

Positive Elearning ROI: 6 Tactics for Success



How can you and your organization demonstrate positive eLearning return on investment (ROI)?

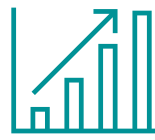
Find out in this guide, which describes six key strategies.



Identify



Define



Establish



Understand



Consider



Measure

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Why eLearning?

eLearning revolutionized how individuals, teams, and entire organizations build skills and knowledge. Measuring the effectiveness of eLearning is critical to confirming it delivers tangible benefits. Inability to justify value and success erodes stakeholder buy-in and discourages project champions.



Identify Needs

At its core, eLearning is about solving problems. But it's not enough to see problems only from the learner or manager perspective. You also need to understand the business case for eLearning.



TACTIC NO.1

Identify Training Needs

Identify training needs in ways that stakeholders will understand by mapping them to the needs of the business. To get started with an eLearning initiative ask, “What are we trying to shift? Do we need a training strategy to move the business forward? Do we need to adjust operations to streamline day-to-day activities?”

EXAMPLE:

The sales team at a manufacturing company doesn't know how to effectively use a new cloud-based application. Impacts of this include lack of data centralization, a decrease in team collaboration, and an increase in an already present skills gap. Productivity is down 15 percent. Employee morale and retention is a big problem.

The need is evident. The company needs to invest in providing the sales group with training opportunities that get all team members up to speed.



Define

It is important to define the eLearning goals for your organization. It's even more important to define and set the right goals.



TACTIC NO.2

Define Goals

With your needs in mind, set goals in collaboration with key stakeholders. Discuss what a successful eLearning program would look like.

EXAMPLE:

An organization seeks to increase employee productivity so it deploys a new software application. Currently, each employee spends an average of two hours per week contacting IT for help or searching online for assistance getting unstuck. IT is swamped with requests, leaving inadequate time to work out bugs following the software launch.

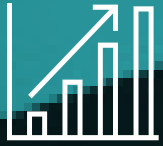


GOALS MIGHT INCLUDE:

75% reduction
in software-related IT help requests.

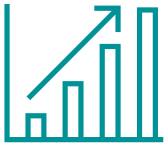
100% of employees
trained on the new software in 3 months.

Ongoing training
opportunities for power users.



Establish

Success metrics should support training needs and confirm that the goals you set are met. Align your metrics with your goals. Good metrics help benchmark success, and discussing metrics with stakeholders provides clear understanding of the data you need to collect.



TACTIC NO.3

Establish Your Success Metrics

The Kirkpatrick Model, based on four levels of learning evaluation, shows how to measure the effectiveness of an eLearning program.

EXAMPLE:

If the goal is to get 100 percent of a sales team trained on new software, then success metrics should measure knowledge building. They also should evaluate the result of that learning, or the business impacts.

Your reporting might include:

- Number of training registrants (measure reaction to learning opportunities)
- Number of IT tickets created before and after learning took place (measures behavior change)
- Hours spent on training per employee

Metrics to Measure Success





Understand

To fully understand the benefits of eLearning, analyze the costs. This includes immediate and ongoing administrative and subscription costs.



TACTIC NO.4

Understand Your Investments

PERSONNEL COSTS

These costs cover internal employee and external contractor wages. Also factored into the equation are project direction, development, management, and administrative expenses.

PLATFORM COSTS

These costs cover the monthly or annual eLearning provider subscription. Price varies depending on the solution and contract terms.

HIDDEN COSTS

These costs are associated with transitioning to a new learning program, as well as personnel disruptions, resource reallocations, existing project deferrals, and team realignments.



Consider

Consider the benefits. Elearning offers a wide range of benefits. They may not all apply to your organization, but it's likely that a significant number will.



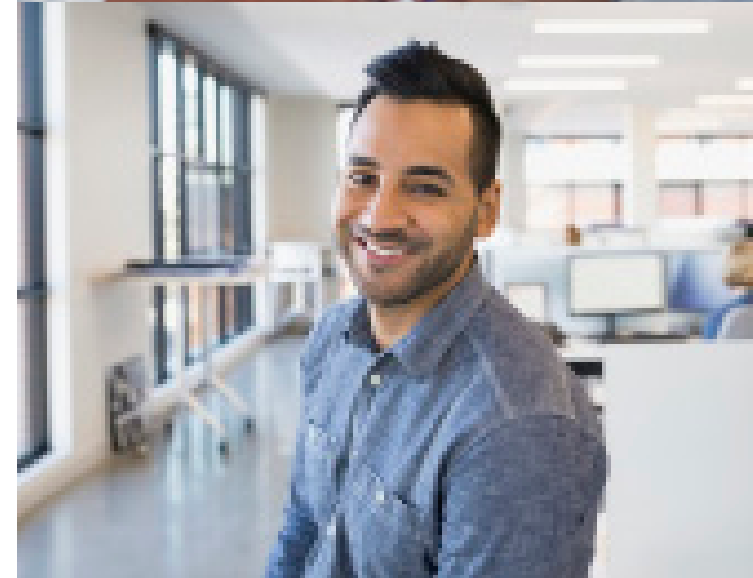
TACTIC NO.5

Consider the Benefits

Some benefits can be quantified. These include training cost reductions, productivity changes, time, and quality. All are examples of hard data.

Other benefits are more difficult to quantify—but are equally important—including customer service changes, morale, creativity boosts, talent development improvements, and organizational culture shifts.

In addition to these, discuss potential benefits specific to your organization.



Benefits: Additional Discussion

REDUCTION OF TRAINING COSTS

Producing learning content or sending employees to training offsite takes time and costs money. But eLearning happens online, reducing inefficiencies and expenses. ROI goes up when a course costs nothing to develop and is easily accessed.

REDUCTION OF TIME SPENT TRAINING

In 2013, the average employee spent 31.5 hours in training, with 55 percent of that occurring in a classroom setting, according to the 2014 Association for Talent Development (ATD) State of the Industry report. But eLearning lets individuals learn at their own pace at times that work best for them. A Brandon Hall Group study reported that eLearning requires from 40 to 60 percent less employee time than when the same material is delivered in a traditional classroom setting. You can calculate the reduction in training time against each employee's salary to realize the savings.

IMPROVEMENT IN TRAINING SUCCESS

Classroom-based instruction is frequently "one-size-fits-all." But instructor-led training supplemented with eLearning has the highest success rate, because it lets in-person training sessions be focused and personalized to audience needs, according to Learning Solutions Magazine. Trainees can consume eLearning training outside of the classroom setting and later come to in-person sessions equipped with knowledge for meaningful discussions.

IMPROVEMENT IN EMPLOYEE ONBOARDING

Organizations lost nearly a quarter of all new employees within a year, according to the 2012 Allied Workforce Mobility Survey: Onboarding and Retention. Major contributing factors were underperforming onboarding programs and lack of training. The study indicated that the cost of not training new employees properly is steep. Filling one position costs on average \$10,731 not including relocation costs, which alone can reach more than \$20,000.

But eLearning allows an organization to streamline onboarding by getting new hires quickly up to speed on software and skills related to their roles. According to the Aberdeen Group: Onboarding Benchmark Report, organizations reported that effective onboarding improved retention rates by 52 percent and time to productivity by 60 percent. For employees, long term outcomes of successful onboarding included job satisfaction and organizational commitment.

To learn more about how to streamline onboarding, view our guide [Leverage Learning to Onboard Top Talent >>](#).



EFFECTIVE ONBOARDING

Improved Retention
Rates by **52%**

and time to

Productivity by **60%**

**Aberdeen Group Onboarding Benchmark Report*

IMPROVEMENT IN EMPLOYEE RETENTION

Employees who are not provided training opportunities are more likely to find new jobs, according to the Harvard Business Review. But eLearning allows employees to experience continuous development opportunities, making them feel more connected to their roles. And having a next level of training always available creates an environment of perpetual challenge, encouraging the development of a learning culture. The Society for Human Resource Management (SHRM) describes the cost to replace an employee as 50 to 250 percent of annual salary and benefits.

FEWER ONLINE SEARCHES

Employees spend hours online looking for answers to simple questions in a vast sea of information. But effective online training provides instruction on a wide range of subjects and software applications, aggregating answers in a single resource with a consistent level of quality.



INCREASED PRODUCTIVITY

Elearning provides ongoing training opportunities, which can boost productivity (often measured by units produced, items sold, forms processed, and tasks completed). According to an IBM report, companies that use eLearning tools and strategies have the potential to boost productivity by up to 50 percent. For every \$1 that company spends on training, it realizes an estimated \$30 worth of productivity.

LEARNING PROGRAM ROI CALCULATOR

Plug your data into this equation to evaluate the potential productivity gains and calculate the ROI of your learning program.

$$\left[\left(\frac{\text{Average Salary Per Employee}}{\text{Hours Worked Per Year}} \right) \times \text{Hours Saved Per Year Organization Wide} \right] - \text{Cost of eLearning Program}$$

Cost of eLearning Program

INCREASED EMPLOYEE ONBOARDING

Employee engagement is a challenge at many organizations. But workers provided training that relates to their jobs and supports personal growth are more likely to feel completely engaged and connected to the workplace, according to the Harvard Business Review.

When employees are not engaged, they don't put energy or passion into work. Actively disengaged employees are distracted and unhappy. Gallup reports that 30 percent of employees are engaged, 52 percent are disengaged, and 18 percent actively disengaged.

A disengaged employee costs an organization approximately \$3,400 for every \$10,000 of salary (Gallup). But organizations with highly engaged employees can decrease turnover by 87 percent (Human Capital Institute).

When compared to competitors, organizations with high employee engagement are 12 percent more profitable and 18 percent more productive (Human Capital Institute).

EMPLOYEE ENGAGEMENT COST



A disengaged employee costs an organization approximately **\$3,400 FOR EVERY \$10,000 OF SALARY**



Organizations with highly engaged employees can **DECREASE TURNOVER BY 87%**

**Gallup*

Often, organizations struggle with how to measure employee engagement.

Gallup proposes asking employees to respond yes or no to the following statements:

YES NO

- | | | | |
|--------------------------|--------------------------|--|-------|
| <input type="checkbox"/> | <input type="checkbox"/> | I know what is expected of me at work. | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | At work, my opinions seem to count. | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | I have the materials and equipment I need to do my work right. | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | The mission or purpose of my company makes me feel my job is important. | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | At work, I have the opportunity to do what I do best every day. | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | My associated or fellow employees are committed to doing quality work. | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | In the last seven days, I have received recognition or praise for doing good work. | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | I have a best friend at work. | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | My supervisor, or someone at work seems to care about me as a person. | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | In the last six months, someone at work has talked to me about my progress. | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | There is someone at work who encourages my development. | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | This last year, I have opportunities at work to learn and grow. | _____ |

A LEADING INDICATOR OF EMPLOYEE ENGAGEMENT IS THE EFFECTIVENESS OF A MANAGER.

Effective managers empower employees, recognize their contributions, and seek their input. It takes a specific skill set to be a great manager. Companies that hire or promote effective managers increase the odds of successful employee engagement. A manager role should be viewed as unique and requiring a specific skill set.

Explore these Lynda.com resources designed to help managers be more effective.

NO.1

Develop

Empower managers to coach and develop employees, build business relationships, and provide effective employee feedback.

[Your Guide + Workbook to Developing Employees Into Leaders](#)

NO.2

Delegate

Explore one of the keys to managerial success—the ability to effectively delegate responsibility. When managers delegate work to employees, they develop employees' confidence, leadership, and work skills.

[Delegating Tasks to Your Team](#)

NO.3

Communicate

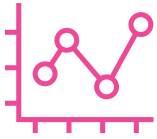
Effective communication is a fundamental management skill. Explore how to provide feedback—both good and bad.

[Fostering Collaboration](#)



Measure

You've identified needs, set goals, established success metrics, analyzed investment costs, and considered likely benefits. Now it's time to measure your eLearning success.



TACTIC NO.6

Measure Training Success

CONDUCT A SURVEY

Distribute pre- and post-learning questionnaires to a variety of employees from numerous departments—including individual contributors, managers, and executives. Make sure respondents represent a cross-section of your organization.

Conduct the pre-learning survey one month before eLearning begins. Share the post-learning survey two months later.



PRE-LEARNING FEEDBACK SHOULD COVER:

- The effectiveness of current training initiatives
- Current opportunities for learning and development
- Emphasis placed on learning and development
- Resources used for career growth or skills development

POST-LEARNING FEEDBACK SHOULD COVER:

- The effectiveness of eLearning and new training initiatives
- Current opportunities for development
- Emphasis placed on learning and development
- Skill increases realized as a result of eLearning
- Resources used to help in career growth or skill development

TEST A FOCUS GROUP

Analyze impacts by researching the effects of your eLearning program. Invite employees to participate as members of a control group. Test their skills before and after eLearning.

USE ASSESSMENTS

Assessments help learners and their organizations measure improvement. Organizations that use eLearning solutions offering assessments can verify that time spent training was worthwhile.





Achieving Success

Using these tactics, you can be better equipped to demonstrate that your eLearning program has positive ROI. You will have successfully identified training needs, defined your goals, and established what success looks like. By understanding the costs and benefits of your eLearning program, and how to measure learning, you can set the stage for success.

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