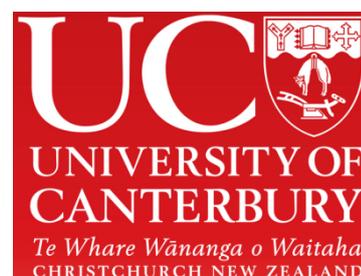


NZATD ANNUAL INDUSTRY TRAINING REPORT 2019



This report is submitted to the New Zealand Association of Training and Development (NZATD) at the request of Diane Edwards (former NZATD National President) and Kath Cherry (NZATD National President). The report covers a study that was undertaken to determine the state of industry training in New Zealand.

The report was prepared by the following individuals:

- *Dr. Russell Wordsworth (UC Business School, University of Canterbury)*

FOREWORD

I want to start this foreword off with "at last!"

For some people, this will be the first time you have heard of the NZATD Annual Industry Training Report. For some of us, it has been a long time coming. At NZATD National Executive meetings, we talked about it over many months as we agonized about the best way forward. Then we finally got to agree and Russell did amazing work to get everything together and distributed.

Now all the results have been collated and the summary is ready for us all to read and discuss. We have put our mark in the L&D sand. This is it. Research looking at the responses from people in our New Zealand businesses. While the number of respondents might seem small, it is a start. That in itself is exciting!

We plan to complete this survey annually and are hopeful that publishing the results will help businesses to see the value of spending a little time reflecting and thinking about how they can support the learning and development of their staff.

We also hope that you will give us your ideas on how we can improve the survey in 2020.

Let's build our future based on the facts of now

Kath Cherry
NZATD – National President

EXECUTIVE SUMMARY

In 2019, the New Zealand Association for Training and Development (NZATD) and the University of Canterbury (UC) collaborated to conduct the inaugural NZATD Industry Training Survey. The survey was adapted, with permission, from the annual survey conducted by *Training* magazine in the United States of America (US). The survey was distributed to NZATD members, their affiliates, database subscribers, and members of the Human Resources Institute for New Zealand (HRINZ). Participants completed the survey online. A total of 57 useable surveys were completed for analysis using SPSS.

Respondents worked in a variety of roles, with most being a Learning and Development/training Manager or Human Resource manager. They mostly worked in a large (100-999 employees) or very large organisation (1000+ employees) in all regions of NZ but the majority were based in Auckland, followed by Wellington. “Professional, scientific and technical service” and “Local or national government” were the most common employing organisations with “retail trade” and “wholesale trade” organisations having the lowest representation. The training departments of respondents recorded little change in numbers on the previous year and the teams generally had 5 or fewer members. Over 70 percent of respondents reported content development and training facilitation was partially or completely outsourced. The respondents’ organisations had on average a 13 percent of the workforce who identified as Māori or Pasifika. Over half respondents stated no members of the T&D team identified as Māori or Pasifika. Many respondents did not provide financial data as requested in the survey but from those who did, an average annual training budget of \$900,000 was identified. Over half of respondents stated that 75 percent of all employees received training in the past year, compared to 15 percent of respondents who stated that half or less of all employees received training. An average of 33.5 hours of training were provided per employee. Nearly half of respondents reported an increase in their training budget, with an increase in learner numbers and increased training scope being the main reasons cited for the increase. 15 percent of respondents reported their budget was reducing, with lowering use of external providers and fewer employees attending learning events, being the main reasons. Learning Management Systems (LMS) and online tools and systems were the two most identified costs in the T&D budget.

Compliance and mandatory training was the most common training topic and desktop application training the least. Projected increases in budget for the coming year were focussed on interpersonal skills and management/supervisory training with projected reductions in executive development and IT systems training. At nearly 50 percent, instructor led classroom style training remains the most common approach to training delivery in NZ, with blended learning being the next most common at 25 percent and more common in larger organisations. Social and mobile learning are still rarely used in NZ. 28 percent of organisations offered te Reo Māori courses to employees and 6 respondents stated a small percentage of their training was delivered in te Reo Māori. 2 percent of training sessions in the past year focussed on cultural awareness/biculturalism/treaty of Waitangi.

This report provides a clear baseline of data and identifies areas of similarity and difference in training content and spending priorities across NZ and in comparison to the US. As the inaugural survey, the ongoing collection of survey data will continue to inform organisations and T&D professionals.

INTRODUCTION

It is widely recognised that investment in staff training and development is vital for any organisation to be successful. It is also acknowledged that there are wide ranging degrees of investment across different organisations, with minimal information available to understand the situation in New Zealand. To address this, a collaboration between the University of Canterbury and the New Zealand Association for Training and Development led to the carrying out of the inaugural NZATD Industry Training Survey in 2019.

PROJECT METHODOLOGY

Survey design – benchmarking with the US Training Industry Report

An annual survey of the United States of America (US) industry training has been undertaken by Training Magazine for the past 38 years, with the results published each year in *Training*. Permission was obtained to adapt the US survey to fit NZATD's purposes and thereby enable benchmarking of the data. While the original US survey is comprehensive in its design and coverage, it required substantial adaptation to fit the NZ context. Input was sought from the NZATD National Executive (NE) team on how the NZ version of the survey should be adapted. Changes were made to items relating to organisation size, type, nature of training provision and several other aspects.

Research population

The survey was distributed to all NZATD members, affiliates and individuals subscribing to the NZATD email database. The survey was sent to Human Resources Institute of New Zealand (HRINZ) members who had signed up to participate in HR-related research. This was done in collaboration with the HRINZ management team. Given the scope of the study, two eligibility questions were included at the start of the survey. First, participants could not be from a training or e-learning products or services supplier. This was because the study specifically focuses on training investment and provision within NZ organisations, rather than being a survey of 'training provider'. Secondly, participants had to be from organisations based in NZ. Following data cleaning, a total of 57 usable responses were included in the final dataset.

Data collection

Data collection took place via an online survey hosted on Qualtrics. Participants were sent an invitation to participate in the survey via email. These emails were sent by NZATD and HRINZ directly to their members with an anonymous link to the survey contained in the email. Participation was entirely voluntary, however participants were given the opportunity to go into the draw for one of three \$50 Prezzy® cards if they completed the whole survey.

The data

Data were analysed using SPSS. Descriptive statistics such as frequencies, percentages, means and actual dollar amounts are used to present the data. Where applicable cross tabulation and between-group differences are presented. The data is presented using tables, figures and graphs that are similar to those used in the US training industry report, to allow for each of comparison. The US report can be accessed via: <https://trainingmag.com/trgmag-article/2018-training-industry-report/>

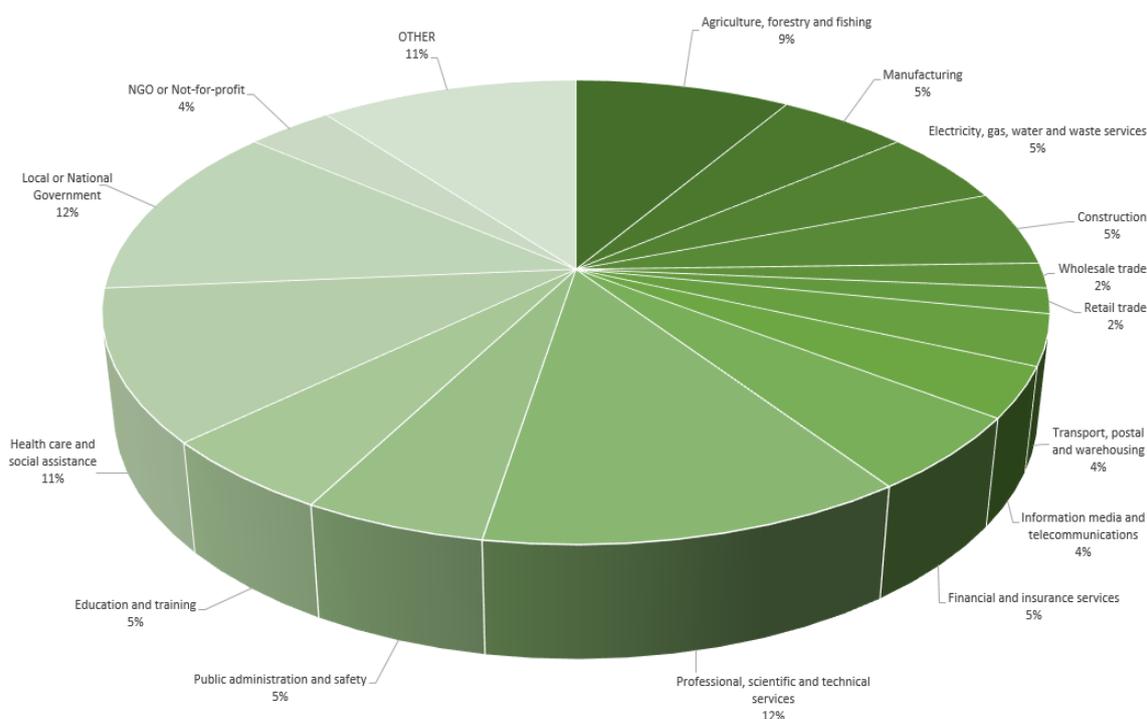
RESEARCH SAMPLE DEMOGRAPHICS

ORGANISATION SIZE	
Small organisations (1-49 employees)	5%
Midsize organisations (50-99 employees)	12%
Large organisations (100 - 999 employees)	44%
Very large organisations (1000+ employees)	39%
Total respondents	57

ORGANISATION LOCATION	
Northland	1.8%
Auckland	31.6%
Waikato	3.5%
Bay of Plenty	5.3%
Taranaki	1.8%
Manawatu-Wanganui	5.3%
Wellington	29.8%
Canterbury	19.3%
Otago	1.8%
Total respondents	57

JOB TITLE OR LEVEL	
C-Suite Level (CEO, COO, CFO, CLO, etc.)	3.5%
Director-level	3.5%
Learning and Development/Training Manager	40.4%
Learning and Development/Training Coordinator	7.0%
Organisational Development or Change Manager	7.0%
Human Resource Manager	29.8%
Instructional designer	3.5%
Other	5.3%
Total respondents	57

INDUSTRY SECTORS REPRESENTED IN THE STUDY



TRAINING EXPENDITURE

Participants were asked about their organisation’s actual and budgeted training expenditure, including time spent in training per employee, annual training budget and payroll costs for staff involved in the design and delivery of training.

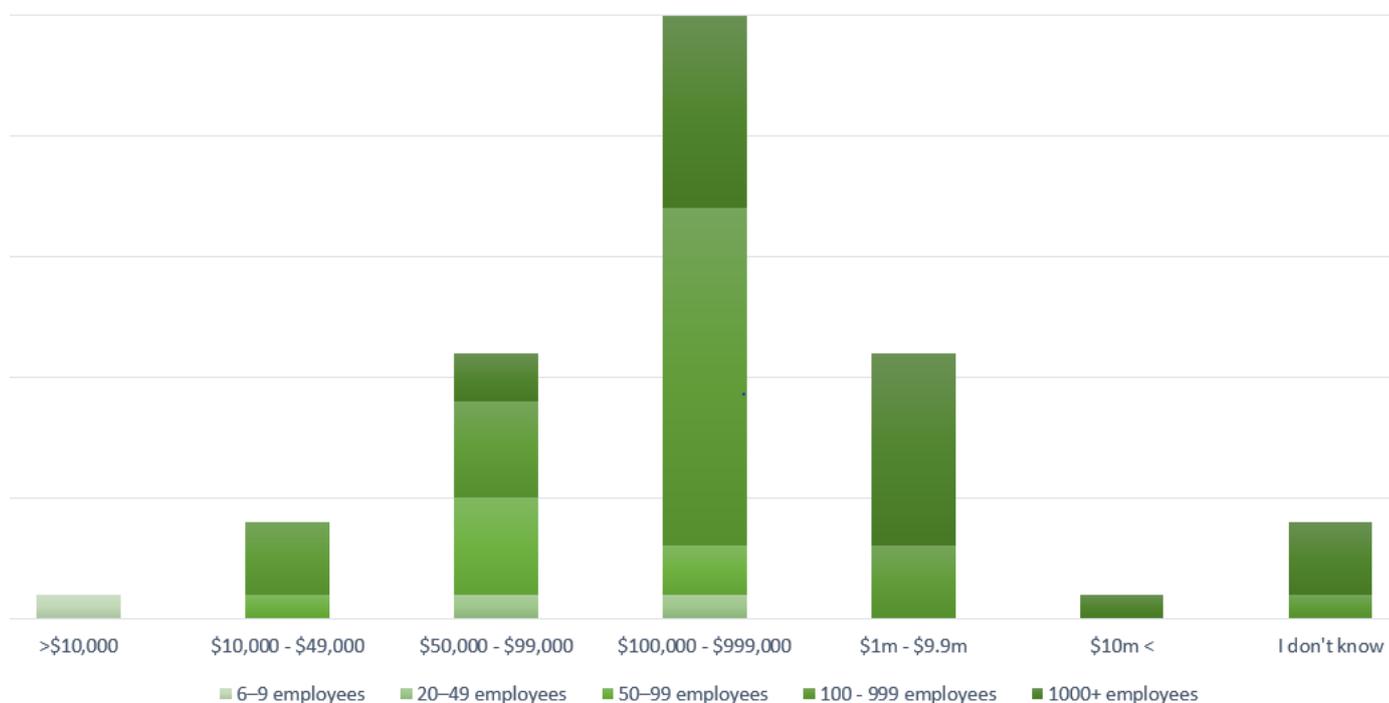
Unfortunately many of the respondents were unable to provide accurate data on actual training expenditure and budgets, hence the missing data in places. Of the 57 respondents only 20 were willing or able to provide the actual dollar figure for their organisation’s 2019 training budget. The average annual training budget for these 20 organisations was in the region of \$900,000 and ranged from \$25,000 to \$5 million. Most respondents were, however, able to provide an estimate for their organisation’s training budget, with mean expenditure ranging from \$100,000 - \$1 million. Organisation reported spending an average of 11.2 percent of their training budgets on training tools and technology. This is remarkably consistent with the US benchmark data at 11 percent.

WHO RECEIVED WORK-RELATED TRAINING IN THE PAST YEAR

Less than a quarter of all employees received training	3.5%
Between a quarter and half of all employees received training	12.3%
Between half and three quarters of all employees received training	26.3%
More than three quarters of all employees received training	50.9%
I don't know	7.0%

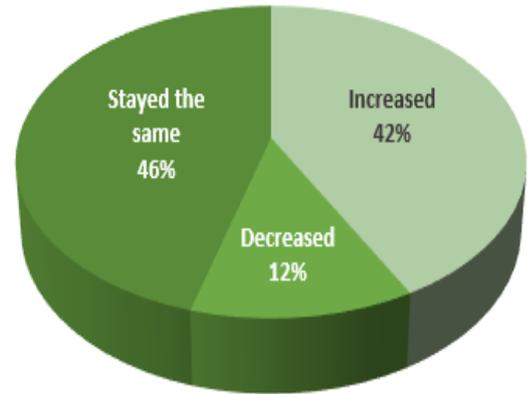
Total respondents 57

ESTIMATED 2019 ANNUAL TRAINING BUDGET AND ORGANISATION SIZE

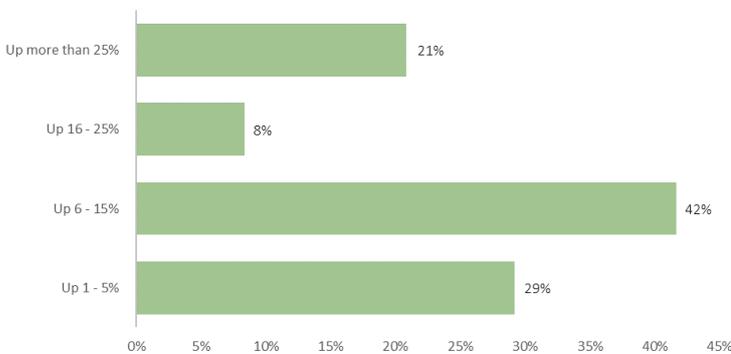


CHANGES IN THE 2019 TRAINING BUDGET

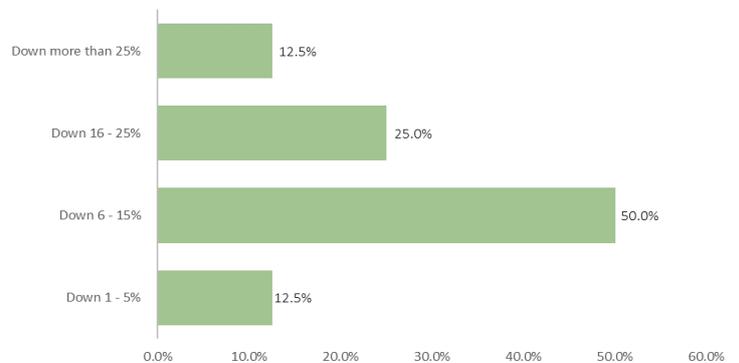
Respondents were asked whether their organisation’s training budget had increased, decreased or stayed the same in 2019. The trend was positive with only 15 percent of organisations experiencing a decrease in training expenditure compared to the previous year. 42 percent of respondents reported an increase in training expenditure, while the remainder reported a stable position. Most increases in training expenditure were reasonably modest in nature with 17 of the 24 organisations reporting increases of 15 percent or less.



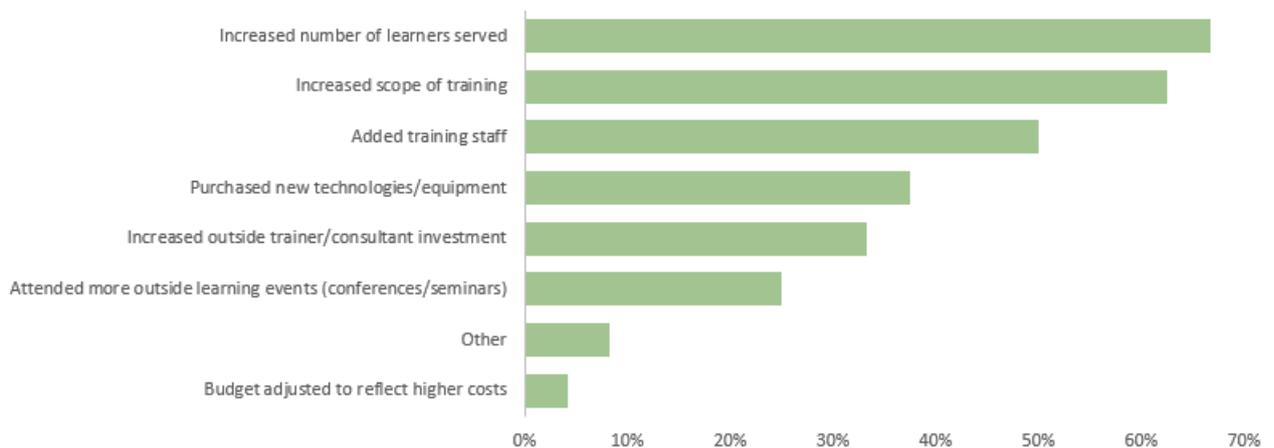
BY HOW MUCH DID THE 2019 TRAINING BUDGET INCREASE



BY HOW MUCH DID THE 2019 TRAINING BUDGET DECREASE



WHY DID THE TRAINING BUDGET INCREASE?

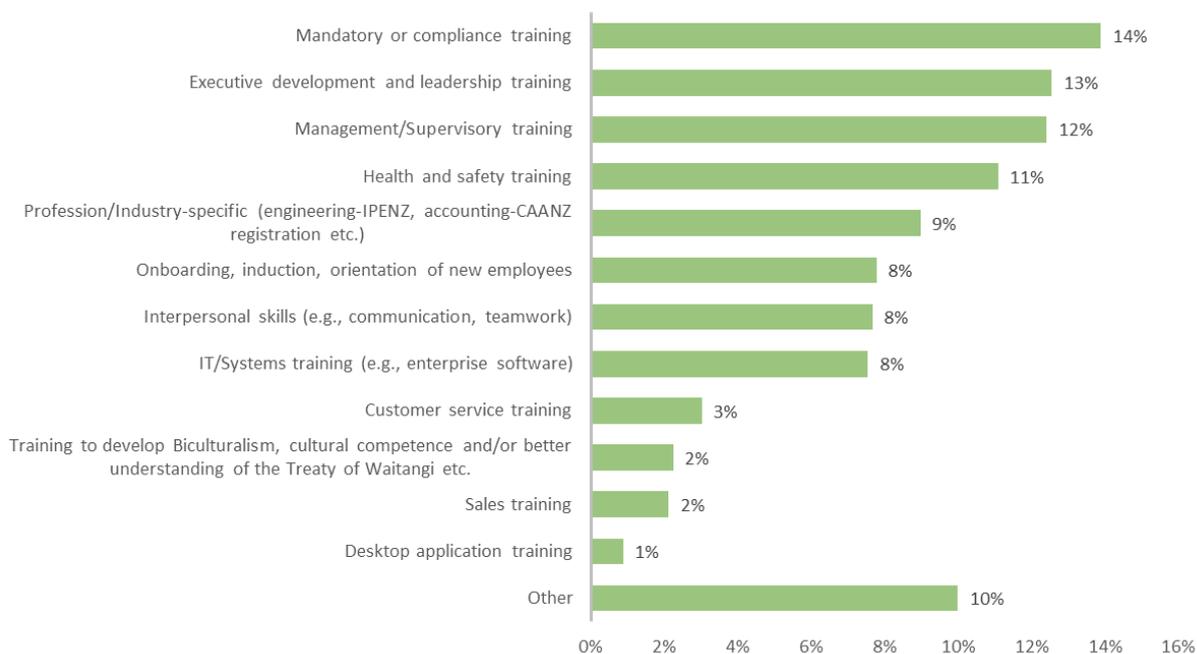


The primary reasons given for reduced training expenditure were decreased spending on external training providers or consultants, less attendance of external learning events and conferences, under spending on previous training budgets, and a reallocation of financial resources to elsewhere in the organisation.

WHAT ARE TRAINING BUDGETS BEING SPENT ON?

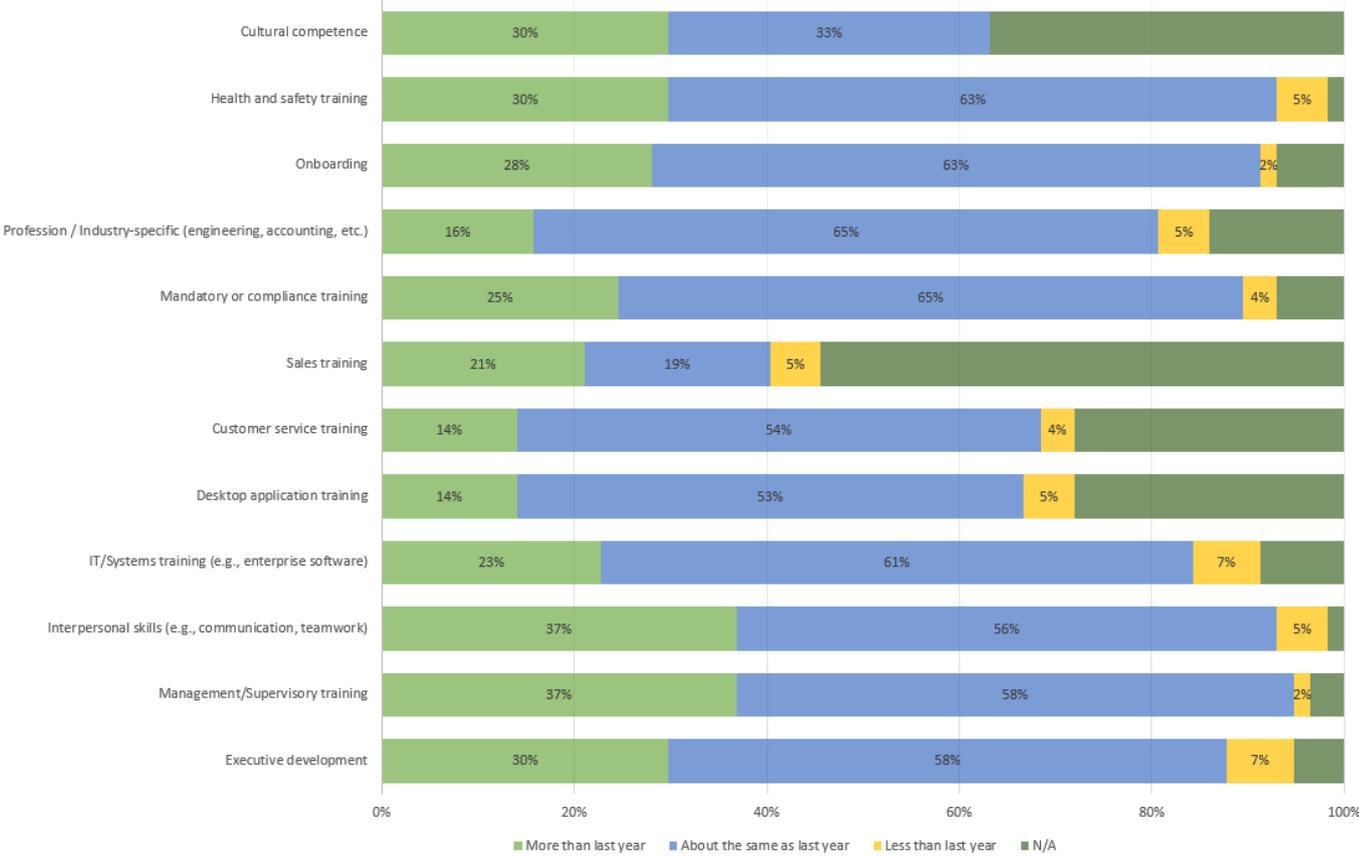
Respondents were asked to indicate how training expenditure is split across a range of areas. The data contained in the table below represents the average split across all organisations. Not surprisingly, a relatively high percentage of training expenditure is allocated to mandatory or compliance training, followed closely by executive development, managerial, and health and safety training. Dissapointly only two percent of training expenditure is allocated to developing bicultural or broader cultural competence and a greater understanding of the Treaty of Waitangi.

2019 TRAINING BUDGET FOR DIFFERENT TRAINING AREAS



Respondents were also asked to indicate whether, for each of the above areas of training, they planned to increase, maintain or decrease training expenditures. About a third of organisations planned to increase expenditure on management, executive development, health and safety, cultural competence, and interpersonal skills training. For the most part planned expenditure for the coming year appears to be stable with more than half the organisations indicating that they planned to maintain funding levels across almost all areas of training. When interpreting the graph on the following page, please note that N/A means that the organisation does not offer training in this particular area.

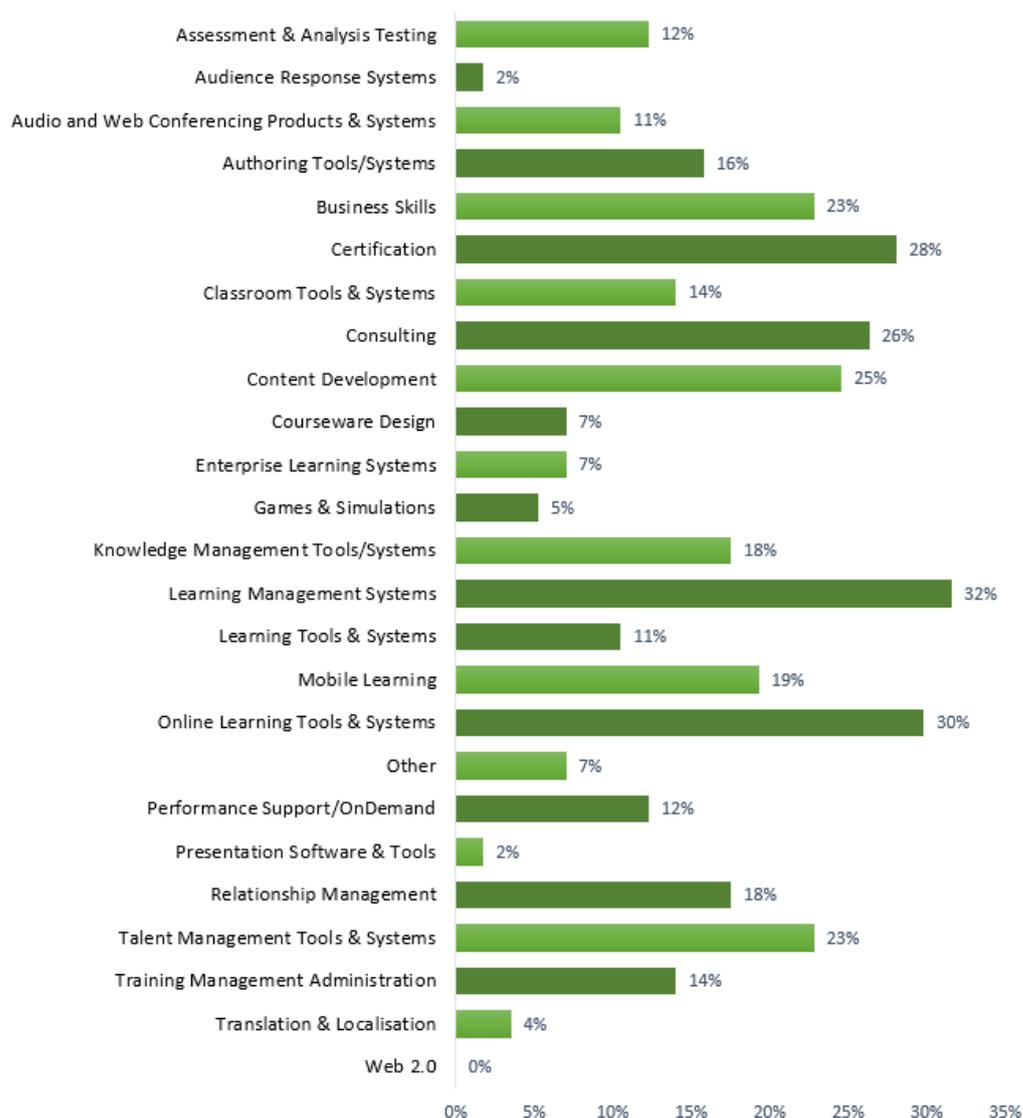
CHANGE IN PROJECTED EXPENDITURE FOR TRAINING AREAS IN THE COMING YEAR



BREAKDOWN OF BUDGETED TRAINING EXPENDITURE FOR THE COMING YEAR

The graph below provides an indication of the types of training products and services that organisations intend to purchase in the next year. Respondents were able to select multiple options, hence the figures presented do not total 100 percent, instead the figures represent the percentage of organisations indicating that they intend to invest in a particular training product or service in the coming year. Areas of significant training investment include LMS, online or mobile learning tools and systems, certification and recertification training, consulting services and content development. This data was consistent with the US benchmark data where the top two areas of investment were the same. US organisations placed greater emphasis, however, on classroom tools and systems, content development and authoring tools. New Zealand and US organisations both placed little emphasis on Web 2.0 applications and audience response systems. Interestingly US organisations place much greater emphasis on gaming and simulation software compared to their New Zealand counterparts, with nearly a quarter of US organisations looking to invest in this technology.

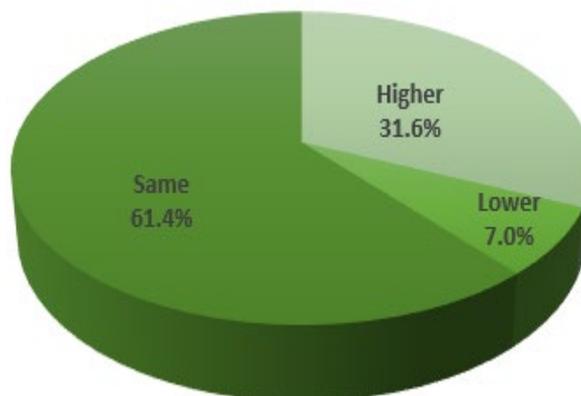
Types of training products and services budgeted for purchase in the coming year



THE TRAINING DEPARTMENT/FUNCTION

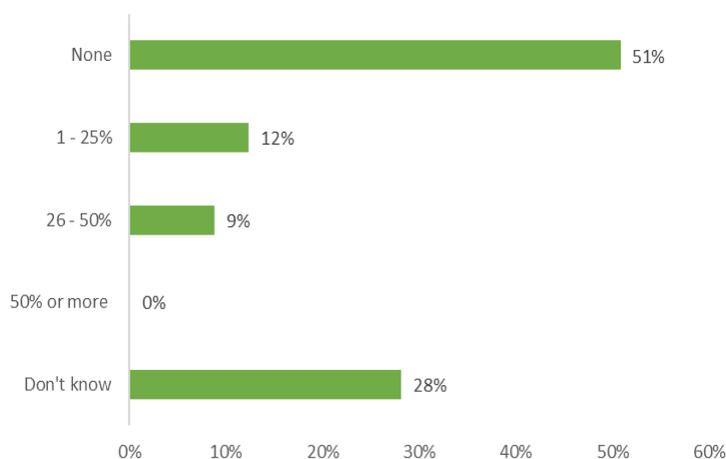
Most (65 percent) training departments were relatively small at under five dedicated training staff in the organisation. This includes any training managers, instructors, developers, administrative support, and other persons assigned to the training function. This is not surprising given the fact that 60 percent of the survey respondents were from organisations employing fewer than 1,000 employees. 19 percent of organisations had a training function with 6 – 20 training staff, 9 percent with a training function of 21 – 50 staff and 5 percent of organisations had a training team in excess of 50 staff. Nearly a third of respondents reported an increase in the number of training staff compared to the previous year, while only 7 percent of organisations reported a decrease in the number of training-related staff.

Is the number of training-related staff higher or lower than the previous year?



Respondents were also requested to indicate what percentage of their training staff identify as Māori or Pacific people. A large proportion of the respondents did not know or preferred not to say, while more than half reported that none of their training team identified as Māori or Pacific people. Seven organisations indicated that between 1 – 25 percent of their training staff identified as Māori or Pacific people, while in 5 organisations Māori or Pacific people made up between 26 – 50 percent of the training staff. On average Māori and Pacific people represented 13 percent of the workforce in the organisations included in the study.

What percent of your training staff identify as Māori or Pacific people?



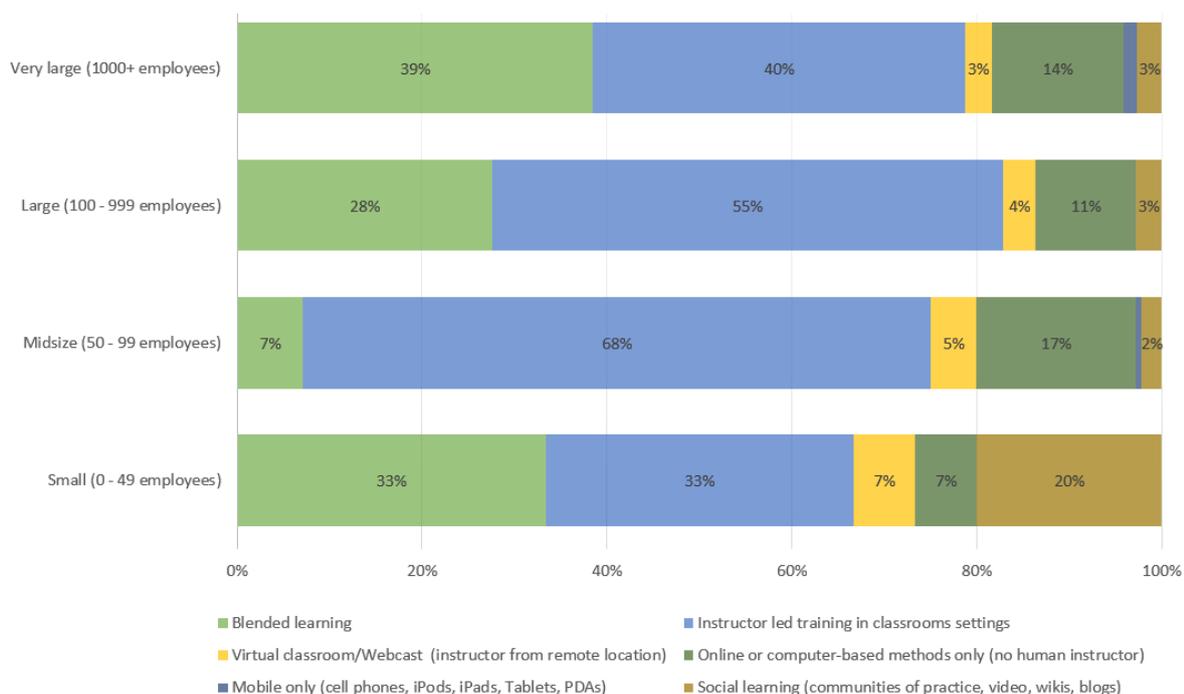
Respondents were asked to indicate their organisation's annual payroll for training staff. Unfortunately a large proportion of respondents (72 percent) stated that they did not know what the total payroll costs were. For the remaining 16 organisations the average training payroll costs were \$336,250 per annum, ranging from \$60,000 - \$1,050,000.

TRAINING DELIVERY

On average organisations provided approximately 33.5 hours of training per employee in 2018, although this figure ranged from 1 hour right up to 350 hours in one particular organisation. Due to the small sample size, and a large number of respondents not knowing how much time employees spent in training, it was not possible to make comparisons between different size organisations. It was also not possible to calculate the cost per hour of training or the average training spend per employee. One can, however, state that the average of 33.5 hours of training is considerably lower than the US benchmark figure of 46.7 hours for all organisations and 43.2 hours for organisations employing 100 – 999 employees.

Instructor led classroom training was the most common form of training delivery across all sizes of organisations, with nearly 50 percent of all training being delivered via face to face instruction. Blended learning represents the second most common form of training delivery at 27 percent across all organisations. The use of blended learning tended to increase with organisational size, with the largest organisations having a near equal split between blended learning and classroom training.

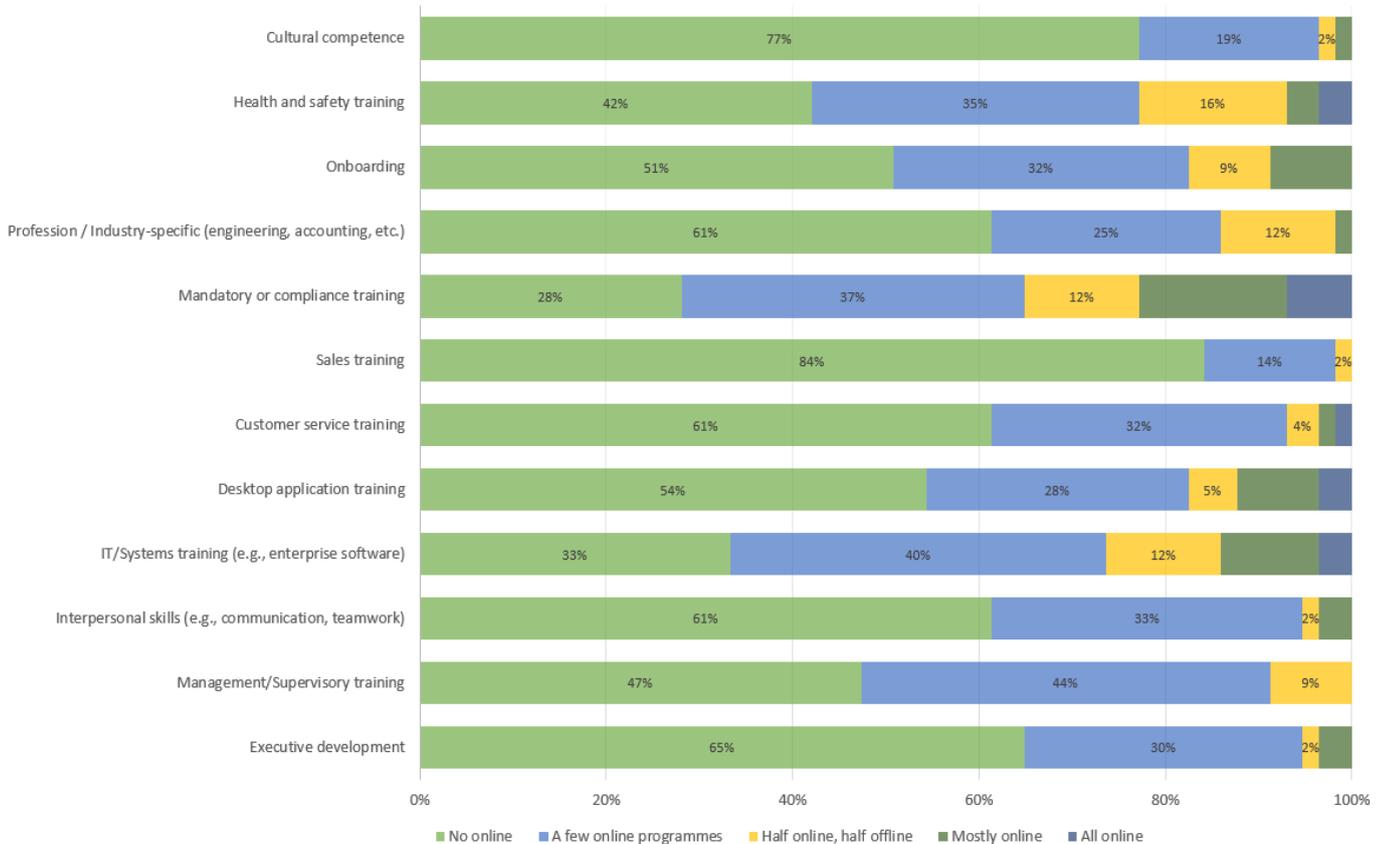
Training delivery methods by organisational size



Quite surprisingly, mid-sized organisations made very little use of blended learning delivery, instead heavily favouring classroom style training or online only methods of delivery. The New Zealand situation is quite different to the benchmark US data where there is a very high use of blended learning (upwards of 80 percent), particularly amongst small to midsize organisations. US organisations also tend to make more use of online only delivery. Both US and New Zealand organisations make limited use of mobile only learning and social learning communities. The low use

of online and blended delivery by New Zealand organisations is again reflected in the graph below which captures the use of online delivery for various forms of training.

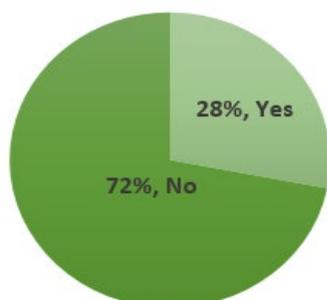
Online delivery usage for different types of training



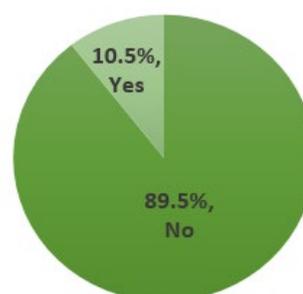
Similar to US organisations online delivery is used most commonly for mandatory or compliance training. There is also relatively high use of online delivery for health and safety training and professional accreditation.

Very few organisations offered training in Te Reo Māori, with only 6 respondents indicating that a small percentage of their training programmes are delivered in Te Reo. Only 28 percent of organisations offer Te Reo language courses to their employees.

Does your organisation offer Te Reo language training?



Are any training programmes delivered in Te Reo



TRAINING PRIORITIES FOR THE COMING YEAR

The top training priority for the coming year is to increase the effectiveness and impact of training programme. Of less importance, but still not unimportant, was the efficient deployment of training programmes both in terms of time and cost.

TRAINING PRIORITY	Mean*
Increasing the effectiveness of training programs	3.51
Measuring the impact of training programs	3.33
Integration with Performance/Talent/Competency management initiatives	3.25
Increasing learner usage of training programs	3.19
Reducing costs/Improving efficiency	3.12
Learning infrastructure or technology initiatives	3.12
Faster deployment of training programs	2.96

**Respondents rated seven training priorities using a four-point scale (1 = not important at all, 4 = very important)*

The top two priorities for New Zealand organisations are the same as those for US organisations. Developing learning infrastructure and technologies is a much higher priority for New Zealand organisations than their US counterparts.

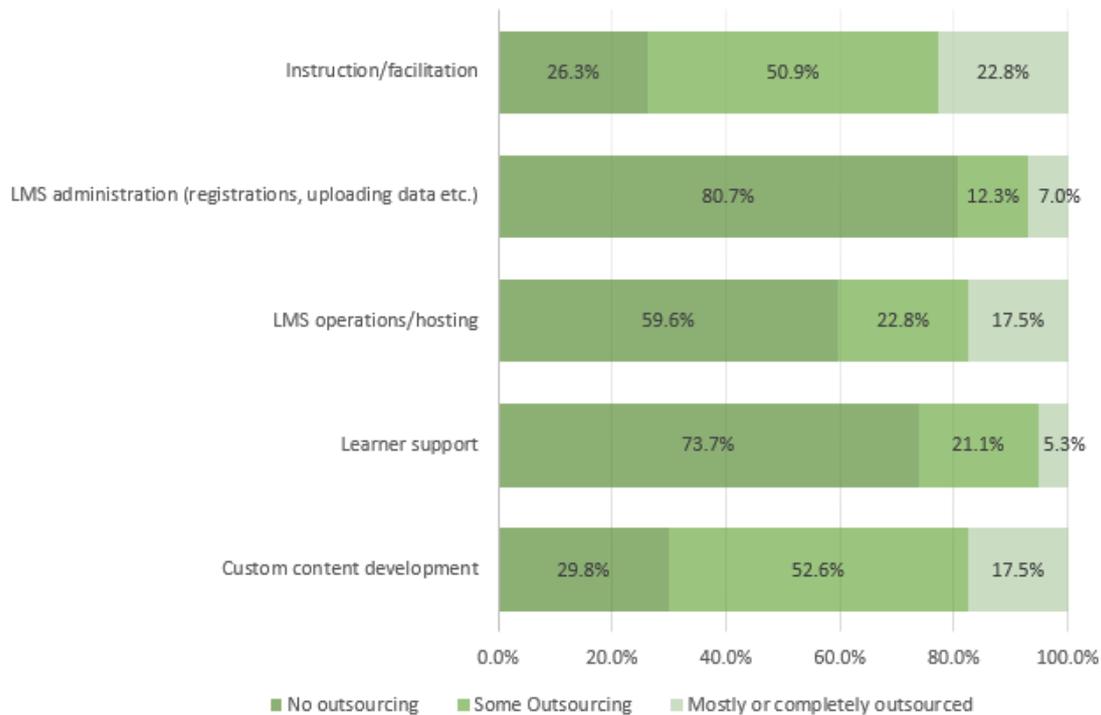
When asked to identify their number one top priority for the coming year integration with the organisations performance, talent and competency management initiatives came out as the most important. Respondents were also given the option to identify additional priorities to those listed. These included:

- Aligning training with the organisation's business plan
- Integration of regional training programmes into a cohesive strategy
- Changing the learning culture; developing a learning led culture
- Compliance and other legislative training requirements
- Improving literacy and numeracy skills
- Improving capability to scale up training delivery
- Increasing leadership effectiveness
- Promoting manager accountability for learning transfer
- Enhanced blended and work-integrated learning programmes

THE OUTSOURCING OF TRAINING

The final set of questions in this year’s survey sought to assess the organisation’s current practice and intentions with regards to the outsourcing of training and development to external vendors or consultants.

The extent of L&D outsourcing in New Zealand organisations



Two areas stand out in terms of current outsourcing of training, namely content development and training instruction or facilitation. 70 percent of organisations indicated that they either partially or completely outsourced these training activities with nearly one quarter of organisations completely outsourcing training facilitation and delivery. This data is quite different to the US benchmark data where there is much less use of outsourcing of training delivery and content development but higher levels of outsourced LMS operations and hosting.