

Consider the value of educating a knowledge worker. As discussed in Chapter 3, part of the challenge of determining the ROI for knowledge worker education includes individual differences, the finite shelf life of knowledge, lost opportunity cost, knowledge worker turnover, and the shifting marketplace. Focusing on the finite shelf life of knowledge, the relationship between corporate value and the investment in training is illustrated in Exhibit 7.4. After the initial investment in education or training, which includes tuition, transportation, time away from work, and distraction from the company's business, the value of the knowledge worker to the organization increases to some maximum value and then decays to near pre-education levels. As the exhibit illustrates, there is a break-even point for the investment in education for each knowledge worker. This point is a function of the nature of the education, the knowledge worker's salary, and fluctuations in the demand for knowledge workers with specific skills.

