

# Training Stats & Facts



## DID YOU KNOW?

The training industry in the United States includes both internal and external resources engaged by companies to provide training to their staff, so that their staff have the specific skills they need to perform their job. Such skills can relate to areas such as the use of internal systems, legal compliance requirements, and general company policies and processes. In this respect training is to be distinguished from workplace learning, which is the broader goal of absorbing information so as to generally improve skills and abilities. Learning is therefore more focused on more how to handle future situations whose exact details cannot be foreseen, whereas training is directed at teaching people the specific skill set needed to perform a range of predefined tasks.

In 2018, the overall size of the North American training market was estimated at 166.8 billion U.S. dollars. While growth has plateaued since 2015, the years from 2009 to 2015 saw significant growth, with the overall market size growing from 110 billion to 160 billion U.S. dollars. Spending on training in the United States is strongly skewed in favor of internal resources. In 2019, 51.7 billion was spent on internal training staff, compared to only 7.5 billion on externally provided products and services. Of the areas outsourced, the most common are content creation, learning management system hosting, and instruction and facilitation.

The two most common training methods used in the United States in 2019 were instructor-led classrooms, or a blended approach combining instructor-led classrooms with some form of technology. However, around 30 percent of companies reported that they use online or computer based training methods only, where no instructor is involved. The area which has the highest adoption of online training is compliance training, with 29 percent of companies reporting that their compliance training is mostly or all online. Conversely, the areas with the lowest adoption are executive development, management and supervisory training and sales training. As of November 2019, only 44 percent of companies in the U.S. expected to increase their spending on online training.

### 1) We Need to Invest More in Training

In 2018, the U.S. Bureau of Labor statistics found that companies with fewer than 100 employees gave only 12 minutes of manager training every six months. Organizations with 100 – 500 employees provided **just 6 minutes**.

### 2) Employees Want More Training

A long-term research project commissioned by Middlesex University for Work Based Learning found that from a 4,300 workers sample, 74% felt that they weren't achieving

their full potential at work due to lack of development opportunities.

### **3) Convert Beliefs into Practice!**

The same research by Middlesex University's Institute for Work Based Learning showed that 56% of HR Managers considered training and development to be an essential business enabler. Here's a clear disjunctive between manager beliefs and practice . HR Managers consider it important, but they aren't doing ENOUGH to increase employee training opportunities. (read points 1 and 2 again).

### **4) Employees Are Disengaged at Work!**

As many as 1 in 3 people leave their organization within the first year, either voluntarily or involuntarily. An incredible 22% of staff turnover happens within the first 6 weeks of employment.

Also, according to Gallup's 2017 State of the Global Workplace report, **85% of employees are not engaged or actively disengaged at work.**

What can we learn from this? We need to do something to engage workers... and especially now that many are working remotely. If this applies to your organization, it's time to do something about it. Higher retention rates and less labor turnover is crucial for business success.

### **5) Invest in Onboarding Early On.**

On-boarding your new employees early-on is the best decision as if you don't you'll be much more likely to lose them. The Wynhurst Group research reveals the importance of onboarding to build positive first impressions.

Also, they found: "4 percent of new employees leave a job after a disastrous first day; most decide whether they feel 'at home' in the first three weeks at a new job; and **22 percent of staff turnover occurs within the first 45 days of employment.**"

These are astounding figures. But what does this mean for your company's future? It means that you need to understand the value of onboarding and invest in this type of online training early on. If you don't you'll be contributing to the above figure through employee turnover.

### **6) Make Retaining Your Employees a Priority**

**Work Institute's 2018 Retention Report** stated that one in four workers leave their jobs. Nearly one-third of that turnover was due to to unsupportive management and a lack of development opportunities.

The lesson here: invest in retaining your employees by making sure they feel supported by their supervisors and that they have enough learning experiences. After all, the cost of retaining present employees is much less than the cost of replacing them. Help employees expand their knowledge, offer more training options, help pay for university courses, etc.

### **7) Increase Learning Transfer**

A 24X7 Learning survey revealed that **only 12% of learners say they apply the skills from the training they receive to their job.** This suggests that learner needs aren't being mapped effectively before developing a program.

### **8) Take Learner Needs into Consideration**

According to a 2015 ATD research study, only 38% of managers believe that their learning programs meet their learner's needs. In other words, 62% of HR managers believe that they are not doing a good job meeting the learner's needs.

Therefore, this 2016, make sure objectives line up with learners' needs. If learners don't see the course as relevant and practical to their real-life challenges, they will become frustrated.

## **9) Make Workplace Training More Fun**

One out of every three employees say that uninspiring content is a barrier to their learning. This means we need to try to develop training programs that entertain and inform. Not only is fun training more enjoyable for the learner; it's more effective, translating into less money spent on retraining.

## **10) Ineffective Training Costs Money**

According to **Harvard Business Review**, although organizations spend more than \$350 billion globally on training, they are not spending their money effectively. Just consider these stats:

- 70% of employees report that they don't have mastery of the skills needed to do their jobs;
- Only 12% of employees apply new skills learned in L&D programs to their jobs; and
- Only 25% of respondents to a recent McKinsey survey believe that training measurably improved performance.

Given the statistics above, what is the total loss to a business from ineffective training? It's staggering: \$13.5m per year, per 1,000 employees, according to Grovo.