



Hands On Technology Transfer, Inc.

White Paper

The Regrettable Evolution of Appearance-Based Training

Abstract

For senior enterprise training executives, is it sometimes more important to appear to provide appropriate training to employees than to actually provide effective training? As the world seems to become more complex, and as the training industry definitely becomes more complex, it's common to take one's eye off the ball and focus training budgets on things that are merely related to training.

INTRODUCTION

It may have been Harvard President Derek Bok, columnist Ann Landers, or some real estate broker who first said, "If you think education is expensive, try ignorance,"ⁱ but whoever said it, the sentiment is generally and rightfully accepted as true. Education is important, and training does work. It leads to improved employee performance, improved employee satisfaction and morale, consistency in job performance, increased productivity and adherence to quality standards, increased innovation in new strategies and products, reduced employee turnover, and provides an efficacious and cost-effective process for addressing employee weaknesses.ⁱⁱ

The trouble is, training is expensive. US enterprises spent about \$87.6 billion in training in 2018,ⁱⁱⁱ an average of about \$1,000 per employee.^{iv} As a result, there is tremendous pressure on training executives to show that they are delivering value for the money.

COMPLEXITY

It is, however, non-trivial and complex to provide training for large populations, and to prove that large training programs yield a solid ROI.

Training large workforces of diverse workers is a complex task. There is a seemingly endless list of topics on which workers need training, from leadership to internal processes to technical skills to management to communications to change management and on and on.

Reporting on who is taking what courses, how much time they are spending, whether their performance has improved, and how much this is all costing is a massive undertaking.

Money tends to get diverted away from training to things that are peripheral. As we seek to prove that a given training activity was effective, or even that training overall matters, we tend to spend more and more time and money on things other than training, and to get further away

from focus on the training itself. We are advised to give tests before and after the training and development, and compare the results; to interview trainees before and after an event, and compare results; to watch trainees perform the task or conduct the role for which they have received training; to assign an expert evaluator from inside or outside the organization to evaluate the learner's knowledge and skills; to track costs precisely and calculate the return on investment, and so on^v. These are all wonderful ideas which provide lots of information and may assist in steering future training experiences towards efficacy, but which spectacularly inflate the cost of training and reduce ROI. What's an executive to do?

IN PARTICULAR

Two particularly large and expensive peripheral issues are compliance/certification training and the use of learning management systems.

Training and expenses related to certifications and compliance with various regulations take a huge piece of the training pie, despite scant evidence that such certifications have much to do with competence. A study on nursing certifications stated, "Supporting literature suggests that certification reflects competence in a specified area of practice. Contrary to this belief, competency with certification has not been supported by empirical evidence, thus rendering the ideas only assumptions." The studies further suggest that "credentials are indicators of what an individual should be able to do, not what that individual can or will do."^{vi}

Likewise, a study on teacher certifications concluded, "On average, the initial certification status of a teacher has small impacts on student test performance." In other words, new teachers who have certifications are no more or less effective than new teachers who do not have certifications.^{vii}

Those who believe that typical professional certifications are trustworthy indicators of competence have done so without evidence of such a relationship. Even those who sell such certifications are careful not to make such claims. A typical delicately worded sales pitch is, "Obtaining a professional certification is an indication that you're an expert. It's proof to employers, peers and even yourself that you speak and think in a specific language. It comes with the expectation that co-workers and decision-makers will call on you for advice and insight. Your experience and expertise will be key to a business' growth in the face of internal and external changes."^{viii}

A more detailed examination of this phenomenon is a subject for another day. For our purposes, let it suffice to say that money spent for certifications is not money spent on training, except in the loosest sense.

The other particularly noteworthy and expensive issue that is peripheral to training is the modern *learning management system*, or *LMS*. A *learning management system* is a system and scheme for the administration, documentation, tracking, reporting, and delivery of educational resources. Today, when one says *LMS*, it is assumed that one is referring to a software system that provides such operations, but the concept and the term date to the 1920s. The first software- and computer-based modern LMS was *SoftArc*, which came out in 1990. There are as many as 700 LMS today.^{ix}

LMS's are a lovely idea and big help to trainers, but the decision to use one has a cost in both time and money that is staggering. Once selected, installed, and configured, they begin as a mere container for training. The container must be filled at some expense, maintained at some expense, and kept up-to-date at some expense. They require constant attention to be utilized properly. For small to medium-sized enterprises, an LMS simply is not cost effective. And unfortunately, for large corporations an LMS is easily perverted to provide "one size fits all" training even when targeted, job-specific training is being requested.

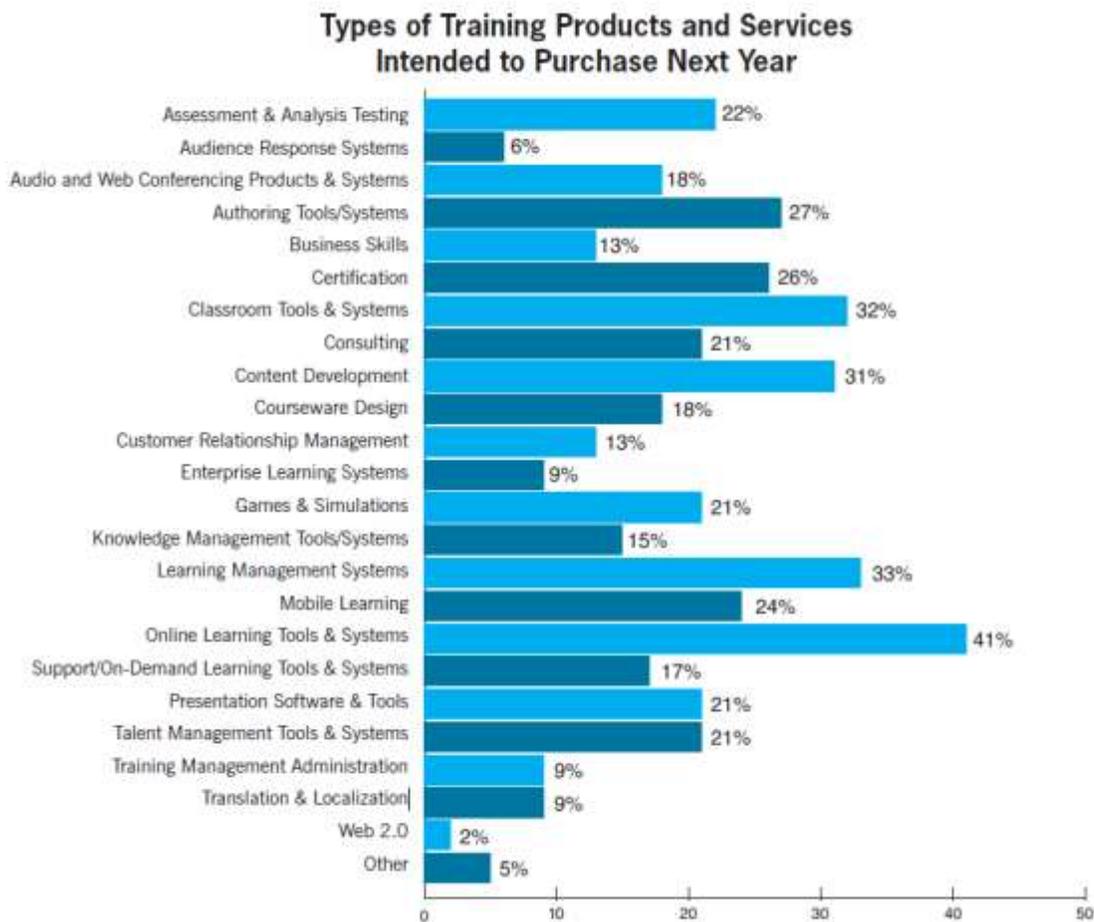
While it is all but impossible to come up with exact numbers, it appears that about 10% of the money spent on corporate training in the US goes to LMS's.^x 86% of the companies who responded to *Training Magazine's 2017 Training Industry Report* said they use an LMS.^{xi}

As the market has become more aware of how much of the training budget has been devoured by LMS's, there seems to have been some backlash. *Training Magazine's 2017 Training Industry Report* remarked that of those whose training budget had decreased (39% of respondents), well over 1/3 of them cited such reasons for the decrease in spending as "eliminated LMS." Clearly, some folks have had enough.^{xii}

Regardless, the quest for certifications and LMS's may be eating as much as 25% of the money budgeted for training by US corporations. That is not money that is spent on task-based training.

DIVERSIONS

A lot of money gets diverted to other things as well. This chart from the [2018 Training Industry Report](#) is a nearly comprehensive list of training-related products and services that are paid for by training budgets.



From *Training Magazine's 2018 Training Industry Report*.^{xiii}

Obviously, money spent on training does and ought to include the costs of authoring tools and systems, classroom tools and systems, content development, courseware design, carefully- and well-implemented games and simulations, support and on-demand learning tools and systems, presentation software and tools, training management administration, and translation and localization.

But money spent on the periphery of training might be better spent on actual training. When, as the above chart indicates, more companies are investing in LMS than in actual content development, something is out of whack. Rights to an entire, comprehensive technical curriculum can be obtained for the price of a mid-sized LMS -- in which case the need for the LMS goes away, in whole or in part, since usage can be on an as-needed basis.

In addition to the costs of learning management systems and certifications, one is wise not to assume that it is always necessary to spend on assessment and analysis testing, audience response systems, audio and web conferencing products and systems, outside consulting, customer relationship management (how did that get into the training budget?), knowledge management tools and systems, and talent management tools and systems.

MAKING IT DIFFICULT

Far too often, senior enterprise training executives get lost in the minutiae and complexity, and lose sight of their actual goals. They are then surprised when results are not what they expected, and for entirely predictable reasons:

1. Despite the availability of training, time is limited and there are competing interests.
2. Specialized training from one-size-fits-all sources fail to perform.
3. An overreliance on technology moves focus from education to administration and the WOW factor. ^{xiv}

It is too easy and too common for senior executives, and thus entire training teams, to get so lost in the periphery of training that they forgo the basics. Organizations as seemingly far afield from training as the *National Institutes of Health* have materials that remind the focused trainer of known steps and procedures one can use to assure successful technical training (identify and teach authentic tasks, use live coding, have programming students work in pairs, etc.),^{xv} but the basics seem to get lost in the shuffle.

In particular, *the big buy* -- a large investment in an enormous, complex system that includes a LMS and content of all kinds -- is far too often much more the problem than the solution, as these large investments are simply not paying off. As was famously pointed out in *The Great Training Robbery*:

Overwhelming evidence and experience shows, however, that most companies are unable to transfer employee learning into changes in individual and organization behavior or improved financial performance. Put simply, companies are not getting the return they expect on their investment in training and education. By investing in training that is not likely to yield a good return, senior executives and their HR professionals are complicit in what we have come to call the "great training robbery." ^{xvi}

These same executives routinely react to cries for training with huge expenditures that yield little satisfaction. The responses are too large, too general, and off-target. One fast-growing, multi-billion company responded to an employee questionnaire that revealed great dissatisfaction with the lack of training by slapping together hundreds of hours of dreadful, unscripted video lectures by marketing personnel, calling it "product training," and requiring employees to take ten hours of the stuff every quarter or lose their jobs. This company, not coincidentally, was soon swallowed up and is long forgotten.

While some advisors preach that training initiatives should and must be managed by senior-level executives^{xvii} -- and this is certainly true for certain training initiatives, especially training that has to do with changing the corporate culture, or corporate policies and practices -- this advice is exactly *wrong* for much job-specific training. A marketing director for a \$500 million corporation told the tale of his frustration with the training folks at his company, who responded to his specific training requests with a "competitive" (cheaper) solution that was part of a bigger, enterprise-wide training package, and which completely failed to meet his needs. Meanwhile, a vice president at a \$450 million enterprise had nothing but praise for the folks in his training department. "When my guys [sic] need to learn something, they ask, and I talk to the training

people, and we deliver. We might go a couple of years without any training, and then spend a [lot] in a single year, if that's what we need to do." How bizarre! How simple! And how effective!

CONCLUSIONS

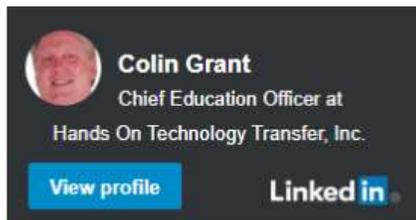
Much of the money spent on training goes to things that are not training, or are peripheral to training, or are more focused on giving the appearance of training than providing training. It is all but impossible to establish precisely how much of the training dollar is diverted from training, but it is at least 20% and arguably as much as 50%.

We talk about and spend money on all these peripheral things that are not training, and we focus on everything except training. It is time to go back to basics. Trainers must focus on case by case needs, and supply training that actually meets needs. There must be less concern about the convenience of the buyer (the senior training executive) and more concern about providing effective services to the clients -- employees in need of properly targeted, effective training.

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ENDNOTES

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ⁱⁱ The Importance of Training and Development in the Workplace. (2019). *20/20 Training and Consulting*. [Online]. Available: <https://2020projectmanagement.com/resources/project-management-training-and-qualifications/the-importance-of-training-and-development-in-the-workplace>, accessed July, 2019.

ⁱⁱⁱ 2018 Training Industry Report. (2019). *Training Magazine*. [Online]. Available: <https://trainingmag.com/trgmag-article/2018-training-industry-report>, accessed July, 2019.

^{iv} Note: the statistics on this are confusing, as some sources refer to the cost "per learner" and others refer to the cost "per employee," but we can say with confidence that \$1,000 per employee is in the ballpark. See sources such as:

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^x The global LMS market size is expected to grow from USD 9.2 billion in 2018 to USD 22.4 billion by 2023, at a Compound Annual Growth Rate (CAGR) of 19.6%. (January 14, 2019). *PR Newswire*. [Online]. Available: <https://www.prnewswire.com/news-releases/the-global-lms-market-size-is-expected-to-grow-from-usd-9-2-billion-in-2018-to-usd-22-4-billion-by-2023--at-a-compound-annual-growth-rate-cagr-of-19-6-300777561.html>, accessed July, 2019.

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^{xii} 2017 Training Industry Report. (2018). *Training Magazine*. [Online]. Available: <https://trainingmag.com/trgmag-article/2017-training-industry-report>, accessed July, 2019.

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