

Calculating the Return on Investment (ROI) for Leader Training

Four calculators
to guide your
leader training
decisions



Four Ways to Calculate Return on Investment (ROI) for the Brain Aware® Leader Training

The Brain Aware® Leader is a science-based learning solution that gives managers the critical skills they need to drive success. Demonstrating business value is part of your job as a talent professional.

Leadership teams are craving data, but measuring the impact of training can be difficult. These calculators can help you estimate the various ways that poor management skills are costing your organization, demonstrating the urgency and value of leader training.

Use this information to more effectively communicate how investing in your managers aligns with important business goals.



CALCULATOR 1: Cost of Disengagement

Disengaged employees are unhappy and acting out that unhappiness at work in a variety of ways that impact your bottom line. Use this calculator to plug in your own data and see how much you stand to recoup by implementing leader training.

Gallup¹ has estimated that one disengaged employee costs an organization approximately **\$3,400 for every \$10,000 of salary, or 34%**. Yikes!

Gallup² also found that managers account for at least 70% of the variance in employee engagement across business units. Let's assume, conservatively, that poor management accounts for 50% of that number.

When leaders see the overall and real costs of disengaged employees, they get very focused on creating an engaging work environment, which starts with your managers.

Enter your org's headcount

Gallup estimates that **18%** of the U.S. workforce is actively disengaged.

Disengagement rate

x 18%

of disengaged employees

=

Enter your org's median annual salary

Gallup % cost of disengagement

x 34%

Annual cost per disengaged employee

=



That's a big cost per year!

**TOTAL COST OF
DISENGAGEMENT**

Poor managers likely account for 50%

=

**Training your
managers will
decrease this cost!**

¹Gallup Report: *State of the American Workplace*
²Gallup Journal: *Why Great Managers Are So Rare*

CALCULATOR 2: Cost of Attrition

We all know that employee retention is important, and you'll certainly hear leaders talk about it, but most have not fully appreciated the financial costs of losing talent. Serve as a strategic business partner by showing them the real impact.

SHRM³ calculates that turnover costs **50% to 250% of annual salary plus benefits** (with the difference being how senior or technical the role). Enter your organization's salary data into this calculator to see how much turnover is costing your organization.

One study⁴ found that **57% of employees said they have quit a job due to a bad boss** (we'll use 50%). By implementing effective manager training, you can likely cut that devastating cost in half.



TECHNICAL/LEADER- LEVEL EMPLOYEE

Enter annual salary + benefits

SHRM's rate **x 250%**

Cost to replace each employee

=

Enter number who left last year

ENTRY-LEVEL EMPLOYEE

Enter annual salary + benefits

SHRM'S rate **x 50%**

Cost to replace each employee

=

Enter number who left last year

TOTAL COST OF ATTRITION

That's a big
cost per year!

Poor leaders likely account for 50%

=

**Training your leaders
will decrease this cost!**

³Society for Human Resource Management: *Placing Dollar Costs on Turnover*

⁴DDI Report: *Frontline Leader Project 2019*

CALCULATOR 3: Cost of Stress + Absenteeism

Three-quarters of U.S. workers say they experience stress at work⁵. Workplace stress contributes to high rates of absenteeism—the National Association for Mental Health⁶ found that 33% of workers miss work because of stress. According to the U.S. CDC⁷, absenteeism alone costs employers \$225.8 billion annually, or about **\$1,685 per employee**.

A study by SHRM⁸ found that 84% of U.S. workers say poorly trained leaders create a lot of unnecessary stress. We'll take a more conservative view and assume that poor leaders are the source of that stress for 50% of them.

Use this calculator to assess how much poor leaders are costing your organization and potential savings for implementing effective manager training.

Your org's headcount

x 33%

of stressed employees missing work

=

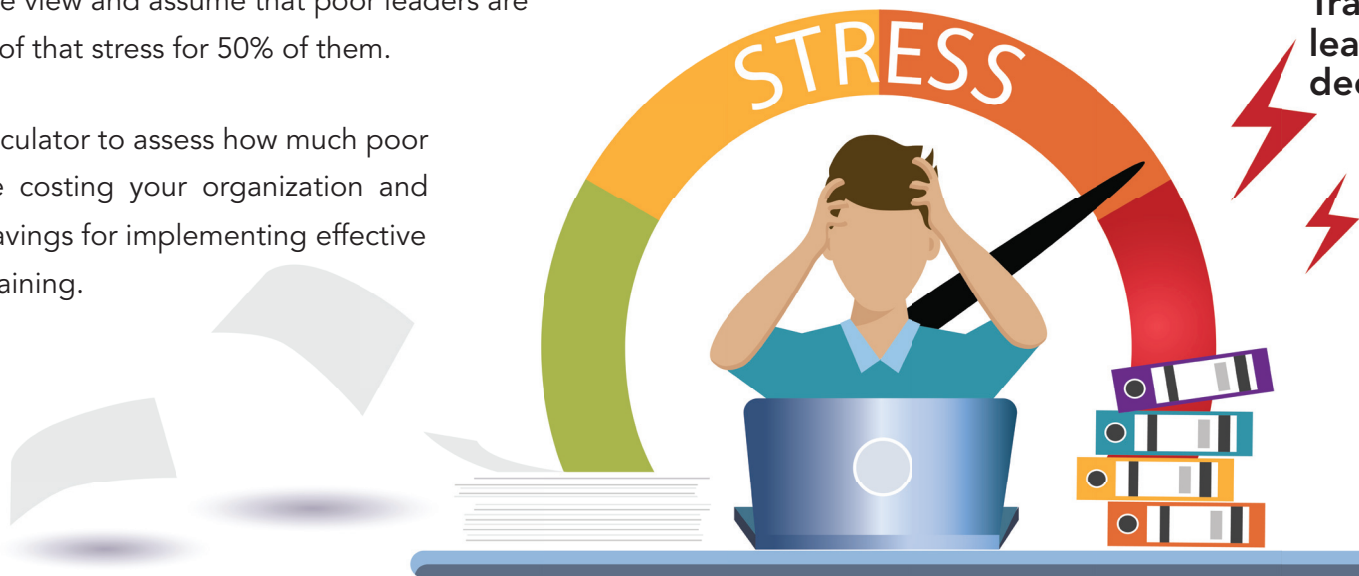
X \$1,685 per employee
(U.S. CDC estimate for the annual cost of absenteeism)

**TOTAL COST OF
STRESSED EMPLOYEES**

Poor leaders likely account for 50%

=

**Training your
leaders will
decrease this cost!**



⁵Grokker State of Stress Report, 2021

⁶National Association of Mental Health *Mind the Workplace Report*, 2017

⁷U.S. CDC Foundation, *Business Pulse Healthy Workforce*

⁸Survey by Society for Human Resource Management, 2020

CALCULATOR 4:

Cost of Lost Productivity/Performance

Your organization's success depends on the productivity and performance of your employees, but again, this can be impacted by poor management skills. One study⁹ found that 50% of employees feel their own performance would improve if their boss received the right kind of manager training.

A Harvard study¹⁰ found that management techniques explain 18% of the difference between highest and lowest performers, and **every 10% increase in manager effectiveness yields a 14% increase in productivity** (we'll be conservative and use 10%).

Identify the value of what your organization produces and its unit value to see your potential savings for implementing effective manager training.



Your org's headcount

x 50%

of employees who can improve

=

Normal productivity output/year

For example, items manufactured, products shipped, sales closed, etc.

x 10%

Increased productivity output/year

=

Enter value in dollars

For example, \$3/item or \$100/sale. Any currency will work.

INCREASE IN PRODUCTIVITY/YEAR

Training your leaders can drive this improvement!

⁹Survey by Society for Human Resource Management, 2020

¹⁰Harvard Business Review: *Good Management Predicts a Firm's Success*

CALCULATOR 5: Return On Investment (ROI)

Here, you can see the various savings from the previous four calculators. Since there are likely overlaps between them, we'll reduce by 50% to get your total potential savings for creating better leaders.

Use this last calculator below to see the benefits your organization stands to gain from investing in the Brain Aware® Leader training, which is proven to deliver excellent evaluations and sustained behavior change in all the critical skills that create great leaders.

ROI of Brain Aware® Leader Training	
# of leaders at your org	
x \$350 per leader (6 workbooks + 3 books + 60 videos + 30 hours of content)	
# of trainers to be certified	
x \$7,500 one-time cost for online certification (9 presentation decks + 150 videos + Launch Guide + more)	
Total cost of Brain Aware® Leader Training	
Total potential savings of better leaders (see total above)	
– Minus cost of Brain Aware® Leader Training	–
TOTAL ROI!	

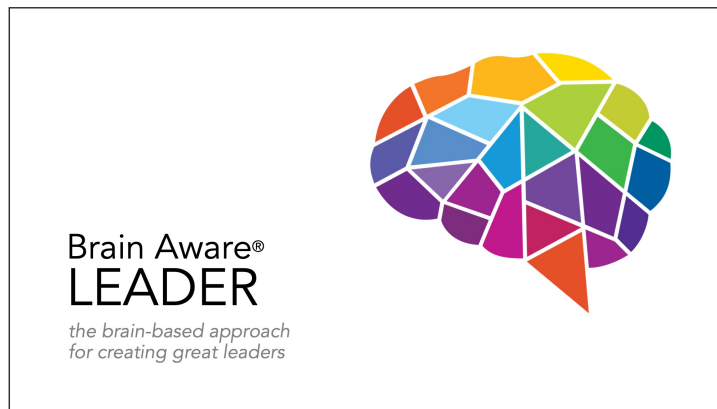
TOTAL SAVINGS

$$\begin{array}{r}
 + \\
 + \\
 + \\
 \hline
 \times 50\% \\
 \hline
 \end{array}$$



That's a BIG return on your investment!

INTERACTIVE WORKBOOK



The Brain Aware® Leader Training is a science-based learning solution that gives leaders the critical skills they need to drive success. Winner of the Association for Talent Development's (ATD) BEST Award, 95% of managers rated it as "excellent"! Want to learn what sets this unique training program apart from the rest?

LET'S TALK

Brain Aware Training is the leading developer of brain science-based training programs that solve today's workplace challenges. We harness the power of human biology to help people—and organizations—rise to their potential.

Global organizations of all kinds have turned to us to design and deliver engaging classroom and online training to help their people learn, practice, and master the behaviors critical to their strategic success. We provide certification in our research-based models and award-winning learning solutions that drive sustained behavior change and measurable results.

For more info, visit **BrainAwareTraining.com**

