



Insight Edge – Maximise Returns on Investment in People Using Edge ROE

Dr Gillian Robinson – Director, Edge Plus Global Ltd

Edge Plus Global is a company that has a proven track record of developing innovative learning programmes and assessment tools that raise leadership and business partner capability within organisations.

We encourage our clients to measure the benefit of our learning interventions using our unique Return on Expectations (ROE) tool. We passionately believe that what we deliver must have a positive impact on the bottom line so we encourage our clients to start to analyse their learning programmes as if they were capital investments. Using our unique Return on Expectations online tool we can demonstrate the value and business impact of the programmes we run for any organisation.

Only if training is properly evaluated can organisations begin to target investment in people development to get the maximum returns possible and ensure that investment is aligned with business strategy.

We primarily deliver face-to-face, virtual and blended learning solutions for our clients and we would like to share some insights from the last 5 years. Our ROE tool enables clients to assess the benefits of different methods of training delivery, not just from the programmes we deliver, but for all their training interventions which enables them to make informed investment decisions.

From an Edge Plus perspective the ROE tool enables us to continuously improve the programmes we deliver for clients and enables us to provide better value and increased benefits for an organisation.

Edge ROE Model

The model we use is based on the Kirkpatrick/Phillips model for evaluating learning and development interventions. It broadly measures the benefit-cost ratio and creates a quotient from 10 to -10. A 0 quotient means that there is no net gain or loss for the business, a negative quotient means that for the investment in learning no tangible benefit has been delivered to the business and a positive number means that a tangible benefit from the investment has been delivered to the business. The higher the number, the greater the benefit. The Edge ROE tool takes into account all direct and indirect costs associated with the learning and development intervention, as well as motivational factors, and tangible business impact. The quotient is then converted back into currency to give a financial measure of the business impact.



The Return on Expectation (ROE) is a relative quotient which provides an indication of the impact the learning intervention has had on the participant's personal development and the difference it has made to the business relative to the cost of the programme.

ROE is calculated at an individual level which enables insights into gender, age, ethnicity and grade to be evaluated as well as different learning solutions.

Face to Face vs E-learning

Face to face learning events can be perceived as expensive and can take significant effort internally to persuade stakeholders of their merits and business impact. Learning through technology can be seen as convenient, timely and in most cases extremely low cost. We examined the results of 75 learning interventions from different methods of delivery with clients we have worked with over the last 5 years.

The results from 25 programmes from each delivery method were considered (*Figure 1*). All face to face and virtual programmes targeted softer skills i.e. skills required for leadership and business partnering within organisations whereas e-learning covered a variety of topics, some mandatory with specific time requirements, others left to the individual to complete.

Figure 1: Average ROE by Delivery Method

Delivery	Description	ROE Range	Average ROE
E-learning	Self-directed, work to own pace	-2.0 to 1.6	0.2
Virtual Journey	Self-directed, blended learning with peer interaction, live webinars and virtual coaching. Programmes over 3 and 6 months.	2.5 to 5.0	3.4
Face to Face	Facilitator led, interactive role plays, peer interaction, coaching. One or two day programmes, some with follow up interventions at 1, 2 and/or 3 months.	4 to 8.5	6.8

We found e-learning delivered the lowest ROE and face to face learning interventions delivered the highest and therefore the greatest business impact. Within the range for e-learning we found mandatory e-learning programmes, for example risk and compliance, health and safety etc. had the highest ROE.

We found the face-to-face programmes which had the highest ROE were those which had follow up interventions such as coaching, manager and peer interactions.

Virtual programmes that had the highest ROE were those that had the greatest number of peer and/or coaching interactions and were supported by their manager.

Regional Differences

When we looked at face to face and virtual programmes, there were some regional differences in terms of business impact (Figure 2).

Figure 2: Regional ROE Comparisons

	Western Europe	Eastern Europe	Africa/Middle East	Asia	Australasia
Average Individual ROE	4.25	6.3	5.5	7.4	4.3

Consistently, individuals from Eastern Europe and Asia scored higher average ROE's than those from other regions. There was no difference in ROEs for e-learning.

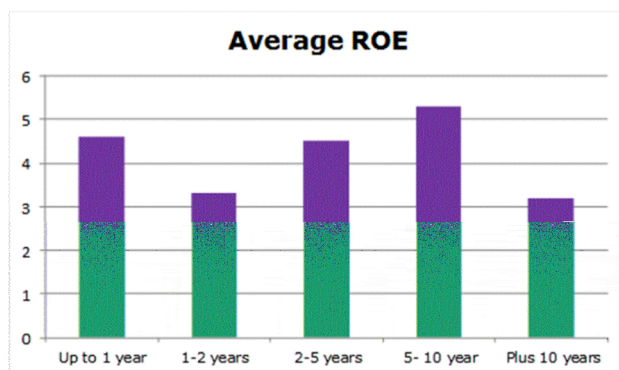
Gender, Grade and Time in Role

We consistently found that women had individual ROEs 10% higher than men for all face-to-face and virtual programmes. In other words investment in women had a greater tangible business impact and return on investment.

In terms of grade/seniority within an organisation we found that average individual ROEs were 14% higher for individual contributors or team members. Within the manager population we found that average individual ROEs for the senior/executive population were 30% higher than the rest of managers accessing face to face and virtual programmes. In other words, the lower and higher grades demonstrated greater tangible benefit to the organisation as a result of investment in face-to-face or virtual learning programmes.

When we looked at time in role an interesting profile emerged for face to face and virtual programmes (Figure 3).

Figure 3: Time in Role ROE



Those currently in a role for between 1 to 2 years and 10 years or more had the lowest average ROEs. This may reflect their career stage and attitude towards personal investment in learning. ROEs were still positive so tangible business benefit has been delivered as a result of investment in learning and development. However, ROEs were at their highest for individuals in role between 5 and 10 years. This could be for a number of reasons – such as the need to further develop key skills in order to move roles or increase accountability within an organisation i.e. creates opportunities to improve vertical mobility.



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Summary

While learning through technology is a low cost and convenient method of delivering learning for organisations the ROE remains relatively low compared to face-to-face and virtual programmes which have a high degree of interaction. Both methods of delivery are facilitator led which enables content to be flexed to ensure relevance to participants. Manager awareness and support is usually high both before and after the programme. Significantly higher ROEs can be achieved if these programmes have follow up events. Our results show that 30% more value can be added to the business if one or more events occur within 3 months. This value can be further increased by 10% if one or more follow up events occur within the second 3 month period following a face to face learning programme.

If you'd like to learn more about the Edge ROE tool or other Edge Plus Global services and how we can support and target investment in people to maximise tangible business impact, please contact us now to arrange a no-obligation meeting where we can discuss your specific requirements.

Contact us now on:

+44(0)7729 624618

info@edgeplusglobal.com

edgeplusglobal.com