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How much does it cost companies not to train employees?

Corporate training is often considered a cost rather than an investment, but it's important to understand that failure to train costs much more. Find out why

Most companies consider training their employees a cost rather than an investment. But it is important to understand that, although training does not generate direct income for the company, it allows it to grow its internal resources and, consequently, the organization as a whole.

In other words, as expensive as training (especially quality training) can be, the **cost of not training employees is even more so**.

In this article, we'll take a detailed look at why neglecting employee training can have a negative impact on overall company performance and what to do to make training a profitable investment.

Consequences of failure to train employees

To start, let's look in detail at what happens when you don't invest in corporate training.

Legal and compliance risks

Not providing training to employees not only harms individual workers, but creates risks for the entire organization. Mistakes made by employees can result in **legal action and fines**. Furthermore, all company sectors provide mandatory training modules (for example, training on safety at work), failure to carry out which leads to irregularities and sanctions.

Lack of innovation

The absence of training prevents change and innovation within the organization, limiting its growth potential.

Decreased productivity

Without adequate training, employees may not perform their tasks as best as possible, resulting in a waste of time and resources.

Investing in company training helps employees become **more qualified and confident** in their roles. This increases both their productivity and engagement and positively impacts business results.

Low employee engagement

When employees perceive that the company is investing in their development both as individuals and as workers, they feel valued and motivated to give their best. This translates into greater productivity and, ultimately, greater profitability.

Untrained and dissatisfied employees are more likely **to feel frustrated and less loyal to the company**, making more mistakes and not reaching minimum standards. And, according to a Gallup survey, between **450 and 550 billion dollars are lost annually in the United States due to employee disengagement**.

Read also " **Improving employee well-being through training**".

High turnover and increased costs

Employees, especially younger ones, consider **growth opportunities** within companies as a significant factor in choosing whether to stay or change jobs.

Furthermore, lack of engagement and decreased productivity increase overall dissatisfaction and, consequently, the chances of employees leaving your company, leading to increased turnover rates.

Replacing employees rather than training them can incur significant costs, including **recruiting**, **hiring and training new employees**. In fact, it is generally much cheaper to train existing employees than to recruit new people to replace them. A new hire, in fact, will need time and specific training to learn the company's processes and become 100% operational.

The solution? Create a culture of growth

In addition to keeping employees productive and engaged, training helps companies **standardize work processes and outcomes**, reducing waste and improving safety.

From an employee perspective, training improves job satisfaction, increases loyalty, and develops future leaders, which has a direct impact throughout the organization.

But investing in corporate training does not mean limiting yourself to organizing a one-off training event or imposing some standardized mandatory training course.

For the investment to be profitable, it is necessary to create a **culture of growth**, listening to the training needs of employees and involving them in the training planning process. Otherwise, the risk is that training is perceived as an imposition or as an annoying distraction from daily work.

Finally, we need to overcome the fear that training employees will make them more competitive on the market. Promoting training will help bring out talent and attract new ones, contributing to greater company growth.

Read also: " **How to reduce the costs of corporate training**".