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EBOOK

Proof Points: The ROI of Employee Learning & Development



A Refined Look At Training

Digging deeper on the metrics behind the value of L&D

With the economy seemingly settling into a years-long “cautious” mood, there appears to be a trend in workplace learning and development (L&D) focusing on “hard skills.” Amid an uncertain economy and a not-so-quiet AI-centered revolution, is a trend to examine the return on investment (ROI) of learning. Learning teams are gaining efficiencies with generative AI tools while being asked to deliver more value with the resources provided.

Individual learning programs will benefit from having a clear business case with defined metrics to survive the increased budget scrutiny. Each program should have an obvious “why” created from the many “what if” scenarios that surround each opportunity. This eBook examines the crucial elements of any meaningful ROI study on learning programs.

Tempering Hard Skills

Ongoing demands for increased productivity are sending many companies to look for more efficient uses of their L&D resources. In fact, one [survey](#) shows the average number of hours spent in training dropped from 57 hours in 2023 to 47 hours in 2024. However, that same survey reported that industries such as manufacturing, professional services, and retail are increasing spending on learning, with small businesses (100-999 employees) noting the highest increase.



For those industries especially, fostering innovation through hard skills development can help companies create a competitive advantage. Among the top 3 anticipated expenditures for 2025 are simulation tools, additional online tools, and business skills training. A direct line from training to innovation makes a clear argument for the return on investment of learning.

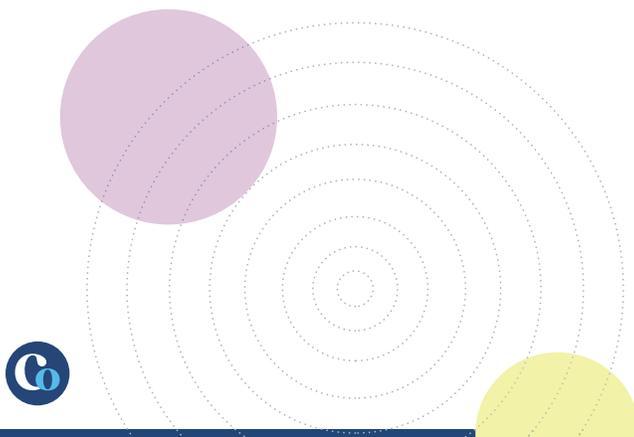
Top 3 Priorities for Learning and Development spend in 2025

30% Increasing program effectiveness

22% Increasing learner usage

16% Reducing costs/Improving efficiency & measurement

Source: 2024 Training Magazine Report



Making a Case for Skills Training

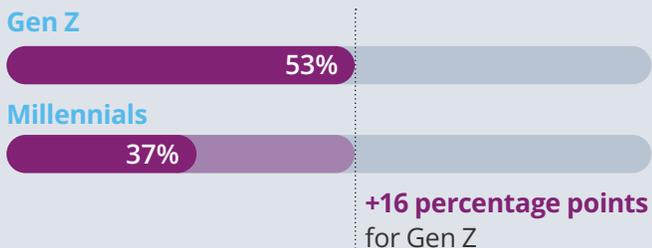
Factoring in learning and development for ongoing talent strategy

The “why” of skills training is firmly embedded in an organization’s overall talent strategy. The right people create the path forward for the organization by applying the skills required to create a competitive edge. These skills are found by looking outside the organization, which can come with a ballooning price tag or developed in the employees already on staff. Though both options come at a cost, the impact skill-building can have on employee engagement is monumental. Learning opportunities are imperative for younger generations joining the workforce. [One survey noted](#) that 53% of Gen Z employees felt that learning was a way to advance within the organization, compared to just 37% of millennials, Gen X, and baby boomers.

Combating employee turnover through skills training aligns with efforts to boost employee engagement. Asking employees to participate in training opportunities in addition to their day-to-day tasks might be met with some resistance if they don’t see the “WIIFM” (what’s in it for me?) of the task. Every learning objective should have a clearly defined message of “why” for the learner. Each assignment must align with business needs and communicate how it will also serve the learner. Learning opportunities are often more successful when they are included in employees’ ongoing performance goals.

Gen Z Values Learning for Career Advancement Above All Other Generations

(% of Gen Z who agreed that “Through learning, I can explore potential career paths at my company” compared to millennials)



Source: LinkedIn Workplace Report



Measurement Is Key

Choosing meaningful metrics requires ongoing evaluation.

According to [McKinsey](#), nearly 80% of business leaders say that capability building is very or extremely important to their organization's long-term growth. Yet, only a third of those leaders report that programs are often or always successful at achieving the objectives and business impact. The discrepancy here can be attributed to many factors, but the application of meaningful metrics to any learning objective is chief among them.

Here are some easily accessible learning metrics to consider when studying the ROI of employee training.

Completion Rates

Simply completing a learning object illustrates that the learner was exposed to the content but does not prove knowledge transfer. This metric works well for basic information, policy, or procedural changes. For learning opportunities that require greater assessment, explore more in-depth metrics.

Number of Attempts

The number of attempts at a learning object helps L&D teams better understand learner behavior. For courses with an assessment step, the metric can help illustrate growth as a learner works to reduce incorrect answers. One drawback is the potential “guess and check” approach to the assessment. Learners may not have absorbed the material but merely sharpened their test-taking abilities.

Hot Tip

Use GenAI to create a “question pool.” This way, learners are shown a different list of questions for each attempt at a quiz, validating the transfer of knowledge.

Custom Completion Criteria

One engagement-boosting feature of a robust LMS is the ability to set custom completion criteria for a course. This awards full credit to learners when they meet the threshold for a course. In essence, the learner's efforts are rounded up to 100%, even though they may have only completed 80% of the content. The learner could potentially skip through portions of the content that may be fundamentals or review and keep them engaged. The obvious risk is that if this completion threshold is not factored into the metrics of the campaign, it may not represent the reality of actual knowledge transfer.

Proficiency Exams

For organizations that are interested in internal mobility and succession planning, proficiency exams are commonplace. Ongoing skills assessments occurring at regular intervals — and with clearly defined metrics — are a surefire way to determine the impact of learning activities on business objectives. Complicating this could be a lack of subject matter experts on staff to validate in-depth assessments, and delivering proficiency exams at scale often requires the necessary technology to power it.





A Three-Pronged Approach

Professional development in the age of GenAI requires a three-pronged approach.

Starting with self-discovery, the learner must seek the learning opportunities available and see the benefit of their efforts. Next is the helpful hand of AI to help create learning content, hasten the delivery by recommending topics and resources, and assess the transfer of knowledge. Ultimately, there must be an element of human guidance to ensure the resources are valid, the investment is just, and the goals align with the organization.

Easy Risk Assessments

Every learning program should be judged against its potential value to the organization. Some learning leaders have drawn hard lines by labeling learning opportunities as either “offensive” or “defensive” moves. What makes learning leaders nervous are the “high-risk/high-reward” programs such as skills development that can drive innovation and create a competitive advantage.

Fundamental training activities like compliance and safety efforts are an opposite play, being low-risk/high-reward. These are quite easy to quantify and could be considered defensive moves to contain costs. The average cost of a serious workplace incident due to a safety or compliance violation (\$16,550 per violation, as of 2025 [OSHA guidelines](#)) far outweighs the hard costs of conducting the training.

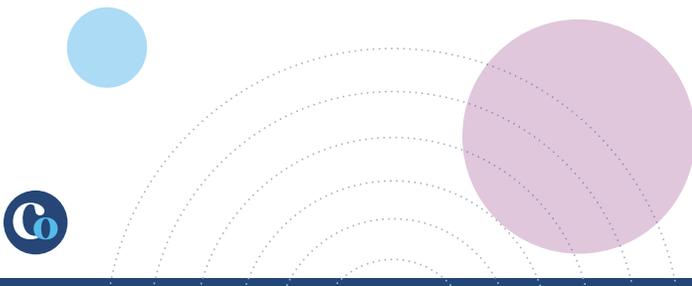
These elementary learning opportunities are easy to defend in a budget-slashing environment and can even be framed as a long-term strategy toward increased performance. When safety training is adequately reinforced, proper procedures become a habit and not merely an aspiration.

Speculating the Value of Skills

Launching a skills-based training program can require a bit of skill-soothsaying by speculating the relative value of a skill to the future needs of the organization. There are typically numerous stakeholders when determining skills-based training programs, and each should have meaningful criteria by which to evaluate a program. The value and perceived value of these skills are much more difficult to derive.

Here is a checklist of questions to determine the value of a skills-based training program:

- ✓ Are the skills relevant to the role now?
- ✓ Will the value of the skills increase for the team in the future?
- ✓ Do these skills align with the future of the organization’s goals?
- ✓ What is the total investment to develop the skills?
- ✓ What is the cost of hiring employees with these skills?
- ✓ What is the succession plan to replace these skills in the event someone leaves?



The Human Element of Learning ROI

Most employees, and especially rising stars, won't stay at the same company for the majority of their careers. While it's still important to deliver learning opportunities to attract and engage these rising stars, these shorter employee life cycles mean that organizations simply can't afford to have learning that isn't tightly connected to performance.

Employee Expectations for L&D

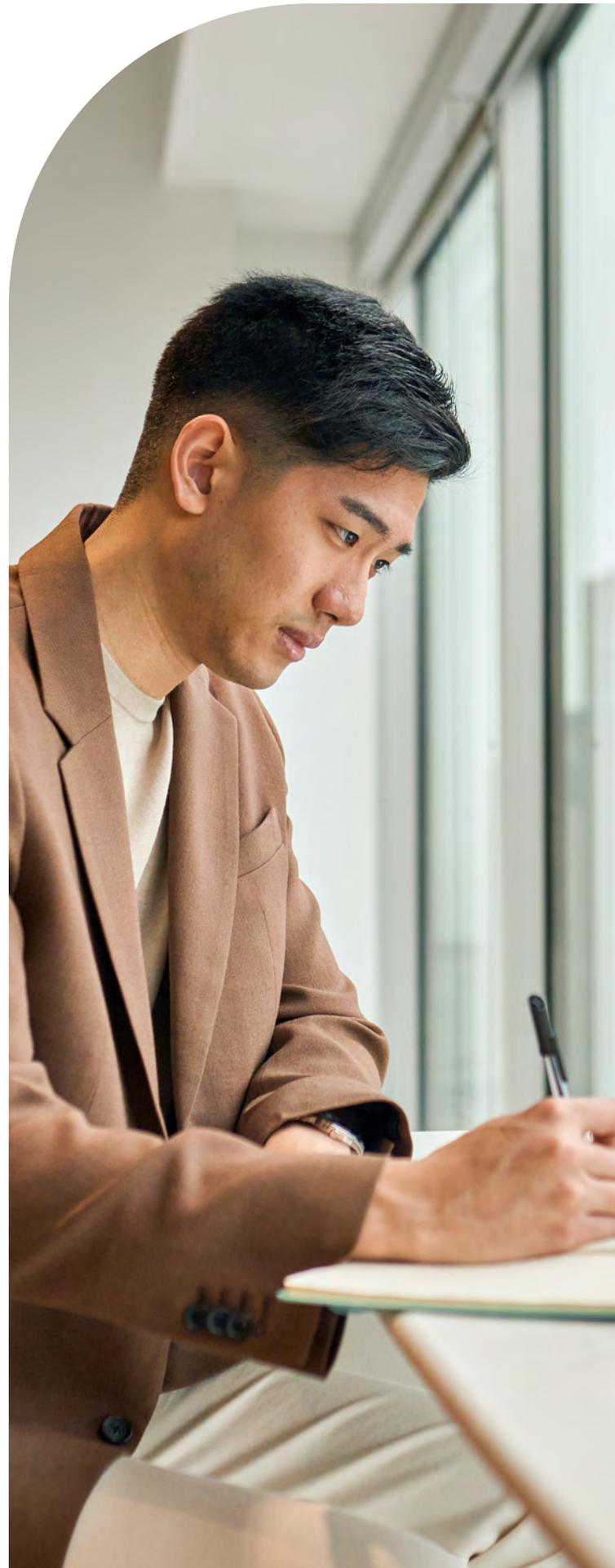
There are many actions L&D leaders can take to positively impact the long-term ROI of learning. Instilling learning into company culture requires strategy and continual investment. But it pays off — companies that value learning are in high demand by younger generations entering the workforce.

A hallmark of learning as part of employee culture is making space and time in the day-to-day working experience for L&D. Learning can also be a function of performance management with structured pathways to career advancement. One common oversight with L&D is having deliberate transparency about career-pathing options.

An all-too-common example is conducting a skill-development program for a promotion but enrolling more candidates than positions available. Being realistic about outcomes is vital to employee engagement as the learner is also participating in a return-on-investment experiment with their time and effort.

Driving Success Through Learning

L&D leaders can play a key role by providing the structure to facilitate learning that meets the expectations of employees and the needs of the business. If there's a gap between those objectives, L&D can trigger important conversations with managers, coaches, and employees to realign interests, roles, and business needs — further strengthening the organization's employee engagement and talent strategy.



Employee Learning At Every Stage

ClearCompany unifies the employee experience with holistic solutions for recruiting, onboarding, learning, and performance management.

Design an engaging, empowering employee experience with L&D opportunities that start on Day 1.

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