

# THE ANATOMY OF THE MODERN LEARNING SYSTEM

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# INTRODUCTION

The landscape of the corporate training industry is changing, thanks to evolving learner expectations and technologies. The learning organization must modernize to stay relevant, address the most pressing challenges faced by learning leaders and capitalize on the large investments made in training. Training Industry, Inc. research has identified a number of key features of the modern learning system that incorporate

innovations and trends in order to address the changing market and contemporary learning preferences.

The training function is no longer simply a steward of a series of event-based courses. The modern learning system combines interrelated data, processes and resources to create a system of interdependencies that work together, adapting to changing

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business needs. These interdependencies include multi-level dynamics driven by the organization, training professionals, technological advances and the learners themselves.

At a macro level, the organization in which the training function operates dictates fiscal realities. These realities mandate careful allocation of training budgets, reflecting astute forecasting

of current and future states. Understanding the investment areas that make this budgetary cut enables insight into the priorities of modern training organizations. These resource investments also highlight the critical nature of training within the organization and the competing demands associated with developing a training budget.

At the helm of this system are capable, [experienced and](#)

[well-educated learning leaders](#) who are making those critical decisions. These individuals understand the importance of professional evolution both individually and as a training function. They face a consistent set of modern challenges in continuing that evolution, and the challenges that they consider most critical and the strategies they use to address them set the stage upon which the modern learning system shines. By

maximizing the interconnections between components of the modern learning system, learning leaders drive continual improvement through the efficiencies they create.

This dynamic integration drives a heightened awareness of the triggers for training and enables prompt responses. It also ensures that the delivery systems used to respond are aligned with learner needs and preferences, emphasizing a holistic learner experience that is thoughtfully crafted to create learner paths. These paths combine a range of formal and informal training opportunities at the time of need throughout learners' careers. Operating

simultaneously and in concert with each of these elements are measurement systems, which play a key role in ensuring real-time insights into the capacity and productivity of each component system. They also allow data to flow throughout the system to inform the decisions and strategies used to address modern challenges.

The modern learning organization is truly a system, functioning within the broader organizational context and steered by the modern learning leader. By operating as a system, the training function can develop the flexibility it needs to capitalize on data and fully realize its potential to impact business performance.



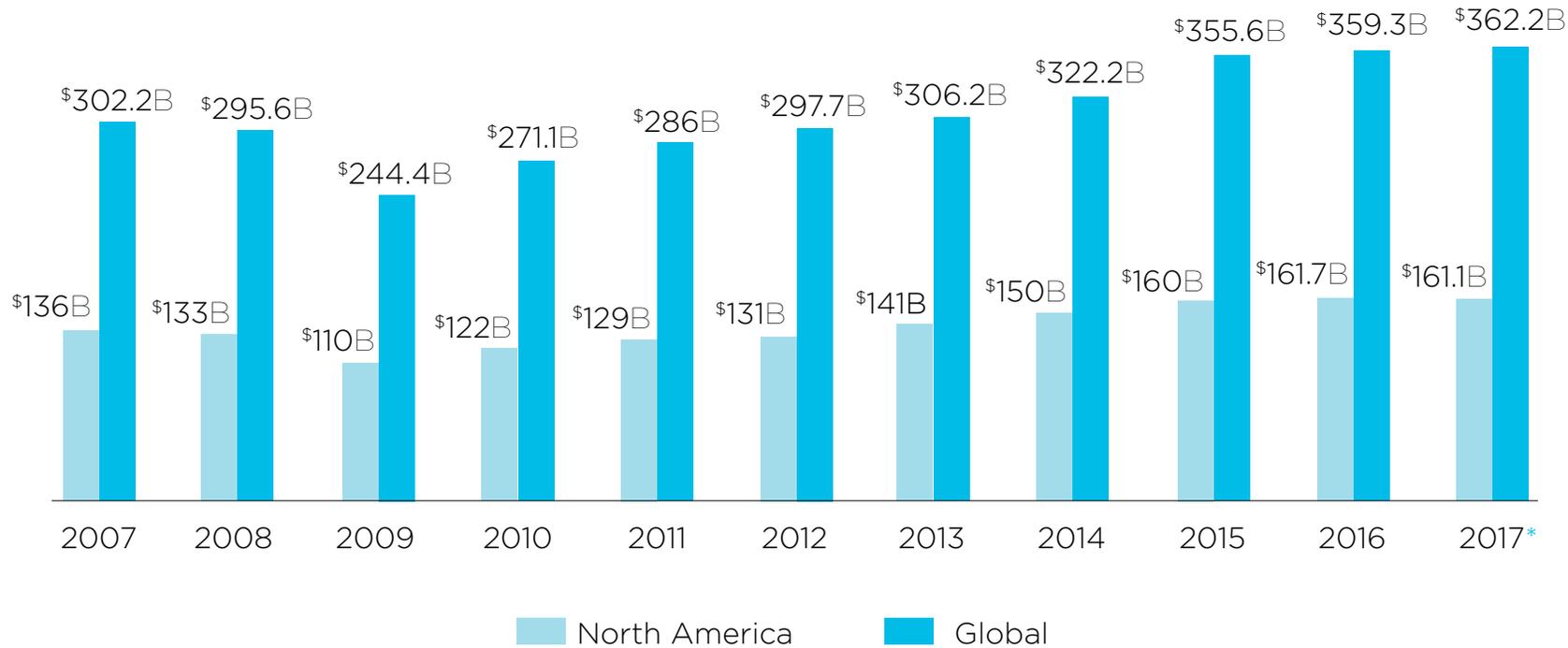
At the helm of the modern learning system are capable, experienced and well-educated learning leaders who understand the importance of professional evolution.”

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# THE CORPORATE TRAINING LANDSCAPE

With the investment in training expected to exceed \$362 billion in 2017, the need for learning leaders to allocate training funds wisely is more pressing than ever. Over the past several years, changes in the training market mean that training organizations must do more with less while still ensuring ROI. And while the growth in the North American corporate training market has slowed over the last year, reflecting decreased training budgets, spending in the rest of the world is picking up (see Figure 1), reflecting the global relevance of the modern learning system.

Figure 1.  
Corporate Training Market  
2007-2017

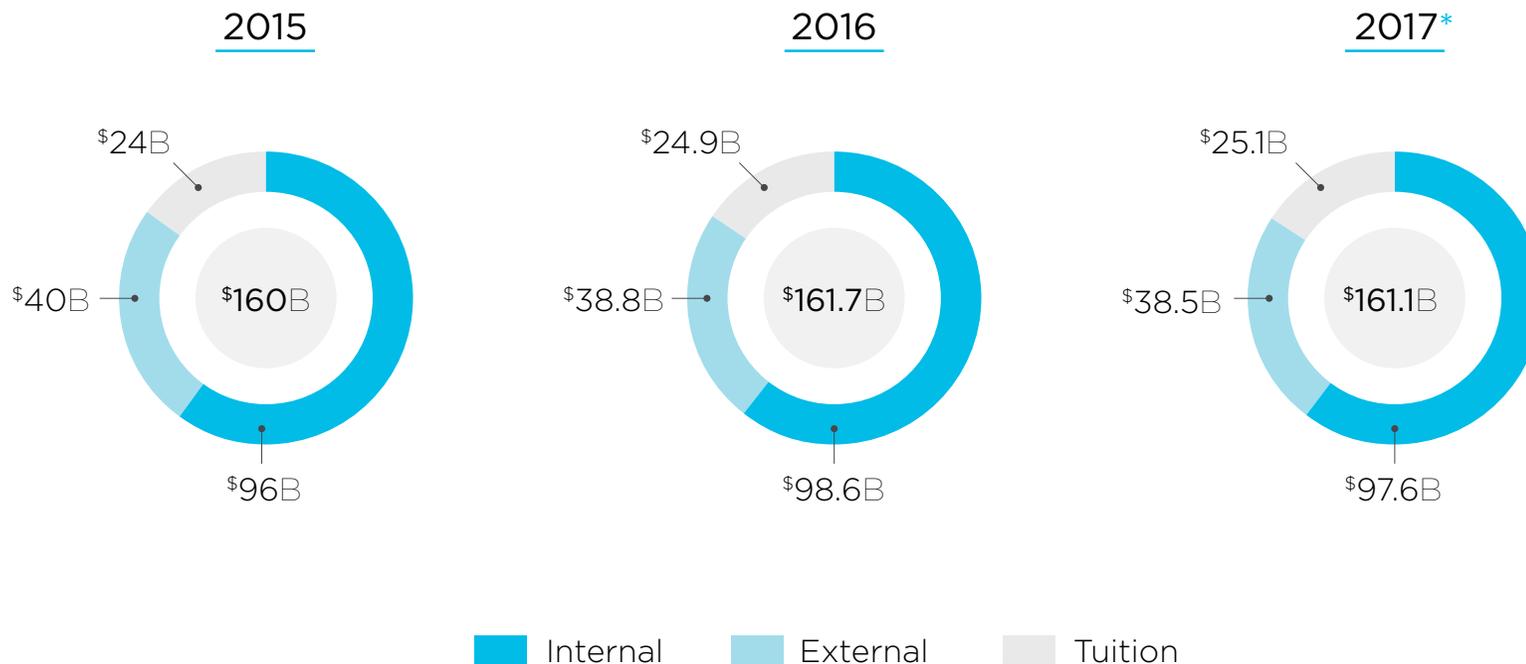


\*2017 estimated totals



Global spending is increasing, reflecting the universal relevance of the modern learning system.”

Figure 2.  
North American Training Spending  
2015-2017



\*2017 estimated totals

## HOW ARE TRAINING ORGANIZATIONS ALLOCATING THEIR BUDGETS?

While more than half of the North American training budget is spent on internal resources, a sizable 40 percent is spent on external training products, services and tuition (see Figure 2). This use of external and tuition services reflects the need for the modern learning system to address training organization capability gaps through external means. By using their monetary resources to secure external capabilities, learning leaders ensure that their training organizations are prepared to meet modern needs.

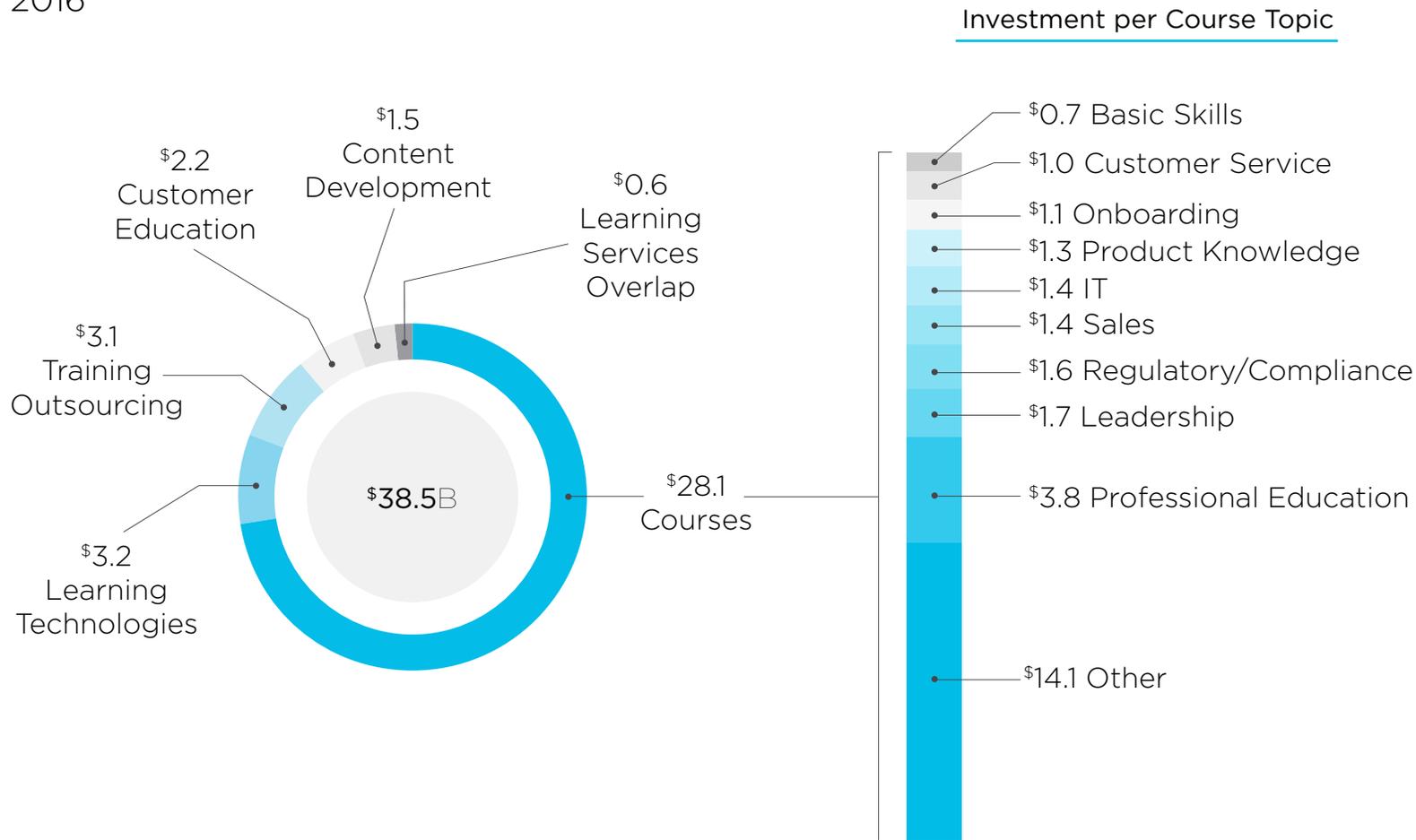
“

North American training organizations will spend an estimated **\$38.5 billion** on external training services in 2017.”

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Figure 3.  
North American External Spending  
2016



In particular, organizations are meeting that need through a sizable investment in courses. Of the \$38.5 billion spent externally in 2016, \$28.1 billion was invested in courses (see Figure 3). Further, the investment in training outsourcing has decreased, suggesting that modern learning systems are experiencing less need for [comprehensive training providers](#) and instead are recognizing the need for greater fluidity and flexibility, as demonstrated by the increased demand for [selected services](#), such as [content development](#), [learning technologies](#) and customer education.

# LEARNING LEADER CHALLENGES

In addition to ensuring budgets are spent appropriately, leaders of the modern learning system face eight major challenges<sup>1</sup>. Of these, the most frequently encountered challenge is *training consistency*. In our global environment, employees often work – and are trained – from home or on opposite ends of the globe, ensuring that employees receive comparable training experiences in different locations, online or in person, is both challenging and imperative. The abundance of information available on the internet adds to this challenge, making it more important than ever to make sure that the *content learners access is relevant* to their job roles. Therefore, leaders of the modern learning system must prioritize content curation to meet this challenge.

<sup>1</sup>N=779

Figure 4.  
Top 8 Challenges for Learning Leaders



Training Consistency



Limited Resources



Securing an Internal Champion



Content Relevancy



Evaluating Effectiveness



Sustaining Training's Impact



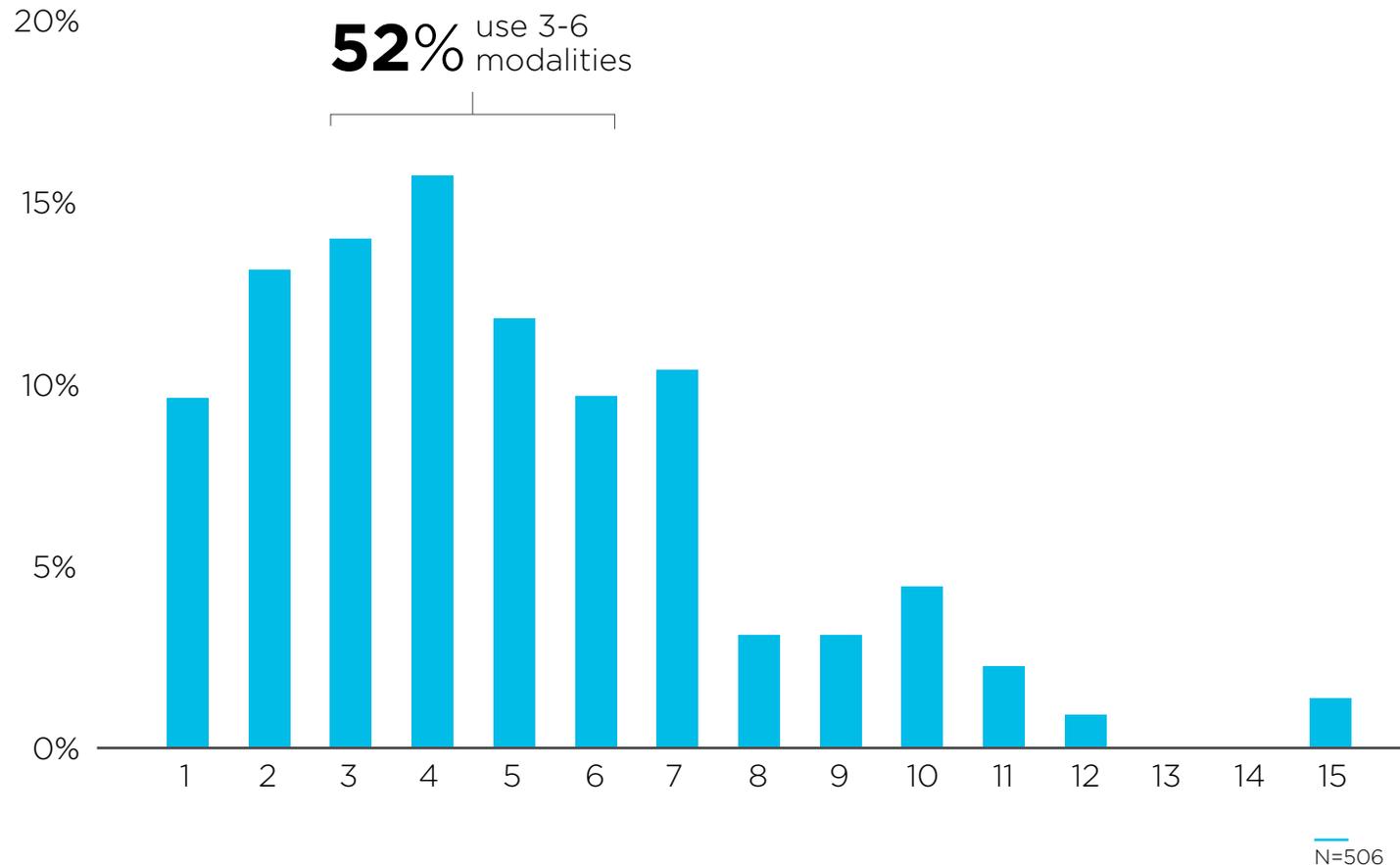
Prioritization of Training



Learner Experience Across Modalities

Similarly, as new technologies and learning modalities enter the workplace, providing excellent *learner experiences across modalities* is a critical challenge. The majority of organizations are using multiple modalities for training delivery (see Figure 5). In these organizations, [instructor-led training \(ILT\)](#) and [e-learning](#) typically serve as a foundation, and additional modalities are incorporated to accommodate specific topics and organization and learner contexts. Learning leaders must understand those modalities, be able to use them effectively and combine them to impact results.

Figure 5.  
Number of Modalities Used in a Training Program



“

70%

of learning leaders believe using multiple modalities is crucial for training.”

Share this quote



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Another challenge the modern learning leader faces is that of *sustaining training's impact*. Employees may attend a workshop or participate in an e-learning module, but do they apply what they learned on the job, immediately and weeks or months later? Furthermore, what's the best way to *evaluate the effectiveness of training*, immediately and in the long term? In a recent survey of learners, fewer than half believed the training they received in the last 12 months was very effective

at positively impacting their job performance<sup>2</sup>. This finding is troubling in light of the large investment that training entails and points to the critical nature of measurement for understanding the actual impact of learning programs. Given the wide variety of measurement tools, it's important that learning leaders identify the most appropriate ones to use and understand how to use them effectively.

Being able to evaluate effectiveness can help training

leaders prove ROI, which leads to another common concern: *making sure training as a function is made a priority* at their organizations, including in budgets, where they often feel they receive *limited resources*. In fact, 78 percent of learning leaders say their budgets will increase by 5 percent or less in 2017<sup>3</sup>. One way to help make sure training is made a priority is *finding an internal champion* - an executive who understands the importance of training and is willing to advocate for it at the highest levels.

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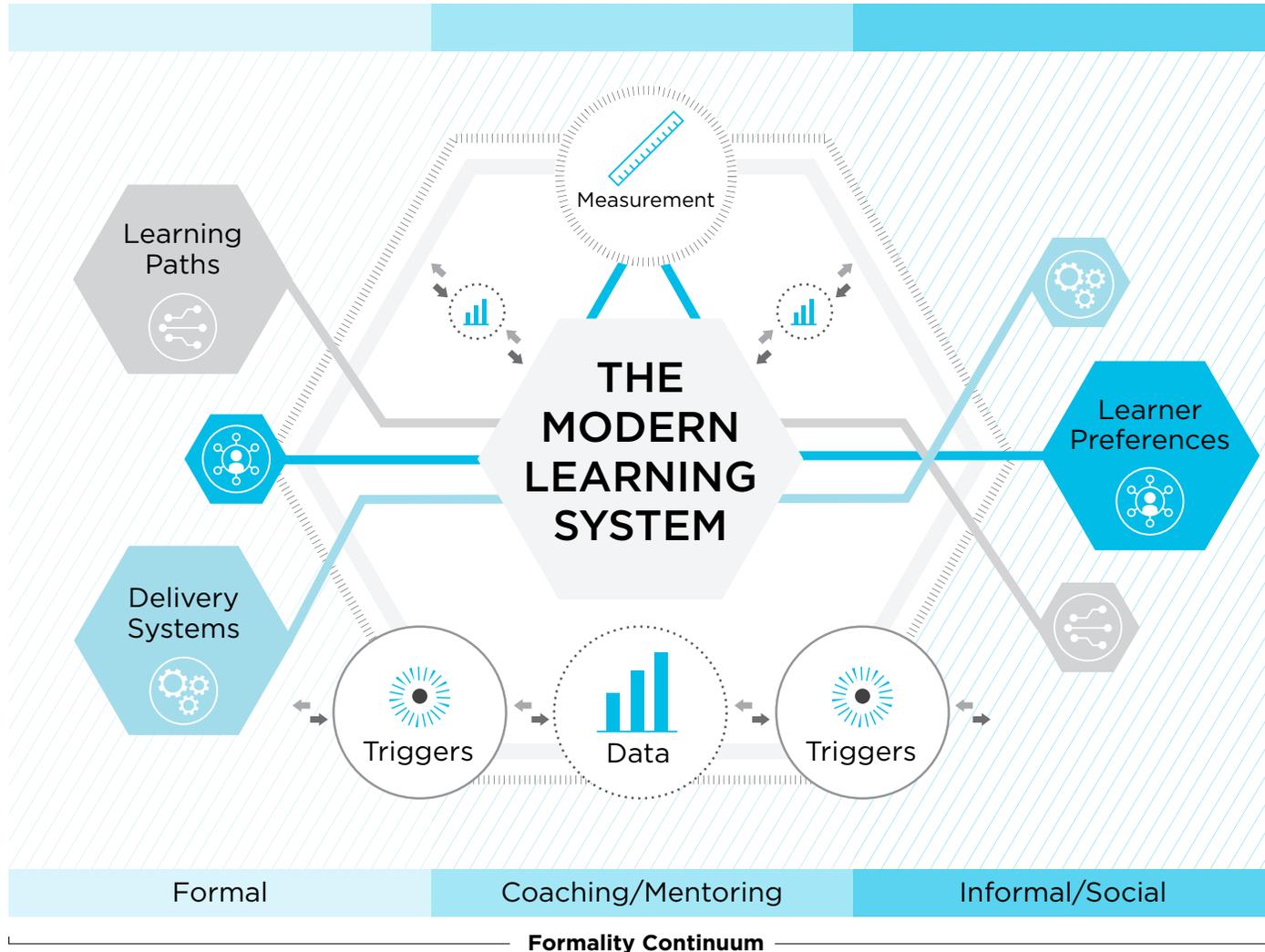
<sup>2</sup>N=1,172  
<sup>3</sup>N=252

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# THE MODERN LEARNING SYSTEM

How can today's training organization address these modern challenges effectively? It requires shifting from thinking of *training courses or programs* as one-time, isolated events to viewing training as a *system*. The modern learning system (see Figure 6) encompasses the factors driving the need for training: both traditional and new forms of training, learner preferences, learning paths, delivery systems, and the growing importance of data and measurement.

Figure 6.  
The Modern Learning System



**KEY**



**Triggers:** any factor that drives the need or perception of the need for training; L&D professionals must determine which triggers warrant response



**Learner Preferences:** learner proclivity for various training modalities; L&D has the opportunity to capitalize on those preferences



**Learning Paths:** comprehensive maps of training experiences designed to direct a learner through skill and knowledge acquisition



**Delivery System:** system of mechanisms for delivering content to learners; various modalities must work together rather than in isolation



**Measurement:** the system in place for deliberate collection of data used to evaluate modern learning system functioning and make informed decisions



**Data:** intelligence gathered through a variety of sources; should be used to inform all aspects of the modern learning system



**Formality Continuum:** continuum of learning that ranges from unstructured to highly structured experiences



Data is both a driver and an output of the modern learning system, informing what goes into the system and providing support to the main output – performance, whether that’s improved sales or better manager assessments from their direct reports. Triggers are the instigators of training programs, which fall on a continuum of formality from formal programs, coaching

and mentoring, and informal/[social learning](#). The system also includes learning paths, delivery systems and measurement, each of which must take learner preferences into account.

The modern learning system can be compared to a road trip. The triggers are what cause the driver to plan the trip – maybe she has time

off from work. Performance goals are a destination – the beach. Learner modality preferences are the type of vehicle she wants to use to get to the beach (a convertible or a pickup truck?), and learning paths are the map she uses to determine a route. Data is used for re-routing along the way to avoid traffic jams or accidents.



Triggers can include:

- Performance gaps
- Executive mandate
- New systems or product rollouts
- Low employee engagement
- Change in general
- New hires or promotion to a new role
- Compliance requirements
- HRIS data

## TRIGGERS: WHAT DRIVES THE NEED FOR TRAINING?

Several factors can drive the need – or perception of the need – for training. Some are proactive (e.g., planning for promotions) and some are reactive (e.g., low employee engagement). The triggers represented in Figure 6 should be supported by data, and the L&D professional provides value in identifying which triggers truly indicate a need for training.

These triggers, and the data upon which they are based, feed into training programs, which range in structure from formal to informal social programs. It's important for learning leaders to select the best type of program for the trigger. For example, a formal, possibly online, program may be the best fit for compliance-related training needs, while training a new hire might require a combination of formal onboarding and on-the-job coaching. In addition to matching program type to trigger, the modern learning system must also consider learners' preferences in order to ensure success.

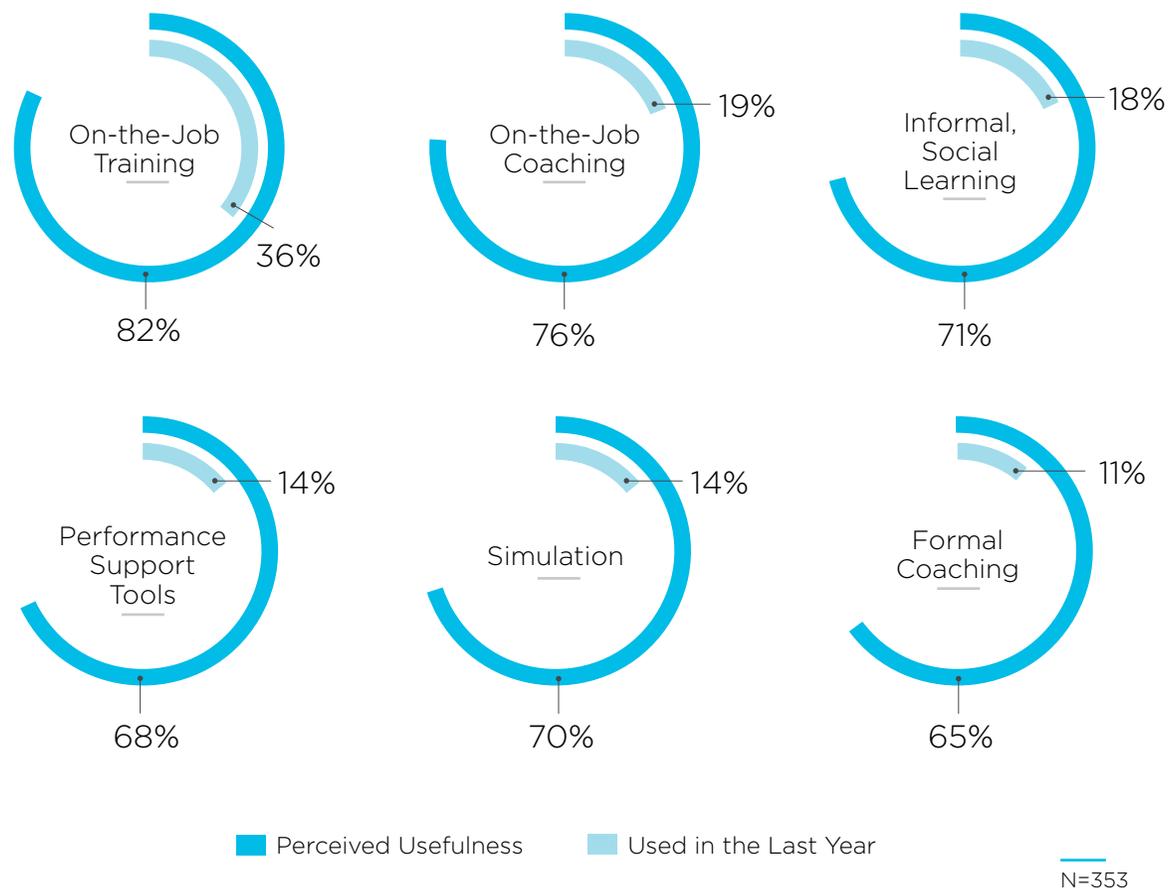
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Learners rank **on-the-job training** the most useful for impacting their learning.”

Share this quote



Figure 7.  
Learner Preference Gaps

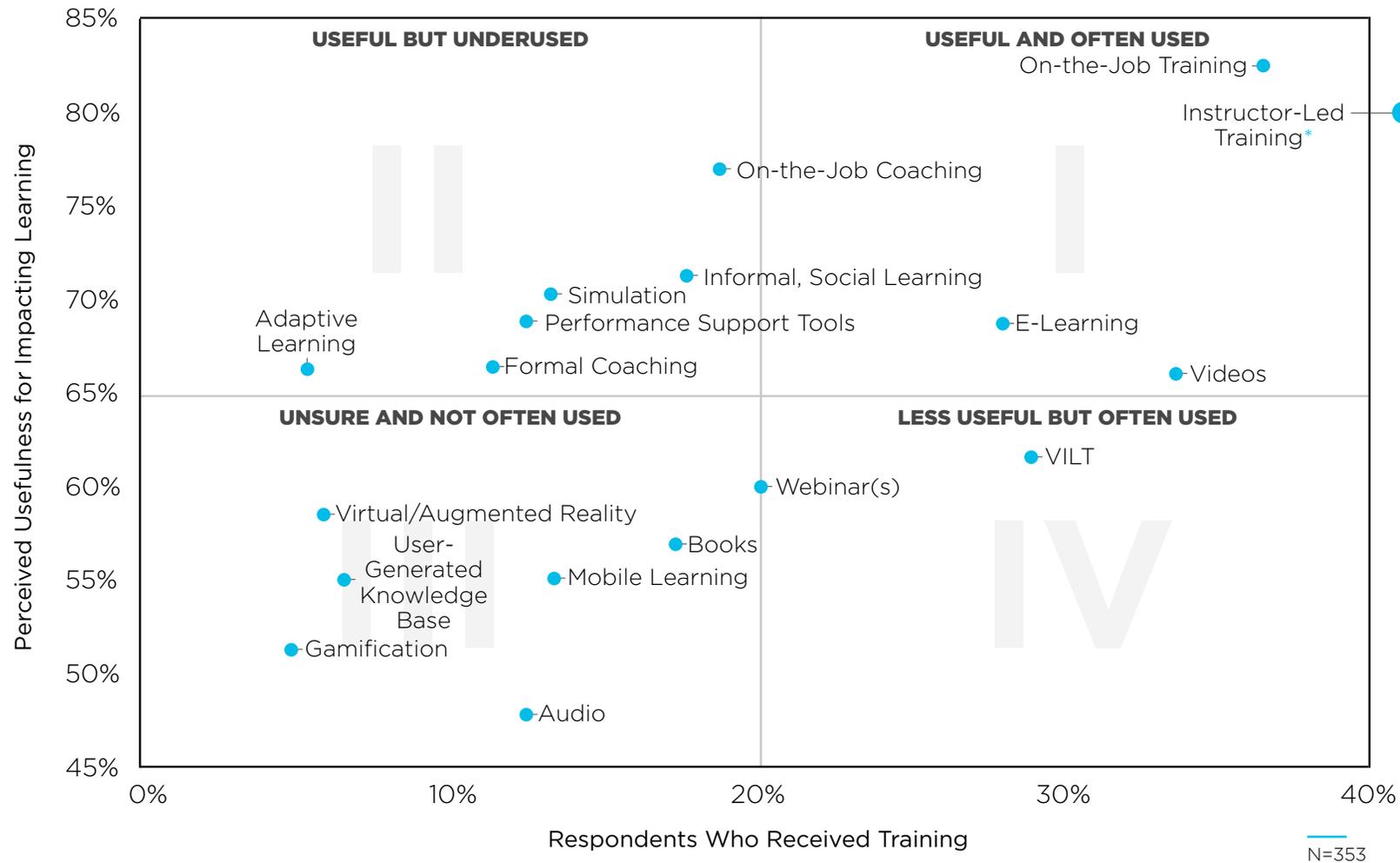


## LEARNER PREFERENCES: HOW DO EMPLOYEES WANT TO LEARN?

Recent research by Training Industry, Inc. found that learners find some modalities more useful than others. These data provide a pattern that can guide decisions about how to provide training (see Figures 7 and 8). In fact, understanding learner preferences can help address some of the top challenges of learning leaders, including sustaining the impact of training and providing high-quality learner experiences across various modalities. Thus, learner preferences play a prominent role in the modern learning system (see Figure 6).

Focusing on Quadrant 1 in Figure 8, “Useful and often used,” the major takeaway for the modern learning system is to continue to use these popular and effective modalities. On the other hand, Quadrant 4, “Less useful but often used,” points to the importance of ensuring quality in frequently used modalities to realize their utility in training.

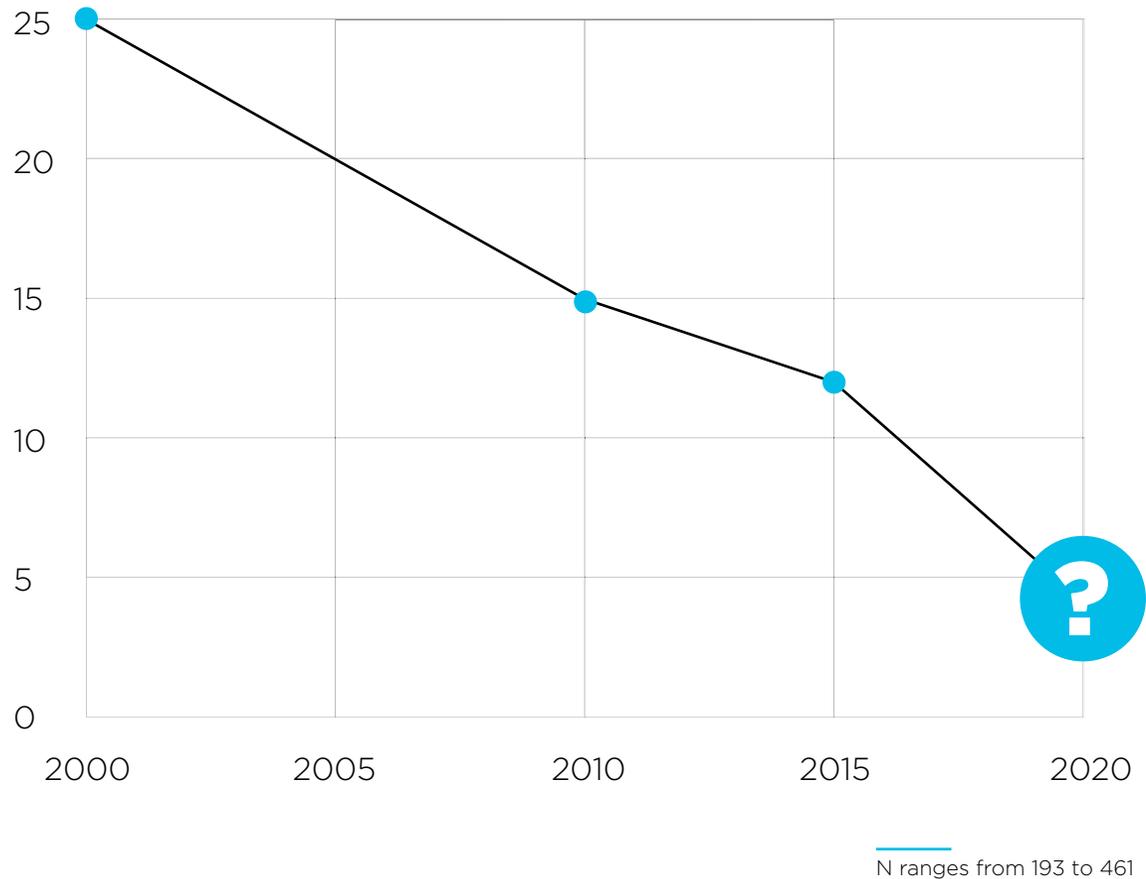
Figure 8.  
Learner Preference Quadrants



\*Instructor-Led Training (ILT) is the most utilized modality by far. With 60 percent of learners receiving this kind of training, ILT is an outlier falling outside of the range of this chart.

Quadrant 3, “Unsure and not often used,” includes both “old-school” and “new-school” tools and technologies; some of these are likely to grow in importance over time while others may be fading out of use. Finally, Quadrant 2, “Useful but underused,” represents an opportunity for L&D to improve training effectiveness by using these effective modalities more. For example, learners rank on-the-job coaching in the top three modalities for impacting learning, but only 19 percent have received this type of training in the past year. The modern learning system takes these preferences into account when planning learning paths.

Figure 9.  
Average Class Size  
2000-2020



## LEARNING PATHS: HOW ARE WE HELPING LEARNERS SUCCEED?

The learning paths depicted in Figure 6 can include structured curricula and programs, suggestions, role-based paths, manager-directed instruction, online repositories of curated content, and individualized or adapted learning. Paths are designed to effectively and efficiently direct a learner through the skill and knowledge acquisition process and range from generic to customized.

Research shows that 30 percent of learning leaders provide some form of customization in every program, and the decreasing average class size seems to be heading in the direction of completely individualized training (see Figure 9). With technological advances like [machine learning](#), this customization is becoming automated and adapted to individual learners, enabling targeted learning paths that meet the learners where they are and guide them through the learning process.

“  
**52%** of training  
programs  
use **3-6**  
modalities.”

Share this quote



Figure 10.  
Delivery Systems



## DELIVERY SYSTEMS: HOW DO WE PROVIDE TRAINING?

Learning paths utilize multiple modalities and delivery mechanisms, which are typically not used in isolation; rather, these methods make up a larger training delivery system (see Figure 10). As noted earlier, the majority of modern learning programs use multiple learning modalities, and learners have clear preferences for some modalities over others. The modern learning system enables learning leaders to provide a variety of delivery systems, to accommodate a variety of learners. For example, an organization's data may suggest that technical professionals, who are comfortable using technology in their day-to-day work, also prefer using VILT and other digital modalities. The modern learning system (see Figure 6) takes that data and uses them to select digital delivery systems that work in concert to accomplish IT training.



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Data both enters and exits the modern learning system. It informs programs and allows learning leaders to evaluate them. It can come from a variety of sources:

- Delivery systems
  - Performance management processes
  - Survey-based ratings
  - Purposeful, planned measurement/evaluation
  - Learning management system (LMS)
  - Learning record store (LRS)
  - In-experience activities (such as views and clicks)
- 



## MEASUREMENT: HOW ARE WE EVALUATING LEARNING?

Measurement is a key component of the modern learning system (see Figure 6). By measuring outcomes, the modern learning system produces the data that feed back into the system, enabling responsive design and delivery. Learning leaders successfully measure training by incorporating each of [Kirkpatrick's four levels of evaluation](#) as well as [modern metrics](#) that move beyond these classic levels. The emphasis on measurement in the modern learning system helps address several of the top challenges for learning leaders, including training effectiveness and budget restrictions.

When learning leaders collect meaningful data, they are better able to evaluate the effectiveness of training programs and utilize that information to create more effective programs. Then, by demonstrating an ROI, it becomes easier to obtain resources for training. By measuring effectiveness, the modern learning system cycles data through each of its interdependent parts, allowing adaptation as needs change and ensuring training remains a priority in the organization.

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# CONCLUSION

Training Industry, Inc. research<sup>4</sup> consistently points to the importance of efficient, well-designed processes in building high-performing training organizations. The modern learning system provides a map upon which these processes should align. As noted earlier, the increasing complexity of the modern organization, combined with lower spending on training, means that both internal training organizations and training providers must be able to leverage technology and data to effectively improve performance. Thinking of training as a system and developing strong processes within that system are key to addressing the common challenges faced by learning leaders and providing the flexibility L&D needs to impact business performance.

<sup>4</sup>Harward, D. & Taylor, K. (2014). *What makes a great training organization? A handbook of best practices*. Upper Saddle River, NJ: Pearson FT Press.

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## KEY TAKEAWAYS

- The modern learning system represents a system of interrelated processes and components working together to flexibly address training needs.
- Data play a key role in ensuring the modern learning system aligns with changes in important conditions and demands.
- By adapting to meet individual learner needs, the modern learning system enables more efficient and effective use of resources to drive business performance.

# TRAINING INDUSTRY, INC. RESEARCH PARTICIPANT DEMOGRAPHICS

Unless otherwise noted, all research findings described within this report are based on Training Industry, Inc. research data collected between 2016 and 2017. The following are typical demographics of participants across this research.

Training Industry, Inc. research focuses on **multiple perspectives**:



Learners



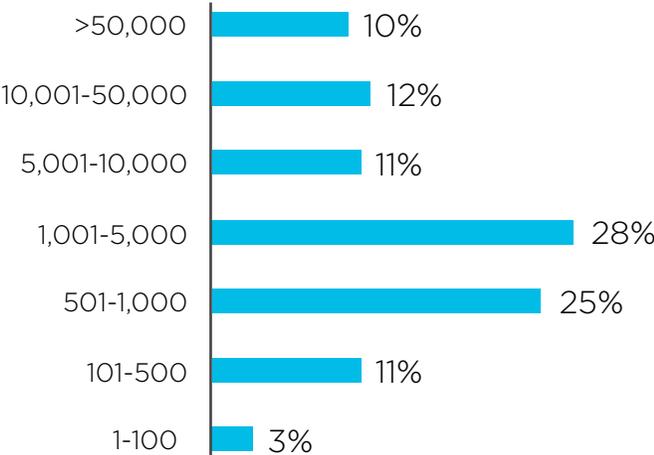
Learning Professionals



Training Companies

Respondents typically represent decision-makers at mid- to large-sized organizations in a variety of industries.

## Company Size

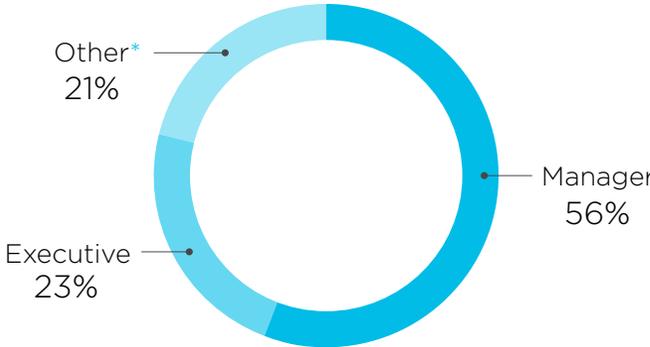


## Top 8 Industries

(representing ~60% of respondents)

- 1 | Banking and Finance
- 2 | Health Care
- 3 | Business Services
- 4 | Technology
- 5 | Manufacturing
- 6 | Construction
- 7 | Durable Goods
- 8 | Education

## Job Titles



\*Other includes associates, consultants, specialists, instructors/trainers, analysts and instructional designers

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## ABOUT TRAINING INDUSTRY, INC. RESEARCH

New insights create new ways for L&D to do business. Training Industry, Inc. provides data-driven analysis and best practices for the corporate training professional by capturing the perspectives of learning professionals, learners and training companies across a diverse array of industries. Our informational resources are shared with more than 185,000 monthly website visitors and 135,000 email subscribers.

The Training Industry, Inc. research team of experienced analysts relies on rigorous survey practices, including targeted sampling and advanced analytics. These practices are based on validated principles of measurement to answer both qualitative and quantitative questions across a variety of research designs, including market research, buyer personas, learner impact analysis, competency models and

organizational assessment tools. Our expertise and audience reach allow us to provide learning professionals with in-depth market intelligence and thought leadership insights to reveal where the corporate training market is now and where it is headed in the future.

Our research harnesses the collective wisdom of learning professionals and their unique perspectives on the business of training to inform our continuing professional development programs, including events, classes, certificates and the Certified Professional in Training Management (CPTM™) certification program. We circulate these insights throughout the training market using content marketing, including webinars, infographics, email marketing, and our award-winning magazine and website.

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