Learning & Development Research Report

Analyst Report

Contents

Learning & Development
Research Report

Introduction

1

CHAPTER 1:

Introduction

Unlocking the power of learning has become a business-critical mission for organizations looking to future-proof their operations. Not only is investing in Learning & Development a priority for upskilling and improving the leadership pipeline in a time of transformation, but it's essential for boosting employee engagement – something that we know is critical to retention.

Making teams feel empowered is the key to a future-ready, self-sustainable workforce with increased internal mobility. But despite high levels of investment, the skills gap continues to be a challenge.

In the midst of digitalization, we're seeing an explosion of content across a variety of platforms. Things like social media, online training courses and collaboration tools are fueling a whole new model for L&D, and our survey dives deep into the impact of this shift on industries in 2022 and beyond.

Our research looks at the current challenges being faced (including the impact of the skills gap), the main focus areas for improvement and key priorities for the next few years.

According to Deloitte, companies **spend over $130 billion** on training and development worldwide, yet many businesses struggle to deliver a seamless digital learning experience.

Survey demographics

Insights for Professionals surveyed 210 senior professionals in the US (60%) and UK (40%) across 25+ industries.

The industries with the biggest representation among our survey sample are Human Resources with (19%), Healthcare (13%) and Education (11%). This was followed by Retail (9%), Manufacturing (8%), Construction (5%), Finance (4%), Government (4%), Services (3%) and Consultancy (3%).

Among the other sectors included in our research are Technology, Transport, Food & Drink, Civic & Social, Hospitality and Training.

Company size

In terms of company size, we surveyed people from large enterprises with a workforce size of 250 or more. Of the professionals we interviewed, 17% are in companies with 250-499 employees, nearly 30% are in companies with 500-999 employees and almost 22% are in companies with 1,000-4,999 employees.

Over 19% were from organizations with 5,000-24,999 people, while around 13% were from major corporations with a headcount of 25,000+.

How many employees are there in your organization?

- 16.67% — 250 - 499
- 29.52% — 500 - 999
- 21.90% — 1,000 - 4,999
- 19.05% — 5,000 - 24,999
- 12.86% — 25,000 or more
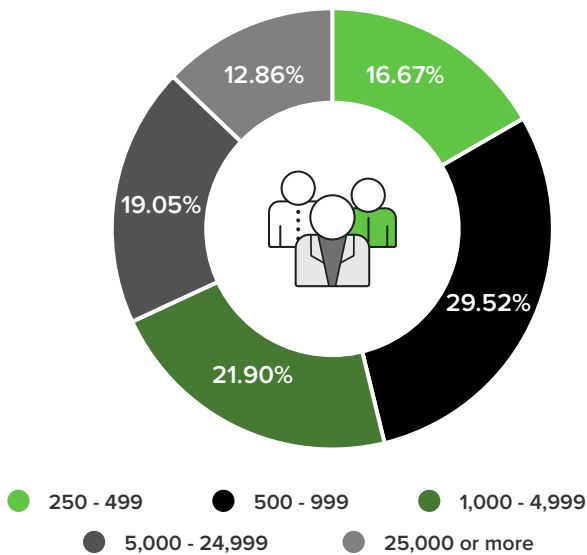
Seniority level

The individual respondents we surveyed are all in managerial and senior positions within their organization. The sample group is made up of 41% of managers, 20% of senior managers, 10% of department heads, 24% of directors and 5% of other senior roles.

Select your authority level

- 40.95% — Manager
- 20.48% — Senior Manager
- 10.00% — Head of
- 23.81% — Director
- 4.76% — Other
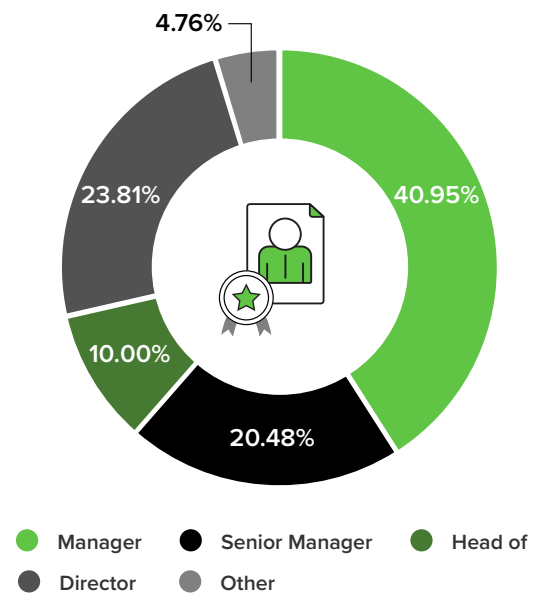
Which country are you based in?

59.52%	40.48%
United States	United Kingdom

What are our key findings?

At a glance, here are some of the key takeaways from our survey:

- **65%** of senior professionals agree that the COVID-19 pandemic and the shift to remote/hybrid working has impacted learning within their organizations
- The LMS software market is growing and almost **70%** of organizations already have a Learning Management System in place, while a further **17%** say they plan to deploy one in the near future
- The top three learning challenges being faced by businesses right now are **employee engagement, being able to support collaborative learning** and **soft skill and emotional intelligence development**
- A **quarter of companies** currently don't feel that they're getting maximum value out of their LMS, and as many as **44%** could be failing to get optimum results from their learning
- **60%** of professionals believe that helping employees feel comfortable with using LMS software is the answer to improving learning outcomes
- Almost three quarters **(73%)** of businesses are prioritizing creative and personalized content for engaging teams more effectively
- **67%** of businesses understand the need to create a better culture for learning in the workplace, and are prioritizing this as a way to improve learning outcomes
- **Over two thirds** of senior professionals believe that the widening skills gap in their business has resulted in a higher rate of staff turnover
- Around **60%** of professionals report a loss of productivity as a result of not having the right skills, talent and training programs in-house
- More than half **(54%)** of businesses say there's reduced staff morale due to the skills gap, with this number rising as high as **67%** for larger companies with 1,000+ employees

Learning & Development
Research Report

L&D in the time of transformation

2

CHAPTER 2:
L&D in the time of transformation

There's never been a more important time to enable collaborative learning in the workplace. No matter what industry or sector you're in, seismic shifts are being created through rapid digitalization.

As a result of transformation, many of the skills that were a priority just three, four or five years ago may no longer be relevant in 2022. Companies of all shapes and sizes are now left with the task of reskilling and redeploying employees to remedy the growing skills gap – and Gartner research tells us that nearly **60% of HR leaders** are dedicated to building critical skills and competencies as a result.

The same research also reveals that there's a bigger focus for restructuring talent management around skills, not roles, with nearly half (48%) of HR leaders looking at things like organizational design and change management.

Recent global health issues have acted as a catapult for digital transformation, with the pandemic accelerating this journey at great speed across the industries. Not only has remote working altered the way that training and HR management content is delivered, but this new way of working has set a precedent for how things should be done in the future.

How has COVID-19 impacted learning?

When asked whether the growth of remote and hybrid working had impacted their ability to train staff effectively, almost two thirds (65%) of respondents agreed that it had.

Has the increase in remote/ hybrid working impacted your ability to train staff effectively?

2.86%

31.90%

65.24%

● Yes   ● No   ● Don't know
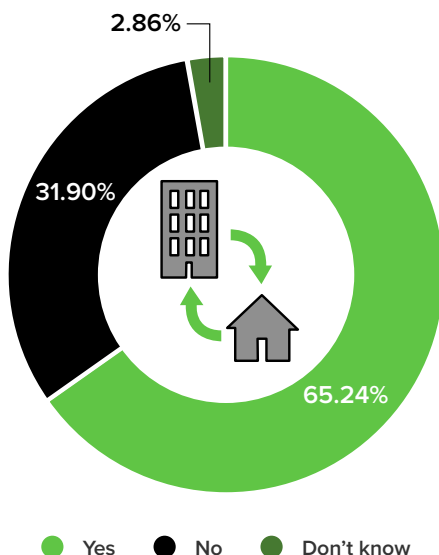
With more people now working remotely, and organizations adopting a hybrid model, there has to be a place for all forms of learning, from in-person and digital learning to blended methods. There's also a bigger focus on onboarding employees digitally, and L&D leaders will play a key role in supporting skills development all the way from new employee induction to continued development.

Furthermore, dispersed teams also require special care and attention over issues such as employee health and wellbeing, and it's important for businesses to adapt their practices to meet the changing needs of workers.

Closing the gap – are we close?

The need to promote and enhance digital learning has never been greater, but according to Gartner, **40% of organizations struggle** to build skill development solutions fast enough to cover the widening skills gap.

The World Economic Forum (WEF) has branded the current situation as a "reskilling emergency". Based on their research, 42% of the core skills required to perform existing jobs are expected to change this year, and they predict that **more than a billion people** will need to be reskilled by 2030.

Learning & Development
Research Report

# The current state of L&D across the industries

3

CHAPTER 3:

The current state of L&D across the industries

What's worth noting in the research from WEF is that digitalization doesn't just call for tech skills. Other important skills that are lacking include specialized interpersonal skills, as well as skills relating to sales, people management, care and education. So what are businesses doing to ensure their teams have the right skills in place in order to form a resilient workforce of the future?

When asked whether they currently use or have plans to invest in a Learning Management System (LMS), the majority — almost 70% — said they already have something in place. Over 17% said they were planning to invest in the future, while less than 10% answered "no".

Does your organization currently use or plan to invest in a Learning Management System (LMS)?

17.62%

5.24%

9.05%

68.10%

- ● Yes
- ● No
- ● Don't know
- ● We're planning to
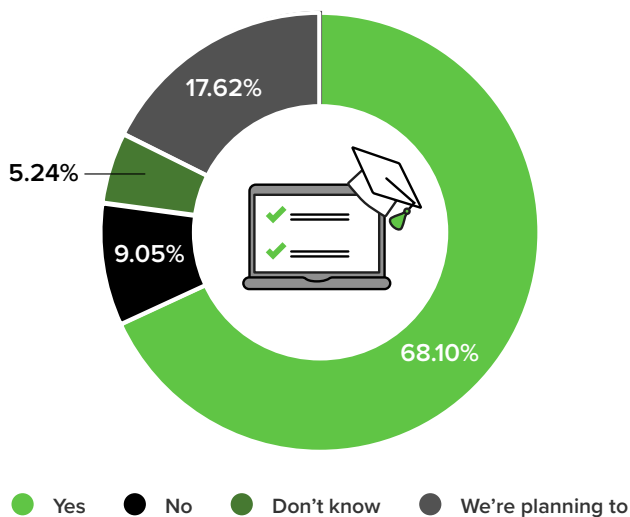
LMS software is a growing market, and provides a great way to automate the training process in large organizations. Used for the administration, documentation, tracking, reporting and delivery of training courses, LMS supports the growing workplace.

The report also highlights the increasing demand for smart and interactive learning platforms, with e-learning, open online courses, online tutorials and mobile education being the biggest preferences for organizations.

Data from Fortune Business Insights reveals that the LMS market size was valued at $14.43 billion (USD) in 2021, and is projected to grow from $16.19 billion in 2022 to $40.95 billion by 2029, with a CAGR of 14.2% in the forecast period.
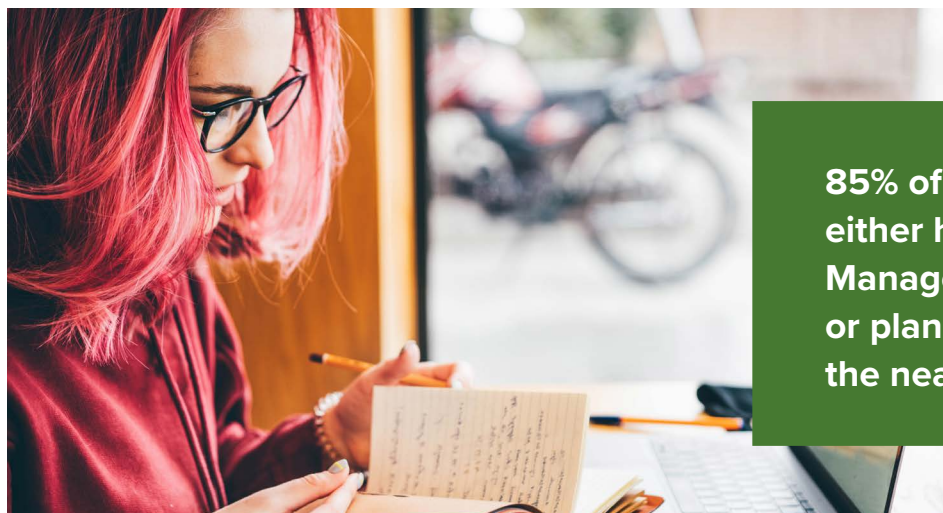
85% of our respondents either have a Learning Management System in place or plan to implement one in the near future.

What are the main learning methods?

Of those in our survey group who said they were already deploying a Learning Management System to support their in-house training, we asked them about the types of learning methods being used. There were eight main methods, with the majority (almost 70%) saying they use e-learning.

A significant 61% also said they use face-to-face instructor-led training, which suggests that many organizations are adapting their approach to provide blended solutions for a hybrid working model. While HR practitioners can easily substitute in-person training with digital methods, the human connection still takes priority.

Some blended learning models include:

1. The flipped model
This allows trainees to have access to presentations and digital materials prior to face-to-face training and helps to prioritize active learning during sessions. The trainer can conveniently share all content using the LMS.

2. Face-to-face driver model
This resembles the traditional training format within a classroom, but instead of in-person training, face-to-face classes take place with the help of audio visual technology, such as Zoom meetings and webinars.

3. Enriched virtual model
This combines digital face-to-face learning sessions with online coursework, and is usually flexible to allow users to learn and develop at their own pace. This type of self-paced learning was mentioned by over 56% of our respondents.

What learning methods are you using within your LMS to deliver your training programs?

Method	Percentage
e-Learning	68.57%
Face-to-face intructor-led training (ILT)	61.43%
Virtual learning	56.19%
Self-paced online learning	49.05%
Blended learning	35.24%
Collaborative learning	34.76%
Mobile learning	24.29%
Gamification	12.38%
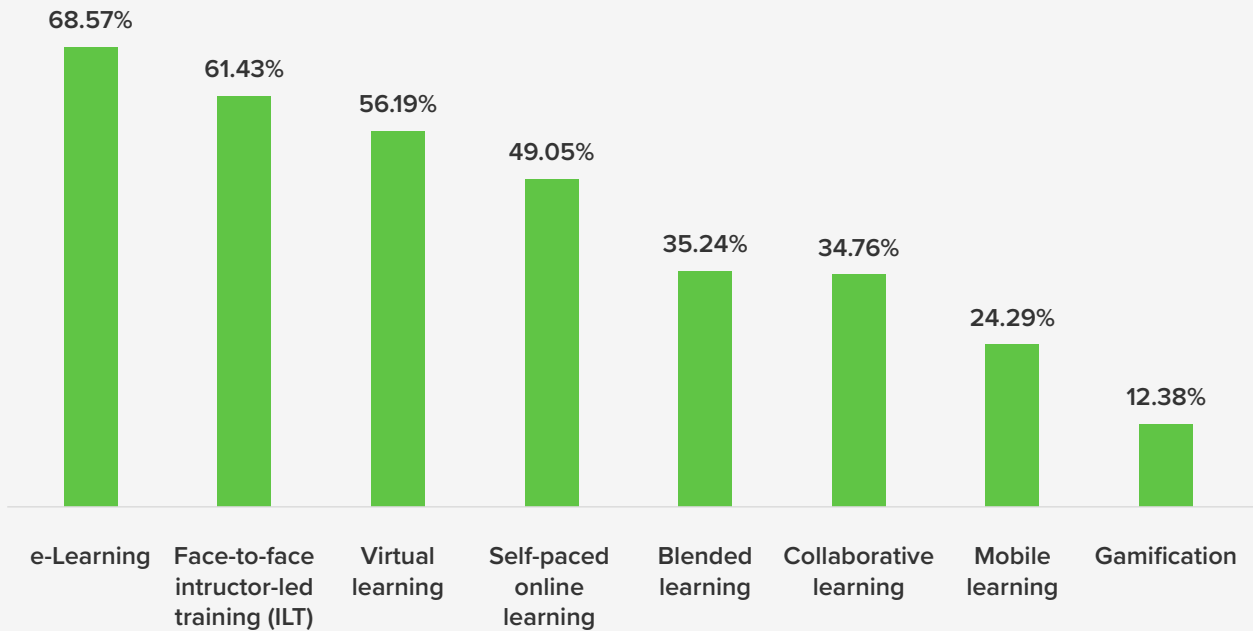
Survey respondents also highlighted collaborative learning, with over a third agreeing this was a current priority for them. Other important methods include mobile learning (24%) and gamification (12%).

By region, the US and the UK are both making equal use of face-to-face learning, self-paced online learning, blended learning and virtual learning. However, the US is more interested in gamification and mobile learning training methods like collaborative learning, while the UK has a bigger focus on e-learning.

82% of HR professionals in the UK use e-learning (compared to 59% in the US)

Looking at the data based on company size, we can see that there are key differences with some of the larger companies.

250 - 499
- 68.57%
- 60.00%
- 45.71%
- 42.86%
- 40.00%
- 37.14%
- 22.86%
- 8.57%

500 - 999
- 69.35%
- 58.06%
- 62.90%
- 46.77%
- 29.03%
- 35.48%
- 32.26%
- 17.74%

1,000 - 4,999
- 63.04%
- 69.57%
- 52.17%
- 54.35%
- 32.61%
- 39.13%
- 21.74%
- 8.70%

5,000 - 24,999
- 72.50%
- 70.00%
- 55.00%
- 47.50%
- 45.00%
- 32.50%
- 12.50%
- 10.00%

25,000 or more
- 70.37%
- 44.44%
- 62.96%
- 55.56%
- 33.33%
- 25.93%
- 29.63%
- 14.81%

- ● e-Learning
- ● Face-to-face intructor-led training (ILT)
- ● Virtual learning
- ● Self-paced online learning
- ● Blended learning
- ● Collaborative learning
- ● Mobile learning
- ● Gamification

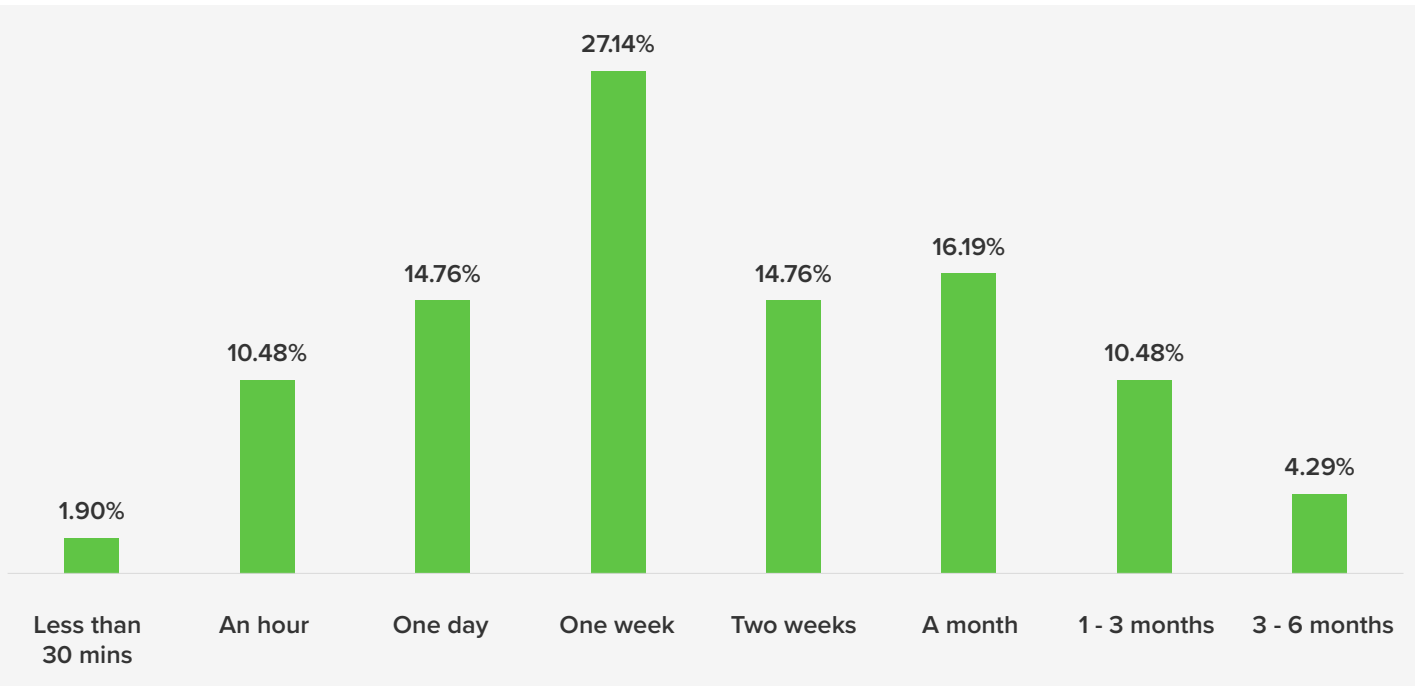**The uptake in face-to-face learning was significantly lower in large organizations (25,000 or more) at 44%, with self-paced online learning more popular.**

Insights For
Professionals

While e-learning and virtual learning are consistently popular across the board no matter the company size, face-to-face training drops from an average of 67% to just 44% in uptake for organizations with 25,000+ employees. For these businesses, self-paced online learning appears to be a more important methodology.

The reason behind this could be the time-saving element of self-paced learning, which can work particularly well for a large, distributed workforce.

How much time is spent on course creation?

Understanding time investment is key when it comes to Learning & Development in the workplace. Our survey shows that the largest group (27%) spend around one week on course creation, while the full spectrum can be as little as 30 minutes all the way to 3-6 months of dedicated creation time.

Less than 30 mins	An hour	One day	One week	Two weeks	A month	1 - 3 months	3 - 6 months
1.90%	10.48%	14.76%	27.14%	14.76%	16.19%	10.48%	4.29%

Based on company size, there isn't a clear correlation between the number of employees and time spent on preparing training material, with the majority spending between one hour and one full week on course creation. Larger businesses with 5,000 to 24,999 employees are more likely to spend longer, with 80% spending between one week and three months on this task.

However, this pattern isn't seen with the largest organizations with 25,000+ employees. While over 18% spend between one and three months on courses and materials, the biggest set of respondents in this group (22%) spend just one day on this type of work.

> **Again, like the preference of self-paced online learning methods, this could indicate certain time restrictions within very large businesses where the workforce is remote or working across multiple locations and time zones.**

	Less than 30 mins	An hour	One day	One week	Two weeks	A month	1 - 3 months	3 - 6 months
250 - 499	0.00%	14.29%	17.14%	34.29%	14.29%	11.43%	5.71%	2.86%
500 - 999	1.61%	12.90%	14.52%	25.81%	16.13%	16.13%	9.68%	3.23%
1,000 - 4,999	0.00%	8.70%	15.22%	30.43%	13.04%	19.57%	6.52%	6.52%
5,000 - 24,999	2.50%	5.00%	7.50%	25.00%	20.00%	20.00%	15.00%	5.00%
25,000 or more	7.41%	11.11%	22.22%	18.52%	7.41%	11.11%	18.52%	3.70%
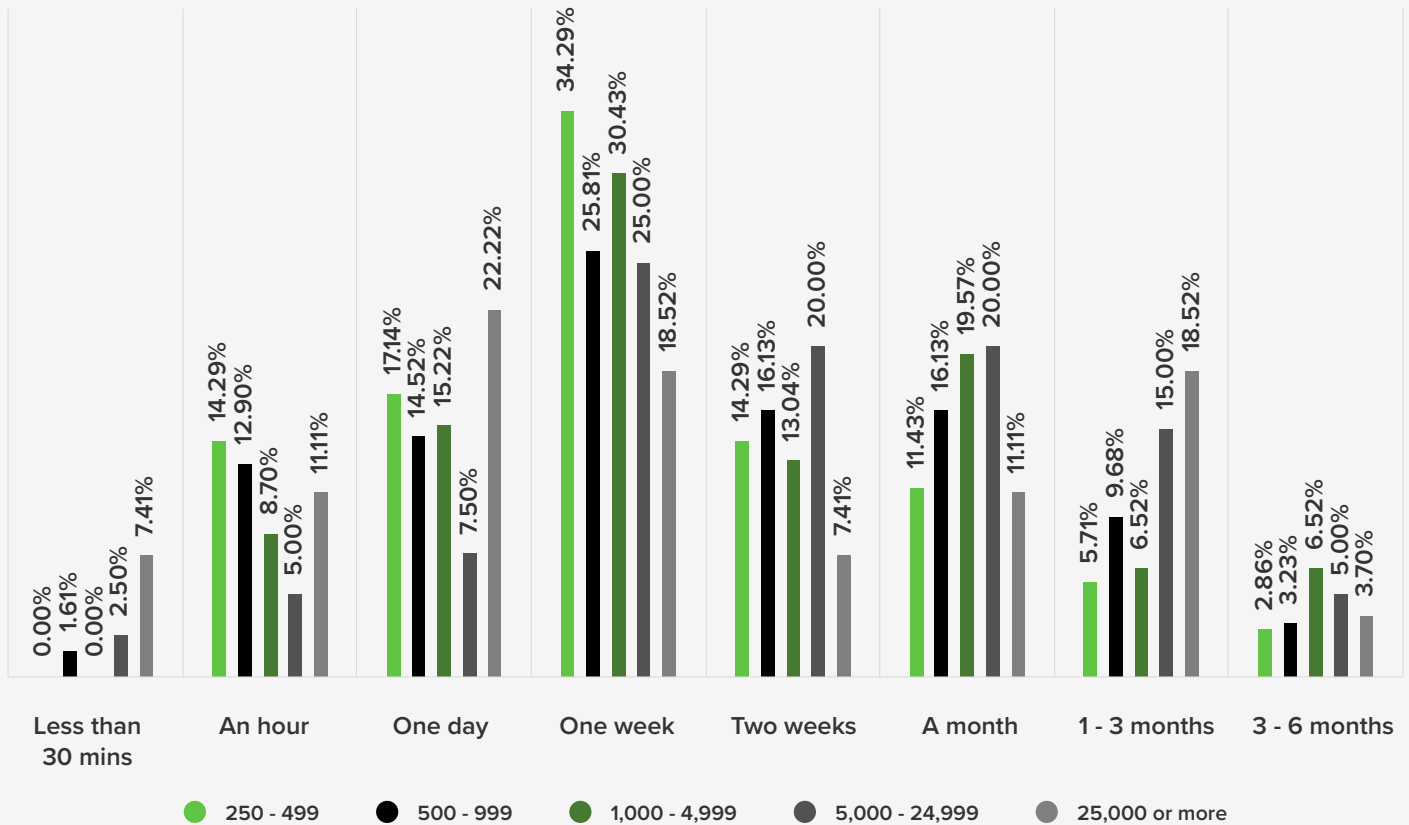
> **Larger businesses are likely to spend longer on course creation, with 80% spending between one week and three months on this task.**

Learning & Development
Research Report

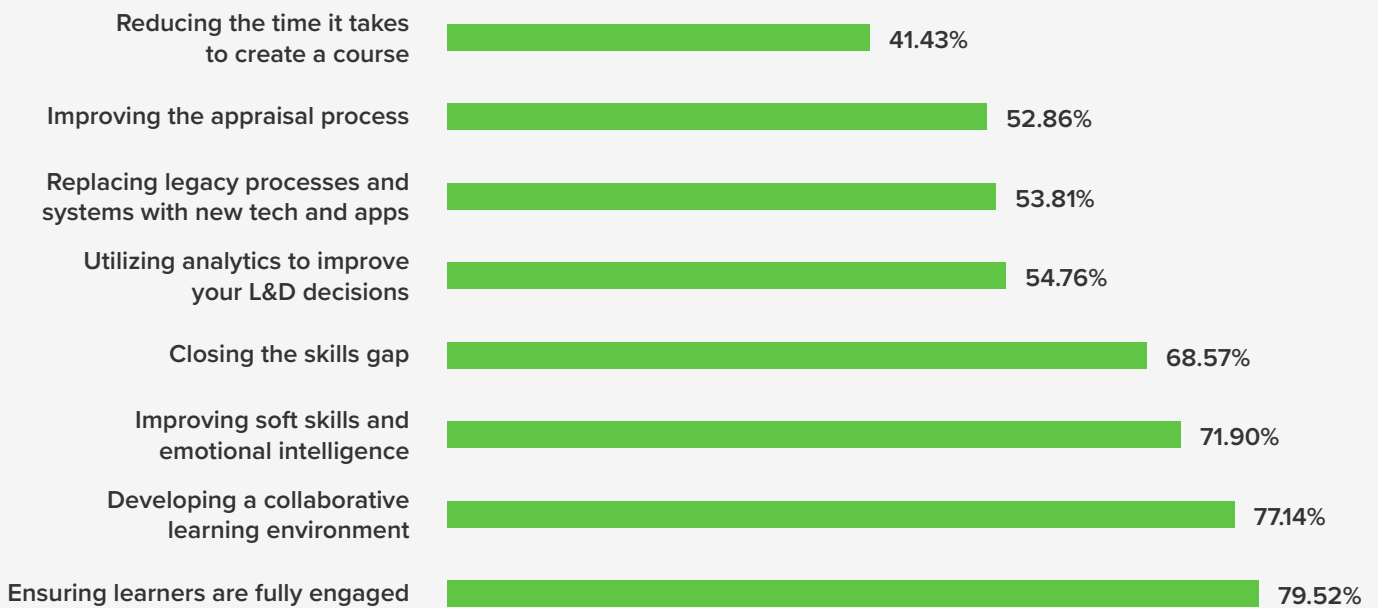# What are the biggest L&D challenges?

4

CHAPTER 4:

What are the biggest L&D challenges?

Being able to adapt to the new L&D reality can be difficult for businesses navigating the post-COVID landscape. In addition to new working models, organizations also have to get to grips with budget cuts, changing skills gaps and the increasing focus on wellbeing, diversity and inclusion.

We asked our survey group about their main struggles and the top three answers include engagement (80%), collaborative learning environments (77%), and soft skill and emotional intelligence development (72%). This was also followed closely by finding ways to close the ever-growing skills gap at 69%.
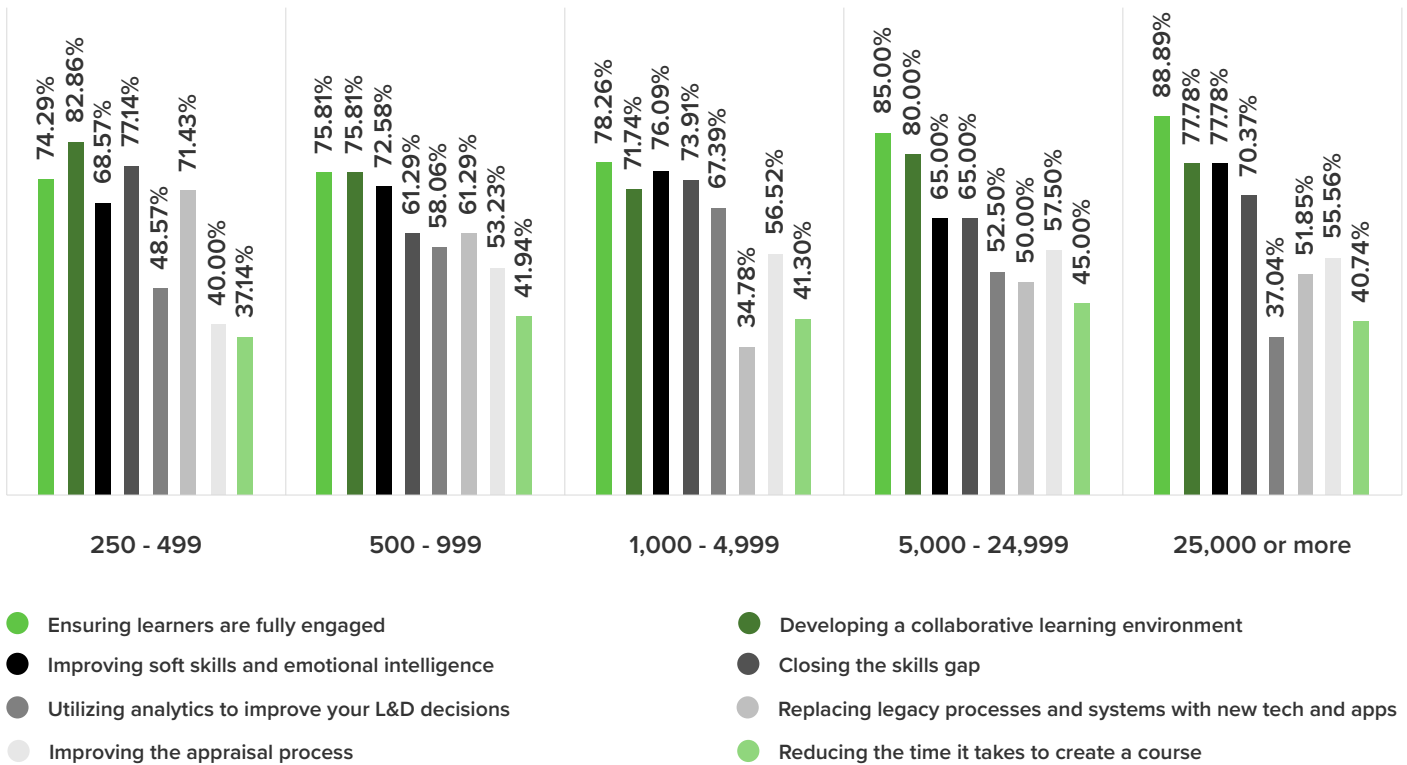
What are your learning and development challenges this year?

Challenge	Percentage
Reducing the time it takes to create a course	41.43%
Improving the appraisal process	52.86%
Replacing legacy processes and systems with new tech and apps	53.81%
Utilizing analytics to improve your L&D decisions	54.76%
Closing the skills gap	68.57%
Improving soft skills and emotional intelligence	71.90%
Developing a collaborative learning environment	77.14%
Ensuring learners are fully engaged	79.52%

Ensuring teams are engaged being the biggest priority for the majority of businesses comes as no surprise, as engaged workforces are **up to 22% more profitable** according to research.

However, in **Gallup's 2022 State of the Workplace Report**, data suggests that only 21% of workers are actually engaged in their roles. That's almost 80% of workers who are actively disengaged with the companies they work for.

Based on company size, the need for better team engagement is echoed across all companies. Collaboration is also a significant hurdle across the board, ranking in the top two biggest challenges for businesses with between 5,000 and 25,000+ staff and as the number one challenge for smaller businesses (250-999 employees).

| 250 - 499 | 500 - 999 | 1,000 - 4,999 | 5,000 - 24,999 | 25,000 or more |

Legend:
- Ensuring learners are fully engaged
- Improving soft skills and emotional intelligence
- Utilizing analytics to improve your L&D decisions
- Improving the appraisal process
- Developing a collaborative learning environment
- Closing the skills gap
- Replacing legacy processes and systems with new tech and apps
- Reducing the time it takes to create a course

If we take the respondents' seniority into account, most people are aligned in what they consider to be their biggest L&D challenges: engagement and collaboration. But with higher executives, such as department heads and directors, there's a much bigger emphasis on soft skills and emotional intelligence.

This could be due to them having more of a visionary leadership style than managers who look after more operational aspects of the business.

Emotional intelligence (EQ) has become an increasingly popular concept in industry, and although there's evidence that it impacts the bottom line, it can be hard to grasp or quantify. Currently, **75% of Fortune 500 companies** use emotional intelligence training, and EQ is considered to be more important than IQ in empowering teams and improving performance in the workplace. In fact, a 40-year study of UC Berkeley PhDs showed that EQ was **4x more effective than IQ** in making a person successful in their field.

While EQ and soft skills are a sticking point for directors and department heads, managers and senior managers are more concerned about reducing the time it takes to create a course. This could be due to the operational restraints within their roles, as course creation can take anywhere between 30 minutes and six months based on our survey.

IFP Insights For Professionals

Learning & Development
Research Report

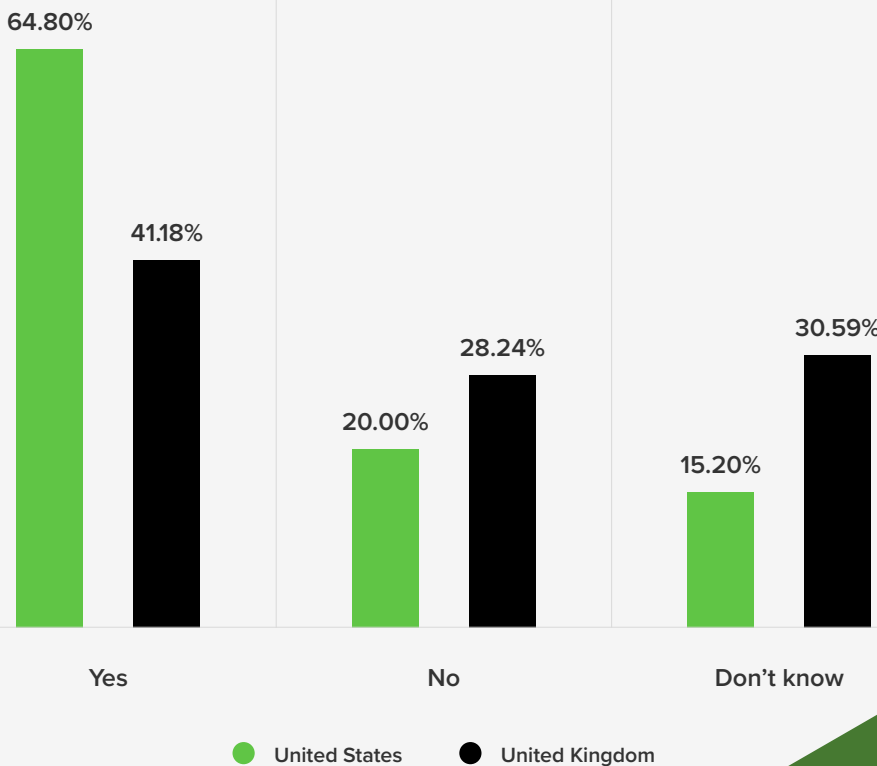# What do companies need to improve?

5

CHAPTER 5:

What do companies need to improve?

When asked whether they're getting maximum value from their Learning Management System, over half answered "yes". However, almost a quarter answered "no" and even more interestingly, over 21% said they didn't know. This tells us that up to 44% could be failing to reap the rewards of learning, and subsequently losing out on ROI.

Are you getting maximum value from your LMS?

- 21.43%
- 23.33%
- 55.24%

● Yes ● No ● Don't know
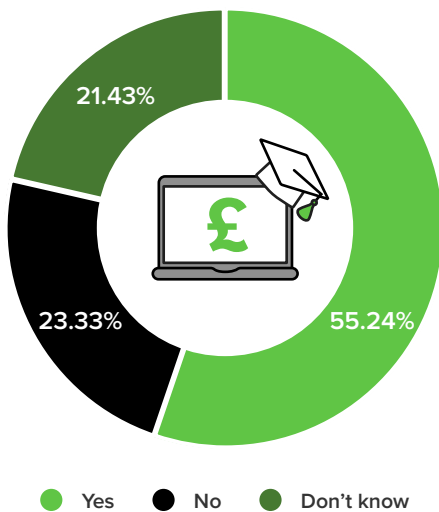
Diving a little deeper into regional differences, the US seems to be much more advanced, with 65% being confident that they're getting the best out of their training solutions and technologies. In contrast, less than half of UK respondents feel confident about this, and almost a third remain neutral on this issue (compared to just 15% of those in the US).

- 64.80%
- 41.18%
- 20.00%
- 28.24%
- 15.20%
- 30.59%

Yes   No   Don't know

● United States ● United Kingdom

59% of HR professionals in the UK could be failing to reap the rewards of their LMS.

Looking back at the learning methods of US and UK counterparts may explain the disparity here. As mentioned in our research, there's a bigger uptake of gamification and mobile learning in the US, and they also prioritize collaborative learning.
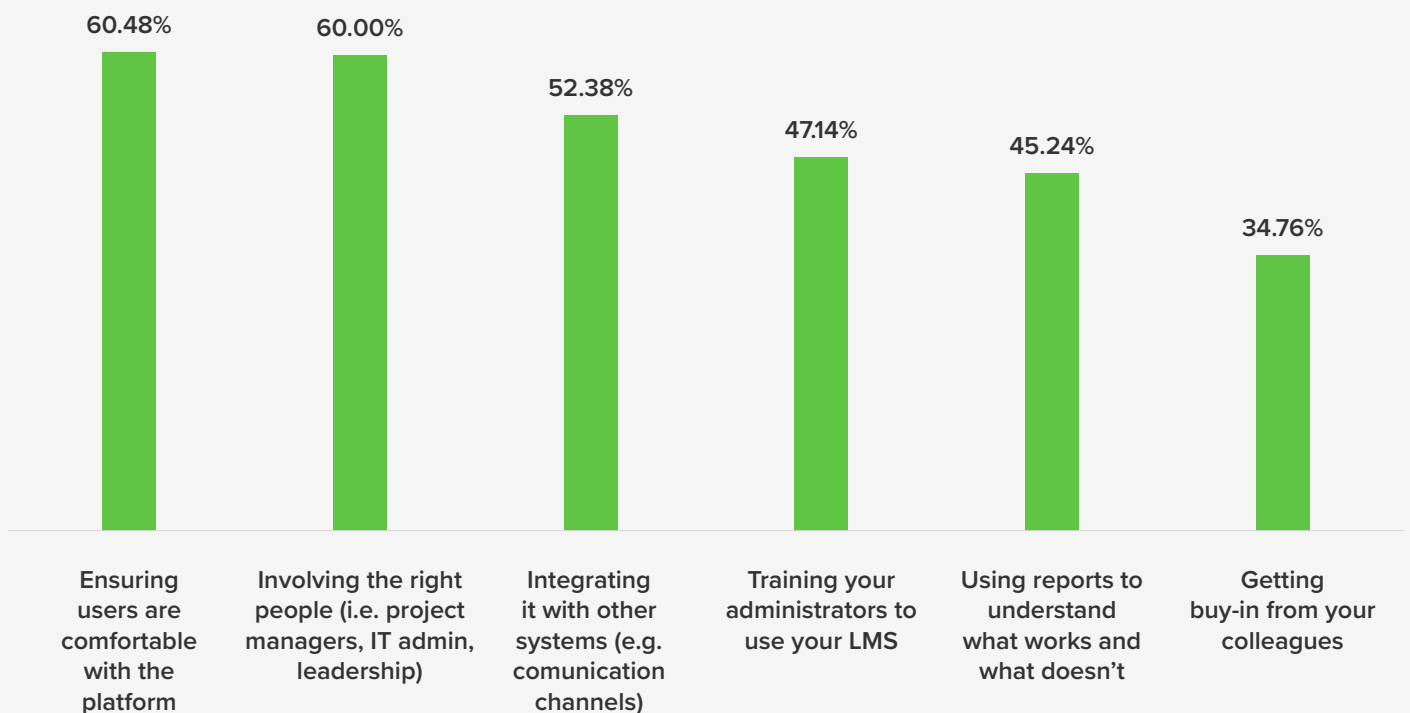
Gamification and mobile are two areas that are growing, and adopting these technologies could drastically increase engagement, particularly with Millennial and Gen Z talent. The latest data tells us that almost **90% of employees would feel more engaged** in the workplace if there were gamified activities – and employees typically experience a 48% increase in engagement with gamification in learning and training.

The same kind of positive outcomes can be seen with collaboration, too. According to research, active learning driven by human interaction and collaboration results in higher rates of achievement, and collaborative learning actually **boosts engagement to over 90%**.

There's room for improvement

When asked about what could be done to help them get more out of their LMS, the answers had a big human focus.

What would help you get maximum value from your LMS?

Ensuring users are comfortable with the platform	Involving the right people (i.e. project managers, IT admin, leadership)	Integrating it with other systems (e.g. comunication channels)	Training your administrators to use your LMS	Using reports to understand what works and what doesn't	Getting buy-in from your colleagues
60.48%	60.00%	52.38%	47.14%	45.24%	34.76%

Over 60% agreed that making sure teams were comfortable with using the platform was the key to improving results. Similarly 60% also agreed that involving the right people in their L&D strategy to make it viable and operational was another fundamental step in improving outcomes.

Over half (52%) of respondents also mentioned integration with other systems and communication channels, which is important for enhancing the overall employee user experience.

Learning & Development
Research Report

Key priorities in the next 12 months

6

Insights For
Professionals

CHAPTER 6:
Key priorities in the next 12 months

Moving forward, there are a number of focus areas for businesses looking to improve learning. Our survey shows that the L&D activities being prioritized for the coming year include:
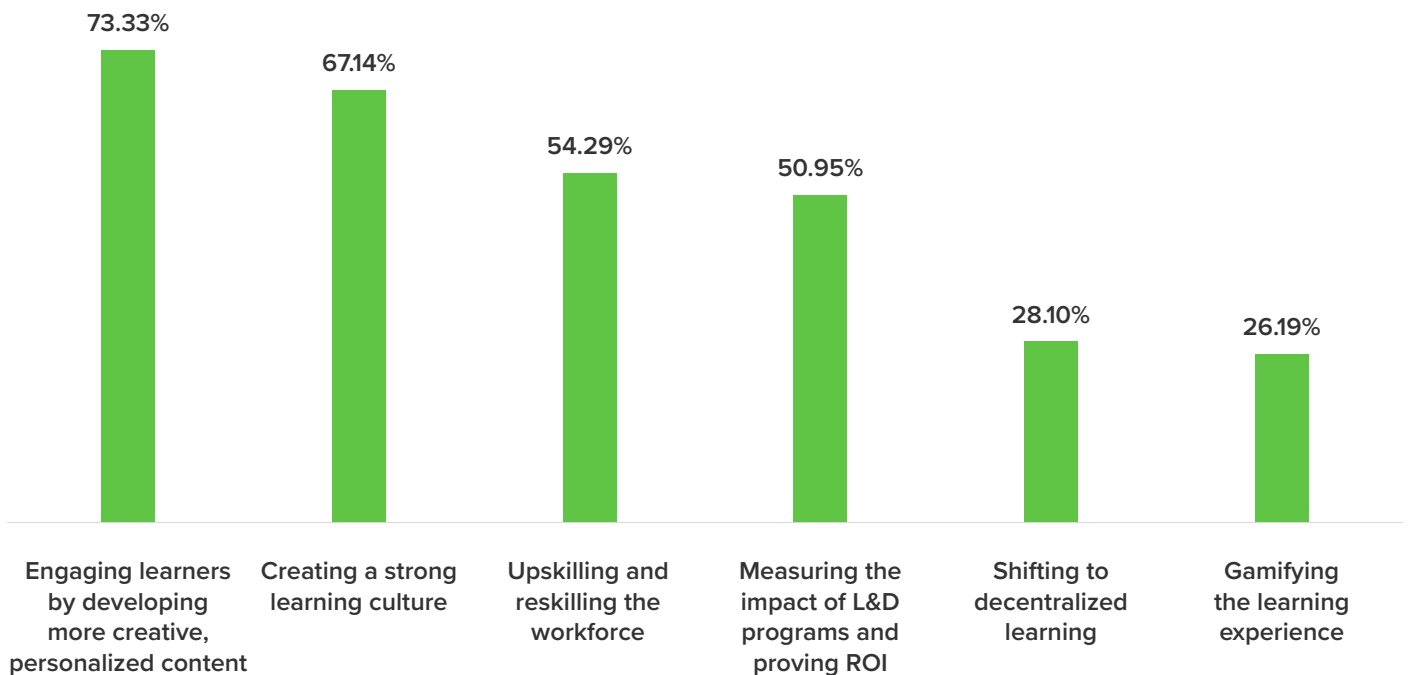
• **Engaging learners through more creative and personalized content (73%)**
• **Creating a strong learning culture (67%)**
• **Upskilling and reskilling (54%)**

It comes as no surprise that employee engagement is the most mentioned activity within our survey group, with 80% of the group naming engagement as the biggest hurdle for L&D. This is being echoed across companies of all sizes, meaning it's a universal problem.

The second most urgent activity highlighted is changing company culture to enable better learning. Organizations with strong cultures of learning are able to attract top talent, while also engaging and retaining existing employees.

Today, we understand that employees are happier when they're learning new things and have a chance to develop and grow, with **87% of millennials** believing that learning in the workplace is important. This idea is supported by a **PwC report**, which suggests that today's workforce is motivated by personal and professional growth – not money.

What's really interesting to note is that **70% of employees** would be somewhat likely to leave an organization in favor of one that invests in employee development and training.

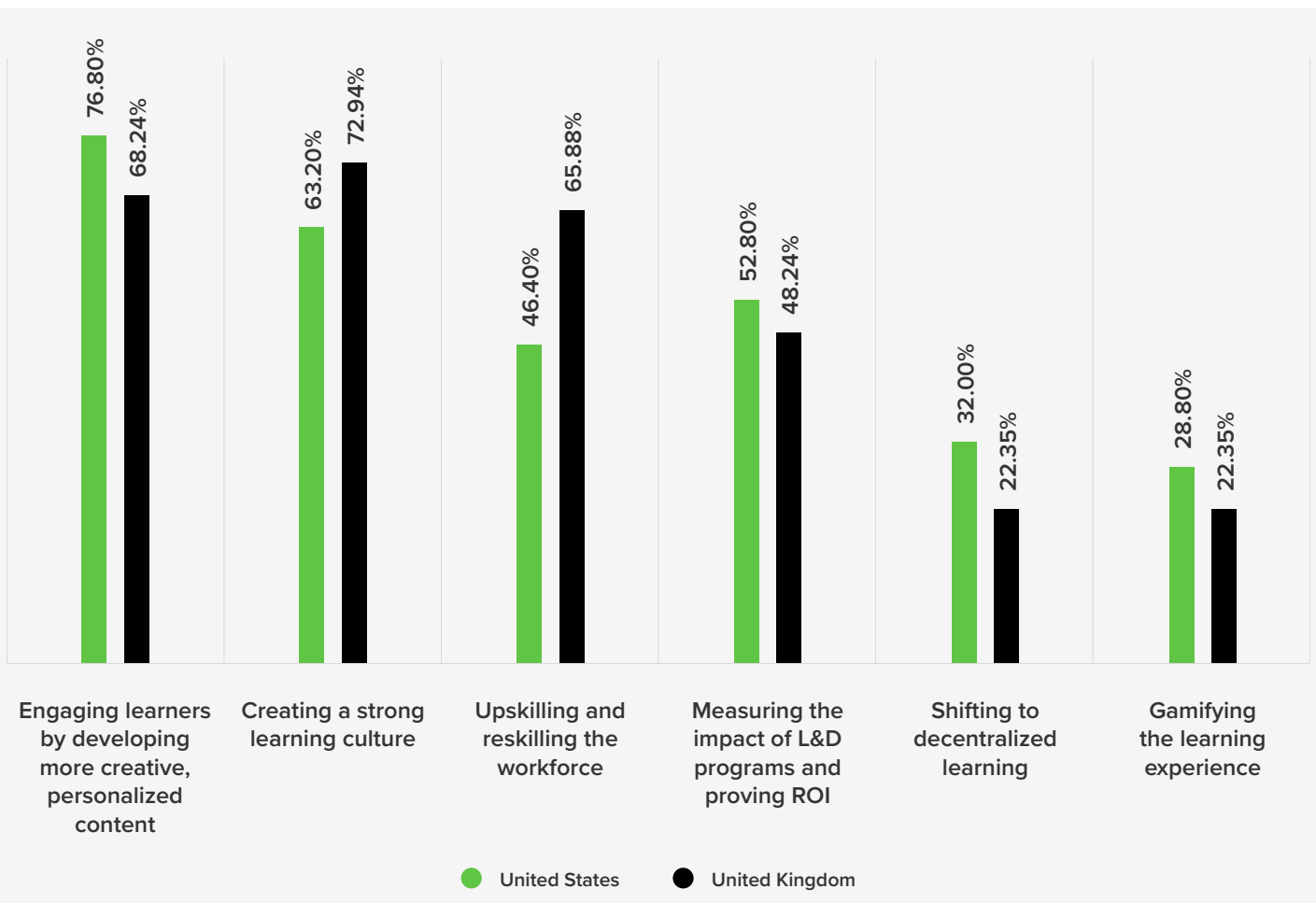| 73.33%	67.14%	54.29%	50.95%	28.10%	26.19%
Engaging learners by developing more creative, personalized content	Creating a strong learning culture	Upskilling and reskilling the workforce	Measuring the impact of L&D programs and proving ROI	Shifting to decentralized learning	Gamifying the learning experience

70% of employees would be somewhat likely to leave an organization in favor of one that invests in employee development and training.

Also getting over 50% of votes is L&D measurement and being able to prove ROI. Other priorities with over 25% of votes are decentralized learning (28%) and gamification (26%).

If we split the data by region, we can see that the US is more interested in engaging learners and gamifying the experience than their UK counterparts. This has already been seen in earlier data, with 16% of US companies naming gamified training as a core learning method, compared to just 7% of UK companies.

In the UK, the main priorities are to upskill the workforce and to develop a stronger learning culture. This could suggest that the US is slightly ahead in creating a suitable culture for learning, and may have more confidence in being able to effectively upskill employees by improving engagement.

	United States	United Kingdom
Engaging learners by developing more creative, personalized content	76.80%	68.24%
Creating a strong learning culture	63.20%	72.94%
Upskilling and reskilling the workforce	46.40%	65.88%
Measuring the impact of L&D programs and proving ROI	52.80%	48.24%
Shifting to decentralized learning	32.00%	22.35%
Gamifying the learning experience	28.80%	22.35%

Our data also shows some differences depending on job roles among our respondents. 84% of senior managers indicated a focus on creating a healthy learning culture. In contrast, department heads and directors showed more of a leading towards upskilling and reskilling as a leading priority, while engaging learners through personalized content was highlighted as a priority across the board.

Learning & Development
Research Report

What are the current skills gaps?
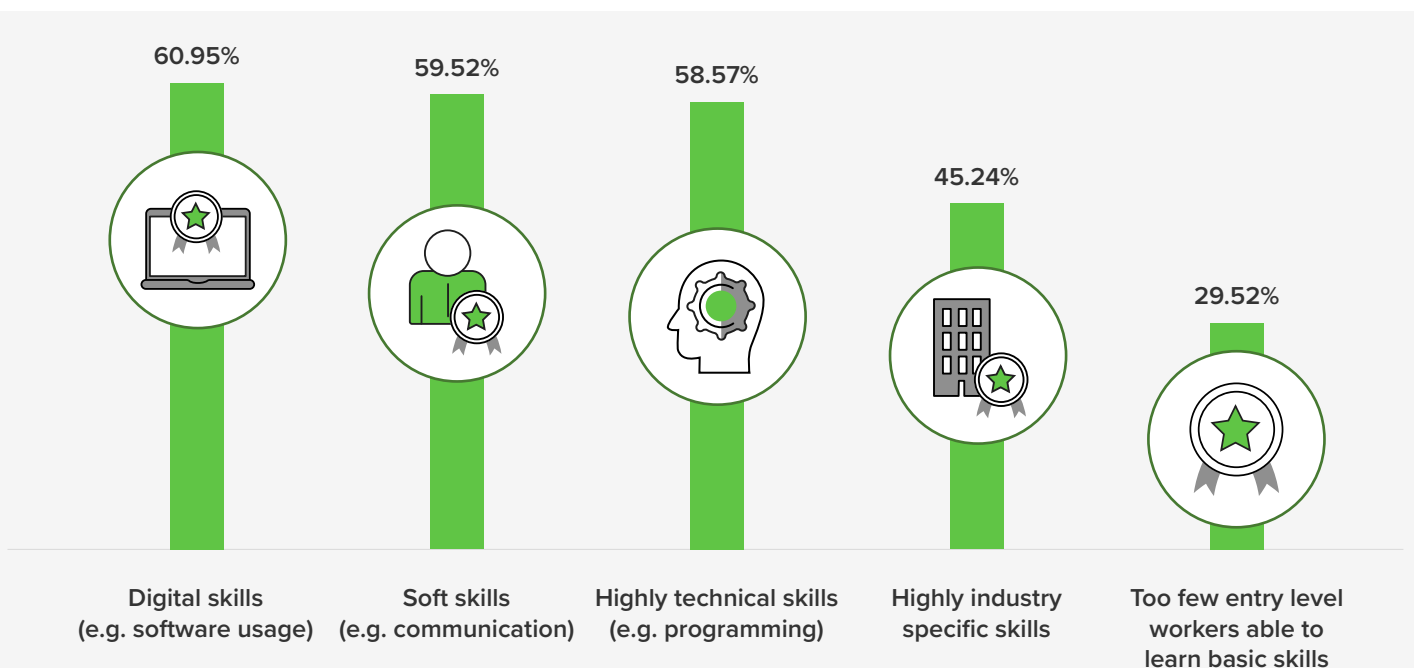
7

CHAPTER 7:

What are the current skills gaps?

In order to move forward with a strategy for L&D, it's important to understand what skills are missing within the current landscape. The large **majority of companies worldwide** (87%) are aware that a skills gap already exists within their business, or is going to occur in the next few years.

This data, which comes from a McKinsey report, also highlights the four key reasons for the widening skills gap across industries. These are:

1. **Rapid and extreme digitization**
2. **The rise of contactless operations**
3. **Virtualization of workplaces**
4. **Growth of the gig economy**

We asked our survey group about their biggest skills gaps as they understand them to be, and unsurprisingly, the main concern right now is digital skills (61%). The second biggest problem is soft skills (60%), which underlines the need for improved communication and cross-collaboration for teams. The third concern is highly technical skills (59%) – this includes specialized skills such as programming, app development or cybersecurity.
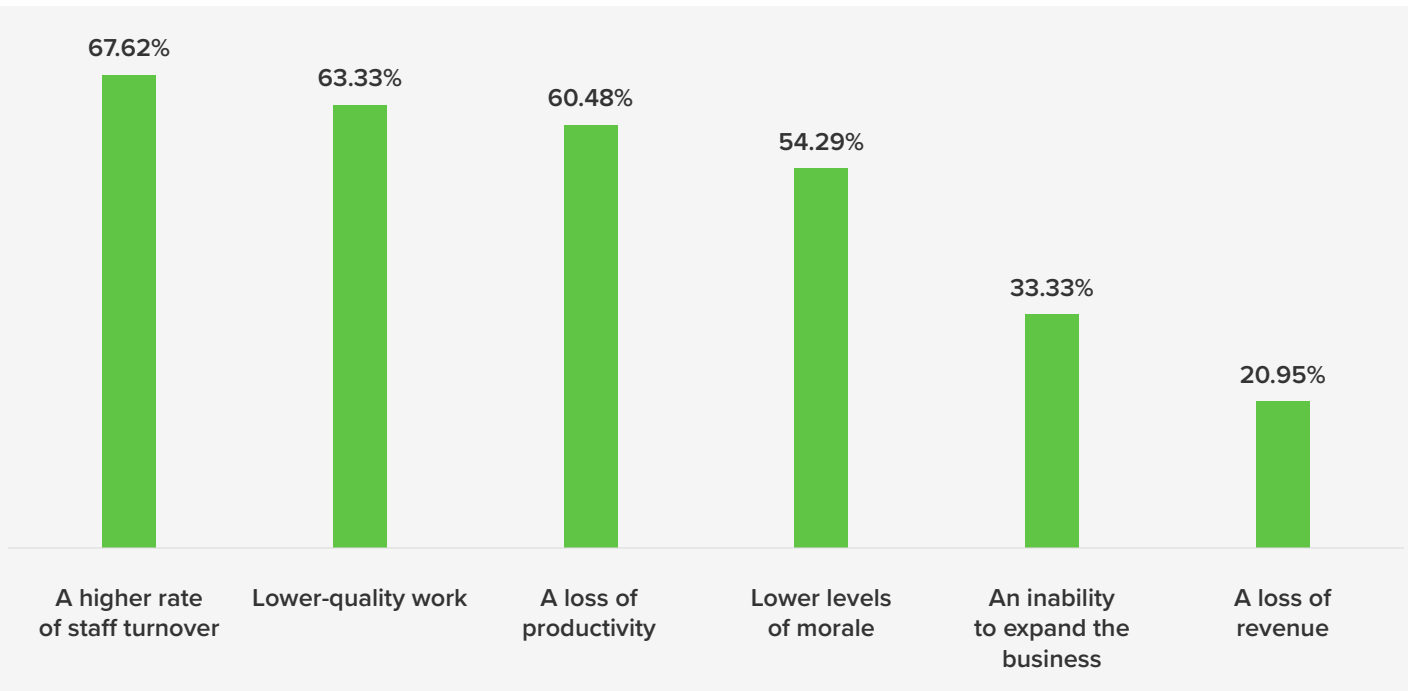
Other issues causing the skills gap are a lack of industry-specific skills (45%) and entry-level workers not being able to learn basic skills (30%).

Digital skills (e.g. software usage)	Soft skills (e.g. communication)	Highly technical skills (e.g. programming)	Highly industry specific skills	Too few entry level workers able to learn basic skills
60.95%	59.52%	58.57%	45.24%	29.52%

How skills gaps are affecting businesses

In our survey, we also looked at the impact of skills gaps within businesses, and the negative outcomes that have resulted from not having the right talent in-house.

When asked what problems had arisen from lack of skills, almost 68% said they had a higher staff turnover rate. Over 63% said there was lower quality work as a result of the skills gap, while 60% reported a loss of productivity.

Chart:
- A higher rate of staff turnover: 67.62%
- Lower-quality work: 63.33%
- A loss of productivity: 60.48%
- Lower levels of morale: 54.29%
- An inability to expand the business: 33.33%
- A loss of revenue: 20.95%

Over half (54%) also reported lower levels of morale, which is confirmed by the fact that millennials choose purpose over paychecks (and as mentioned, with 87% of millennials deeming workplace learning as important). And according to Deloitte, companies with strong learning culture display **30-50% higher engagement** and retention rates than those without.
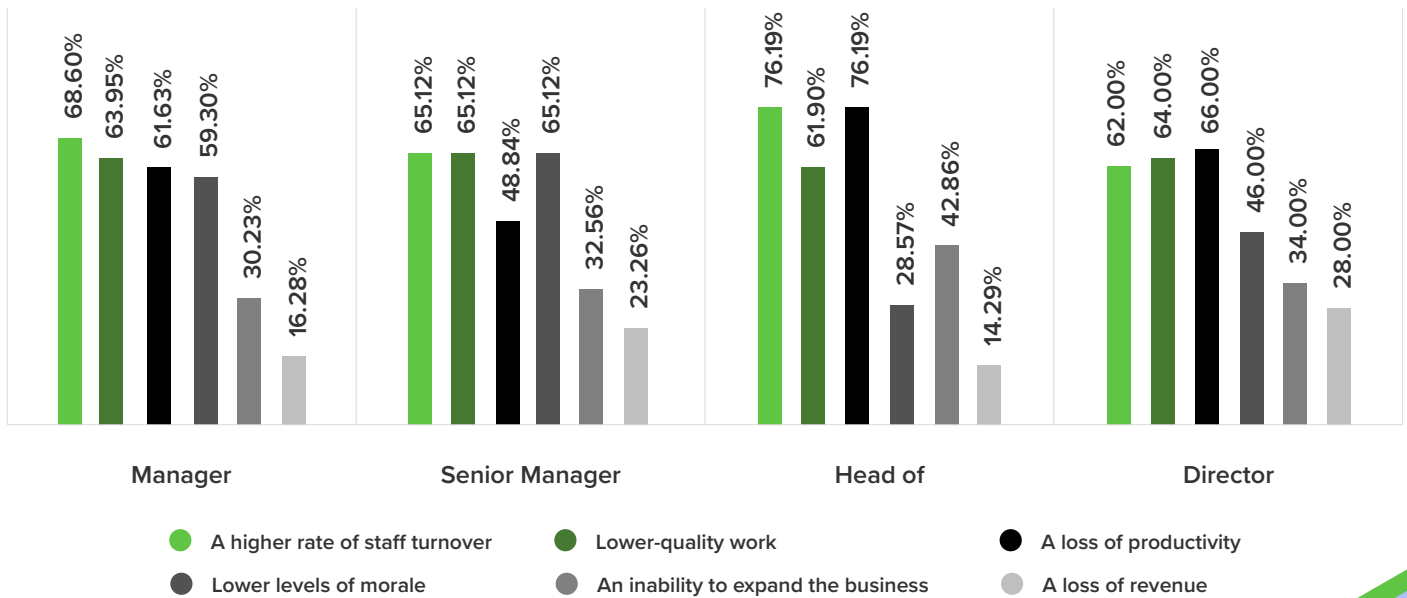
Having the right training in place inspires people to do better work, and **research by SurveyMonkey** tells us that 86% of workers want training – and nearly three out of four people are willing to study outside of work hours to improve work performance.

By company size, medium to larger organizations are the most likely to report a loss of morale within their teams.

Companies with 1,000+ employees reporting a bigger impact on staff morale could be the result of more distributed teams, as well as multiple business locations and time zones, leading to greater challenges with collaboration. Low morale can also spread like wildfire, which can be highly problematic when there's a large workforce to manage.
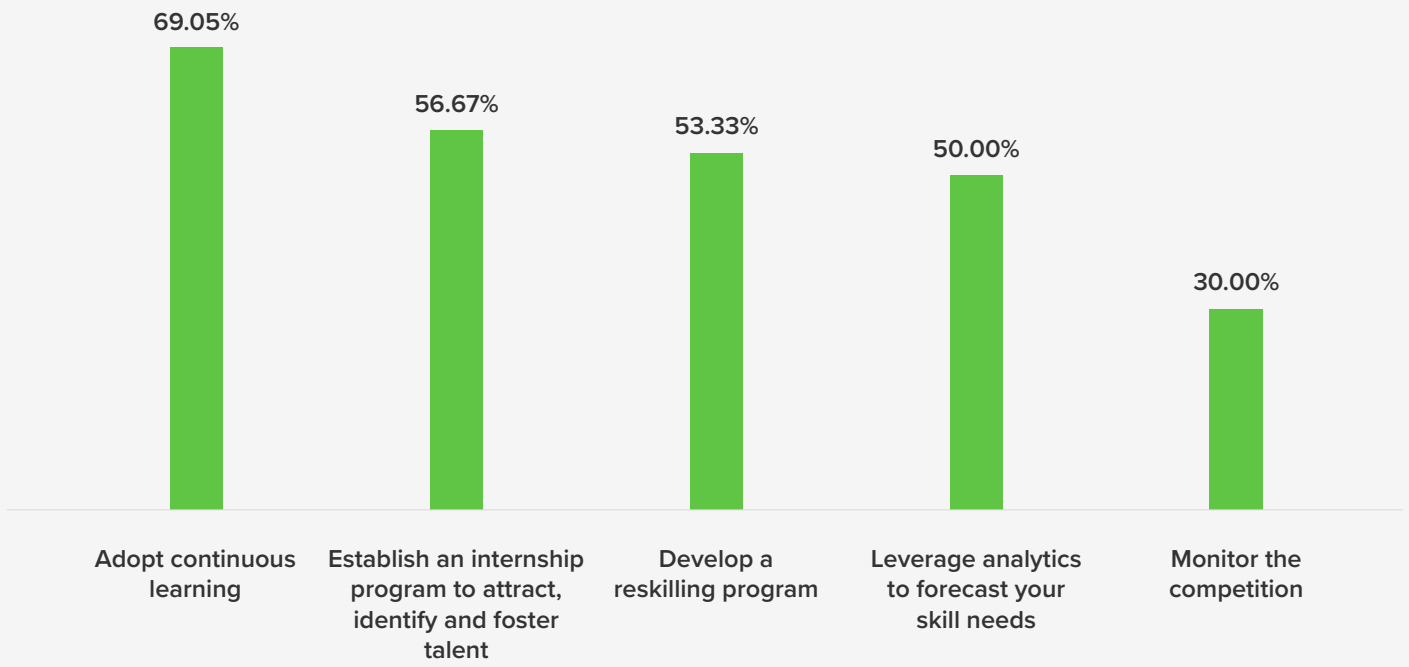
Interestingly, under a third of department heads (29%) selected lower levels of morale as an impact of the skills gap – that's less than half as many as managers and senior managers. This could be an indicator of different levels of awareness across the hierarchy; managers and senior managers may be much more likely to witness the human impact as they work closely with various teams, while department heads, directors and C-Suite executives are focused on other issues.

	Manager	Senior Manager	Head of	Director
A higher rate of staff turnover	68.60%	65.12%	76.19%	62.00%
Lower-quality work	63.95%	65.12%	61.90%	64.00%
A loss of productivity	61.63%	48.84%	76.19%	66.00%
Lower levels of morale	59.30%	65.12%	28.57%	46.00%
An inability to expand the business	30.23%	32.56%	42.86%	34.00%
A loss of revenue	16.28%	23.26%	14.29%	28.00%

Legend:
- A higher rate of staff turnover
- Lower-quality work
- A loss of productivity
- Lower levels of morale
- An inability to expand the business
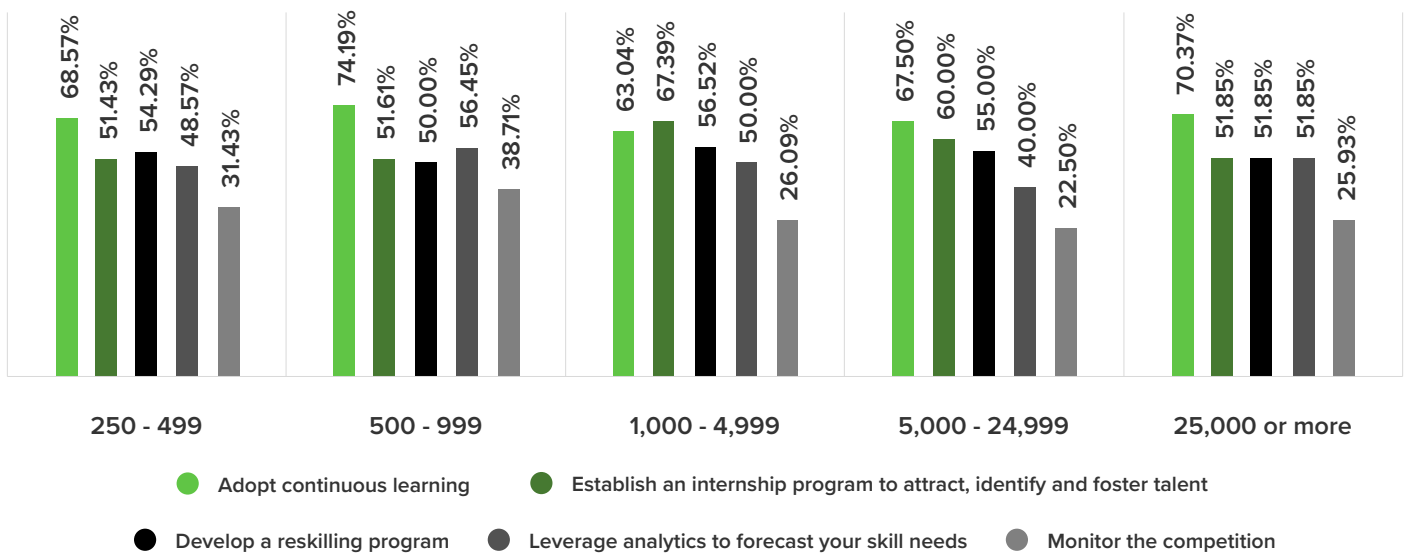- A loss of revenue

Measures to overcome the skills gap

When it comes to tackling the problem head on, almost 70% of respondents said they wanted to adopt continuous learning to help them overcome the skills gap. Half or more also said they would create internship programs to attract and foster talent (57%), deploy a reskilling initiative (53%) and use data analytics to get a more accurate picture of future skill requirements (50%), while 30% said they would keep an eye on competition in order to set upskilling/reskilling benchmarks.

69.05%
56.67%
53.33%
50.00%
30.00%

Adopt continuous learning

Establish an internship program to attract, identify and foster talent

Develop a reskilling program

Leverage analytics to forecast your skill needs

Monitor the competition

This is reaffirmed by our data split based on company size, with all organizations looking to adopt continuous learning to address the widening skills gap problem. This is alongside plans to establish an internship program to attract, identify and foster talent, which is highlighted as another area of significance.

	250 - 499	500 - 999	1,000 - 4,999	5,000 - 24,999	25,000 or more
Adopt continuous learning	68.57%	74.19%	63.04%	67.50%	70.37%
Establish an internship program	51.43%	51.61%	67.39%	60.00%	51.85%
Develop a reskilling program	54.29%	50.00%	56.52%	55.00%	51.85%
Leverage analytics	48.57%	56.45%	50.00%	40.00%	51.85%
Monitor the competition	31.43%	38.71%	26.09%	22.50%	25.93%

● Adopt continuous learning   ● Establish an internship program to attract, identify and foster talent

● Develop a reskilling program   ● Leverage analytics to forecast your skill needs   ● Monitor the competition

70% of respondents said they wanted to adopt continuous learning to help them overcome the skills gap.

Learning & Development
Research Report

Upskilling the workforce

8

CHAPTER 8:

Upskilling the workforce

This leads us to the most important part of our Learning & Development research – how do organizations plan on fixing the problem?
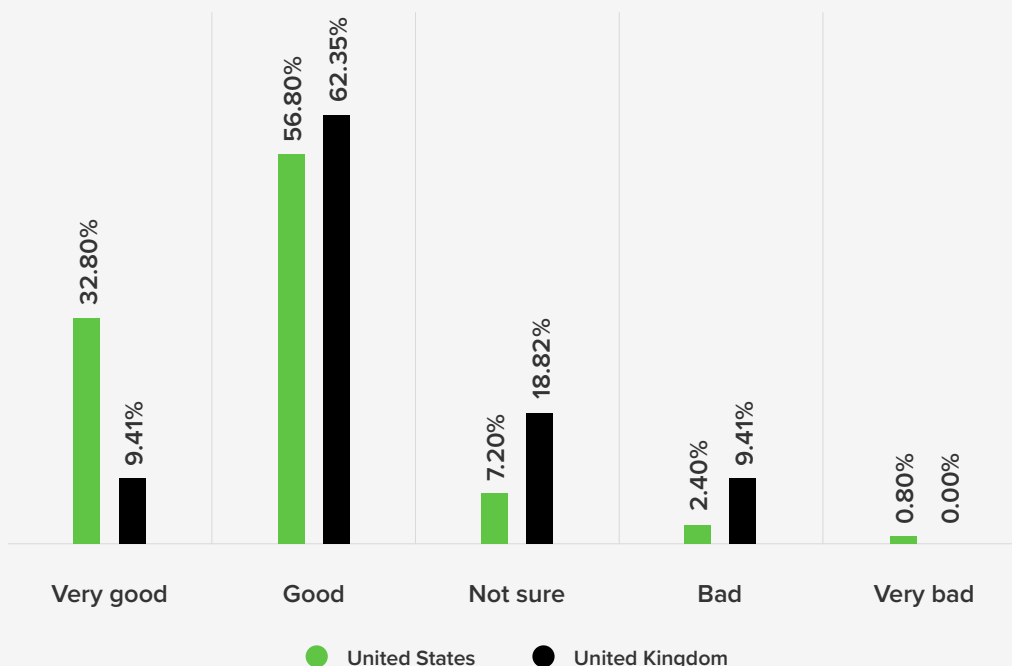
When asked how they currently rate their employees' ability to proactively upskill themselves, 59% answered "good" and 23% answered "very good". Just under 6% answered "bad" or "very bad", while 12% answered "not sure".

## How would you rate your employees' ability to proactively upskill themselves?

0.48%
5.24%
11.90%
23.33%
59.05%

- 🟢 Very good
- ⚫ Good
- 🟢 Not sure
- ⚫ Bad
- ⚪ Very bad
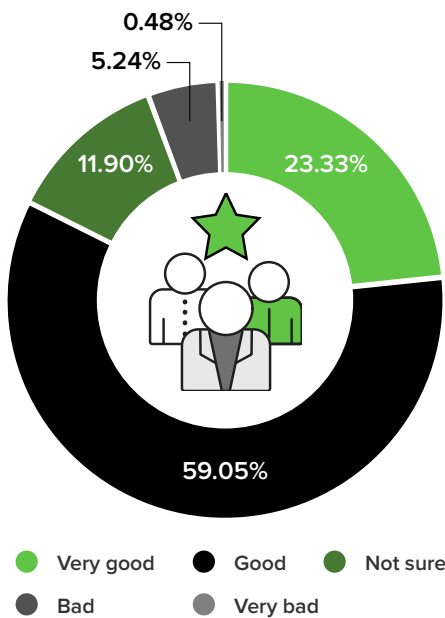
Reviewing the regional differences, the US clearly has confidence in employees' own abilities in upskilling themselves, with almost a third of US respondents answering "very good", compared to just 9% for the UK.

Conversely, over a quarter of UK respondents answered "not sure" or "bad". The US is slightly ahead of the UK when it comes to learning methods such as gamification, mobile learning and collaborative learning, which could explain why they feel more confident about employees upskilling independently.

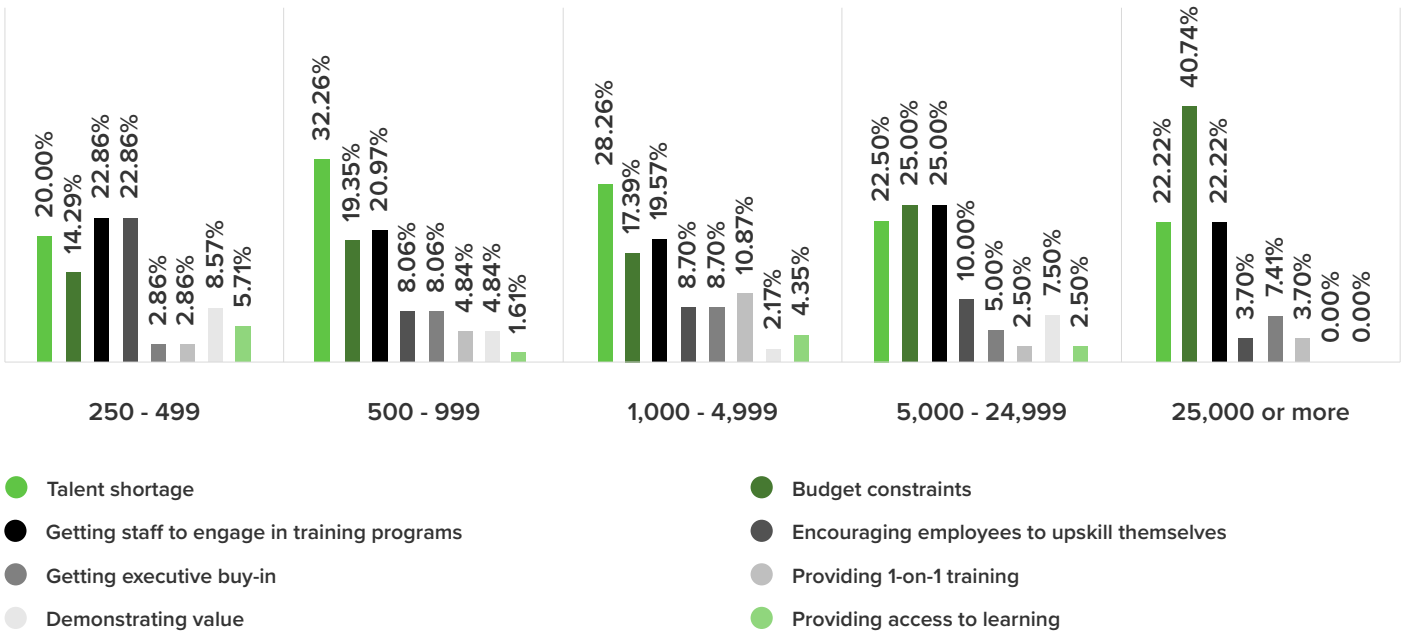|	Very good	Good	Not sure	Bad	Very bad
United States	32.80%	56.80%	7.20%	2.40%	0.80%
United Kingdom	9.41%	62.35%	18.82%	9.41%	0.00%

🟢 United States ⚫ United Kingdom

Key challenges in upskilling

We also asked professionals about their main challenges for workforce upskilling. Based on their answers, the top three challenges are a shortage in talent (26%), budget constraints (22%) and getting staff to engage in training programs (22%).
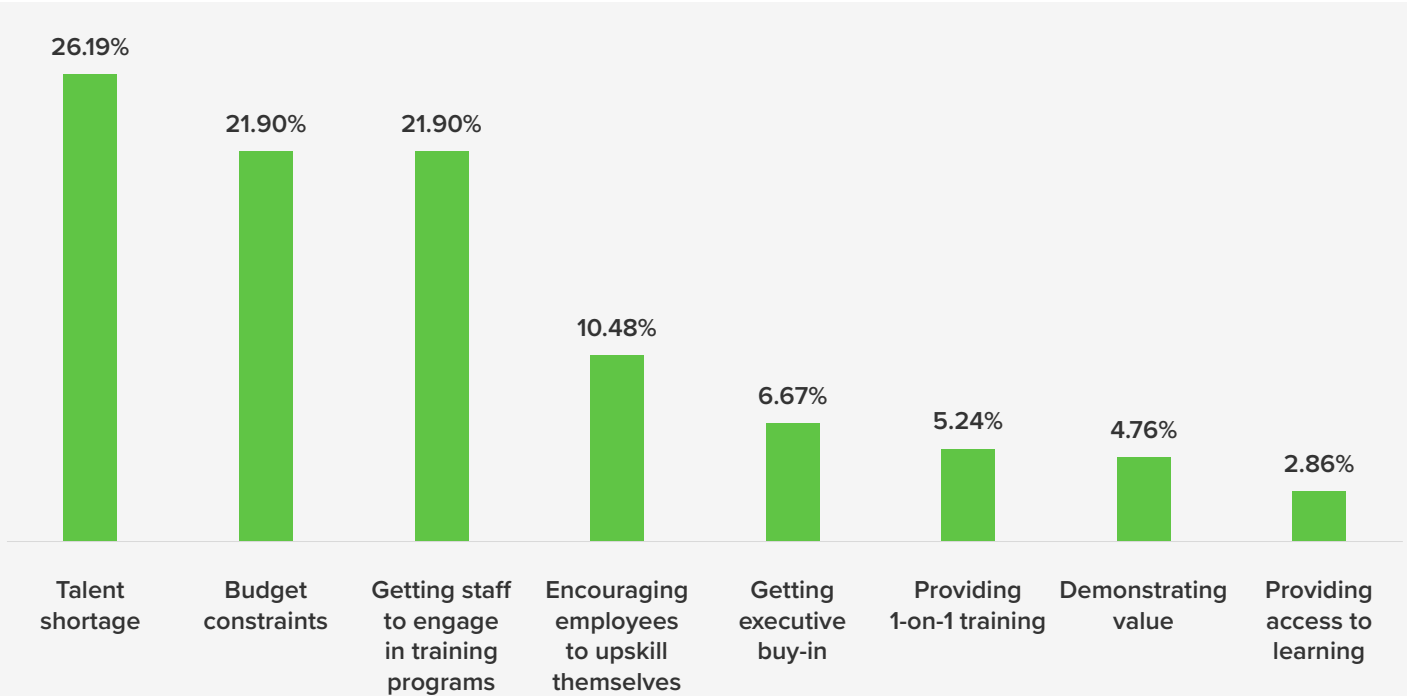

By company size, there was a glaring disparity with organizations with 25,000+ employees – 41% named budget constraints as a key challenge, compared to an average of 19% across all other groups. For other segments, the biggest challenges are split between getting staff to engage in training programs and talent shortages.

● Talent shortage

● Getting staff to engage in training programs

● Getting executive buy-in

● Demonstrating value

● Budget constraints

● Encouraging employees to upskill themselves

● Providing 1-on-1 training

● Providing access to learning

In the UK, budget constraints and getting staff to engage have both been selected by over a quarter of respondents, while the chief concern in the US is, by far, a shortage of talent.

Looking at the US and UK, there are further differences in what is viewed as the biggest barriers to upskilling the workforce. In the UK, budget constraints and getting staff to engage have both been selected by over a quarter of respondents, while the chief concern in the US is, by far, a shortage of talent.


	United States	United Kingdom
Talent shortage	29.60%	21.18%
Getting staff to engage in training programs	19.20%	25.88%
Budget constraints	17.60%	28.24%
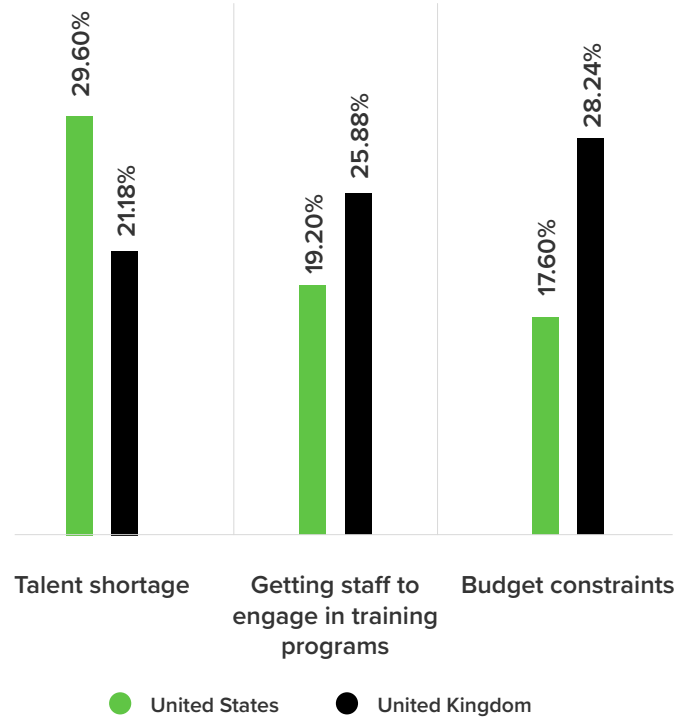
Upskilling spend/budgets

When asked how much their organizations are prepared to spend on either upskilling or reskilling programs, 23% said between $50,000 and $100,000. Not far behind, 22% said between $10,000 and $50,000. This is followed by 17% saying they would spend between $100,000 and $250,000.
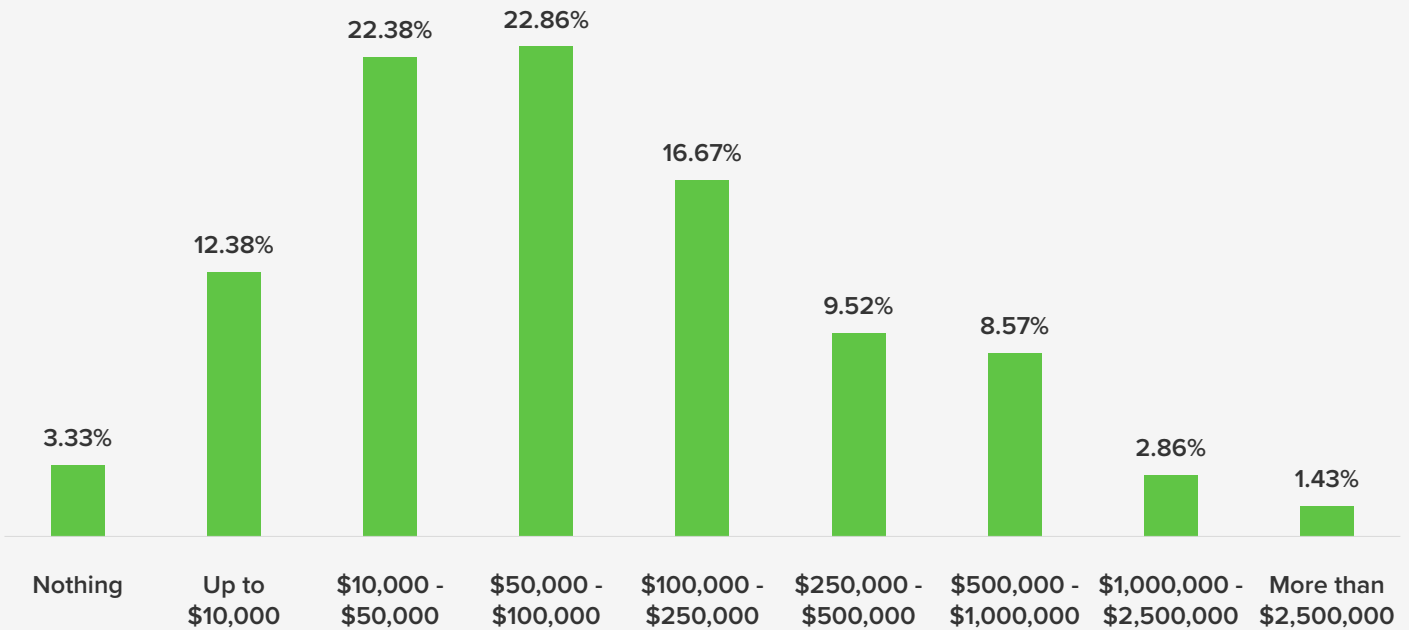
As you would expect, company size plays a part in how much businesses are willing to invest. Based on the answers, upskilling and reskilling are clear priorities for larger organizations, who, while experiencing budget constraints, are prepared to spend the most by far in this area.

● 250 to 499 ● 500 to 999 ● 1,000 to 4,999 ● 5,000 to 24,999 ● 25,000 or more
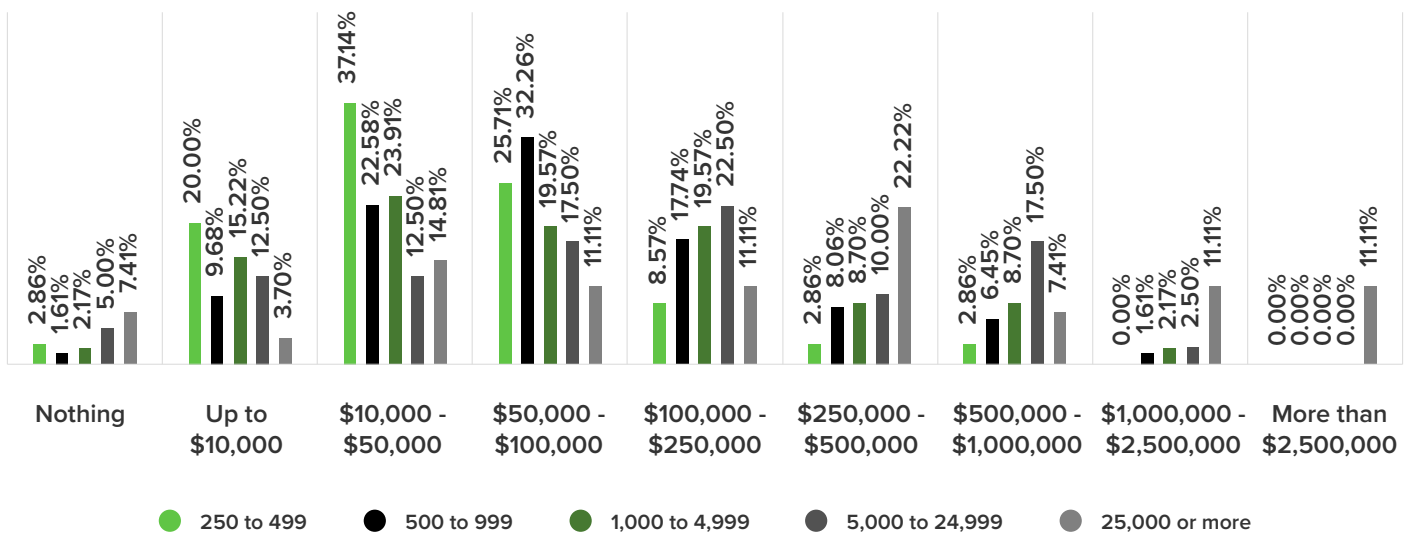
22% of businesses with 25,000+ employees are looking to spend over $1m in order to close the skills gap.

This is interesting considering the budget constraints reported by larger organizations. However, it's very clear that Learning & Development – although costly – is a much wiser investment than recruitment, which is the more expensive and less sustainable alternative.

Conclusion

With the right training comes higher employee engagement, increased productivity, a better quality of work, more satisfied customers, improved creativity and innovation and lower staff turnover.

We already know that employees want workplace training, and millennials value their growth and development within a company much more than a pay rise or other perks. And as millennials are set to make up **75% of the global workforce by 2025**, there's never been a more important time to consider investing in a suitable L&D program.

There's also the fact that Learning & Development brings a much greater return than recruitment. Companies spending at least $1,500 per employee per year achieve **24% higher profits** than those with smaller L&D budgets.

For organizations looking to improve productivity and quality, and nurture both their workforce and their bottom line, adopting continuous learning is a must – and is key for survival in the age of digital transformation.
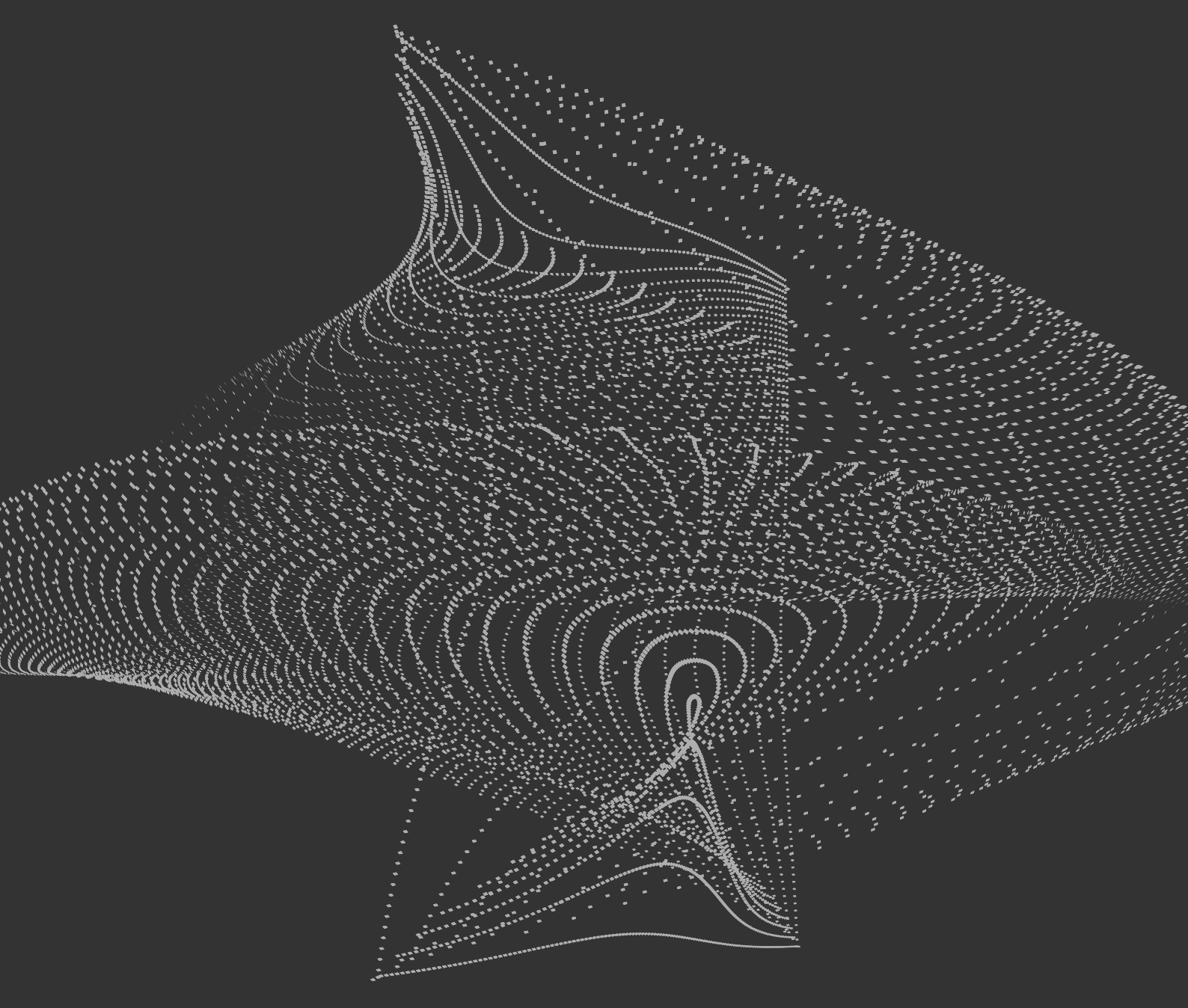
About Insights for Professionals

IFP gives you access to the latest business knowledge that's customized for you. We provide high quality, credible and relevant resources for senior professionals in one place.

An easy to access and personalized library to help you when you are researching specific topics, seeking practical advice, or simply want to stay ahead of what's happening in your industry. To do this we gather the best content from suppliers, brands and industry experts, as well as doing our own research.