



Helping Companies Bring Out The Best In Their Employees

The Post and Courier, Charleston, SC
Monday, August 15, 2005

Demand for trainers likely to grow

BY CINDY MAYS

The Dallas Morning News

DALLAS--As the economy improves and company profits increase, corporate trainers are celebrating the return of something their industry depends on to survive: discretionary spending.

In its 2004 State of the Industry Report, the American Society for Training and Development estimates that corporations will spend more than 2.5 percent of payroll on training in coming years, compared with 2.2 percent three years ago.

"Organizations are linking learning to performance and the bottom line," said Brenda Sugrue, senior director of research for ASTD. "They understand the relationship between creating a skilled workforce and achieving enterprise-wide success."

As a result of the increasing complexity of many jobs, the aging workforce and technological advances, the Bureau of Labor Statistics predicts employers will devote greater resources to job-specific training programs, creating a strong demand for training and development specialists across all industries.

Sue Murray, president of EduCorp Training and Consulting Inc. in Grapevine, Texas, says it's common practice for companies to immediately slash corporate training budgets in a slumping economy because many believe training isn't essential.

But she points out that some companies considered that practice to be counterproductive and did the opposite. "Southwest Airlines was one of the few companies that actually increased training during the recent economic downturn," she said. "It is interesting that they were also the only airline making money."

Many small training companies disappeared during the tight budget years after the 2001 terror attacks. Murray says her company survived by maintaining low overhead, cutting costs and diversifying.

"More and more, you are seeing blended solutions, containing a mixture of instructor-led and Web-based or online training," she said. "We think this will continue."

Another factor contributing to the growth in the training market is the realization of many businesses that they are ill-equipped to compete in the marketplace because their employees lack the necessary skills.

In a recent ASTD poll of 300 businesses, 66 percent reported they have a skills gap in their company.

Tony Bingham, president and chief executive of ASTD, says that although many companies are aware of the need to "right-skill," or redevelop the skills of their workforces, they aren't sure how to go about it.

"Despite that awareness, many can't retain key talent, *don't have methods in place to identify skilled employees* and aren't providing enough training and development for their most strategic employees," he said.