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ELEARNING DESIGN AND DEVELOPMENT

## Factors of eLearning in Business ROI

*This article explores the relationship of eLearning and Return of Investment (ROI). Measurable factors in eLearning provide positive relationship to profitability, productivity, and performance. What other factors would you identify? Join in the conversation*



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Training is essential to the success of any organization as the premise that a well-educated workforce will pay dividends as a return of investment (ROI). Research is indicative of several factors leading towards an influence of ROI as a result of sound training content and delivery. In the modern workplace, digital training is providing a much required capability in eLearning to even the most austere operations and organizations. Why is this happening?

eLearning platforms have gone global!

Return on investment, better known as ROI, is a key performance indicator (KPI) that's often used in businesses and corporations to determine profitability, productivity, and performance as a result of expenditure (investment) in a particular asset. ROI is a proven and useful method for measuring defined success over time to make future business decisions. The ability of organizations to calculate return on investment is extremely valuable for any operation. Because knowing where resources are allocated is a basic concept that both management and employees need to understand in order to strengthen organizational financial success. ROI calculations, provides a better understand how good a business is doing and which areas could use improvement to help achieve strategic goals and objectives.

ROI calculations for eLearning would include additional factors than just attending a course or completing a course online on-time. However, it is relatively easy, first, quantify the organizational marginal gains before and after the implementation of eLearning programs; second, quantify the total cost associated to the eLearning program, then, divide the business gains from your investment by your eLearning cost over a period of time to conclude with a percentage or ratio. Accurate (eLearning – ROI) calculations provides numerous advantages. Knowing the investment's impact on your organization to determine how to allocate resources but most importantly how are employees empowered with the gained knowledge to make any organization thrive. As a result, eLearning is one of those investments that can provide a multiplying positive effect on measurable organizational profitability, productivity, and performance.

Organizations of all kinds and sizes are now benefitting from eLearning solutions that are now easily available and accessible to every corner of the globe. Science and technological advances are now providing the infrastructure to make knowledge available to millions to the point where the corporate function of training and development through eLearning becomes a seamless effort to assist decision makers in making sound investment decisions. The correlation of eLearning and ROI factors seem to be a positive relationship that would enhance managerial functions like hiring new employees, developing sales strategies, and adding new products or services.

Socio-economics and technologically relevant training are reshaping training as we know it. However, how is this translating to corporate performance, improvements in job skills and profitability? Well, "the jury still out", most teaching-learning functions at the corporate level are still measuring the typical "knowledge gap". According to Reich (1983), organizations define training success as a result of measuring "the gap between what the trainer teaches and what the trainee learns" by administering pre and post assessments which provide data to evaluate the effectiveness of a training program.

However, this is now 2018, the sophistication in evaluation of training programs demands the measurement and observation of correlation significances of training impacts on social, institutional, and economic domains. For instance, resource persons are much more interested in the training evaluation processes because corporate decision makers exert their influence on the implementation of training programs that will increase ROI. Scientific and quantitative methods are not very popular in measuring training effectiveness correlated to profitability in the business world. Nevertheless, progress in this area is steadily moving forward, but more research is necessary. For instance, scientific research would study dependent variables like knowledge gain, job performance, training effectiveness, cost reductions, and customer satisfaction to determine their influence from implementation of corporate eLearning programs. In 2009, Rajeev, Madan, and Jayarajan provided, in their study of Kirkpartrick's model of evaluation of an academic training courses, the hypothesis that for the success of any academic program, it is necessary that every course should have an in-built monitoring and evaluation system.

Clearly, research continues to evolve to demonstrate how eLearning is contributing to a business or organization's dependent variable, for instance, how eLearning contributes to an ROI index as dependent variable, in which previously outlined dependent variables become the independent variables of a research to measure the real "bottom line".