



Presentation Content:

Definition of:

- Human Capital Theory,
- Value Chain Analysis,
- Return on Investment, and
- Cost Benefit Analysis

Application of each definition to a distance
education situation

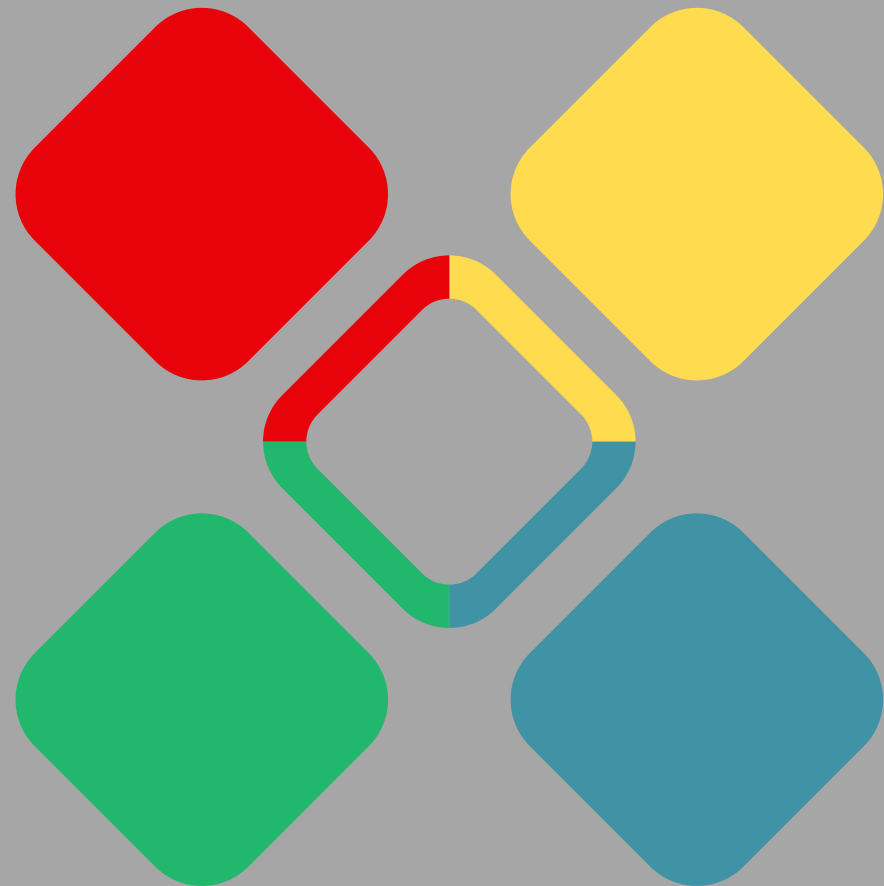
Discussion

Lingering questions



Statement of Purpose

To demonstrate an understanding of Human Capital Theory, Value Chain Analysis, Return on Investment, and Cost Benefit Analysis, and how each of the definitions is applied to a distance education situation.



Human Capital Theory - Definition

“The notion that an investment in human beings today has a payoff in the future” (Goldin & Katz, 2023, p. 1)

“A measure of the skills, education, capacity, and attributes of labor which influence their productive capacity and earning potential” (Pettinger, 2019, para 1).

Human capital theory suggests that “individuals and society derive economic benefits from investment in people” (Sweetland, 1996, p. 341).

“Education and training are the most important investment in human capital” (Becker, 1992, p. 85).

Human Capital Theory - Application to DE



**Online
Learning**



Training



**Workforce
Development**

Distance education broadens the access and availability of knowledge to more people from every part of the world with diverse social, economic, and cultural backgrounds, including those with disabilities and marginalized groups, achieving a more educated and knowledgeable global society.

Distance education increases the skills and capabilities of individuals, workers, or professionals, achieving higher productivity and outcomes.

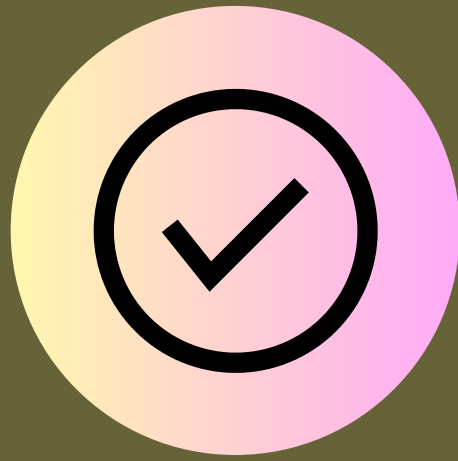
Value Chain Analysis - Definition

“A means of evaluating each of the activities in a company’s value chain to understand where opportunities for improvement lie” (Stobierski, 2020)

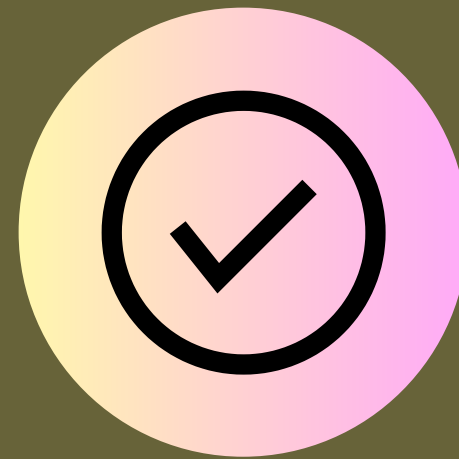
“The process of identifying each of these activities, determining their costs and the value they deliver, and then looking for ways to optimize them in keeping with the company’s overall strategy” (Zucchi, 2023).

“A strategic process where a firm evaluates its internal activities to identify how each contributes to the firm’s competitive advantage” (Hart, 2024).

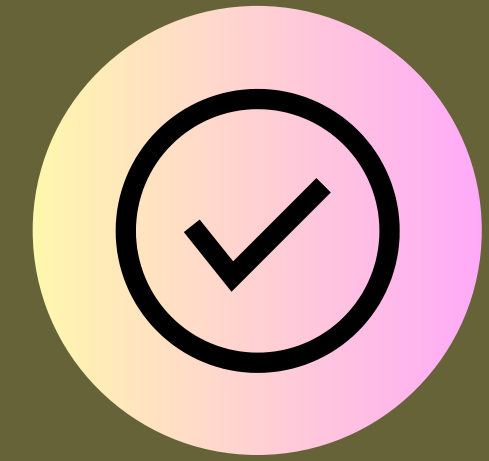
Value Chain Analysis - Application to DE



Online
Learning



Training



Workforce
Development

Determine the cost drivers to create DE programs that are of good quality at a more affordable cost and are sustainable in the long run.

Value chain analysis allows organizations to make decisions when creating a lower-cost education/training, including by “limiting programs and course offerings, reducing the complexity of the course design and production process, or by limiting service or support to learners” when deemed necessary (Elloumi, n.d., p.64).

Return On Investment - Definition

“A ratio that measures the profitability of an investment by comparing the gain or loss to its cost (Beattie, 2024).

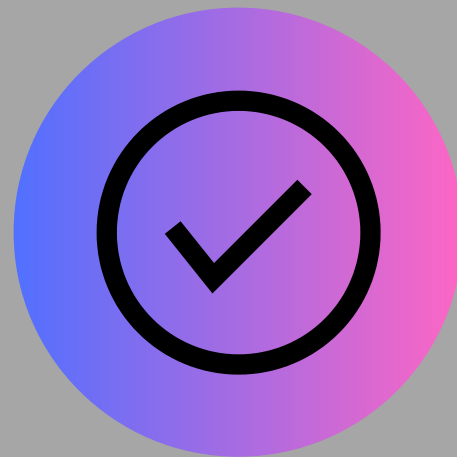
“A financial ratio that is used to measure the profitability of an investment relative to its cost, expressed as a percentage” (Lockert, 2023).

“A performance measure used to evaluate the returns of an investment or to compare the relative efficiency of different investments. ROI measures the return of an investment relative to the cost of the investment (CFI Team, n.d.).

Return on Investment - Application to DE



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ROI serves as a framework for DE developers to exercise sound and guided judgment when determining and estimating any potential success or failure of distance education programs.

ROI helps decision-making on whether or not to invest in DE programs as part of the organizational goals.

Cost-Benefit Analysis - Definition

“The process of comparing the projected or estimated costs and benefits (or opportunities) associated with a project decision to determine whether it makes sense from a business perspective” (Stobierski, 2019).

“A process of comparing the projected costs and benefits of a decision to determine its feasibility. A Cost-benefit analysis measures the benefits of a decision by subtracting the associated costs” (Hayes, 2024).

Cost-Benefit Analysis - Application to DE



**Online
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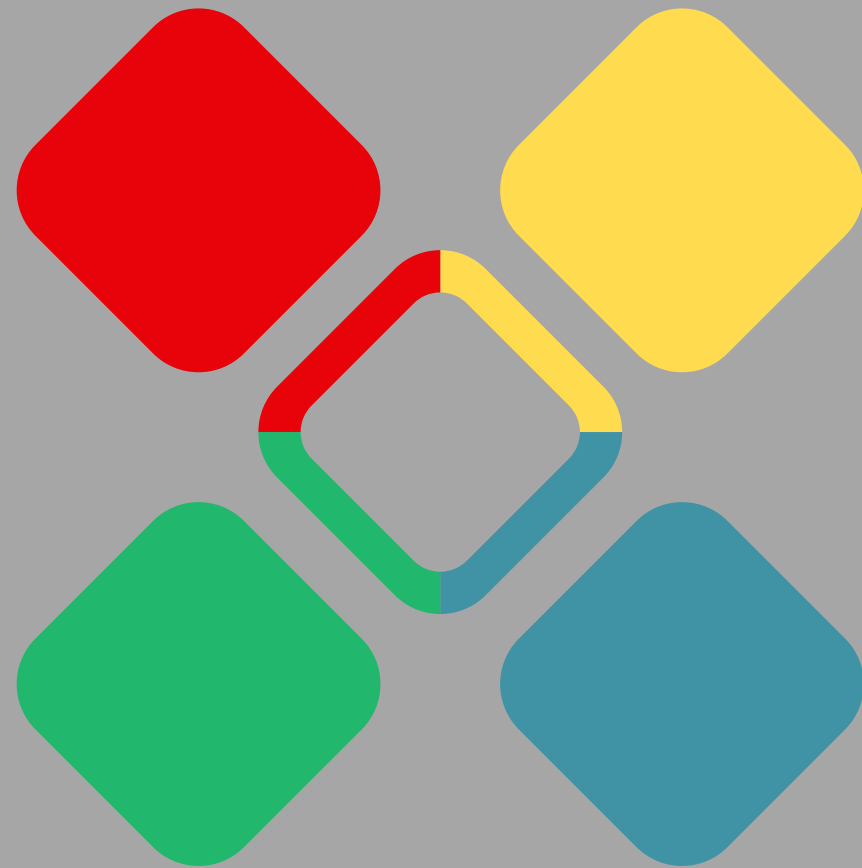
Cost-benefit analysis helps sound resource allocation in a DE program.

Cost-benefit analysis helps decision-makers to make informed decisions about whether or not a DE program is cost-effective and worth keeping and expanding.

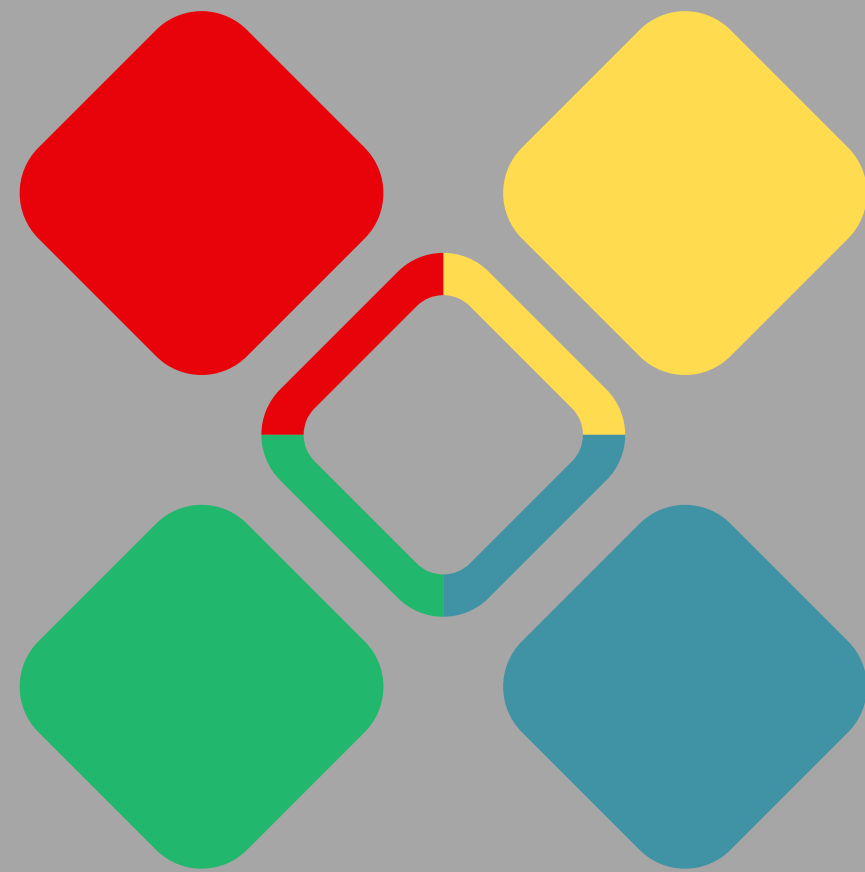
Discussions - Part 1

After reading the four topics, I concluded that if I were to implement them in my project, the value chain analysis would come first, as it would help determine the advantages and disadvantages of the steps. Further, value chain analysis seems like a continuous process, meaning that the implementation will continue as long as the project remains.

Further, return on investment (ROI) and cost-benefit analysis (CBA) are similar principles but differ in their outcomes. The similarity is that ROI and CBA are methods used to evaluate the efficiency of our projects. However, ROI focuses more on profit, whereas CBA includes other aspects besides profit. It seems that CBA's efficiency measures intangible outcomes. For example, an e-learning project for a marginalized community may not necessarily be profitable, but the project has added value to organizational goals. Therefore, the project might be worth keeping from the perspective of CBA.



Discussions - Part 2



The human capital theory emphasizes the significance of investing in the betterment of every individual to increase performance, productivity, and profitability.

Investing in the people can be done through investment in skills, knowledge, and health.

Continuous investment in the people improves the ability of organizations to grow and be profitable.

Continuous investment in the people improves the ability of society to achieve sustainable and inclusive economic growth.

Questions



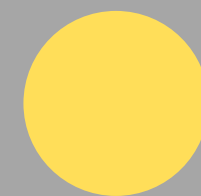
Is there any specific order for implementing the value chain analysis, return on investment, and cost-benefit analysis?



Can one be implemented without the other?



Is there any other aspect to consider when implementing value chain analysis, return on investment, and cost-benefit analysis?



For cost-benefit analysis, what if the benefits are intangible and it takes a while to see the outcome?



Thank You

For Your Attention

