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ROI: Cost benefit evaluation of a management development program

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Measuring the return on investment (cost-benefit evaluation) in training and development has consistently earned a place among the critical issues in the human resource development (HRD) field. Evaluators have found that sponsors and administrators are asking for ROI information as well. This paper reports the ROI of a management development program as implemented at the University of Georgia. To calculate the return on investment, the ROI model proposed by Phillips (2002) was used. New extension educators hired between 1995 and 2001 who completed the probationary period with the cooperative extension system formed the population for this analysis. Analysis of the data indicated that the employee turnover rate for the participant group was significantly lower than for the non-participant group. Based in the ROI calculations, for every \$1.00 spent in the program \$3.86 in benefits were realized and \$2.86 (286%) in net benefits were returned on investment.