

Corporate Learning Factbook 2015: Benchmarks, Trends, and Analysis of the U.S. Training Market

COMPANIES ARE SPENDING MORE TO DEVELOP TALENT INTERNALLY

As the economy improves and the talent market tightens even further, many companies are realizing they will no longer be able to rely on external recruits to supply the skills they need. A variety of organizations are choosing instead to increase their investment in developing employees internally. In fact, U.S. corporations reported a 10 percent increase in training expenditures in 2014, the fifth period of year-over-year growth (see Figure 1). Our latest benchmarking research, the *Corporate Learning Factbook 2015*¹, provides detailed training metrics that allow companies to compare themselves against similar firms.

Employers Spend More to Build Internal Skills

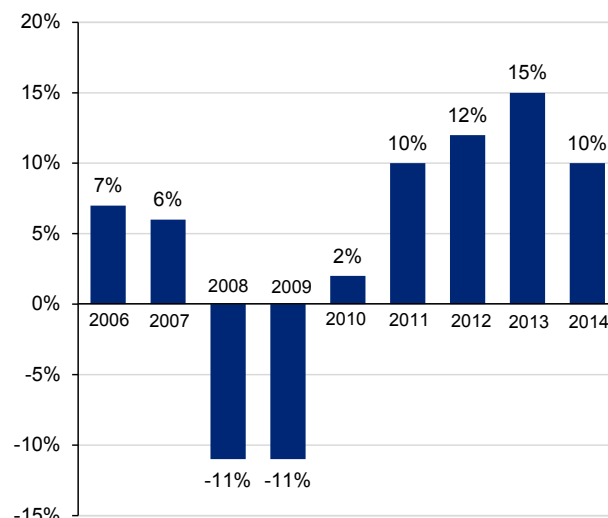
The need to develop existing employees is a pressing matter, especially at a time when very few respondent corporations indicate their employees possess the skills necessary to perform their roles effectively. To stay competitive in the marketplace, companies should focus on long-term goals and ensure employee development builds up baseline proficiencies. They should also align workers with the needs of the business, training staff to meet present objectives while ensuring the talent pipeline is prepared to address future challenges.

"Bedrock" Roles Occupying Less of L&D's Time

Our research indicates the responsibilities of learning and development (L&D) practitioners have grown more diverse and far reaching since 2011. In the past, L&D practitioners were primarily responsible for creating and disseminating internally developed content—the so-called "bedrock" roles of L&D, which occupied 50 percent of surveyed practitioners' time in 2011. By contrast, in 2014, these roles occupied 41 percent of their time, a difference of nearly 10 percentage points. L&D has become increasingly focused on curating information—sourcing a variety of externally produced content and incorporating it into current learning portfolios to better address the changing

needs of both businesses and learners.² In 2014, 8 percent of L&D respondents' staff time was allocated to these content curation and portfolio management activities.

Figure 1: Year-over-Year Change in Training Spending, 2006–2014



Source: Bersin by Deloitte, 2015.

External Spending on the Rise

In many cases, demands on L&D functions have increased at the same time as their availability to address these new requests has decreased, necessitating a reprioritization of responsibilities. To this end, surveyed organizations increased their

¹ For more information, *Corporate Learning Factbook 2015: Benchmarks, Trends, and Analysis of the U.S. Training Market*, Bersin by Deloitte / Ben Carroll, Raju Singaraju, and Eunyun Park, 2015. Available to research members at www.bersin.com/library.

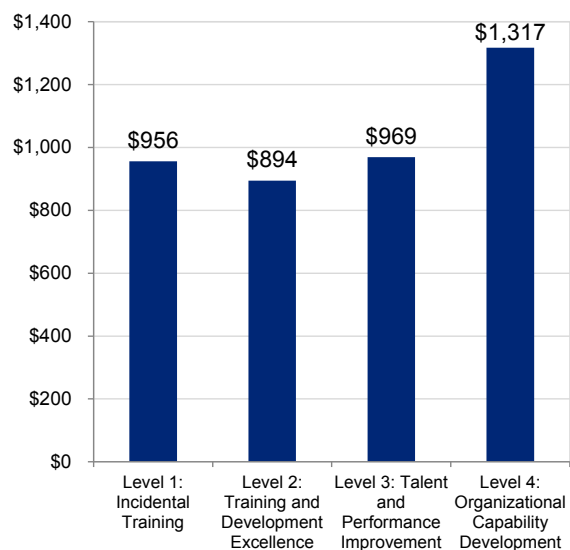
² For more information, *The Next Evolution of Learning Content*, Bersin by Deloitte / Todd Tauber and Dani Johnson, 2014. Available to research members at www.bersin.com/library.

reliance on outside service providers by 4 percentage points in 2014, with external services comprising 13 percent of total L&D spending. Of this, 22 percent went to purchase off-the-shelf content and 15 percent to the development of custom e-learning content.

Mature L&D Organizations Spend 38 Percent More

In 2014, the most mature L&D organizations surveyed (those at Level 4 of our maturity model)³ increased their overall spending by 10 percent relative to 2013. These organizations spent an average of \$1,317 per employee, 38 percent higher than Level 1 organizations (see Figure 2). In terms of program spending, Level 1 respondent organizations tend to be more focused on compliance and meeting individual needs through an ad hoc approach to training, while organizations at Levels 3 and 4 are generally more focused on professional and industry-specific training used to augment organizational capabilities and strengthen operations.

Figure 2: L&D Spend per Employee by Maturity Level—2014



Source: Bersin by Deloitte, 2015.

Furthering the Impact of L&D

One of the strongest predictors of high-impact L&D is strong talent analytics capabilities.⁴ High-impact learning organizations tend to understand that the purpose of measurement is to capture actionable information in order to help improve the efficiency, effectiveness, and alignment of the entire

³ For more information, *Bersin & Associates High-Impact Learning Organization Maturity Model*, Bersin & Associates / David Mallon, 2012. Available to research members at www.bersin.com/library.

⁴ For more information, *Measuring Learning: A Framework*, Bersin by Deloitte / Dani Johnson, Wendy Wang-Audia, and Jennifer Krider, 2015. Available to research members at www.bersin.com/library.

L&D function. Efficiency and consumption metrics, including those covered in the *Corporate Learning Factbook 2015*, can be useful for benchmarking against other organizations. Comparing these metrics against industry norms enables L&D leaders to pinpoint potential problem areas and make better investments.

Additional L&D Resources

The *Corporate Learning Factbook 2015* provides metrics and guidance to help L&D executives make the right investment decisions. The factbook is only one of many resources available to help you evaluate and improve your corporate learning initiatives. Other resources include our *Talent Analytics Framework* and our High-Impact Learning Organization series, including the *High-Impact Learning Organization Maturity Model*. These resources are designed to help organizations build their L&D capabilities and deliver exceptional business performance in today's global marketplace.

Our Research

WhatWorks members select from more than 1,700 research-based resources, including more than 300 research bulletins on the latest trends, 200 case studies, and more than 90 in-depth industry studies. These resources allow our members to identify and explore leading practices in human resources, corporate learning, and talent management.

We look forward to helping you make sense of the dynamic and complex corporate learning environment through our WhatWorks membership and system.

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