leaders need or want to drive?

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Critical tips for effective measurement

1 Use a mix of metrics

To create a consistent feedback loop, use qualitative and quantitative methods, such as surveys, completion rates, self-directed learning statistics, and comparative benchmarking against relative peers.

2 Implement pre-and-post training assessments

Get a clear before-and-after picture to determine what or to what extent employees learned or improved.

3 Measure at different inflection points

Determine if there are areas of opportunity as new hires onboard, employees get promoted, during succession planning, new initiatives or projects, or in offboarding during exit interviews.

4 Use control groups

Compare the performance of groups that have been through a learning program vs. those who haven't.

5 Consider time lags

Cultural change takes longer than compliance-oriented training.

ROI use case opportunities: cost savings and efficiency

There are ample opportunities across the employee lifecycle for learning and development beyond compliance training to impact business outcomes. Let's explore a few to get started.

ONBOARDING

Metrics

- Attrition in the first 90 days
- Meeting milestones on-time
- Time to productivity or contribution
- Manager satisfaction

Considerations

- Level of experience or expertise
- Skill composition of role(s)
- Compliance requirements
- Learning preferences by job type/level

Example

Reduced 72 read-and-sign tasks to 12 essential learning experiences within the first 30 days.

EXACT SCIENCES

MOBILITY/ SUCCESSION PLANNING

Metrics

- Cost savings from the reduced recruitment, onboarding, and training
- Productivity levels (org. and department)
- Employee engagement / NPS scores
- Time to contribution

Considerations

- Skill composition of role(s) and relation to organizational strategy
- Reskilling and/or upskilling needs
- Leadership development
- Time horizon for backfill
- Knowledge transfer

Example

Achieved an 82% increase in internal promotions.

FirstBank

CONTINUOUS LEARNING

Metrics

- Self-directed vs. assigned learning
- Skill interest and demand
- NPS scores, surveys, and exit interviews

Considerations

- Personal and professional development opportunities
- Varying levels of training
- Skills and roles needed in the future
- Learning preferences and trends
- Certification prep and pathways

Example

Self-directed, self-requested learning makes up 76% of all learning.

KONICA MINOLTA

ROI use case opportunities: revenue generation

Return on investment can also be realized beyond cost savings when applied to revenue generating roles such as sales representatives or professional services. It's critical to measure both costs and revenue when determining the ROI of learning programs, especially when training directly impacts the ramping speed and quality of new hires or employees transitioning into new roles.

REVENUE-GROWING ROLES

Metrics

- Time to first sale or billable hours
- Meeting milestones on-time
- Manager satisfaction
- Retention
- New hire/employee survey scores

Considerations

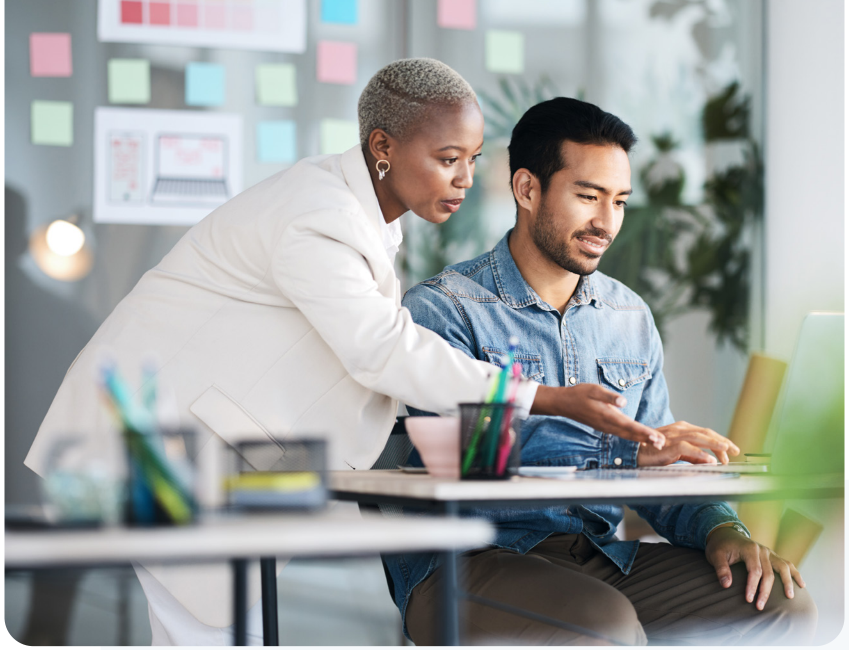
- Levels of experience
- Industry knowledge or subject matter expertise
- Skill composition of role(s)
- Learning preferences by job type/level
- Cross-functional coordination and systems and/or process training

Revenue impacts when time to contribution is sped up through effective onboarding, crossboarding, and training.

NUMBER OF BILLABLE HOURS	FASTER TO REVENUE BY 1 DAY	FASTER TO REVENUE BY 1 WEEK	FASTER TO REVENUE BY 3 WEEKS
50	$56,000	$280,000	$840,000
100	$112,000	$560,000	$1,680,000
500	$560,000	$2,800,000	$8,400,000
1,000	$1,120,000	$5,600,000	$16,800,000

Assumptions:

- 70% utilization rate
- $200/hour bill rate



Additional real-world examples underscore the practical benefits of measuring content ROI, such as:

Customer service training resulting in reduced call handling times and increased customer satisfaction scores.

Leadership development programs leading to higher employee engagement and lower attrition rates.

Technical skills workshops yield faster project completion times and fewer operational errors.

Did you know?

- Reskilling costs $24,800 per person (WEF)[3]
- Time to hire went up by 20% last year (Josh Bersin)[4]
- Average cost per hire: 3-4X a person's salary (SHRM)[5]
    - Ex: a $60,000 salary would cost $180,000 overall (including productivity losses, recruiting, onboarding, training costs, etc.)
- 83% of people want career advancement opportunities (Edelman)[6]

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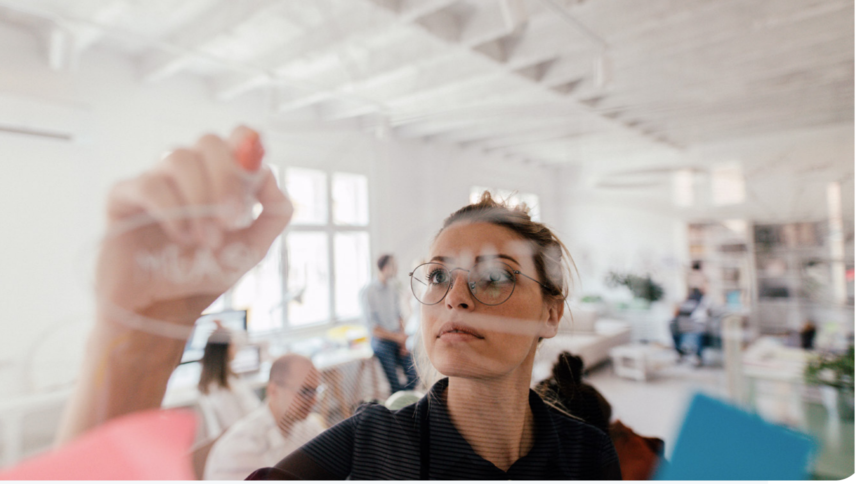

ROI in practice: Forrester total economic impact of Cornerstone Galaxy

Background

Forrester interviewed five global organizations, aggregated the interviewees' experience and combined the results into a single composite organization: a hypothetical manufacturing organization with 5,500 employees and a revenue of more than $1 billion.

Prior to Galaxy

Organizations relied on fragmented systems for learning, talent management, and recruitment, leading to disjointed processes with multiple inefficiencies.

Challenges

- Cost-inefficient operating models
- Decentralized administration
- Lack of visibility into workforce skills
- Inconsistent onboarding
- Ineffective content curation
- Inefficient time developing content and excessive and duplicative spending producing it
- Reactive approach to development costing time, money, and efficiency

Key results

- Streamlined administrative processes
- Increased internal mobility
- Improved employee engagement
- Increased retention through more personalized learning pathways
- Reductions in compliance risk
- Improved recruitment efficiency, leading to substantial cost savings

Benefits

- **ROI – 443%**
- **Benefits PV – $26.54M**
- **Net present value – $21.65M**
- **Payback – <6 months**
- Value of upskilled employee base – $6.2M
- Savings from reduced time to hire – $8.6M
- Reduced employee time to productivity - $2.4M
- Content consolidation savings – $1.9M
- Compliance savings - $7.4M

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Key takeaway

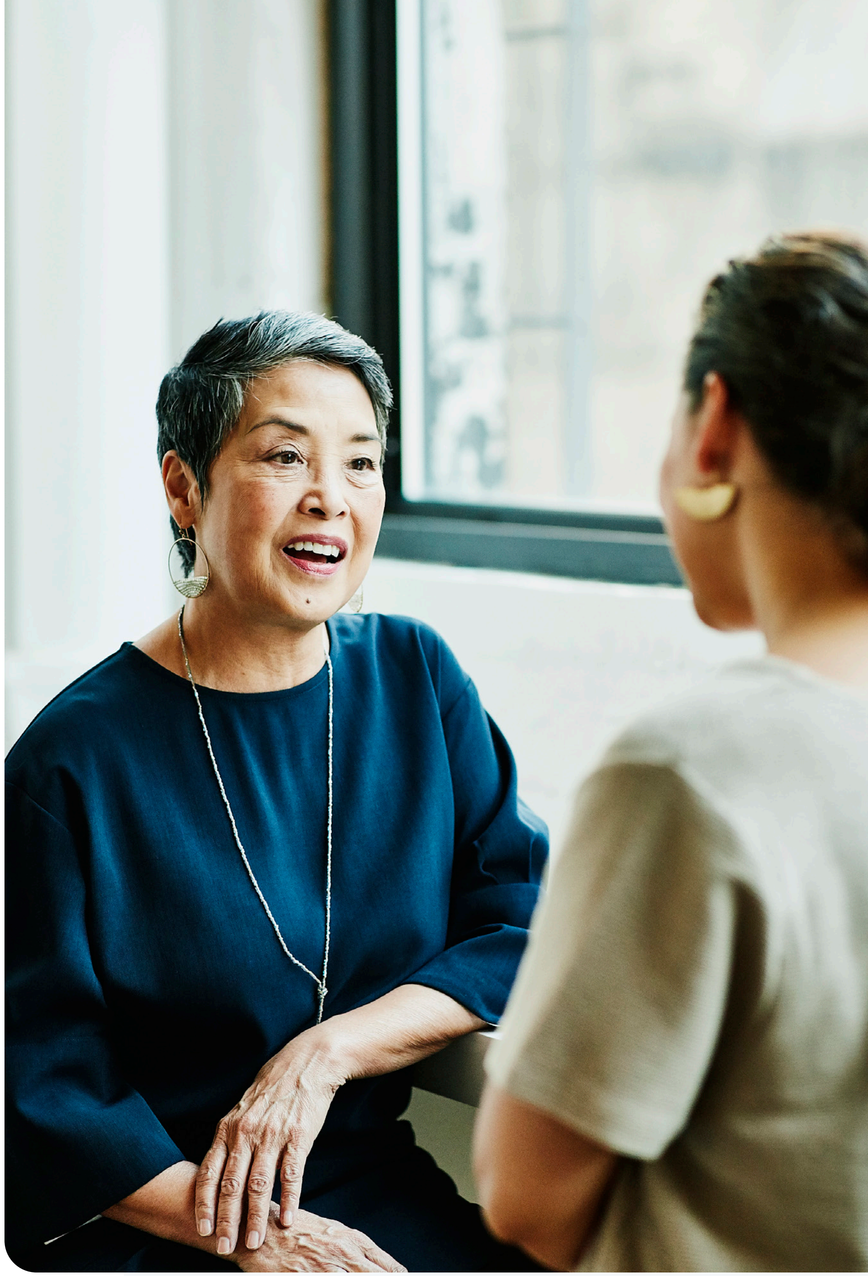
Content and learning programs live within a broader talent strategy which can change and evolve over time. The impact and results of these programs are reliant on other teams, technology, and time in motion. A holistic strategy that is sustained and measured over time enables organizations to realize a desirable return on their investments.[7]

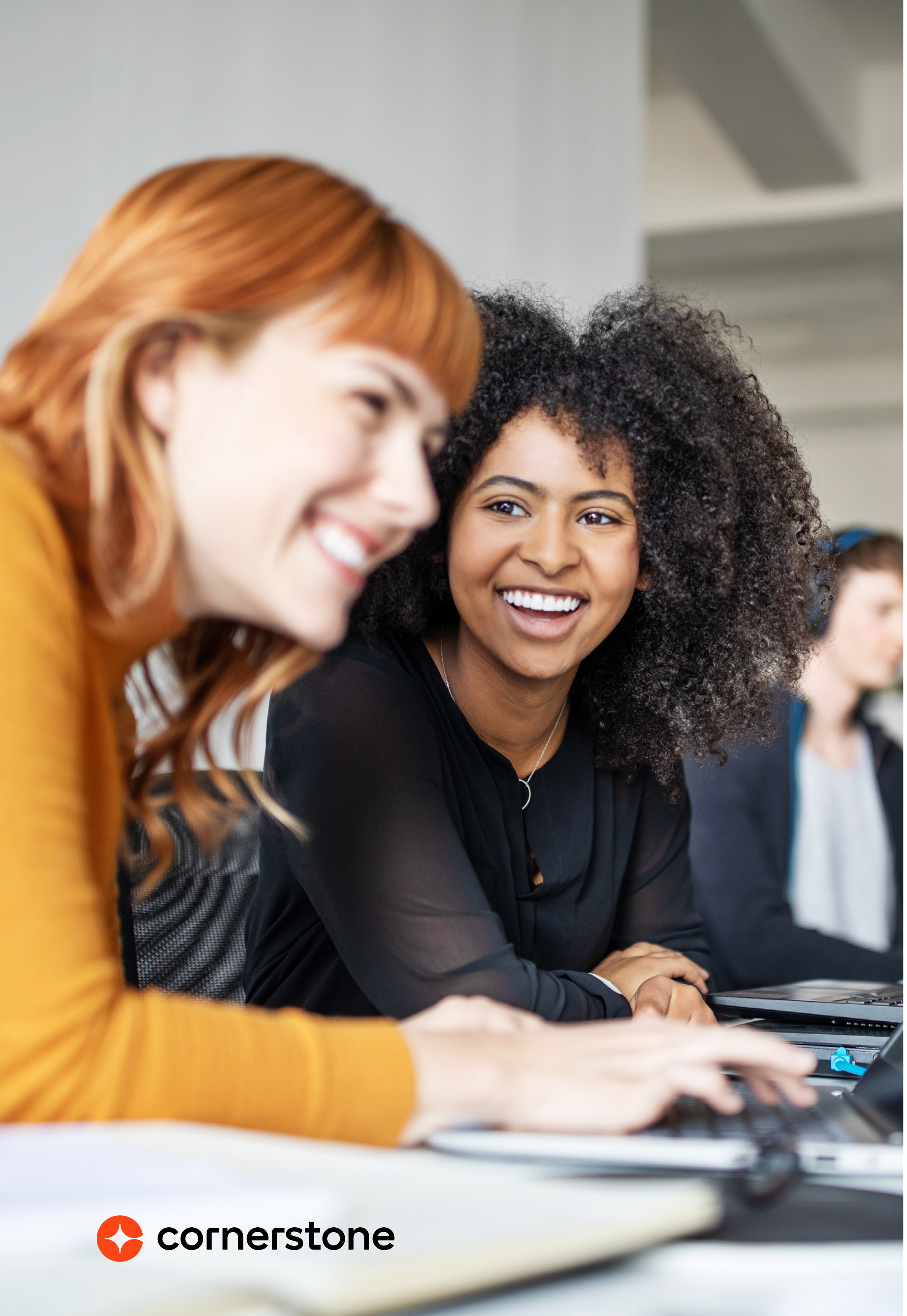
Content ROI best practices

Organizations are constantly evolving — and so are employees. A systematic process for measuring the value and impact of learning programs allows for continuous improvement. Stagnant programs will deliver diminishing returns over time, impacting organizational performance, employees' perception of the organization, and their opportunities to grow and develop in current or future roles.

Use these best practices to set the foundation for success:

- **Align learning goals with business objectives –** Ensure training programs directly support organizational goals and priorities.
- **Use a blended approach –** Combine quantitative and qualitative data to view training effectiveness comprehensively.
- **Involve stakeholders early –** Engage key stakeholders in the planning and evaluation to gain buy-in and support.
- **Communicate goals to employees –** Connect learning to organizational outcomes to help employees understand the purpose and desired outcomes of the learning experience(s).
- **Use a mix of modalities, styles, and presenters –** Meet learners where they are and ensure adequate representation to serve a multigenerational, diverse workforce, driving engagement, consumption, and perceived value of your organization's learning programs.
- **Market your learning programs –** Keep employees and managers in the loop about learning opportunities, initiatives, and programs.
- **Continuous improvement –** Regularly review and refine your strategies to adapt to evolving business needs and trends.





Conclusion: unlock the potential of your learning programs

By applying these principles, L&D teams can avoid guesswork and provide concrete evidence of their program's value. Investing in employee development is not just a cost but an opportunity for growth and a competitive advantage. With solid evidence of return on investment, L&D professionals can secure support and resources to continuously improve and deliver high-quality training that drives business results. Also, L&D teams can be strategic partners in their organization's success and play a critical role in giving employees a compelling reason to stay.

Endnotes

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