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Research Article

A systems approach to measuring return on investment for HRD interventions

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Abstract

This study contributes to the limited methodological literature on HRD program evaluation and measurement. The study explores an interdisciplinary approach for return on investment (ROI) measurement in human resource development (HRD) research and practices. On the basis of a comprehensive review and analysis of relevant studies in economics, industrial-organizational psychology, financial control, and HRD fields, we developed a systems approach to quantitatively measure ROI for HRD programs. The ROI concept for HRD field was defined, and a theoretical systems framework was developed. The applicability of using statistical and mathematical operations to determine ROI and isolate non-HRD program impacts is discussed. Application scenarios are presented to demonstrate the utility of the systems approach in real-world ROI measurement for HRD interventions.

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