

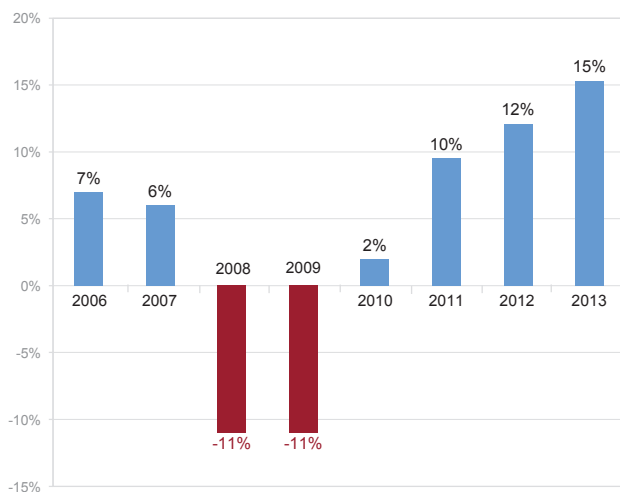
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The Corporate Learning Factbook 2014: Benchmarks, Trends, and Analysis of the U.S. Training Market

COMPANIES BOOST TRAINING DOLLARS TO FILL SKILLS GAPS >> The problem many organizations face today is not a shortage of people—it is a shortage of key skills. In particular, the demand for skills in computer science, life sciences, mathematics, physical sciences, and engineering is growing at above-average rates.¹ In addition, the pace of technology change accelerates each year, creating even more demand for highly educated people.

Businesses are responding by investing more in employee development, with training budgets increasing 15 percent, on average, in 2013. (See Figure 1.) In mature organizations, this investment is not just short-term training—it involves identifying capability gaps today and into the future, and building a “supply chain” of skills to fill these gaps for the long term.

Figure 1: Year-over-Year Change in Training Spending U.S.—2006 to 2013



Source: Bersin by Deloitte, 2013.

What Leaders Should Know

Recognized as one of the training industry's most trusted sources of data on training budgets, staffing, and programs, *The Corporate Learning Factbook 2014*² provides key benchmarks and valuable guidance to help L&D executives to make the right investment decisions. Data for this study was collected from nearly 300 U.S. organizations between October and December 2013. A few of the key findings are described in the following sections.

Technology Companies Invest More in Development

Organizations across the U.S. spent \$1,169 per learner, on average, on learning and development (L&D) initiatives in 2013. This figure varies by company size and industry. Technology companies, for example, spent \$1,847 per learner, on average—one of the highest of any industry sector. Tech firms (like Motorola Solutions, Adobe, IBM, and Xerox) have made large investments for training their teams to evolve from product sellers to solution and industry experts. Other companies in the tech space (like EMC and Cisco) have transformed their engineering teams to focus on new products in consumer electronics, Big Data, telecommunications, and cyber-security.

¹ Source: Bureau of Labor Statistics, Fall 2012, <http://www.bls.gov>.

² For more information, *The Corporate Learning Factbook 2014: Benchmarks, Trends, and Analysis of the U.S. Training Market*, Bersin by Deloitte / Karen O'Leonard, January 2014. Available to research members at www.bersin.com/library or for purchase at www.bersin.com/factbook.

Leadership Development Claims 35 Percent of Budget

The largest share of the L&D budget went to leadership development, with 35 cents of every training dollar, on average, spent on developing leaders at all levels—from first-line supervisors to executives. Leadership has always been important, but has become an even bigger issue as the economy recovers and many firms look to expand globally. Companies today are struggling to improve their leadership skills; more than 60 percent of all companies cite “leadership gaps” as their top business challenge.³

Mature Companies Spend 37 Percent More

Spending also differs by the maturity of the L&D organization. Mature L&D organizations, those at Levels 3 and 4 of our maturity model, spend \$1,353 per learner, on average—37 percent more than the least mature groups. Our research shows that spending allocations vary by maturity level as well. Organizations at Level 1 spend a greater proportion of their funds on regulatory, compliance, and job-specific training. As they mature to Level 2, many begin building their infrastructures, and more training is required on processes and systems. At Levels 3 and 4, organizations invest more in leadership development and function-specific training, such as sales and customer service training.

Figure 2: L&D Spend per Learner by Maturity Level



Source: Bersin by Deloitte, 2013.

Advancing Your L&D Initiatives

One of the strongest predictors of a high-impact learning organization is learning measurement. These organizations understand that the purpose of measurement is not to justify the existence of L&D but, rather, to capture actionable information in order to improve the efficiency, effectiveness, and alignment of the entire L&D function. Efficiency and consumption metrics, including those covered in this report, allow L&D leaders to pinpoint potential problem areas and make improvements. Other metrics (such as adoption, utility, alignment, attainment, and performance) are also critical to assess and improve the L&D function.⁴

This benchmarking study, available to Bersin by Deloitte WhatWorks members or for purchase via our online store, www.bersin.com/store, is just one resource of many to help you to evaluate and improve your L&D initiatives. Other resources include the Bersin by Deloitte Enterprise Learning Framework, Learning Organization Maturity Model, and our *High-Impact Learning Organization* series⁵, which highlights key points of differentiation between the leading learning organizations and the rest. These resources are designed to help organizations to build their L&D capabilities to deliver exceptional business performance in today's global marketplace.

About Bersin by Deloitte

Bersin by Deloitte delivers research-based people strategies designed to help leaders and their organizations in their efforts to deliver exceptional business performance. Our WhatWorks® membership gives Fortune 1000 and Global 2000 HR professionals the information and tools they need to design and implement leading practice solutions, benchmark against others, develop their staff, and select and implement systems. A piece of Bersin by Deloitte research is downloaded on average approximately every minute during the business day. More than 5,000 organizations worldwide use our research and consulting to guide their HR, talent and learning strategies.

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³ This information is based on our current research on the topic of human capital trends, the report for which is due to be published H1'2014.

⁴ For more information, *The Impact Measurement Framework: An Update for the Measurement of Informal Learning*, Bersin & Associates / Josh Bersin, May 3, 2011. Available to research members at www.bersin.com/library.

⁵ Our High-Impact Learning Organization research is a series of industry studies, which are available to research members at www.bersin.com/library or for purchase at www.bersin.com/hilo.