



The returns from training

Putting a dollar value on the benefit to employers

Research forum – December 2017

Objective

Goal

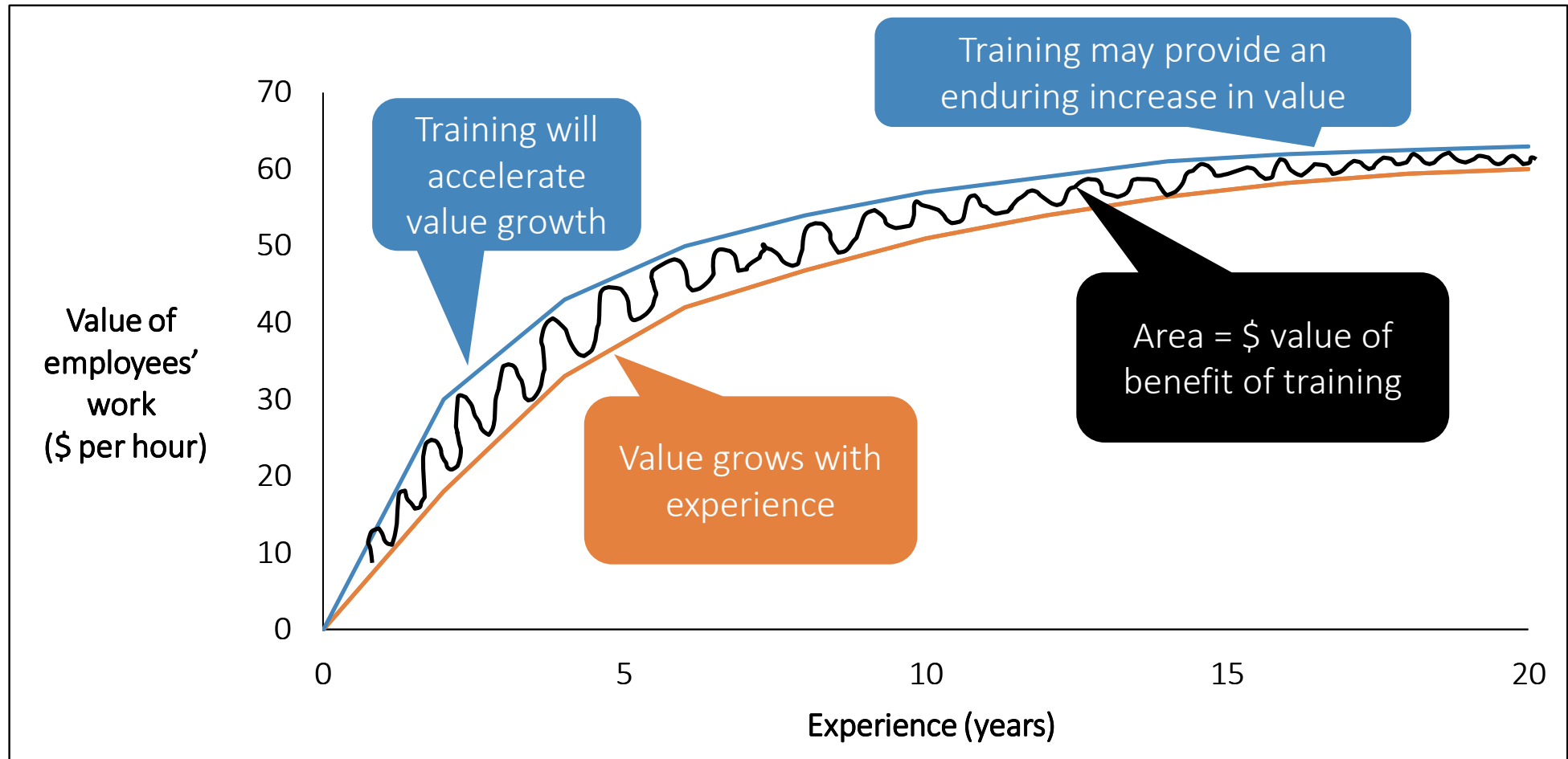
Attribute a dollar value to the benefit of training from employers' perspective

Get credibility by

- Using a simple, robust model
- Using employers' own views for the key inputs
- Benchmark employers' inputs and results

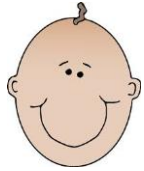
The model

Value of employees' work



What is the impact of a **level 4 qualification** on the value of an employee's work?

How do you rank...?



John
No experience
No qualification



Fred
3 years experience
No qualification



Harry
3 years experience
Level 4 qualified



Barry
6 years experience
No qualification



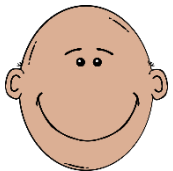
Will
6 years experience
Level 4 qualified



Mark
10 years experience
No qualification



Terry
10 years experience
Level 4 qualified



Wayne
20 years experience
No qualification



Kevin
20 years experience
Level 4 qualified



Rank

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9

What is the value gap?

1. Highest ranked to lowest ranked
2. Highest ranked to second highest ranked
3. ...

Survey

[Bit.ly/roi_survey](https://bit.ly/roi_survey)

Results after lunch

Other assumptions

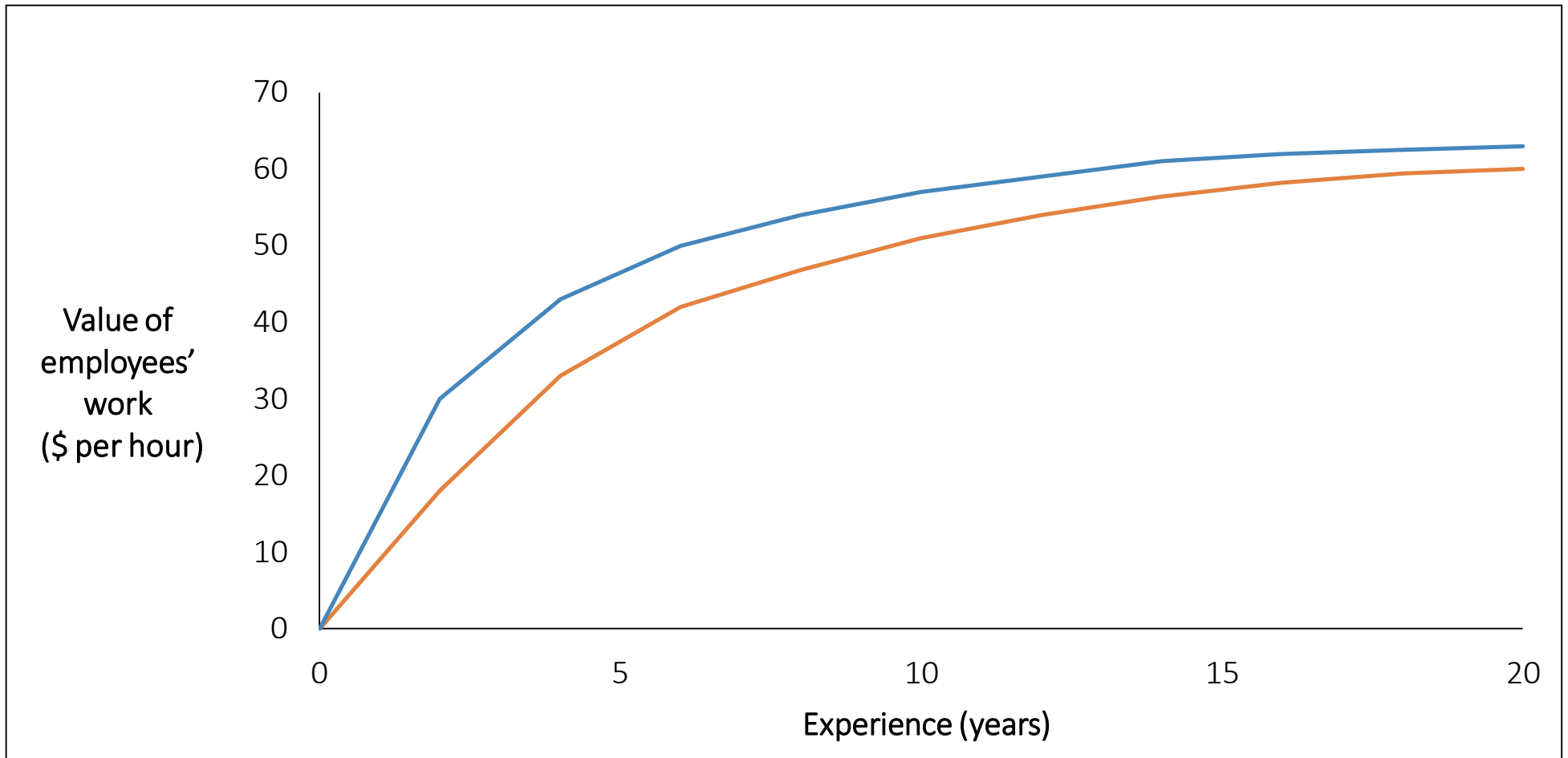
Costs of training

- Course fees \$975
- Employee lost time \$5,280

Staff churn - 50% over 3 years

Wage impact - Benefit of training is 'shared' 50/50 between employer and employee

Consensus value curves



Return on investment

4.3 to 1