Learning & Performance Institute

Learning Survey

Executive Summary

2011

Research conducted by PARDO FOX LTD 32 London Road, Guildford, GU1 2AB, 01483 454363, www.pardofox.com
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0. FOREWORD

by Colin Steed, Chief Executive of the Learning and Performance Institute

The Learning and Performance Institute (LPI) is the leading Institute for Learning & Development professionals, and its Learning Directors Network is the principal representative body for commercial providers of training and learning services.

As a respected authority and thought leader in the field, part of the LPI's role is to capture and disseminate up-to-date research data on current practice and emerging trends in the L&D space.

The Learning Survey 2011 is the LPI's most ambitious research project to date. Conducted by Pardo Fox Ltd, it provides a comprehensive analysis of the current state of L&D in the UK. It offers many fascinating insights, and I am confident that it will be of immense value to L&D professionals, providers of training and learning services, and anyone else who recognises the critical importance of Learning & Development to the UK's future economic wellbeing.

Colin Steed, Chief Executive, Learning and Performance Institute

1. INTRODUCTION

The Learning and Performance Institute (LPI) is a global Institute for Learning & Development professionals. Established in 1995, the Institute has grown to become the leading authority on Learning & Development.

The Learning Directors Network is an association of executives from top training providers and leading industry players, facilitated by the LPI and forming an exclusive community of practice. It is committed to providing practical guidance for director-level learning and development executives in the leading UK and European training organisations.

The Learning Survey was commissioned by the LPI and the Learning Directors Network to provide a definitive, in-depth analysis of the state of Learning & Development in the UK, and of the market for training/learning services, in 2011.

The survey attracted over 500 responses, from both L&D specialists and others whose roles include responsibility for L&D activities. Over 15% of responses came from individuals at Chief Executive, General Manager or Director level.

Our objective has been to draw reasonable inferences from the data that will be helpful to (a) L&D professionals, by allowing them to benchmark their own policies and practices against their peers; (b) providers of training and learning services, by enabling them to better understand the changing landscape of the market; and (c) other industry players and observers, for whom information of this kind is rarely available.

This research was designed and conducted on behalf of the LPI by Pardo Fox Ltd, a specialist provider of market intelligence and strategic consultancy for the training industry.

This Executive Summary contains the key findings from the research. The full survey report is available from the Learning and Performance Institute:
W: www.learningandperformanceinstitute.com T: +44 (0)845 006 8858

2. TRENDS IN LEARNING

2.1 LEARNING MEDIA 2009-2010: How did your organisation's use of the following learning media change in 2010 compared with 2009?

[Classroom training/ Self-paced e-learning – generic/ Self-paced e-learning – custom/ Virtual live classroom/ Webinars/ e-Labs/ Mobile learning/ Social learning media/ Simulation/gaming/virtual worlds]

2.1.1 As expected, there was an increase in the use of e-learning in 2010. 41% of organisations used more or much more generic e-learning, while 6% used less or much less. Similarly for custom e-learning, 44% used more and 5% used less.

2.1.2 Contrary to some expectations, the growth in e-learning was not entirely at the expense of classroom training. 24% did say they had used less classroom training in 2010, but 22% have actually used more. However there was a sharp decline in the use of classroom training by the largest (5,000+ staff) organisations.

2.1.3 There was significant growth in the use of webinars and in virtual live classroom. This finding is consistent with other recent research, and suggests that UK organisations are less hesitant about adopting these media – or are more confident of their effectiveness – than was the case for earlier learning technologies.

2.1.4 The newest learning media – e-labs, mobile learning, social learning media and simulation/gaming – are not yet being adopted as rapidly or as universally as some sources might lead us to believe. Over 50% of respondents checked "N/A" for these media, presumably because they are not yet making any use of them in their own organisation's L&D. Social learning media are the farthest advanced at this stage, with 20% indicating increased use in 2010.

2.1.5 Trends in the private and public sectors are broadly similar, but with a couple of notable differences. The private sector experienced a stronger uptake of webinars and virtual live classroom, perhaps because it was better equipped technologically to make use of these media. Meanwhile the public sector showed faster growth in the use of e-learning, both generic and custom – possibly on the basis of budgetary considerations.

2.2 LEARNING MEDIA 2010-2011: How do you expect your organisation's use of these learning media to change in 2011 compared with 2010?

2.2.1 In general, the trends established in 2010 are expected to continue in 2011. 55% of organisations expect to use more or much more generic e-learning, while 4% will use less; and even more (59% v 3%) expect to use more custom e-learning.

2.2.2 26% expect to use less (or much less) classroom training, but 29% say they will use more. Large organisations again expect to reduce their use of classroom training.

2.2.3 The fastest growing medium will be webinars, which will be used more by 60% of organisations.

2.2.4 Newer media are expected to grow in prominence in 2011. Mobile learning and social learning media will be used by 33% more and 35% more respectively. It is also significant that only 36% answered N/A to each of these media in 2011, compared with over 50% in 2010. Virtual live classroom will be used more by 44%.

2.2.5 The public sector again expects to increase its use of both generic and custom e-learning to a greater extent than the private sector. On the other hand the private sector expects the bigger increase in the use of webinars, virtual live classroom and social learning media.

2.3 TRAINING NEEDS: To meet your organisation's skills needs in 2011, how important will it be to provide training/learning in each of the following areas?

2.3.1 Leadership and Management is the top priority for 2011, followed by Business Skills and then Personal and Interpersonal Skills. IT user skills are also important, with an average rating well above the 'quite important' level.

2.3.2 IT professional skills were not perceived, on the whole, to be of major importance. This was particularly surprising given that a high proportion of the survey sample were members of the LPI. Even Project Management and Service Management (ITIL) were only modestly rated.

2.4 BUDGETS: How did your organisation's spending on external training/learning services change in 2010 compared with 2009, and how much do you expect it to change in 2011 compared with 2010?

2.4.1 25% of organisations say they spent more on external training/learning services in 2010 than they did in 2009, but 34% spent less. (The largest group were therefore the 'no change' respondents at 42%.)

2.4.2 Superficially, the overall outlook for 2011 appears neutral: 28% of organisations report increased budgets while 32% are down, and the mean expected growth rate (among those who gave an estimate) is -0.7%. But examined more closely, there is a sharp polarisation between the 'optimists' and the 'pessimists'. The mean estimated spending growth among the optimists is +20%, while the mean for the pessimists is -26% - a remarkable divergence!

2.4.3 There is an apparent inconsistency between respondents' answers to 2.1 and 2.2 above – indicating increased volumes of training in 2010 and again in 2011 – and their claims of static or declining budgets in both years. The explanation, presumably, is that the 'more for less' trend is still the dominant factor in the L&D marketplace.

2.4.4 There is also a large divergence in expectations between the private and public sectors. In the private sector, 34% say budgets are increasing in 2011 while 21% report a decrease. But in the public sector the balance is strongly on the negative side (12% up, 63% down) and shows further deterioration compared with 2010.

2.4.5 The majority of smaller companies expect to increase spending in 2011 but in large and very large organisations, twice as many expect a decline as expect growth.

2.5 STRATEGIC INITIATIVES: In your organisation, how much impact have the following had on your Learning & Development (L&D) activities?

[Talent management/ Rationalisation and reorganisation/ Outsourcing/ Changes to procurement policies/ Responding to recession/ Demonstrating value/ROI]

2.5.1 Three types of initiative stand out as having significantly more impact. Two of these – 'responding to recession' and 'rationalisation/reorganisation' – were to be expected in the current economic situation. But it is striking to see 'demonstrating value/ROI' ranked on a par with these two – this has been a concern of L&D for several years, but there has been little evidence previously of demand from further up the chain of command. Presumably this, too, is a consequence of the recession.

2.5.2 Despite frequent anecdotal evidence of tightening procurement policies, this does not appear to be a widespread trend. Meanwhile the threat of outsourcing is less of a concern than in previous surveys – presumably overtaken by other preoccupations.

3. WORKING WITH PROVIDERS

3.1 TYPES OF PROVIDER - USAGE: In 2011, which of the following external sources do you expect your organisation to use for the provision of training/learning services?

[Commercial providers/Academic providers (universities and colleges)/ Brokers/Consultancy firms/Contractors & freelancers]

3.1.1 It was no surprise that over two-thirds (70%) of organisations use commercial providers, but rather less expected was to find that almost as many (69%) use contractors and/or freelancers. As well as these main categories, 45% use academic providers, 37% consultancy firms and 7% brokers.

3.2 TYPES OF PROVIDER - EXPENDITURE: If possible, please provide an estimate of how your external training expenditure was split between these sources (in percentage terms) in 2010.

3.2.1 It is not straightforward to aggregate the responses of many individuals from organisations with vastly different training budgets, so our figures are only an approximation. Based on the data given, our best estimates for the destinations of corporate training expenditure are as follows: commercial providers 39%, contractors/freelancers 29%, academic providers 12%, consultancy firms 8%, brokers 1% and others 11%.

3.3 OPINIONS OF PROVIDERS: In general, how would you rate commercial providers of training/learning services based on the following criteria?

[Quality/Customer service/Value for money/Overall]

3.3.1 On the whole, commercial providers are reasonably well regarded by the L&D community. 55% rate their quality as 'excellent' or 'very good'. However there is definite scope for improvement, with only 11% rating providers as 'excellent' for quality, 10% for customer service, and just 8% overall.

3.3.2 Perhaps inevitably, providers are not rated so highly on value for money. Even here a third consider providers to be 'excellent' or 'very good', but 29% rate them as only 'fair' or 'poor'.

4. QUALIFICATIONS

4.1 ACADEMIC v PROFESSIONAL v INDUSTRY: For each of the following purposes, how important to your organisation are

a) academic qualifications (eg degrees, A-levels)
b) professional qualifications (eg LPI, other professional institute, BCS/ISEB)
c) industry qualifications (eg Microsoft, Cisco, CompTIA)?

[Recruiting new staff/Ensuring staff have the skills to do their job/Benchmarking skills against an external standard/Demonstrating your skills to clients or partners/Motivating staff who are taking them]

4.1.1 Scores for all qualification 'drivers' were surprisingly strong, and fairly uniform. 82% of respondents consider academic qualifications to be 'important' or 'very important' for recruiting new staff; 81% for ensuring staff have the skills to do their job; 69% for benchmarking skills against an external standard; 75% for demonstrating skills to clients/partners; and 76% for motivating the staff who are taking them.

4.1.2 There was similarly strong approval for professional (79%, 84%, 77%, 80%, 79%) and industry (76%, 80%, 73%, 71%, 75%) qualifications. With such strong support, it is hard to differentiate between the different types of qualification. The data certainly suggests that there is no clear favourite, but a place for each of them.

4.1.3 It is perhaps surprising that Industry qualifications scored somewhat lower than Academic and Professional, even in terms of providing motivation for the staff taking them. It is often suggested that employees' enthusiasm for Industry qualifications is the main reason for adopting them.

4.1.4 The public sector attaches greater importance to qualifications than the private sector in most cases.

5. L&D AND THE ECONOMY

5.1 ECONOMIC IMPORTANCE OF L&D: In your view, how important is the Learning & Development sector's role in supporting the UK's economic recovery?

5.1.1 Contributors to the survey were emphatic about the critical importance of Learning & Development to the UK economy. No fewer than 98% of respondents said they believe L&D is 'vital' or 'important' to the economic recovery.

5.1.2 The strength of feeling is even greater in the public sector, where 59% said it is vital, than in the private sector (50%).

5.2 PROSPECTS FOR THE L&D SECTOR: Under the new coalition government do you believe the UK Learning & Development sector will decline, stay the same or improve?

5.2.1 Despite their own strong convictions about its importance, those working in L&D are not optimistic about its prospects for the coming year. Only 16% believe the L&D sector will improve under the current government, compared with 48% who think it will decline.

5.2.2 There is a marked difference between the public and private sectors. 43% of respondents from the private sector anticipate a decline in L&D, but in the public sector the figure rises to 61%.

6. THE L&D PROFESSIONAL

6.1 QUALIFICATIONS: For each of the following areas, please indicate if (a) you already hold a qualification, or (b) you are currently working towards one.

[Classroom training/e-Learning design and authoring/e-Learning deployment and management/Virtual live classroom/Social learning media/Mobile learning]

6.1.1 Of those who answered this question, a very high proportion (88%) already hold a qualification in classroom training.

6.1.2 Whilst some L&D professionals do hold qualifications in the use of other media – including almost a quarter (23%) in e-learning – the figures do underline the point that L&D professionals generally are less well equipped to implement newer learning media, at least in terms of their formal qualifications.

6.1.3 However, L&D professionals are well aware of this deficiency, and many are taking action to remedy it. A significant percentage are already working towards a qualification, while an impressively high proportion of the other respondents registered their interest in doing so in the near future.

6.2 LEARNING STYLES: How do you rate the different methods of learning for each of the following criteria? (5 = excellent and 1 = poor)

[Classroom/Self-paced e-learning/Virtual live classroom/Books/Video or dvd]

6.2.1 There was little doubt in the minds of the majority of L&D professionals that classroom training remains the most effective learning style. E-learning and virtual live classroom were the next highest ranked, but some way behind.

6.2.2 There was little to choose between the learning styles in terms of value for money, with e-learning coming out narrowly ahead. e-learning was also the most favoured style for both efficient use of time and flexibility.

6.2.3 Classroom training was the clear leader for satisfaction/enjoyment and likelihood of completing the course, with virtual live classroom ranked second in both cases. E-learning was not considered any more enjoyable than books or video/DVD, which perhaps highlights the need for e-learning to become even more engaging if it is to achieve its full potential.

IN CONCLUSION...

We should be pleased to receive any questions or comments about this research. In the first instance please email mharland@learningandperformanceinstitute.com