



Annual survey report 2014

in partnership with

Cornerstone
ON DEMAND *Empowering People*



LEARNING AND DEVELOPMENT

2014



WORK



WORKFORCE



WORKPLACE

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ACKNOWLEDGEMENTS

The CIPD would like to thank the learning and development community for responding to this survey in record numbers. Their participation is critical to ensuring the survey reflects current practice and emerging trends. We would also like to thank Cornerstone OnDemand for supporting the survey and for sharing their insight on the integration of L&D with HR and business practices. A special thank you also goes to our survey contractor, Annette Hogarth, for her ongoing involvement in the survey. Finally, the survey would not be possible without our marketing team.

FOREWORD

It is now the sixteenth year of our survey and we have seen significant shifts in practice during this time. From traditional instruction to social learning, through economic decline and upturn, we have tracked the trends and highlighted the challenges. Each year the survey provides new insight on organisational learning and, over the years, has truly demonstrated the pace of change.

This year is no different, and we are very pleased to share the latest results. Our findings suggest that learning and development (L&D) functions are increasingly professionalising their approach. We are seeing a significant shift towards greater integration with the business and more awareness and recognition of the importance of evaluating business impact.

This shift is critical, given we live and work in an environment characterised by volatility, uncertainty, complexity and ambiguity (VUCA). In order to keep up with changing business contexts, L&D professionals need to stay aligned with the business and constantly assess their approach to ensure the methods they use are fit for purpose. Last year we predicted that big data would grow in importance and we are now seeing this translate to practical realities. These changes are also influencing the skills and capabilities that L&D professionals need. Our findings suggest that commercial acumen and influencing skills are more important to practitioners than traditional design and delivery expertise.

Perhaps this improved business alignment has led to organisations increasingly using learning methods that they observe to have the most tangible benefits. Indeed, formal e-learning (a key growth trend in recent years), may now have reached its peak. Continual accurate evaluation of impact may yet have more significant consequences in future. Findings from neuroscience are increasingly challenging perceptions about how people learn, but these developments are yet to translate to widespread changes in practice.

These trends do present real challenges for practitioners. How do you stay close to the business, while maintaining your knowledge and awareness of emerging learning fields? With the plethora of new learning technologies available, from Google Glass to massive open online courses (MOOCs), how can you determine what's right for your organisation? What's clear is that it all starts with an open mind and curiosity. If you want to have genuine business impact and credibility, you need to know what really works and why. It's an exciting time for the L&D community as we are increasingly able to answer these questions.

Ruth Stuart

Research Adviser – Learning and Development,
CIPD

The Cornerstone team is very pleased to sponsor the CIPD annual *Learning and Development* survey for a third consecutive year, supporting the research and insight that it provides so consistently.

Last year saw a great deal of change in the channels that organisations use to spread learning across their teams. However, the changes on the global stage have forced far greater changes in 2014. The uncertainty around the UK's role in Europe, the challenges faced by the organisations in the health and banking sectors and the countdown to the general election next year have all meant that while the general economic outlook is positive, it is also a time of tremendous uncertainty.

Indeed, all of these changes have meant that many executive boards are still bunkering down and trying to do more with less, staying competitive and pushing the boundaries without pushing budgets. In the consumer world, this has been a year for Kickstarter, Indiegogo and other such initiatives – Cameron's 'Big Society' writ large. However, for L&D practitioners, 2014 has forced them to do nothing less than re-invent themselves.

With budget cuts and these wider changes, L&D professionals have had to do three things: ensure that their activities – and, in turn, individual goals across the business – are integrated and aligned with that of the organisation, ensure that these activities are firmly measurable and, finally, understand where these activities can be re-sold beyond the organisation, for example, by offering training courses externally to non-employees.

The signs of this evolution can be seen peering through the figures in this report. More practitioners have got to grips with using formal evaluation methods to show the effectiveness of their activities. More L&D professionals understand the importance of having commercial acumen and influence-related skills in addition to their core role. And more staff are asking themselves 'how can I support the business?' before they ask themselves 'how can we best help our staff learn?'

It is only through these changes that learning and talent management staff can help their organisations through the uncertainty that 2014 promises. By firmly aligning their activities to support the business, by understanding their impact via firm measurement and by expanding from an essential internal resource into a revenue-generator, the L&D team can not only support the business – they can also help drive it.

And in uncertain times, taking even small steps towards these goals will not only help learning and development professionals mark themselves out as business enablers, but also as innovators.

Vincent Belliveau

SVP and General Manager EMEA, Cornerstone OnDemand

ABOUT US

CIPD

Championing better work and working lives

The CIPD's purpose is to champion better work and working lives by improving practices in people and organisation development, for the benefit of individuals, businesses, economies and society. Our research work plays a critical role – providing the content and credibility for us to drive practice, raise standards and offer advice, guidance and practical support to the profession. Our research also informs our advocacy and engagement with policy-makers and other opinion-formers on behalf of the profession we represent.

To increase our impact, in service of our purpose, we're focusing our research agenda on three core themes: the future of work, the diverse and changing nature of the workforce, and the culture and organisation of the workplace.

The CIPD is the professional body for HR and people development. We have over 130,000 members internationally – working in HR, learning and development, people management and consulting across private businesses and organisations in the public and voluntary sectors. We are an independent and not-for-profit organisation, guided in our work by the evidence and the front-line experience of our members.

cipd.co.uk

Cornerstone OnDemand

Cornerstone OnDemand is a leader in cloud-based applications for talent management. The company's solutions help organisations recruit, train, manage and connect their employees, empowering their people and increasing workforce productivity. Headquartered in Los Angeles, California, the company's solutions are used by over 1,600 clients worldwide, spanning more than 14 million users across 191 countries and 41 languages.

Cornerstone empowers some of the world's leading organisations, such as Save the Children, Virgin Media and Remy Cointreau, to engage their workforces and leverage people performance for greater business results.

Based on Cornerstone's pure cloud architecture, Cornerstone's comprehensive solution helps organisations manage the entire employee lifecycle, from hiring through to retirement.

For more information about Cornerstone, visit csod.co.uk. Read Cornerstone's blog at csod.com/blog. Follow Cornerstone on Twitter at twitter.com/CornerstoneInc. Like Cornerstone on Facebook at facebook.com/CSODcommunity.

SUMMARY OF KEY FINDINGS

This report sets out the findings of the CIPD's sixteenth annual *Learning and Development* survey, examining current practices and trends within learning and development (L&D). The analysis is based on replies from 1,081 organisations.

Trends in L&D

- *In-house methods favoured over external practices* – on-the-job training and in-house development programmes remain the most commonly used L&D practices and are generally considered more effective than external events and formal education courses. Similarly, in-house coaching is more common than coaching by external practitioners.
- *The proportion of total training time delivered by e-learning has reduced* – there has been little change in the proportion including e-learning among their most common methods; however, less than 1% report it accounts for more than half of total training time compared with one in ten organisations in 2011 and 2013.
- *Coaching and mentoring are common* – three-quarters of organisations currently offer coaching or mentoring and an additional 12% plan to offer it in the next year. Nevertheless, there has been a decline in the proportion including coaching by line managers among their most effective L&D methods in the last few years.
- *Many offer training for non-employee groups* – approximately three-quarters of organisations offer training to non-employee groups, most commonly students (37%), although two-thirds of not-for-profits offer training to volunteers.
- *L&D processes and systems could be better integrated with other aspects of HR*

management – less than two-thirds believe L&D processes are integrated (to some or a great extent) into other aspects of HR management and just half report that systems are integrated.

- *Closer integration of L&D activity and business strategy anticipated* – the most common organisational changes that will affect L&D over the next two years are a closer integration of L&D activity and business strategy and more emphasis on monitoring, measuring and evaluating training and effectiveness. Moreover, a higher proportion of respondents anticipated these changes this year compared with previous years.

Leadership development

- *Most organisations have leadership development activities for line managers* – the most common focus of activities for line managers in the next 12 months is producing a common standard of behaviour/changing organisational culture.
- *Inadequate training is not the only factor that affects leadership capability* – inadequate training is more commonly considered to be an impediment to the leadership capability of middle and front-line managers than the senior team. More respondents, however, felt that leadership capability at all levels is affected by excessive workloads or managers' lack of confidence to manage underperformance than inadequate training. More than a quarter report that failure to prioritise management leadership capability affects all levels of leadership in their organisation.

Talent management

- *Little change in the prevalence of talent management activities* – more than half of organisations undertake talent management activities and they are particularly common in larger organisations. Forty-five per cent cover all staff in their activities, while those that target specific groups of staff usually focus on high-potential employees and/or senior managers.
- *Slight decline in the perceived effectiveness of talent management activities* – organisations are less positive regarding the effectiveness of their talent management activities compared with last year, although the overall trend has improved compared with 2012 and 2011.
- *Views on which talent management activities are most effective have changed little over the last few years* – coaching and in-house development programmes are most commonly ranked among the top three most effective activities, followed by mentoring and buddying schemes and high-potential development schemes. This suggests that coaching may be more effective as part of a talent management initiative, than used as a general learning method.

The development of L&D professionals

- *Reading and attending external events are the most common methods used by L&D/OD professionals to develop their own knowledge and capability* – heads of L&D are less likely than those in other roles to use e-learning for their own development. They are also least likely to use internal knowledge-sharing events.
- *Business acumen and interpersonal skills are important for success in the L&D/OD profession* – business knowledge and commercial awareness, working collaboratively and the ability to influence the organisation are most commonly reported to be among the top three factors that contribute to the success of L&D/OD professionals. Comparatively few prioritise knowledge of emerging L&D trends and technologies or understanding and practical application of new learning theories and insights.

- *Awareness and use of various new insights on L&D from other disciplines has increased since 2012* – the developments most commonly being applied (by a quarter of respondents) include: awareness of how ‘mirror neurons’ help embed learning; the correlation between physical exercise and increased learning performance; how human reasoning and logic affect how we learn; and learning states during game-based learning.

Assessing the impact of L&D activity

- *Organisations are using more methods to assess the impact of L&D activity compared with last year* – the most popular methods last year, general HR metrics and business metrics, remain the most commonly used methods of assessing L&D, but the proportion always or frequently using them has increased. The use of other methods, including return on investment and the Kirkpatrick model, has also increased.
- *Fewer organisations report they have difficulties in testing/measuring the effectiveness of L&D activity* – 60% down from 74% in 2013. The most common reason, reported by two-thirds of respondents, is that managers and leaders don't prioritise measuring L&D effectiveness. Access to data is also a common problem, particularly in larger organisations.
- *A quarter report they rarely use the evaluation data they collect* – in contrast, nearly half use it to forecast future training needs and plan accordingly and a similar proportion to review the L&D evaluation at the end of each training cycle and update it according to the research findings.

Economic situation and training spend

- *Ongoing economic challenges* – the public sector, facing their fifth year of budget cuts, are more than twice as likely as their private sector counterparts to report their funding circumstances are worse now than they have been over the past 12 months. Yet even private sector respondents are more likely to report that their situation is worse now than that it is better.

- *The public sector face continued L&D budget reductions* – half of public sector organisations report the funds available for L&D have decreased over the past 12 months and 44% that their headcount has reduced. The situation in the private sector is more mixed.
- *L&D workloads are increasing* – more than two-thirds of organisations report that workloads in L&D departments have increased in the last 12 months.
- *The trend to become more business-focused continues* – in line with findings from the last three years, the most common changes in L&D departments over the previous 12 months include becoming more business-focused, focusing L&D around talent succession and leadership development and expanding L&D into new areas of the business.
- *Most organisations have a training budget* – items covered by the budget vary across organisations, although most cover external courses and conferences, hiring external consultants and trainers, and books, training manuals, and so on.
- *Fall in the median training budget per employee* – the median annual training budget per employee is £286 (2013: £303), but this masks considerable variation within and across sectors. As in previous years, the median training budget per employee is lowest in the public sector.
- *Mixed views regarding the future of L&D funding* – overall, 18% anticipate an increase in L&D funding in the next 12 months, while 23% anticipate a decrease. The public sector is more likely to anticipate a decrease than an increase, while the situation is more mixed in the private sector.

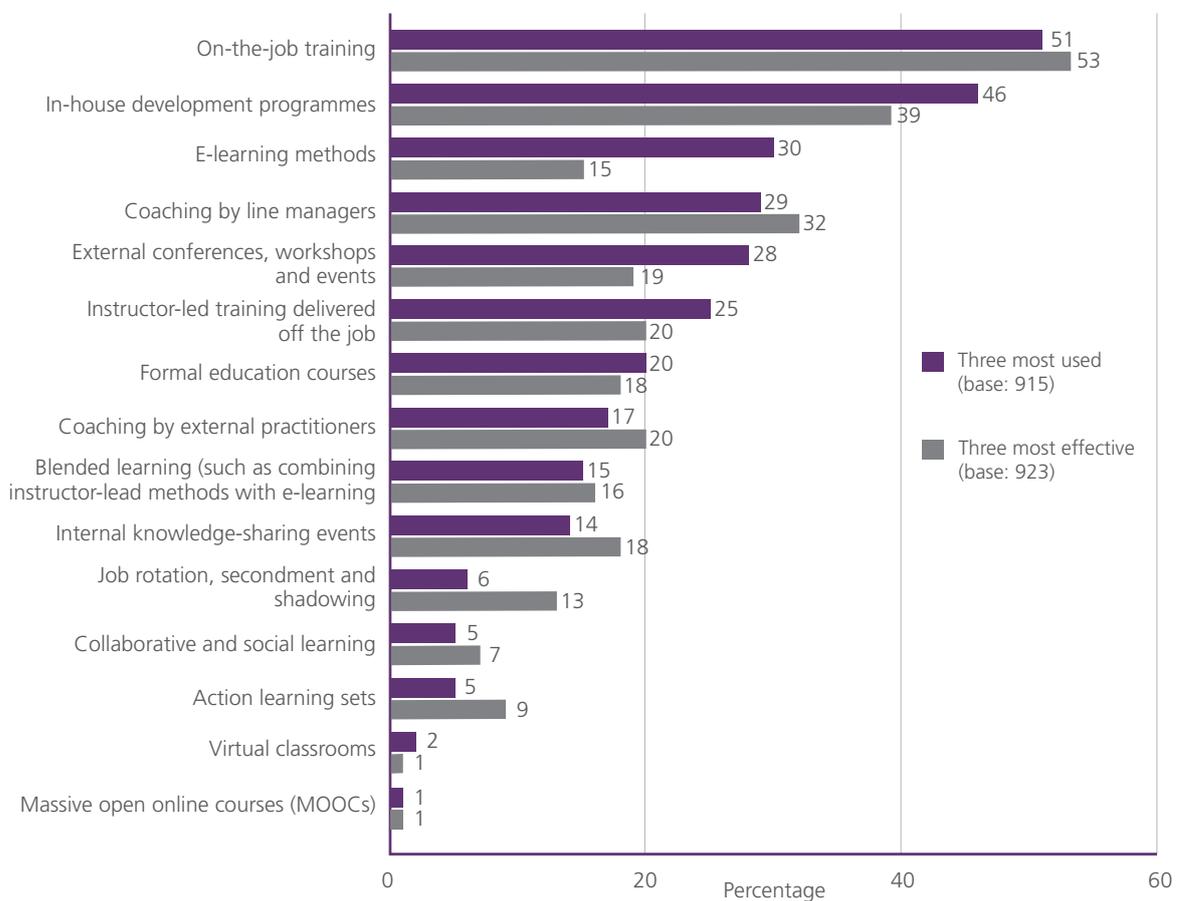
1 TRENDS IN LEARNING AND DEVELOPMENT (L&D)

This section explores changes in workplace learning and development practices, including the methods used. It examines how integrated L&D processes are with other aspects of HR management and anticipated future changes affecting learning and development.

The most commonly used L&D practices

Organisations tend to favour internal over external L&D practices. As last year, on-the-job training is most commonly among the most used and most effective practices (Figure 1). In-house development programmes also remain popular

Figure 1: Which three learning and development practices do you most commonly use and which three are the most effective? (% of respondents)



and are nearly twice as likely to be included among organisations' most common practices than external conferences, workshops and events. Similarly, coaching by line managers is more popular than coaching by external practitioners. Preferences for internal practices may be partly driven by cost efficiencies, but internal training and programmes can have additional benefits as they are more easily tailored to the specific needs of the employees and organisation.

Nevertheless, while in-house development programmes remain popular, there has been a decline in the proportion including them among their most commonly used methods compared with last year (2014: 46%; 2013: 57%).¹ This may be explained by the inclusion of an additional option this year; 'blended learning (such as combining instructor-led training with e-learning methods)', which 15% included among their top three methods. It is possible that in some organisations in-house development programmes are making use of technology as well as instructors, shifting towards blended learning practices.

L&D methods vary according to organisational size

The inclusion of e-learning and blended learning among the most common L&D methods increases with organisational size.² In contrast, smaller organisations are more likely to include coaching by external practitioners and external conferences, workshops and events among their most common methods.³ In addition, very small organisations (fewer than 50 employees) are more likely to include internal knowledge-sharing events (22% vs 12% of larger organisations), collaborative and social learning (13% vs 2%) and action learning sets (13% vs 3%).⁴ They are less likely to include in-house development programmes (25% vs 53% of larger organisations) and on-the-job training (44% vs 53%) among their most common

methods.⁵ Similar relationships also exist between size of organisation and the effectiveness of these methods (with the exception of e-learning, as discussed further below).

Sector differences

Some L&D methods are more prevalent in certain sectors. Coaching by line managers is particularly popular in the private services sector. While e-learning and blended learning are most common in the public sector.

Most organisations offer coaching and/or mentoring

A new question this year examined the extent of coaching and mentoring. Altogether, *three-quarters (76%) of organisations offer coaching or mentoring*, although this rises to 85% of the public sector and is also more common in larger organisations.⁶

Nearly four times as many organisations use in-house coaches/trained line managers (42%) as opposed to external providers (11%), although nearly a quarter use both in-house and external coaches.

Half of those who do not offer coaching and mentoring are looking to offer it in the next 12 months (12% overall), while the remainder (12%) do not offer coaching and have no plans to do so in the next year.⁷

Little change in the proportions using e-learning...

For our survey we defined e-learning as using information and communications technology to support, accelerate and develop learning. Overall, in similar findings to previous years, three-quarters⁸ report they use e-learning and 30% include it among their three most common L&D methods. As in previous years, the use of e-learning is more common in the public sector and in larger organisations (Table 1).⁹

LEARNING AND DEVELOPMENT

Table 1: Use of e-learning by sector and organisational size (%)

	Does your organisation use e-learning?	In top three most used L&D methods
All	73	30
Sector		
Manufacturing and production	62	23
Private services	70	28
Public sector	87	43
Not-for-profit	73	24
Number of employees		
Fewer than 50	55	20
50–249	64	20
250–999	72	27
1,000–4,999	84	34
5,000–19,999	89	43
20,000+	94	50

...but it accounts for a smaller proportion of training time

Respondents from our previous surveys have consistently predicted that the proportion of training time accounted for by e-learning would increase year on year. In contrast, our findings show that this has not happened in practice, and that over the last few years e-learning has accounted for a relatively small proportion of total training time.¹⁰ Moreover, whereas in 2011 and 2013¹¹ e-learning accounted for more than half of total training time in one in ten organisations, less than 1% report this is the case now (Figure 2).

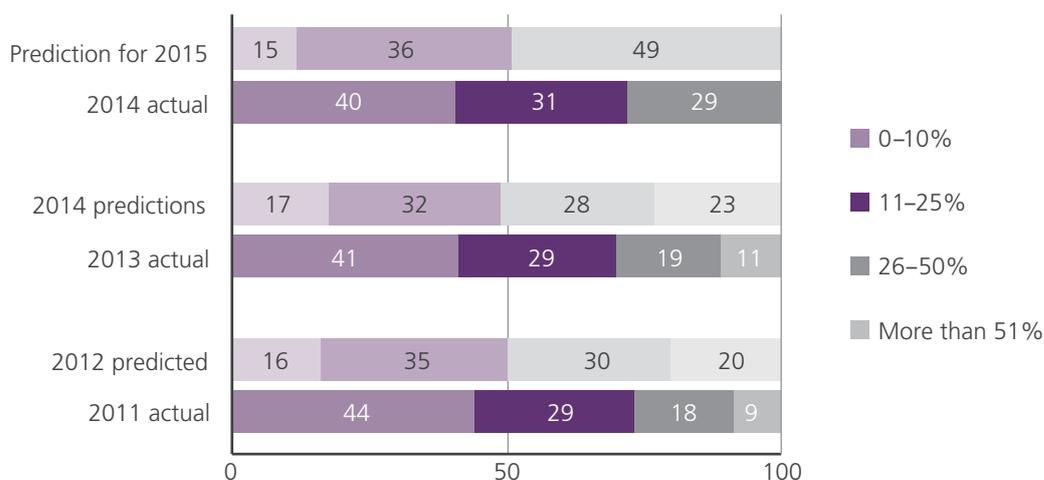
Once again this year respondents predict an increase in the proportion of training time accounted for by e-learning, although, unlike previous years, no respondents expect it to account for more than half of training time. Generally, e-learning methods are most commonly used for specific types of information-based training (such as health and safety, hygiene, data protection, induction and technology training) rather than for developing 'soft' or more complex skills.¹² Organisations may have learned that while e-learning is useful for some purposes, it

is not a stand-alone panacea for cost-effective development and is better used as a supplement to, rather than as a replacement for, more traditional L&D methods.

This may explain why e-learning methods more commonly feature among organisations' most used methods than their most effective ones (Figure 1). Indeed, just two-fifths (43%) of respondents who included e-learning among their most common methods used also included it among their most effective, while nearly two-thirds (64%) of those that included blended learning among their most common methods included this among their most effective.

Nevertheless, some organisations are successfully using more blended, interactive and collaborative e-learning methods and virtual learning environments to develop more complex skills, for example through game-based learning and simulations. Current investment in learning technologies may be limited by current knowledge, skills and resource and it would seem that the full potential of smart technologies has yet to be realised. It is possible that in future

Figure 2: Proportion of total training time delivered by e-learning (% of respondents who use e-learning)*



*Don't know responses were excluded for comparability
Base 2014: 771; 2013: 672; 2011: 453 (the question was not asked in 2012)

years we may see blended learning increasing in importance as organisations start to understand how technology can add most value to the learning experience.

The most effective L&D methods

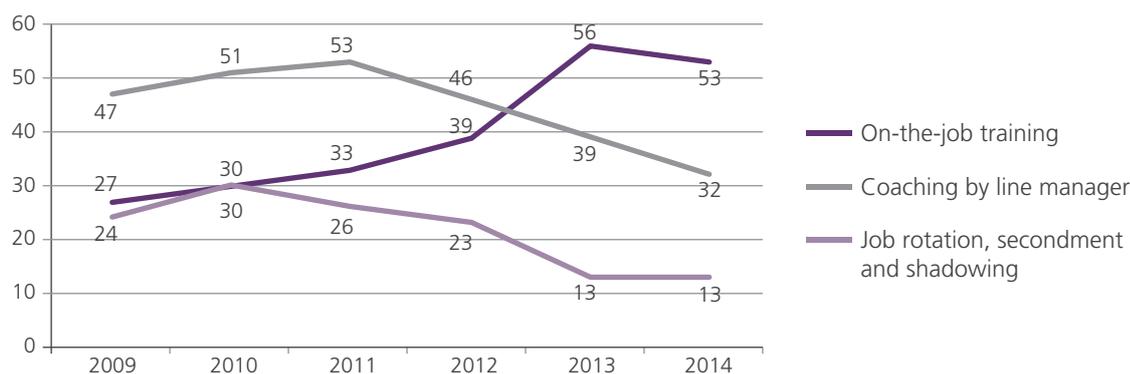
In general, the most commonly used methods are those considered most effective. Nevertheless, there are some discrepancies, particularly for e-learning methods, as discussed above, but also for external conferences and events, which, to be most effective, must address specific organisational needs (Figure 1).

Last year we noted an increase in the proportion including on-the-job training (which has immediate benefits) and a decline in the proportion including job rotation, secondments and shadowing (which

are longer-term investments) among their most effective L&D methods. These shifts have been maintained this year.

The decline in the proportion ranking coaching by line managers among their most effective L&D methods has also continued this year (Figure 3). Our previous research found that many organisations reported their leaders lack coaching and mentoring skills. Clearly effective coaching requires skilled and motivated coaches. Nevertheless, while the proportion ranking coaching among their most effective L&D methods has decreased, the proportion ranking it among their most effective talent management activities has not and it remains top of the ranking (Figure 11). Coaching those identified as talent may be considered to be more effective than coaching employees generally.

Figure 3: Changes in perceived effectiveness of learning and development practices (% of respondents who include each method among the top three most effective in their organisation)



Base 2014: 923; 2013: 901; 2012: 765; 2011: 594; 2010: 724; 2009: 859

Training for non-employee groups

Approximately three-quarters¹³ of organisations offer training to non-employee groups, although who they offer training to varies significantly by sector, particularly with regards to the training of volunteers (Figure 4).¹⁴

Larger organisations are more likely to offer training to all these groups with the exception of volunteers, where the sector effect dominates, and clients, where very small organisations (fewer than 10 employees) are most likely to offer training, probably a consequence of the high proportion of consultants in this group.¹⁵

The integration of L&D processes and systems with other aspects of HR management

Nearly two-thirds of respondents believe that L&D processes are integrated with other aspects of HR management (such as recruitment, performance management, reward) and just half believe systems are integrated, at least to some extent (Table 2). Clearly there is room for improvement in many organisations. *Nearly a quarter believe that*

systems are not at all integrated and 12% that processes are not at all integrated.

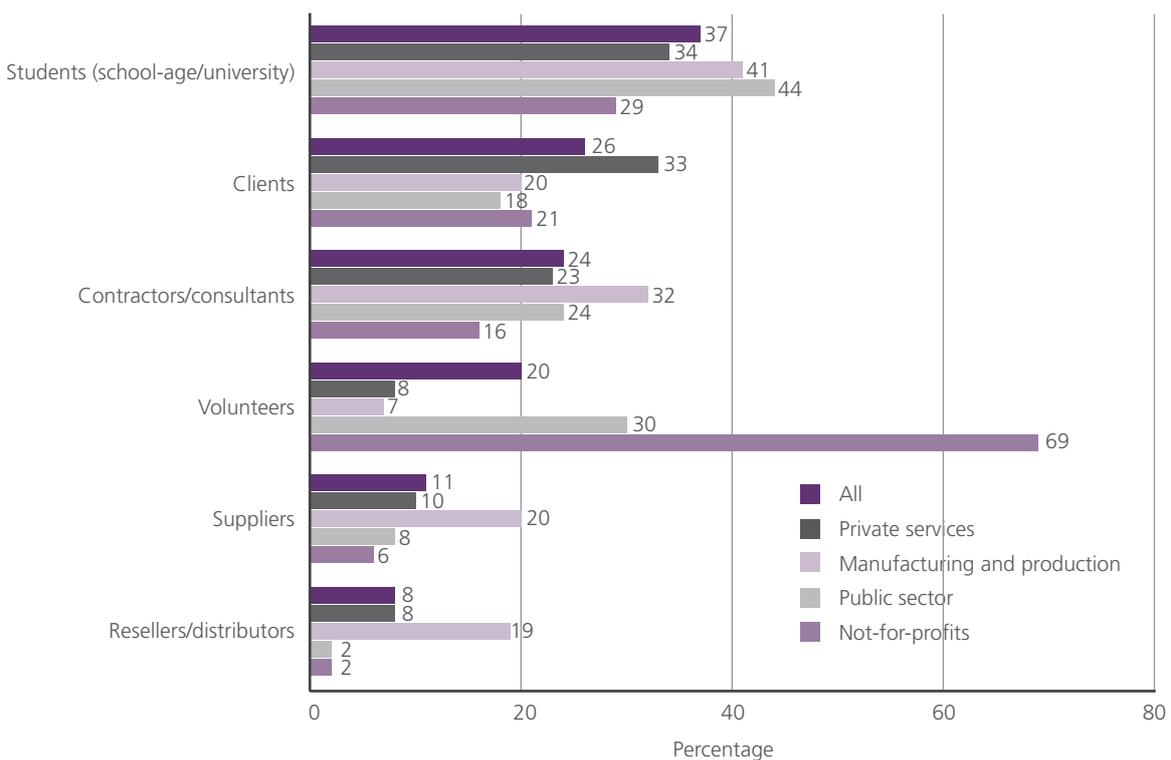
Public sector and larger organisations are more likely to report that their systems are integrated at least to some extent (Table 2). The integration of processes did not differ significantly by sector or size but respondents referring to regions outside the UK were more likely to report processes were better integrated (Table 2).¹⁶

Predicted decline in the use of e-learning

Echoing the findings reported above fewer predict greater use of e-learning across the business or less use of classroom and trainer-led instruction (Figure 5) compared with previous years.

There is also a slight decline in the proportion anticipating an impact on L&D from greater use of social networking technology (for example, Twitter, Facebook, LinkedIn, Yammer, Jive) (2014: 5%; 2013: 14%) and the use of apps designed for smartphone and other mobile devices (2014: 2%; 2013: 5%).¹⁷ Initial expectations regarding how quickly these

Figure 4: Does your organisation offer training for any of the following groups? (% of respondents)



Base: 964

Table 2: To what extent are your L&D processes and systems integrated into other aspects of HR management (such as recruitment, performance management, reward)? (% of respondents)

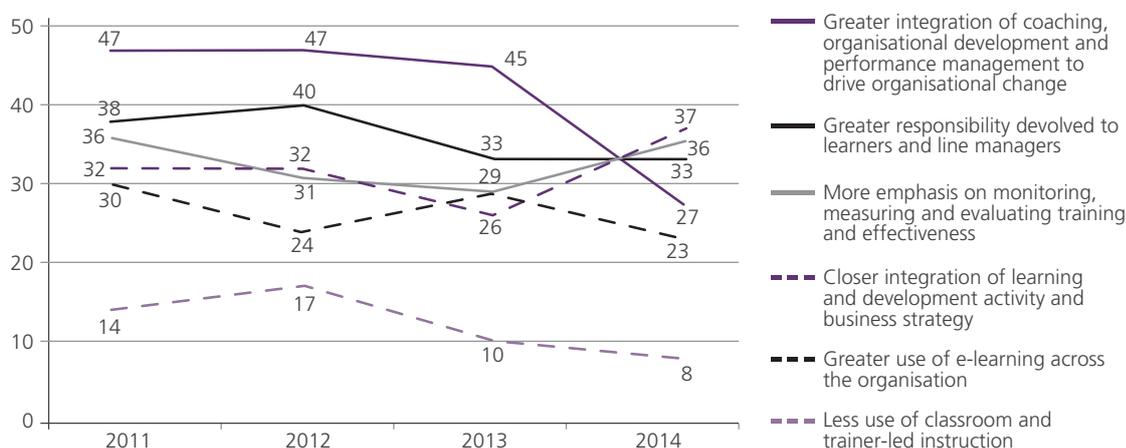
	Not at all	To little extent	To some extent	To a great extent
Systems (for example an e-learning system)				
All	23	25	38	13
Sector				
Manufacturing and production	26	32	34	8
Private services	26	22	36	15
Not-for-profits	21	29	39	11
Public sector	15	26	45	14
Number of employees				
Fewer than 50	33	20	35	13
50–249	31	28	30	11
250–999	19	30	42	9
1,000–4,999	17	27	41	15
5,000–19,999	13	31	41	15
20,000+	17	20	42	21
Processes (for example learning needs analysis)				
All	12	24	43	21
UK	12	25	43	19
Europe (excluding UK)	12	20	45	24
Outside Europe	10	21	37	31

technologies would be integrated into organisations may have been overblown. Organisations may be reluctant to invest until they are more convinced of the benefits of smart technologies.

Nevertheless, views on the impact of e-learning and other technologies vary across sectors and size of organisations. The public sector, where e-learning

is already most common, are more likely than respondents from other sectors to anticipate greater use of e-learning and less use of classroom and trainer-led instruction.¹⁸ Smaller organisations are less likely to anticipate greater use of e-learning and reduced use of trainer-led instruction.¹⁹

Figure 5: Trends in the most common major organisational changes affecting L&D over the next two years (% of respondents who included each item in their top three: 2011–14)



Base 2014: 1,073; 2013: 1,001; 2012: 763; 2011: 589

2 LEADERSHIP DEVELOPMENT

Effective leadership at all levels within an organisation is critical for sustainable success. Here we explore leadership activities for front-line managers and factors that affect leadership capability at all levels.

Leadership development activities

In similar findings to previous years, just over three-quarters (78%) of organisations report they will be carrying out leadership development activities in the next 12 months. Less than one in ten (9%) reported they would not do so, while 13% don't know. Larger organisations are more likely to be carrying out leadership development activities.²⁰ Once size is taken into account, there are no significant differences across sectors.

Focus of leadership development activities for front-line managers/supervisors

The vast majority of organisations that carry out leadership development have activities in place for line managers. Only 2% report they don't. The most common focus of leadership development activities for line managers is producing a common standard of behaviour/changing organisational culture followed by developing high-potential individuals as future leaders²¹ (Figure 6).

Factors that affect leadership capability

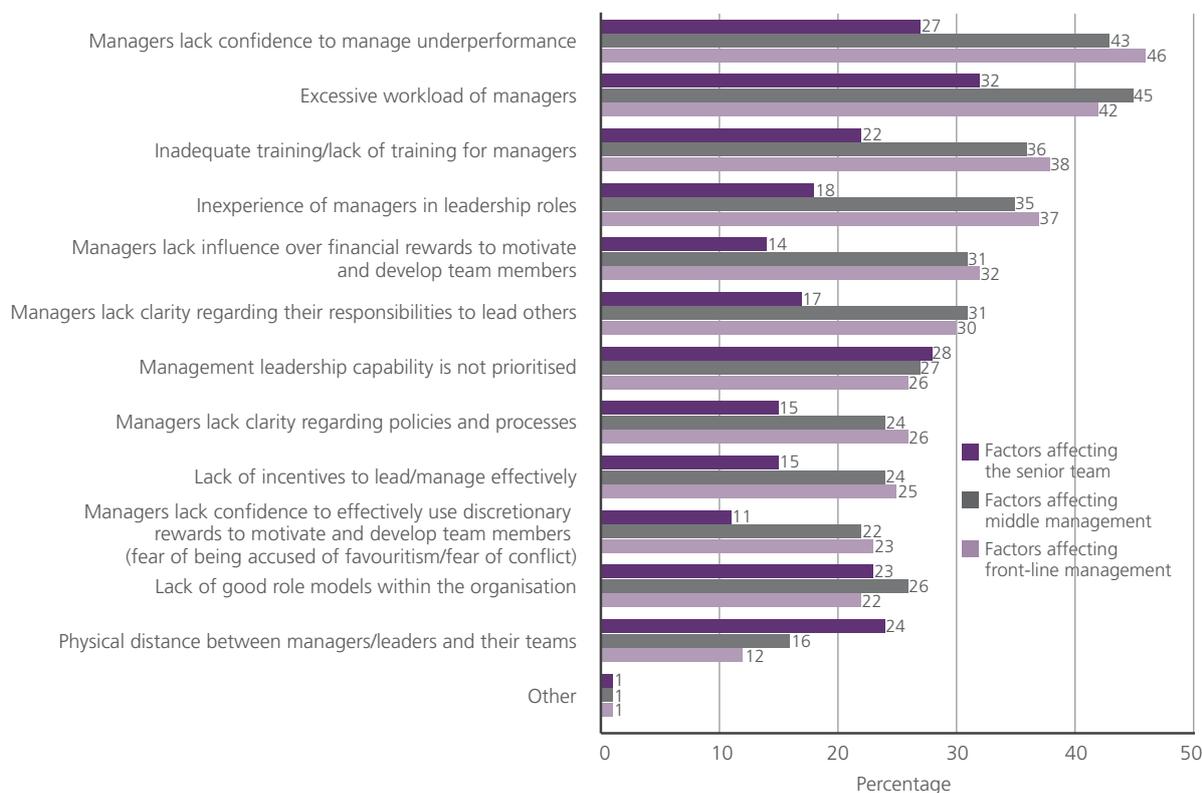
Nearly two-fifths of respondents report that inadequate training/lack of training affects the leadership capability of middle and front-line managers in their organisations and a fifth that

Figure 6: What will be the focus of leadership development activities for front-line managers/supervisors within your organisation in the next 12 months? (top 3 factors - % of respondents)



Base: 842

Figure 7: Do any of the following affect the leadership capability of senior, middle and/or front-line managers in your organisation? (% of respondents)



Base: 1,039

it affects the leadership skills of the senior team. Figure 7 shows that a range of other factors also affect leadership capability, in particular lack of confidence to manage underperformance, excessive workloads and leadership inexperience.

In general, a higher proportion of organisations report that the leadership capability of middle and front-line managers is affected by the factors listed in Figure 7 than the senior team. It is possible that those who reach senior roles have better developed leadership capacity through training and/or experience, but those further up the hierarchy also have greater influence over the organisation and factors that might otherwise

impede their leadership. Nevertheless, even at senior levels, over a quarter report that leadership is hampered because management leadership capability is not prioritised and managers lack confidence to manage underperformance, while over a fifth feel it is affected by a lack of good role models within the organisation.

Most of these factors are even more likely to hinder the leadership of less senior leaders. Moreover, nearly a third reported that the leadership capacity of middle and front-line managers is impeded by lack of influence over financial rewards to motivate and develop teams and lack of clarity regarding leadership

responsibilities. These findings highlight the need for an integrated approach to developing and supporting leaders and managers at all levels. Clear and consistent processes and systems, as well as appropriate training and development, are required for effective leadership.

More leadership challenges in the public sector

The public sector in particular, but also the manufacturing sector, identified more factors affecting leadership in their organisations than respondents from the private services or not-for-profit sector. Lack of influence over financial

rewards to motivate and develop team members and lack of incentives to lead effectively are more common complaints in the public sector, regardless of management level referred to. Along with the production and manufacturing sector, they are also more likely to report leadership at all levels is affected by a lack of good role models within the organisation and that leadership of middle managers is affected by excessive workloads, failure to prioritise management leadership capability, the inexperience of managers in leadership roles and their lack of confidence to manage underperformance.

3 TALENT MANAGEMENT

Effective talent management remains imperative as the economy grows and employment strengthens. This section examines the popularity of talent management schemes, the employee groups they target, their objectives and effectiveness.

with one-third of small organisations (fewer than 50 employees).²³ In addition, talent management activities are most common in manufacturing and production organisations (66%) and least common in the non-profit sector (35%).²⁴

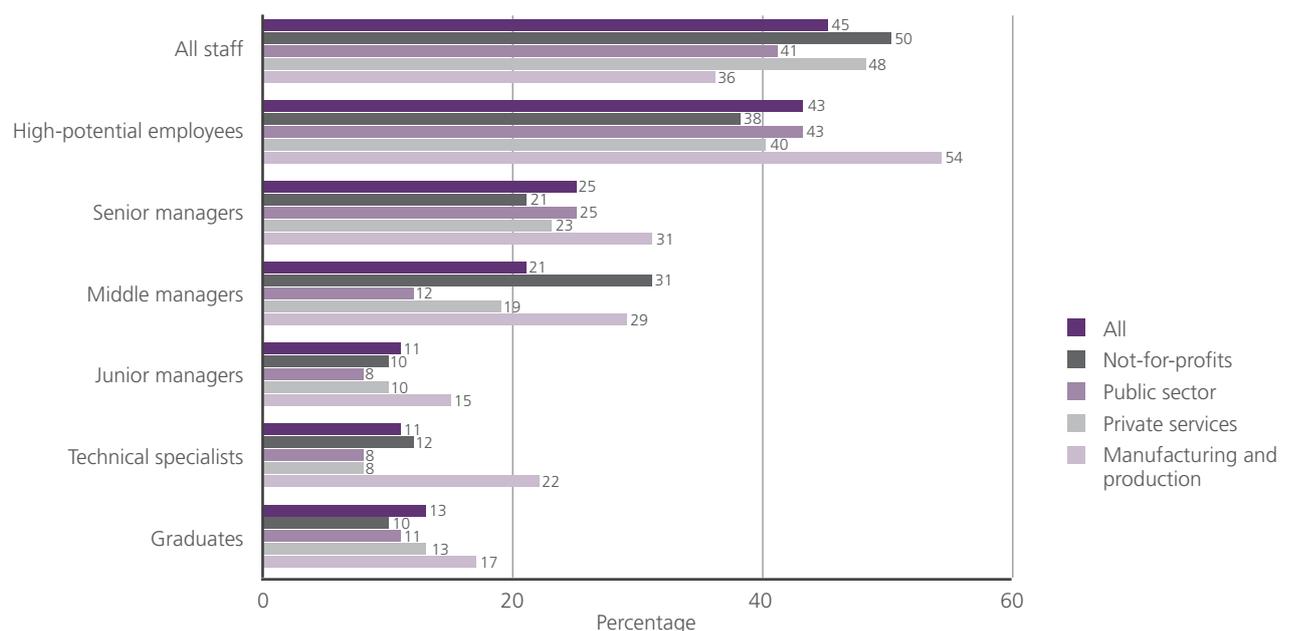
Prevalence of talent management activities

In findings similar to previous years, more than half of organisations (54%) report they undertake talent management activities.²² The likelihood of organisations having talent management activities is related to their size, with more than four-fifths of large organisations (more than 5,000 employees) conducting such activities compared

Employees included in talent management activities

Just under half (45%) of organisations that undertake talent management cover all staff in their activities. Very small organisations (fewer than 50 employees) are particularly likely to do so (66%).²⁵ Those that target specific groups of staff usually focus on high-potential employees (Figure 8).

Figure 8: Which of the following groups of employees are covered by talent management activities?



Base: 520

Objectives of talent management activities

Developing high-potential employees and growing future leaders remain the most common objectives of talent management activities (Figure 9). The former is particularly common in the private sector (67%; public sector: 50%; not-for-profit sector: 45%) and both are particularly common in larger organisations.²⁶ Nevertheless, fewer organisations include growing future leaders among the top three objectives of their talent management programmes compared with previous years (2014: 51%; 2013: 62%; 2012: 59%; 2011: 61%).

While growing future leaders is not as commonly prioritised as in previous years, talent management activities remain more focused on the long-term success of the organisation (meeting future skill requirements, facilitating strategic success) than on more immediate development issues such as addressing skill shortages or the redeployment of staff to other roles (Figure 9). Similarly, there has been little change in the proportion that prioritise the use of talent management activities to attract and recruit key staff, despite the increase

in employment, although this is more common among organisations located outside of Europe (37% compared with 21% of those focused on the UK; 20% of those focused on Europe).²⁷

Retention of key staff is more likely to be a key objective of talent management activities in the private services sector (39%), where job growth is strongest (and also the not-for-profit sector: 38%), than in the production and manufacturing sector (28%) or public sector (23%).²⁸

Effectiveness of talent management activities

Organisations are less positive regarding the effectiveness of their talent management activities compared with last year, although the overall trend has improved compared with 2012 and 2011 (Figure 10). Nevertheless, just 7% of those with talent management activities rate them as very effective, while 13% believe they are fairly ineffective (11%) or very ineffective (2%).

Smaller organisations and those with specific training budgets are somewhat more likely to

Figure 9: Which three of the following best represent the main objectives of your organisation's talent management activities? (% of organisations with talent management activities)

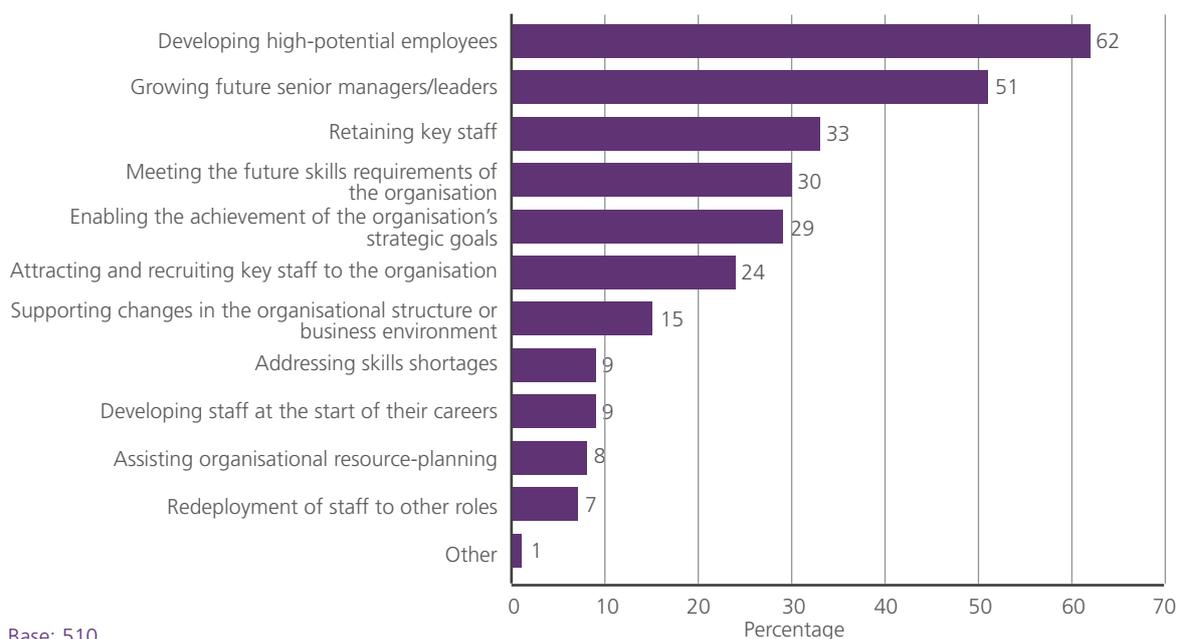
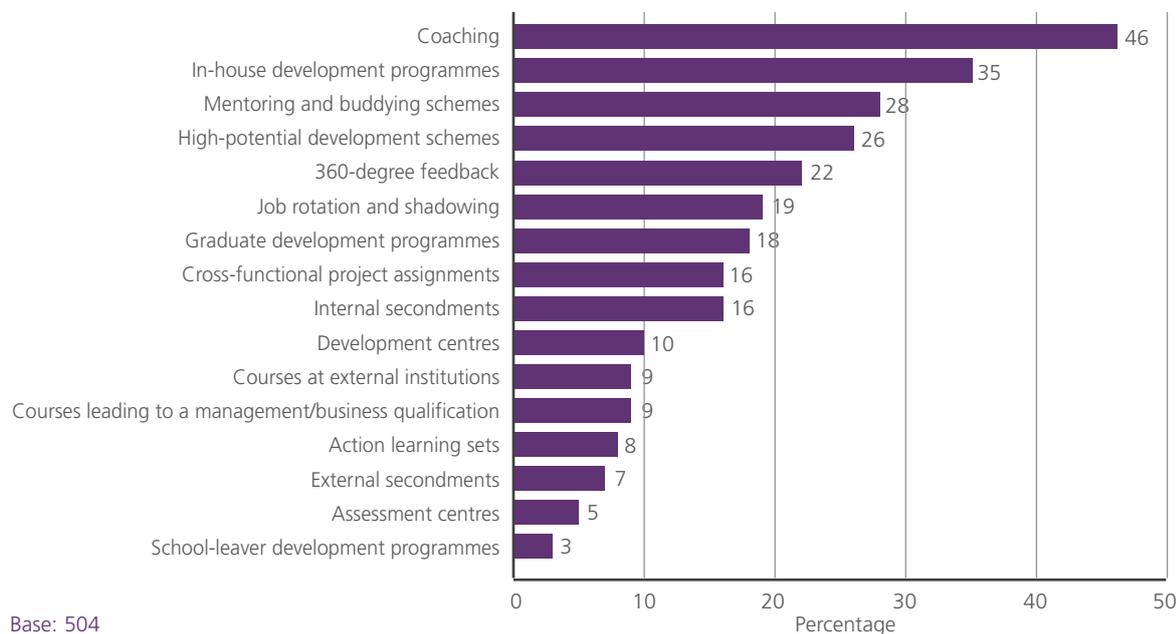


Figure 10: How would you rate the effectiveness of your organisation's talent management activities? (% of organisations with talent management activities)



Base 2014: 444; 2013: 505; 2012: 379; 2011: 336

Figure 11: Which three talent management activities used by your organisation are the most effective? (% of organisations with talent management activities)



Base: 504

report their talent management activities are effective,²⁹ but clearly most organisations have some way to go to maximise benefits.

Views on which talent management activities are most effective have changed little over the last few years (Figure 11). Respondents tend to favour internal

activities (development programmes, secondments, courses) over external ones, although to some extent this is dependent on organisation size. Larger organisations are more likely to favour internal secondments than smaller organisations, while the latter are more likely than their larger counterparts to favour courses at external institutions.³⁰

4 THE DEVELOPMENT OF L&D PROFESSIONALS

A new area this year examines how L&D/OD professionals approach their development and the factors that are critical to their success. We also revisit questions asked in 2012, which consider how aware L&D professionals are of recent L&D-related insights from areas such as neuroscience, social psychology, economics, computing and the natural sciences.

Because of the nature of the questions, this section focuses on the responses of heads of L&D, OD managers/advisers and others in roles related to talent, training, learning or development.

Methods L&D/OD professionals use for their own development

Figure 12 shows the methods L&D/OD professionals use for their own development. All methods (with the exception of external events) are more likely to be included in those used by L&D/OD professionals themselves if they are among the methods most commonly used by their organisation or among their most effective methods. Social/collaborative learning, however, appears to be more popular for L&D/OD professionals' own learning than for organisational learning (Figure 1). It is possible that organisations would benefit from a greater use of social/collaborative learning more widely.

The methods used not only vary by access but also by role. Those in senior roles are more likely to attend external events and have external coaches (Figure 12). This role-level effect is also observed in other functions (external events – senior managers/directors: 75%; line managers: 52%; HR director: 79%; other HR: 58%; external coaches – senior

managers/directors: 41%, line managers: 24%; HR director: 39%; other HR: 21%). In contrast, those in more junior roles (both in L&D and other functions of the organisation) are more likely to use on-the-job training.³¹

Heads of L&D least likely to use e-learning

Just a quarter of L&D heads report they use e-learning for their own development compared with 42–62% of those in other roles (including those in other functions). They are also least likely to use internal knowledge-sharing events. Along with HR directors, L&D heads are also less likely than those in other roles (including other senior managers/directors) to use formal education courses for their development.

OD managers/advisers use a wider range of methods than L&D heads

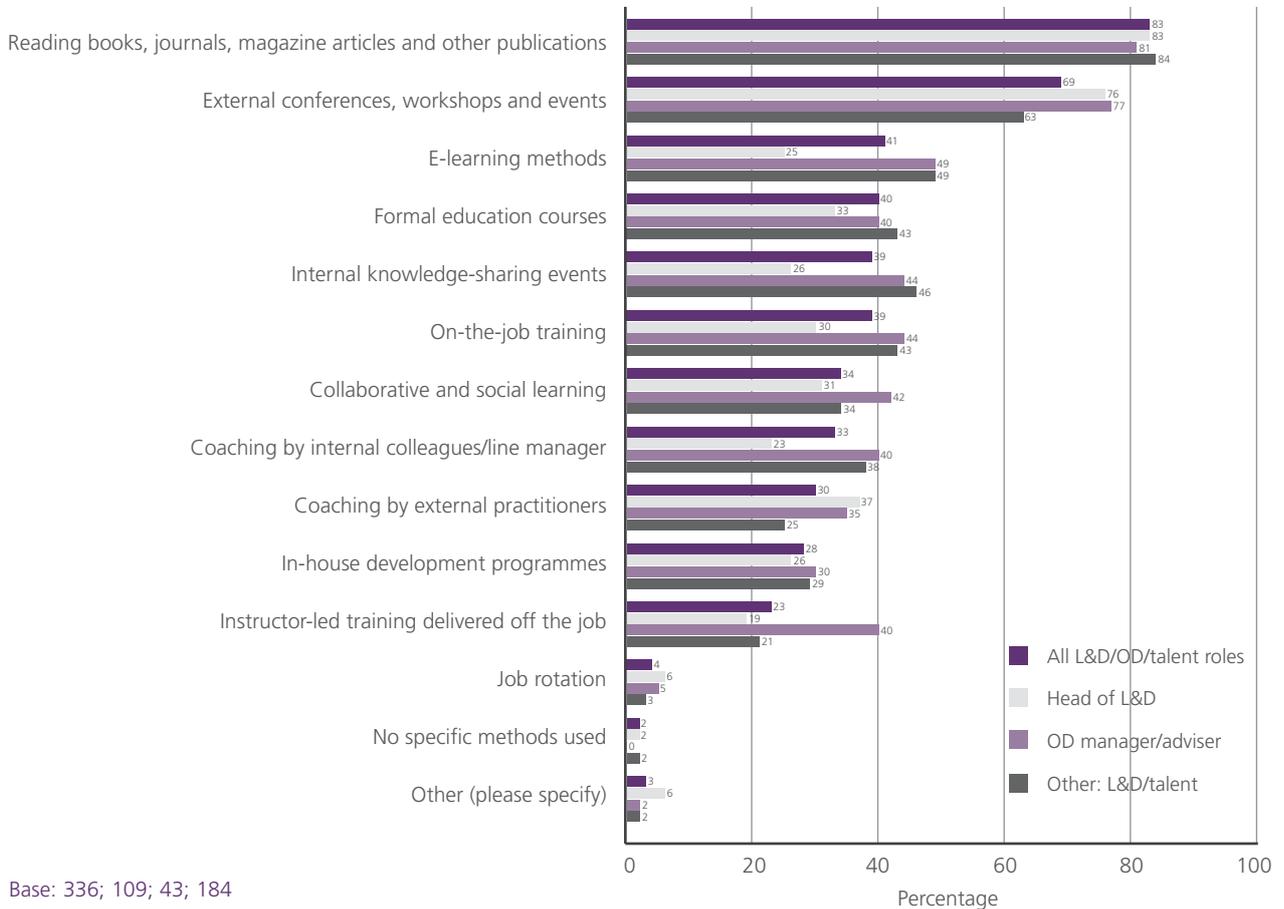
OD managers/advisers are more likely than L&D heads to use several of the methods listed (Figure 12). Moreover, they are at least twice as likely as any other role group to use instructor-led training delivered off the job.

The success of L&D/OD professionals

Business knowledge and commercial awareness (56%), working collaboratively (43%) and the ability to influence the organisation (40%) are most commonly reported to be among the top three factors that most contribute to the success of L&D/OD professionals (Figure 13).

While these business-level skills are most commonly prioritised by respondents in all roles, those in more

Figure 12: Which methods do you use to develop your own knowledge and capability? (% of L&D/OD professionals)



Base: 336; 109; 43; 184

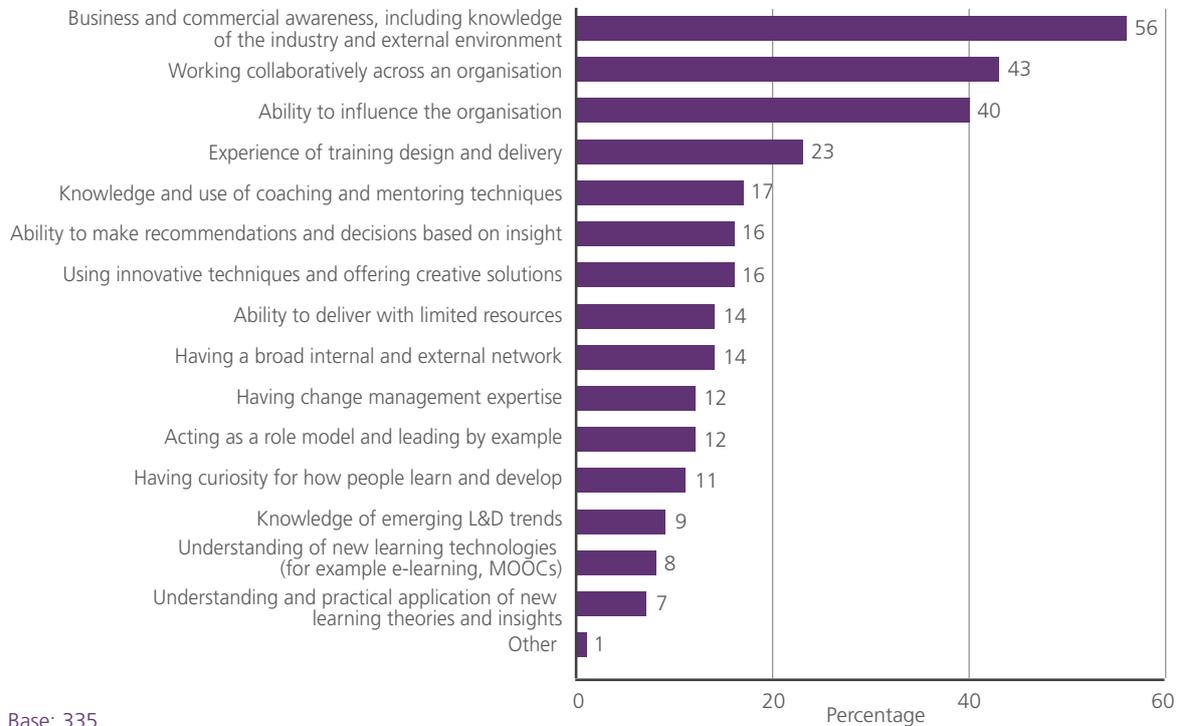
senior roles are particularly likely to favour business knowledge and influencing skills.³² In contrast, those in more junior L&D roles (other L&D/talent) are more likely than heads of L&D/OD managers/advisers to prioritise more specific, function-related skills including experience of training design and delivery, knowledge and use of coaching and mentoring techniques and having curiosity for how people learn and develop.³³

Those in L&D roles are less likely than OD managers/advisers (or HR directors and other senior managers) to prioritise change management expertise (12% of L&D heads and 10% of other L&D/talent compared with 21% of OD managers/advisers, 22% of HR directors and 24% of senior

managers/directors/CEOs). Respondents in the public sector, which has been characterised by considerable change in the last few years in efforts to address the budget deficit, are also more likely to prioritise change management experience (22% compared with 9% of the private sector and 3% of not-for-profits).³⁴ Those in the private sector are particularly likely to highlight the importance of business knowledge and commercial awareness (64% compared with 43% of the public sector and 37% of not-for-profits).³⁵

Comparatively few, regardless of role, prioritise knowledge of emerging L&D trends (9%) and technologies (8%) or understanding and practical application of new learning theories and insights

Figure 13: Which of the following factors do you feel most contribute to the success of an L&D/OD professional? (% of L&D/OD professionals)



Base: 335

(7%), in their top 3 most important factors. Without a good understanding of the business and the environment in which it operates and the ability to work collaboratively and influence others in the organisation, the application of more functional skills, knowledge and expertise may be misdirected or the organisational support required for implementation of new ideas or processes may be lacking. At the same time, *L&D professionals must ensure that a focus on integrating with the business does not preclude up-to-date knowledge of new insights, theories and technologies*, which can help advance L&D capability and credibility.

Emerging learning insight

In 2012 we explored new areas of L&D insight gleaned from areas such as neuroscience, social psychology, economics, computing and the natural sciences. We found that many professionals were unaware of these developments and that they were

rarely incorporated into learning and development practice. This year we revisited these questions, incorporating some additional concepts.

Table 3 shows that awareness and use of all the methods listed has increased since 2012. Overall, more than half of respondents (55%) had integrated one or more of the new insights listed into practice compared with 36% in 2012. The proportion incorporating the concept of learning through deep practice, the implications of generational changes in brain function, cognitive issues around decision-making and how human reasoning and logic affect how we learn has doubled since 2012. Similarly, while small proportions incorporate concepts related to neurochemistry of learning or brain plasticity, the figures have improved since 2012. In addition, more have heard of the methods even if they don't currently use them in their practice or don't

Table 3: How aware are you of the following developments and do you intergrate the knowledge associated with these into practice? (% of L&D/OD professionals)

		Aware. I consider myself conversant and integrate into my practice	Aware but don't use in my practice	Aware but don't fully understand	Haven't heard of these	Don't see the relevance of these developments
Neurochemistry of learning (for example brain make-up, the role of the myelin sheath)	2012	0	10	17	69	3
	2014	6	23	35	32	4
Brain plasticity (the idea that brain circuitry changes through experience)	2012	3	18	30	46	2
	2014	12	19	34	31	3
Learning through 'deep practice' (for example the idea that 10,000 hours of learning and practice are needed to reach a stage of intuitive problem-solving)	2012	6	15	20	58	2
	2014	13	27	25	32	3
Generational changes in brain function which may affect learning (such as those occurring in younger and older learners)	2012	7	31	30	27	5
	2014	13	33	30	21	3
Cognitive issues around decision-making, such as type 1 and type 2 thinking	2012	8	31	41	20	1
	2014	16	25	37	21	1
Using a 'mentalising system' (how we process signals we receive from other people and how this can affect social learning)*	2012	–	–	–	–	–
	2014	16	22	25	34	3
Unconscious thought theory (problem-solving through our intuitive mind, when we're not actively trying)*	2012	–	–	–	–	–
	2014	18	22	31	28	3
Learning states during game-based learning	2012	16	25	26	32	2
	2014	24	23	23	27	3
The correlation between physical exercise and increased learning performance	2012	19	38	23	18	2
	2014	25	33	23	17	3
How human reasoning and logic affect how we learn (for example, cognitive thinking traps and illusions)	2012	13	22	27	36	2
	2014	25	23	29	21	2
Developing 'mirror neurons' to help embed learning (for example through role-modelling)*	2012	–	–	–	–	–
	2014	27	16	21	34	3

*Not included in 2012

fully understand them. As we found in 2012, very few report they don't see the relevance of the developments.

Just a minority of respondents gave examples of other recent L&D developments they have incorporated into practice. These include the use of 'mindfulness', a form of mediation and the SCARF model from social neuroscience.

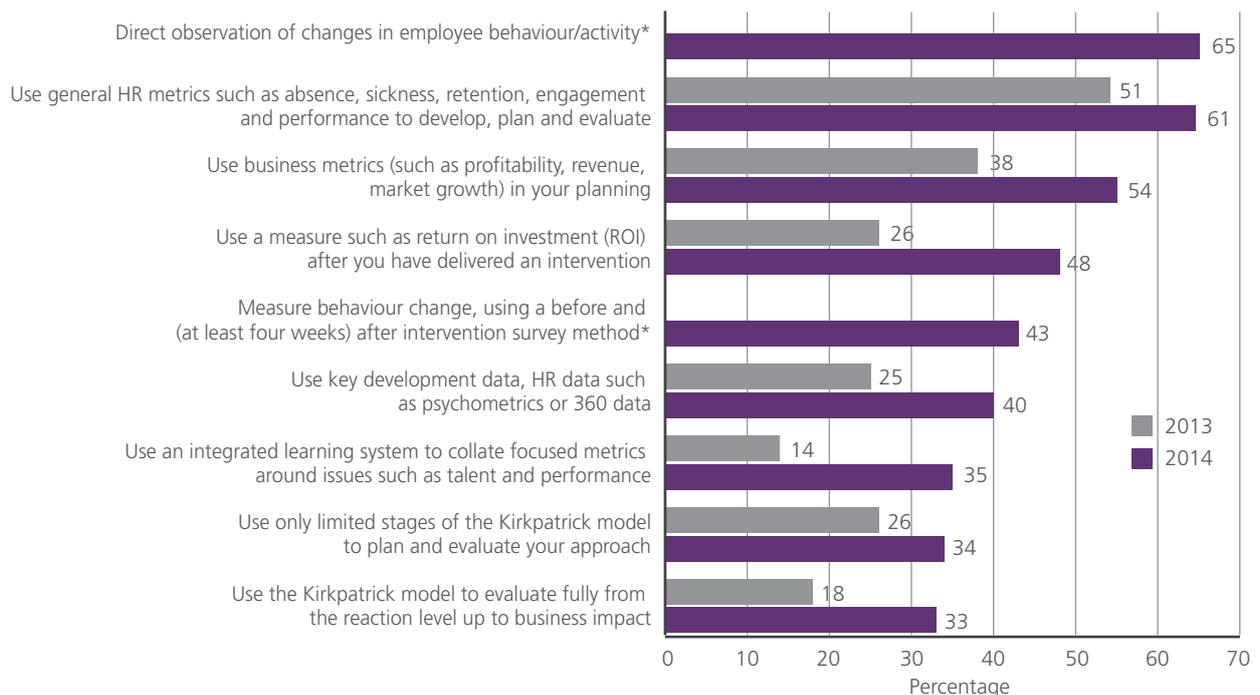
5 ASSESSING THE IMPACT OF L&D ACTIVITY

In Section 1 we reported that a greater emphasis on monitoring, measuring and evaluating training and effectiveness is one of the biggest changes anticipated to affect L&D departments in the next two years. Here we examine how organisations measure the effectiveness of L&D interventions, the difficulties they encounter in doing so and, critically, how they use the data to improve their L&D interventions.

Methods used to measure L&D effectiveness

Most organisations report they assess the impact of learning and development activity in some way and, while the frequency with which they do so and the methods they use varies considerably, *this year's survey shows a marked increase in the use of all assessment methods* examined compared with last year (Figure 14).

Figure 14: How do you test/measure the effectiveness of L&D interventions? (% of respondents reporting they always or frequently use the following methods)



*Not included in 2013
Base: 2014: 1,034; 2013: 880

The most popular methods last year – general HR metrics (such as absence, sickness, retention, engagement and performance) and business metrics – remain the most commonly used methods of assessing L&D, but the proportions always or frequently using them jumped from 51% to 61% for HR metrics and from 38% to 54% for business metrics (this is even more popular in the private sector).³⁶ The proportion of those always or frequently using measures such as return on investment increased from 26% to 48%. Even less popular measures (integrated learning systems, the Kirkpatrick model) are being used frequently or always by twice (or nearly twice) as many organisations as last year. These methods are somewhat more common in larger organisations.³⁷

New items this year show that two-thirds also report they always or frequently use direct observation of changes in employee behaviour/activity to assess the impact of L&D activity, although just two-fifths report they do this using before and after surveys (conducted at least four weeks following the intervention).

Thirty-two people expressed in their own words other methods they use to measure the effectiveness of L&D interventions. Some rely on 'happy sheets' and post-event feedback from participants. Others use longer-term evaluations such as competency assessment and telephone interviews to explore real-life business outcomes. Other methods referred to include Happy Path testing methods, the Success Case Method (Brinkerhoff), the SMART framework and the Kolb learning process.

Difficulties in measuring the effectiveness of L&D activity

Three-fifths of organisations (60%) report they have difficulties in testing/measuring the effectiveness of L&D activity, a considerable decrease on last year (74%), perhaps reflecting the

increased use of a range of methods referred to above (Figure 14). Larger organisations are most likely to report difficulties and those referring to regions outside of the UK are also somewhat more likely to report difficulties.³⁸

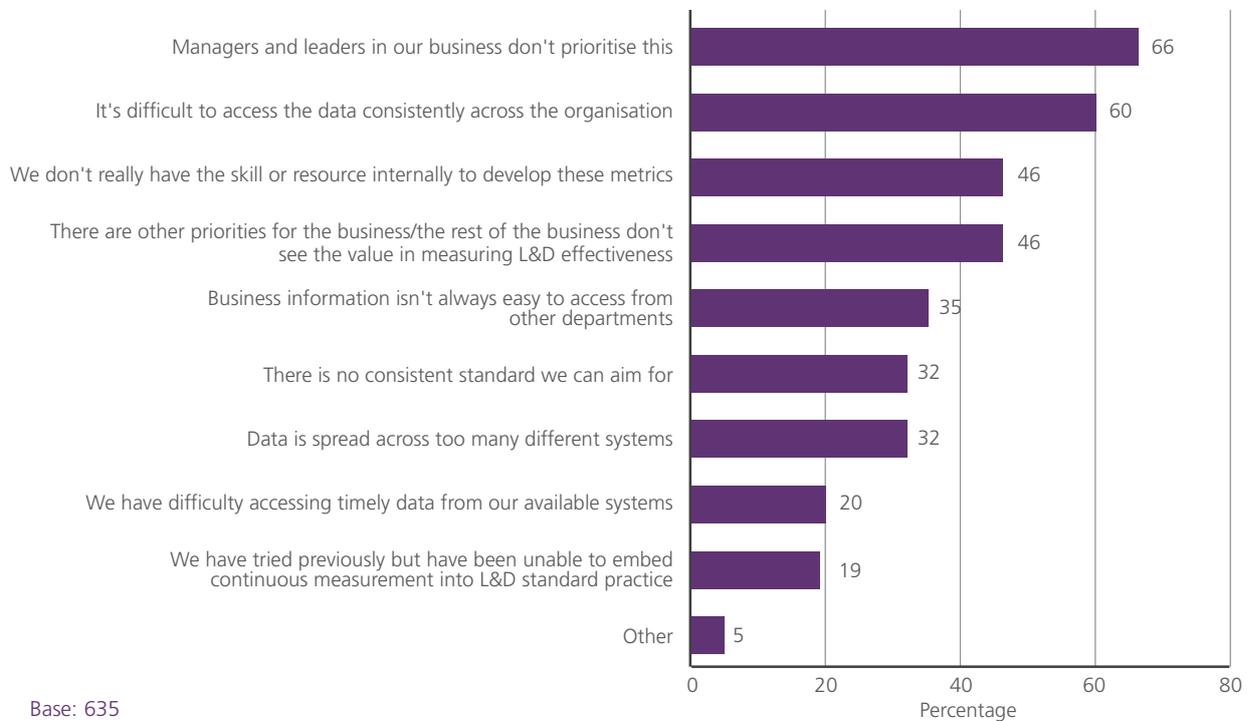
The reasons given for difficulties in testing/measuring the effectiveness of L&D activity are very similar to those reported last year. The most common reason, reported by two-thirds of those who have difficulties, is that managers and leaders don't prioritise measuring L&D effectiveness (Figure 15). This is somewhat more of an issue for UK organisations (69%) than those referring to the rest of Europe (57%) or elsewhere (59%). Nearly half report that they have difficulties because there are other priorities for the business/the rest of the business don't see the value in measuring L&D effectiveness.

Access to data is also a common problem, particularly in larger organisations. Overall, three-fifths have difficulties accessing data consistently across the organisation (52% of organisations with fewer than 250 employees), while a third report business information isn't always easy to access from other departments (43% of those with more than 5,000 employees) or that data is spread across too many different systems (48% of those with more than 5,000 employees) and a fifth report they have difficulty accessing timely data from their systems (28% of those with more than 5,000 employees).

Nearly half of those with difficulties report they don't have the skills or resource to develop metrics and a third that there is no consistent standard they can aim for. A fifth have made efforts in the past but have been unable to embed continuous measurement into L&D standard practice.

Clearly these issues need to be addressed. Without appropriate evaluations organisations cannot determine whether resources are being allocated effectively and they lack feedback for improvement. Indeed, organisations that reported they have difficulties measuring the effectiveness of L&D activity are less likely to report their talent

Figure 15: Nature of the difficulties encountered (% of those who have encountered difficulties testing/measuring the effectiveness of L&D activity)



management activities are effective and more likely to report they are ineffective.³⁹ Of course, measuring the effectiveness of development interventions is just the first step. How the data is used is critical.

How effectiveness data is used to improve L&D

A new question this year asked how organisations use the data about effectiveness to update/improve their L&D interventions. Nearly half (48%) use it to forecast future training needs and plan accordingly and a similar proportion (47%) review the L&D evaluation at the end of each training cycle and update it according to the research findings.⁴⁰

A third report they are transparent about the effectiveness of their training and share their findings (for example through external validation by a third party or through internal reporting).

A quarter, regardless of sector or size, report they rarely use the data they collect. This group is less likely to use any of the measures listed in Figure 15 and is more likely to report that managers and leaders don't prioritise evaluations of L&D activity (77% vs 63%), that there are other priorities for the rest of the business/the rest of the business don't see the value in measuring L&D effectiveness (57% vs 43%) and that they don't have the skill or resource internally to develop metrics (56% vs 39%).

6 ECONOMIC SITUATION AND TRAINING SPEND

After a challenging few years, the economy and business confidence are now growing, particularly in the private services sector. Nevertheless, the economy is not yet back up to full strength and the public sector continues to face substantial cuts as part of the Government's deficit reduction programme.

This section examines perceived changes in economic circumstances and the impact this has on L&D resources and workload. It looks at trends in annual training budgets and the amount of training employees receive. Finally, it looks at changes that L&D departments have experienced in the last 12 months and how they expect L&D funding to change in the next 12 months.

Economic circumstances

Nearly half (46%) describe their current economic/funding circumstances as similar to those they've experienced over the past 12 months. The rest are

twice as likely to report they now face a worse situation (33%) than an improved one (15%). Approximately 6% across all sectors do not know.

The public sector, facing their fifth year of budget cuts, are more than twice as likely as their private sector counterparts to report their funding circumstances are worse now than they have been over the past 12 months (55%, private sector 24%). Many not-for-profits also feel their situation is worse now (43%). Even private sector respondents (both private services and manufacturing and production) are more likely to report that their situation is worse now than that it is better (Table 4).

Respondents referring to regions outside of Europe, regardless of their sector, are more likely to report they face better circumstances now and less likely to report they face worse circumstances than those referring to the UK or Europe.⁴¹

Table 4: How would you describe the economic/funding circumstance facing your organisation in general now, in comparison with the past 12 months? (%)

	All respondents	Private sector	Public sector	Not-for-profits
Better than before	15	18	9	7
About the same as before	46	52	30	44
Worse than before	33	24	55	43
Don't know	6	6	7	6

Impact on L&D resources

In similar findings to last year, *half of public sector organisations (49%) report the funds available for L&D have decreased over the past 12 months.* Nearly three-fifths (57%) report their L&D department's budget has decreased and 44% that their headcount has reduced. As we found last year, the situation in the private sector is more mixed. Just under a third report funds available for L&D have decreased, while nearly a fifth report they have increased over the last 12 months. A fifth report their headcount has decreased while nearly a quarter report it has increased (Table 5).

As we've found in previous years, L&D resources are linked to organisations' economic circumstances. Organisations that reported a worse economic situation now compared with the last 12 months are more likely to report reduced funds, budgets and headcount in L&D.⁴²

Workloads are not significantly related to the economic situation. Overall, two-thirds reported the workload in their L&D department has increased over the last 12 months and very few (5%) reported it has decreased. Figure 16 suggests that workloads have increased in many L&D departments as a consequence of reduced staff and resources. Nevertheless, it also shows that workloads are more likely to have increased in organisations that are expanding in terms of L&D headcount and resources. L&D departments may have responded to increased workloads through recruiting more staff. Alternatively, there could be a perception that workload has increased if headcount has been reduced. Workloads are least likely to have increased in organisations that reported L&D headcount and budget have not changed.

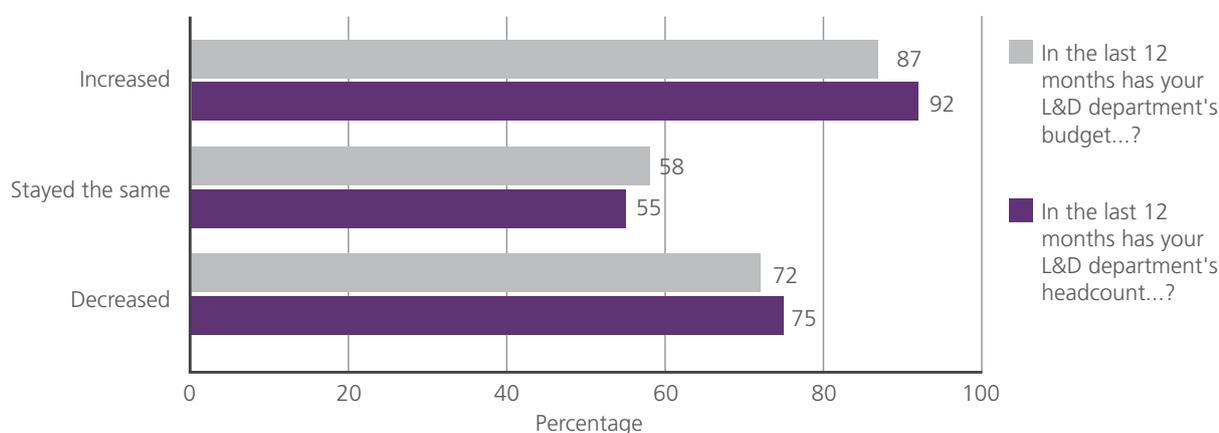
Training budgets

Most organisations with more than 250 employees have a training budget (78%; 2013: 80%). Smaller organisations are less likely to have a specific budget

Table 5: Changes to L&D department budget, headcount and workload over the past 12 months (% of respondents)

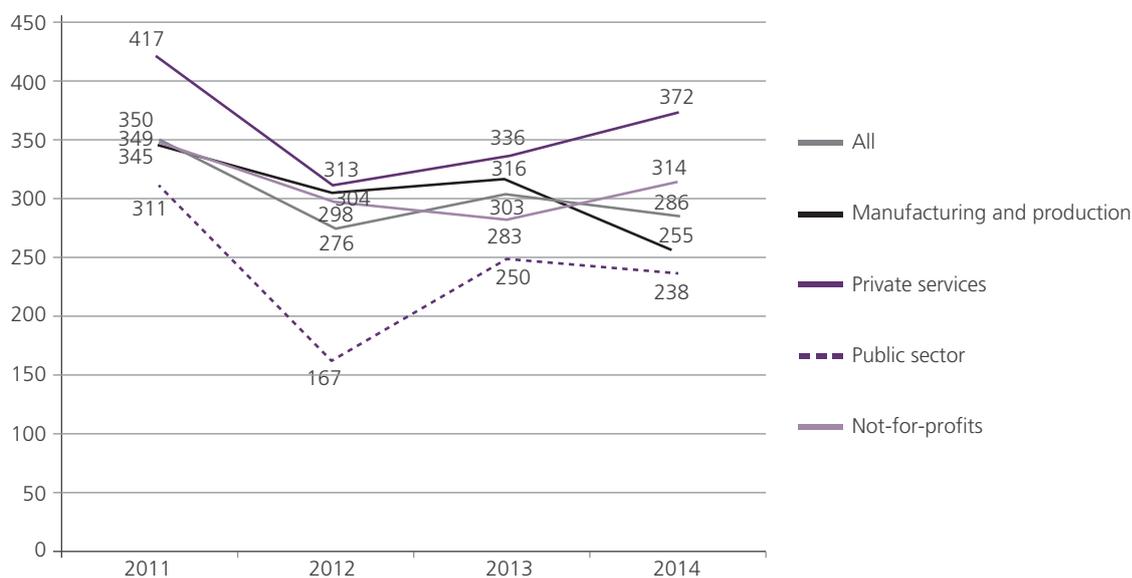
	Increased	Stayed the same	Decreased
Budget			
All respondents	16	50	34
Public sector	9	34	57
Non-profit sector	12	54	35
Private sector	19	54	26
Headcount			
All respondents	21	54	25
Public sector	16	41	44
Non-profit sector	20	62	19
Private sector	24	57	19
Workload			
All respondents	68	28	5
Public sector	75	22	2
Non-profit sector	70	26	4
Private sector	65	30	6

Figure 16: Percentage of respondents reporting that workload has increased in their L&D department in the last 12 months – by changes in budget and headcount



Base: 985 (budget); 1,004 (workload)

Figure 17: Median annual training budget per employee (UK-based respondents)



Base: 2014: 232; 2013: 377; 2012: 309; 2011: 241

(39% of organisations with fewer than 50 employees; 58% of those with 50–249 employees).⁴³

Of the 693 organisations that have a training budget, 363 (52%) provided useable and complete data on training budgets. For responses referring to the UK (232 respondents), the median annual training

budget per employee is £286 (2013: £303; 2012: £276; 2011: £350), but this figure masks considerable variation within and across sectors.

Figure 17 shows that the median training budget fell across all sectors in 2012 but has generally improved since then, except in the manufacturing

and production sector, where median annual training spend per employee fell to £255 this year compared with £316 last year. In contrast, median spend in private services and not-for-profits rose, while there was a small decline in the public sector. Average spend remains highest in the private services sector (£372), particularly in smaller organisations,⁴⁴ and lowest in the public sector (£238). These figures should, however, be treated with caution due to substantial variation within sectors, not least because the items covered by training budgets varies (see below).

Items covered by the training budget

Part of the reason for the considerable variation in training budgets is that they cover different items. In very similar findings to last year, training budgets in the majority of organisations cover external courses and conferences (92%), hiring external consultants and trainers (80%) and books, training manuals, and so on (75%). They cover mentoring and coaching (55%) and training technology (47%) in approximately half of organisations, while 42% report psychometric assessments and diagnostics are included. In a third of organisations training budgets also cover integrated e-learning systems/learning management systems (35%). Approximately a quarter include fixed costs (27%) and salaries for in-house trainers (23%) in their training budgets.

Number of hours of training per employee each year

Just over three-fifths (62%; 2013: 64%; 2012: 51%) of organisations report that they record the number of training/development hours employees receive in a 12-month period. Respondents referring to the UK are less likely to report they do so (58%) than those responding for the rest of Europe (73%) or elsewhere (73%).⁴⁵

The median number of training hours employees receive per year has increased to 30, up from 25 in 2013 and 24 in 2012. This does not vary significantly by size of organisation, location or sector, despite sector differences in training budgets and findings

that organisations, particularly in the public sector, are more likely to report reduced than improved L&D resources over the last 12 months (see above). This apparent anomaly may be explained by the popularity of more cost-effective in-house development methods (including on-the-job training) across all sectors (Section 1). In addition, organisations that face worse economic circumstances are more likely to include e-learning methods (which can also be very cost-effective) among their most common L&D methods.⁴⁶ An alternative explanation is that perhaps training hours as a metric is losing relevance, as learning becomes increasingly self-directed.

Changes in L&D departments

Three-quarters of respondents report their L&D department has undergone one or more change in the last 12 months, a similar proportion to last year (Table 6). A further 7% don't know if they have made changes or not. In line with findings from the last three years, the most common change is to become more business-focused. As reported in Section 1, this trend is commonly expected to continue over the next two years with increased integration of learning and development activity and business strategy.

Other common changes include focusing L&D around talent succession and leadership development (25% overall, but particularly common in the private sector⁴⁷) and expanding L&D into new areas of the business (19%).

The public sector is more likely than those in other sectors to have made changes that reflect the ongoing focus on cost reduction in this sector. As last year, redundancies of staff, the rationalisation and 'reduction' of the department and the closure/rationalisation of training facilities are significantly more common in the public than the private or non-profit sectors (Table 6).

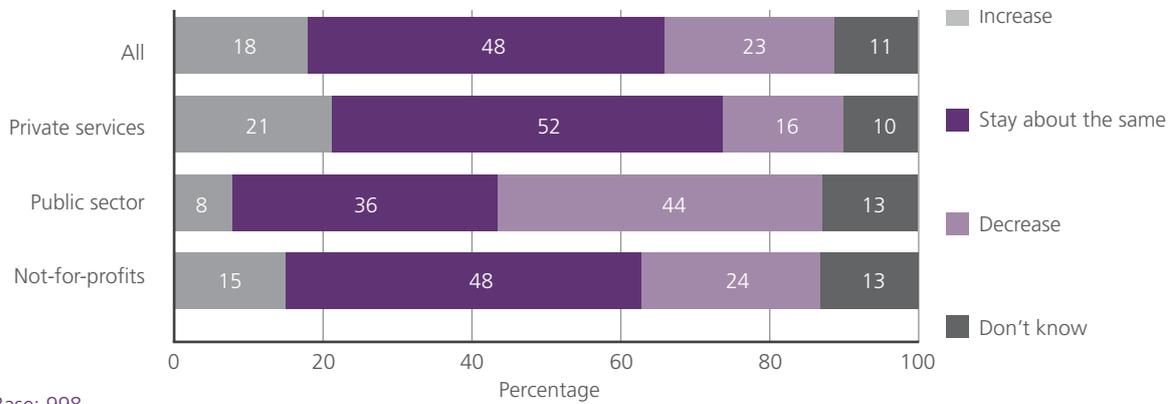
Larger organisations are more likely to report they had made changes over the last year. They are more likely to report they have become more business-

Table 6: In what ways, if any, has your L&D department undergone changes in the last 12 months? (% of respondents)

	All	Private sector	Public sector	Not-for-profits
Department has become more business-focused	33	31	36	35
L&D has been focused around talent, succession and leadership development	25	28	18	20
Expansion of L&D into new areas of the business	19	19	20	17
Redundancies of staff	19	17	26	13
Reduction in external suppliers and move to in-house provision	16	14	20	14
Department has been refocused and made more strategic though some cuts have taken place	14	13	18	13
Rationalisation and 'reduction' of department, including redeployment	11	9	23	6
Department has been centralised by head office	10	10	11	9
Closure/rationalisation of training facilities	8	5	18	3
Reduced hours/short-time working	7	7	8	6
Closure of department	3	3	5	0
Outsourcing of department	3	3	4	2
No changes have been made	24	27	11	26
Don't know	7	5	10	9
Other	5	5	5	8

focused, more focused around talent, succession and leadership development, expanded L&D into new areas of the business, refocused the department and become more strategic, been centralised by head office, as well as made cost reduction measures (including redundancies, closure/rationalisation of training facilities, rationalisation and 'reduction' of department, including redeployment, reduced external suppliers and moved to in-house provision).⁴⁸

Figure 18: How do you expect the funding of learning and development to change in the next 12 months? (%)



Future of L&D funding

Over two-fifths of the public sector, 24% of not-for-profits and 16% of the private sector anticipate reductions in L&D funding in the next 12 months (Figure 18). This outlook, similar to last year, reflects ongoing cuts in the public sector and increased optimism in the private sector. Nevertheless, there are also differences within the private sector, with larger organisations more likely to anticipate cuts (23% of those with 5,000–19,999 employees, 35% of those with 20,000+ employees).⁴⁹

As we’ve found in previous years, organisations’ predictions for the future are moderately related to their experience of the past 12 months in all sectors.⁵⁰ Those that have experienced deteriorating economic circumstances and reductions in L&D funding over the last 12 months are more likely to report they anticipate further decreases over the next 12 months.

CONCLUSIONS AND INSIGHTS

Times are still tough

Once again there has been a record response to this survey, highlighting the importance of learning and development within organisations. Many L&D departments are still trying to deliver more with less, having experienced several years of budget constraints in the aftermath of the financial crisis. Our findings show that organisations clearly remain cautious about how they spend money and are scrutinising their L&D approach and practices. They are becoming increasingly business-focused and concerned with evaluating their effectiveness to drive greater productivity and overall performance. Perhaps the economic decline has had unexpected benefits in forcing organisations to target activity more effectively, which can only be a positive development as the economy grows.

Integration is key

The trend towards a closer integration of L&D activity and business strategy suggests that many organisations are striving to align their efforts to ensure greater efficiency and long-term sustainability. Yet aligning development activity with strategic objectives will be undermined if L&D processes and systems are not integrated with other aspects of HR and across the business. The findings here suggest many have some way to go to achieve this integration. There is a risk that L&D may still be operating as a silo in some organisations, yet there is massive potential to align activity in areas such as reward, succession planning and corporate responsibility.

Other findings here also highlight the need for greater alignment across the business. The development of leadership capability, for

example, requires not only effective learning and development opportunities but also supportive systems, policies and processes that provide managers with clarity regarding their responsibilities, adequate influence to motivate and lead their teams, and clear guidelines and support for managing underperformance. Similarly, effective evaluation of L&D activity cannot take place in an isolated L&D function but requires effective, accessible and supportive information systems and collaboration across the business.

L&D = business savvy

L&D professionals clearly recognise that business acumen will be a key capability in the transition to become more aligned with business strategy. This is a positive development as commercial awareness and ability to influence others are critical skills, especially as L&D now frequently reaches beyond the organisation to non-employee groups. However, the question remains over whether intentions to increase business knowledge are really translating into action. L&D departments still come under fire for being too removed from business realities and many are only just making the transition towards greater alignment.

L&D professionals also need to be careful to ensure that striving for greater business integration does not detract from advancing their functional expertise. Maintaining up-to-date knowledge of new insights, theories and technologies can help advance L&D capability and credibility, internally and externally. Arguably, the L&D profession as a whole is not yet sufficiently taking advantage of the latest scientific advances in learning insight. While we are seeing a growth in awareness of new

learning concepts, from fields such as neuroscience, there is still a long way to go before there is widespread practical application.

Ongoing difficulties measuring effectiveness

One significant stride in the right direction this year is increased focus on measuring the impact of L&D activity. Perhaps this is a consequence of greater business focus, or the prevalence of information on the role of big data and analytics. New 'data scientist' roles are popping up in many organisations, taking advantage of the wealth of data available. However, it seems that actually using this data is still causing challenges. Many organisations are still experiencing difficulties evaluating L&D effectiveness and a quarter rarely use the data they collect. Perhaps this is a simple case of information overload? As the plethora of data and information accessible to us grows, there is a need to take a more targeted approach.

A new skill profile

This also hints at the need to develop new skills and capabilities. Successfully measuring L&D initiatives can help to ensure scarce resources are allocated effectively, and to establish a cycle of continuous improvement. There are clearly opportunities to increase the effectiveness of L&D activities, but to do this sound analytical skills are needed. Having an understanding of statistics and corporate metrics, as well as the ability to mine qualitative feedback for insight may well prove essential for all HR and L&D roles in future. However, data alone will not be sufficient. L&D professionals will also need the confidence, responsiveness and agility to make changes if something is not working.

Time to abandon poor e-learning

Once again we have seen a significant gap between the use and perceived effectiveness of e-learning. Our findings are also suggesting that e-learning may now have reached its peak. Yet this contradicts the prevalence of information promoting the value of technology enabled learning. Perhaps the truth is that L&D professionals are simply starting to realise that badly designed e-learning has no place in their organisation. There are still significant pockets of poor practice, where unfortunately

e-learning is nothing more than an online presentation with a few animations. As we learn more about the processes behind learning transfer perhaps we are raising the bar for e-learning and starting to reject more traditional forms. The challenge is building the internal capability to truly take advantage of all technology has to offer.

Staying ahead of the technology curve

It is, however, clear that some pioneering organisations are successfully using more interactive, flexible, experiential and collaborative e-learning methods to develop more complex skills, including through game-based learning, practical exercises, role-plays, social learning, feedback and simulations. Sophisticated design can generate considerable advantages in terms of cost, connectivity, geographical coverage and ability to continuously engage the learner. While there is a growing proportion of early adopters leading the way, there is also a degree of scepticism about the effectiveness and longevity of these emerging methods. Time will tell which ones stick, but what's important is to engage with the debate, test and try out new methods or tools to support your business strategy.

The future of L&D

L&D professionals face an exciting, but challenging, future. Increasing alignment and integration with the business is critical, but should not be at the expense of keeping up to date with the latest industry trends, new learning insights and emerging technology. The growth and use of technology is highly likely to continue, but in order to leverage it effectively, organisations need to be clear on why they are using it. Conventional e-learning may be in decline, but the power of technology to enhance social learning or facilitate content curation is yet to be fully realised. The learning landscape will continue to change, but what will remain important is evaluating what really works and having the ability to drive change as and when it's needed. For now, L&D professionals have a tightrope to walk of getting the best from both traditional methods and new technologies while consistently addressing customer and business needs.

APPENDIX: BACKGROUND TO THE SURVEY

This is the sixteenth annual CIPD *Learning and Development* survey. It examines current practices and trends within learning and development (L&D). The survey consists of 37 questions completed through an online self-completion questionnaire.

Some questions are asked each year or biannually to provide useful benchmarking data on topics including current and future trends in learning and development, talent management and the impact of the economy on L&D resources and training spend. This year's survey also revisits a topic introduced last year, exploring how the impact of L&D activity is assessed, and a subject examined in 2012 exploring whether new areas of L&D insight gained from other disciplines are being adopted.

Some topic areas have been amended or added to reflect current and developing areas of the field. Leadership development questions this year place more emphasis on activities for front-line managers/supervisors and explore whether and how training takes context into account. A new topic area explores the development of L&D professionals themselves.

The survey was sent out to learning and development specialists in the UK in January 2014. In total 1,081 people responded to the survey.

Sample profile

Respondents work for organisations of all sizes (Table A1), although the sample is more representative of smaller organisations than in previous years and less representative of medium and large organisations. Nearly a quarter work

in very large organisations (more than 5,000 employees), a similar proportion to previous years.

Half of respondents work in the private services sector, a slight increase on last year but more similar to previous years (2014: 51%; 2013: 45%; 2012: 47%; 2011: 48%). Just over a fifth (21%) work in the public sector, fewer than in previous years (2013: 29%; 2012: 28%; 2011: 31%). Fifteen per cent work in manufacturing and production and 13% in non-profit organisations, similar proportions to previous years (Table A3).

Two-fifths of respondents (42%; 2013: 38%) work for organisations that have offices in more than one country. Just under three-quarters (72%) specified that they were referring to the UK in their responses to the survey, a considerable reduction on previous years (2013: 94%; 2012: 92%). One in seven (14%) were referring to other parts of Europe in their responses, 6% to the Middle East, and smaller proportions to Africa (3%), Asia (2%), North America (1%) and Australia and Oceania (1%).

Two-thirds (67%) have their organisation headquarters in the UK (2013: 88%; 2012: 86%). Fifteen per cent have headquarters in other European countries, 6% in North America, 5% in the Middle East and smaller proportions in other parts of the world.

The survey was targeted at people in HR/learning and development or in senior roles because the questions require specific knowledge on learning and development practices and policy. Over three-quarters (76%) reported they are responsible

for, or involved in, determining the learning and development needs of their organisation. Table A2 confirms that the vast majority of respondents work in HR, talent management or learning and development, while 15% are other senior managers/directors/CEOs and 6% are line managers.

Note on statistics and figures used

Some respondents did not answer all questions, so where percentages are reported in tables or figures, the respondent 'base' for that question is given.

All figures have been rounded to the nearest percentage point. Due to rounding, multiple response options or 'don't know' responses, percentages may not always total 100.

The median is used to calculate an 'average' in cases where the distribution is significantly skewed or there are extreme outliers.

Different statistical tests have been used (depending on the type of analysis and the measures used in the questionnaire) to examine whether differences between groups are significantly different than could be expected by chance and to examine associations between measures. Tests used include Chi-Square (χ^2), Spearman's rho (ρ) and Eta. We report on statistics at the generally accepted level of significance, $p < 0.05$.

The data was explored to examine whether responses varied significantly according to the various sample characteristics measured. Differences observed across years may be due to differences between the samples and efforts were made to control confounding variables in examining such trends where sample size permitted.

Table A1: Profile of respondents, by size of organisation (%)

Number of employees	2014	2013	2012
Fewer than 10	14	6	7
10–49	10	8	6
50–249	20	23	19
250–999	17	22	21
1,000–4,999	15	19	22
5,000–19,999	12		
More than 20,000	12	22*	24*

Base 2014: 1,077; 2013: 1000; 2012: 764

*2013 and 2012 figures based on '5,000 and above'

Table A2: Position in organisation (%)

	%
Head of learning and development	10
HR director	9
HR manager/HR business partner	20
Organisational development manager/adviser	4
Senior manager/director/CEO	15
Line manager	6
Other: talent, training, learning or development	17
Other: HR	14
Other	4

Base: 1,078

Table A3: Distribution of responses, by sector (%)

	Number of respondents	%
Manufacturing and production	162	15
Chemicals	2	1
Construction	11	7
Electricity, gas and water	10	6
Engineering, electronics and metals	12	7
Food, drink and tobacco	44	27
General manufacturing	21	13
Mining and quarrying	7	4
Paper and printing	2	1
Textiles	8	5
Other manufacturing/production	0	0
Private services	552	51
Professional services (accountancy, advertising, consultancy, legal, etc)	185	34
Finance, insurance and real estate	75	14
Hotels, catering and leisure	31	6
IT services	17	3
Call centres	7	1
Media (broadcasting and publishing, etc)	14	3
Retail and wholesale	58	11
Transport, distribution and storage	26	5
Communications	16	3
Other private services	123	22
Public sector	231	21
Central government	50	22
Education	54	23
Health	38	16
Local government	28	12
Other public services	61	26
Voluntary, community and not-for-profit sector	136	13
Care services	25	18
Charity services	39	29
Housing association	21	15
Other voluntary	51	38

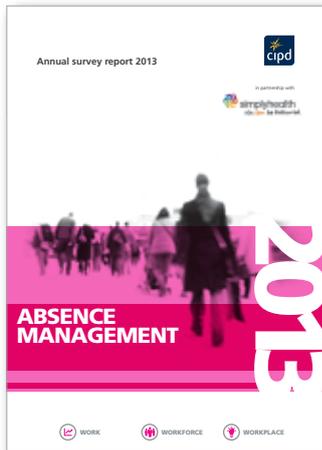
Base: 1,081

ENDNOTES

- 1 This question was first asked in 2013 so data does not exist for previous years.
- 2 E-learning: $\rho = 0.22$, $p < 0.001$, $n = 912$; blended learning: $\rho = 0.12$, $p < 0.001$, $n = 912$.
- 3 Coaching by external practitioners: $\rho = -0.17$, $p < 0.001$, $n = 912$; external conferences, workshops and events: $\rho = -0.21$, $p < 0.001$, $n = 912$.
- 4 Internal knowledge-sharing events: $\chi^2 = 14.1$ with continuity correction, $df = 1$, $p < 0.001$, $n = 912$; collaborative and social learning: $\chi^2 = 34.5$ with 5 continuity correction, $df = 1$, $p < 0.001$, $n = 912$; action learning sets: $\chi^2 = 25.4$ with continuity correction, $df = 1$, $p < 0.001$, $n = 912$.
- 5 In-house development programmes: $\chi^2 = 51.3$ with continuity correction, $df = 1$, $p < 0.001$, $n = 912$; On-the-job training: $\chi^2 = 5.1$ with continuity correction, $df = 1$, $p < 0.05$, $n = 912$.
- 6 Use of coaching/mentoring and size of organisation: Kendall's tau-b = -0.10 , $p < 0.001$, $n = 1,029$.
- 7 Four per cent of respondents do not know whether their organisation offers coaching or mentoring. They are excluded from this analysis.
- 8 This question was not asked in 2012.
- 9 Sector and use of e-learning: $\chi^2 = 35.4$, $df = 3$, $p < 0.001$, $n = 1,066$; Size and use of e-learning: $\eta = 0.32$, $n = 1,062$.
- 10 Although this is related to organisational size, with larger organisations reporting e-learning accounts for a larger proportion of training time: $\rho = 0.14$, $p = 0.001$, $n = 752$ (while the use of e-learning is more common in the public sector, there are no significant sector differences where it is used in the proportion of training time it accounts for).
- 11 This question was not asked in 2012.
- 12 CIPD 2013, *Learning and Talent Development* survey report
- 13 Ten per cent do not know if their organisation offers training to these groups. They are excluded from the analysis here.
- 14 Sector and students: $\chi^2 = 10.2$, $df = 3$, $p < 0.05$, $n = 964$; clients: $\chi^2 = 21.5$, $df = 3$, $p < 0.001$, $n = 964$; contractors/consultants: $\chi^2 = 10.5$, $df = 3$, $p < 0.05$, $n = 964$, suppliers: $\chi^2 = 18.9$, $df = 3$, $p < 0.001$, $n = 964$; resellers/distributors: $\chi^2 = 42.6$, $df = 3$, $p < 0.001$, $n = 964$.
- 15 Size and students: Kendall's tau-b = 0.15 , $p < 0.001$, $n = 960$; contractors/consultants: Kendall's tau-b = 0.07 , $p < 0.05$, $n = 960$; suppliers: Kendall's tau-b = 0.13 , $p < 0.001$, $n = 960$; resellers/distributors: Kendall's tau-b = 0.09 , $p < 0.01$, $n = 960$.
- 16 $\chi^2 = 12.9$, $df = 6$, $p < 0.05$, $n = 1,052$.
- 17 These items were introduced in 2012, so data is not available for previous years.
- 18 Greater use of e-learning: public sector 34%; not-for-profit 25%; private services 20%; manufacturing and production 16%; Chi Square = 22.1 , $df = 3$, $p < 0.001$, $n = 1,073$; Less use of classroom and trainer-led instruction: public sector 12%; not-for-profit 4%; private services 8%; manufacturing and production 4%; Chi Square = 13.1 , $df = 3$, $p < 0.01$, $n = 1,073$.
- 19 Greater use of e-learning and size of organisation: Kendall's tau-b = -0.12 , $p < 0.001$, $n = 1,069$; Less use of trainer-led instruction and size of organisation: Kendall's tau-b = -0.14 , $p < 0.001$, $n = 1,069$.
- 20 $\eta = 0.30$, $n = 940$.
- 21 This is more common in larger organisations: fewer than 50 employees 36%; 250–999 employees 42%; 5,000+ employees 51% (Kendall's tau-b = 0.08 , $p < 0.01$, $n = 838$).
- 22 Ten per cent reported they 'don't know' if they have talent management activities or not. They are excluded from these figures.
- 23 $\eta = 0.36$, $n = 968$.
- 24 $\chi^2 = 26.5$, $df = 3$, $p < 0.001$, $n = 972$.
- 25 $\chi^2 = 19.4$, $df = 5$, $p < 0.01$, $n = 517$.
- 26 Sector and developing high-potential employees: $\chi^2 = 14.3$, $df = 2$, $p < 0.01$, $n = 510$; size and developing high-potential employees: $\eta = 0.12$, $n = 507$; size and growing future senior managers/leaders: $\eta = 0.25$, $n = 507$.
- 27 $\chi^2 = 10.1$, $df = 2$, $p < 0.01$, $n = 510$.
- 28 $\chi^2 = 10.4$, $df = 3$, $p < 0.05$, $n = 510$.
- 29 Size and effectiveness ratings: $\rho = 0.19$, $p < 0.001$, $n = 442$ (80% of organisations with fewer than 50 employees rank their talent management activities as very or fairly effective compared with 59% of organisations with more than 5,000 employees); having a specific training budget and effectiveness ratings: $\chi^2 = 8.4$, $df = 2$, $p < 0.05$, $n = 444$ (69% of those with a specific training budget ranked their talent management activities as very or fairly effective compared with 57% of those who don't have a specific budget).
- 30 Internal secondments and size: $\eta = 0.17$, $n = 506$; Courses at external institutions and size: $\eta = 0.15$, $n = 506$.
- 31 Head of L&D: 30%; other talent/L&D: 43%; senior managers/directors: 30%; line managers: 50%; HR director: 28%; other HR: 55%.
- 32 Business knowledge and commercial awareness, including knowledge of the industry and external environment – head of L&D: 67%, OD manager/adviser: 65%; other talent/L&D: 47%; senior managers/directors: 61%, line managers: 45%; HR director: 66%; other HR: 46%; Ability to influence the organisation – head of L&D: 51%, OD manager/adviser: 42%; other talent/L&D: 33%; senior managers/directors: 49%, line managers: 29%; HR director: 48%; other HR: 32%.

- 33 Experience of training design and delivery – head of L&D: 15%, OD manager/adviser: 19%; other talent/L&D: 29%; knowledge and use of coaching and mentoring techniques – head of L&D: 9%, OD manager/adviser: 16%; other talent/L&D: 22%; having curiosity for how people learn and develop – head of L&D: 3%, OD manager/adviser: 12%; other talent/L&D: 16%.
- 34 $\chi^2= 13.9$, $df = 2$, $p < 0.001$, $n = 335$.
- 35 $\chi^2= 16.8$, $df = 2$, $p < 0.001$, $n = 335$.
- 36 Sixty-three per cent of the private sector always or frequently use business metrics compared with 50% of the public sector and 47% of not-for-profits: $\chi^2= 33.8$, $df = 4$, $p < 0.001$, $n = 963$.
- 37 Use the Kirkpatrick model fully: $\rho = 0.09$, $p < 0.01$, $n = 956$; Use only limited stages of the Kirkpatrick model: $\rho = 0.19$, $p < 0.001$, $n = 914$; Use an integrated learning system to collate focused metrics: $\rho = 0.09$, $p < 0.01$, $n = 926$.
- 38 Forty-six per cent of those with fewer than 50 employees reported difficulties compared with 70% of those with more than 20,000 employees: $\eta = 0.18$, $n = 1,077$; 57% of those in the UK reported difficulties compared with 65% of those referring to other parts of Europe and 67% of those referring to regions outside of Europe: $\chi^2= 7.3$, $df = 2$, $p < 0.05$, $n = 1,081$.
- 39 Seventy-eight per cent of those who do not have difficulties measuring the effectiveness of L&D report their talent management activities are very or fairly effective compared with 60% of those who have encountered difficulties. Ten per cent of those who have not had difficulties report their talent management activities are very or fairly ineffective compared with 15% of those who have had difficulties: $\rho = 0.15$, $p < 0.01$, $n = 444$.
- 40 Eleven per cent don't know how they use the data. They are excluded from these figures.
- 41 Better than before: UK 14%, Europe 12%, outside Europe 24%; Worse than before: UK 35%; Europe 36%, outside Europe 18% ($\chi^2= 21.5$, $df = 6$, $p < 0.01$, $n = 1,051$).
- 42 Economic situation and changes in available funds for learning and development: $\rho = 0.63$, $p < 0.001$, $n = 900$; economic situation and changes in budget for learning and development: $\rho = 0.54$, $p < 0.001$, $n = 935$; economic situation and changes in headcount in the L&D department: $\rho = 0.30$, $p < 0.001$, $n = 954$.
- 43 $\chi^2= 124.4$, $df = 2$, $p < 0.001$, $n = 1,077$, $\eta = 0.34$.
- 44 $\rho = 0.38$, $p < 0.001$, $n = 98$. Size of organisation does not significantly affect training budgets in the other sectors.
- 45 $\chi^2= 22.3$, $df = 2$, $p < 0.001$, $n = 1,081$.
- 46 Thirty-seven per cent of organisations that face worse economic circumstances include e-learning among their three most common L&D methods compared with 26% of those who face similar circumstances and 25% of those who face improved circumstances ($\chi^2= 11.1$, $df = 2$, $p < 0.01$, $n = 844$).
- 47 $\chi^2= 10.8$, $df = 2$, $p < 0.01$, $n = 1,024$.
- 48 Become more business-focused: $\eta = 0.20$, $n = 1,021$; more focused around talent, succession and leadership development: $\eta = 0.19$, $n = 1,021$; expanded L&D into new areas of the business: $\eta = 0.21$, $n = 1,021$; refocused the department and become more strategic: $\eta = 0.14$, $n = 1,021$; been centralised by head office: $\eta = 0.17$, $n = 1,021$; made cost reduction measures including redundancies: $\eta = 0.23$, $n = 1,021$; closure/rationalisation of training facilities: $\eta = 0.17$, $n = 1,021$; rationalisation and 'reduction' of department, including redeployment: $\eta = 0.20$, $n = 1,021$; reduced external suppliers and moved to in-house provision: $\eta = 0.14$, $n = 1,021$.
- 49 $\chi^2= 37.4$, $df = 10$, $p < 0.001$, $n = 585$.
- 50 Economic situation in past 12 months and changes in funding for next 12 months: $\rho = 0.51$, $p < 0.001$, $n = 852$; changes in funding for learning and development over past 12 months and changes in funding for next 12 months $\rho = 0.57$, $p < 0.001$, $n = 811$; changes in budget for learning and development over past 12 months and changes in funding for next 12 months: $\rho = 0.54$, $p < 0.001$, $n = 853$.

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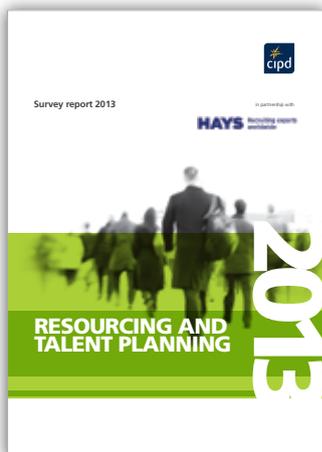
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