



Chartered Institute  
of Personnel and  
Development } Annual survey report 2005

# TRAINING AND DEVELOPMENT

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# Summary of key findings

The 2005 training and development survey provides annual data on current and emerging trends in training and development. In this year's survey, we aim to provide benchmark information on training spend and organisations' use of different types of training activities. We also focused on some important issues facing the profession, including the future skills requirements of UK organisations, gaining manager buy-in to training and effectively developing your leaders.

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## **Economic influences on training and development**

- Looking across the whole sample, 15% of respondents feel they've seen an improvement in economic conditions over the last 12 months, while 33% feel things have got worse.
- The majority of respondents report that training budgets have stayed at a level similar to that of the previous year. However, public sector respondents take a more negative view of the situation, with 29% thinking that funding had worsened, compared to 23% and 25% in the private and voluntary sectors.
- Significantly more private sector respondents expect an increase in training funding (26%) in the next 12 months than expect a decrease (19%). But public sector managers are more pessimistic; 32% expect funding to decrease and only 13% expect an increase.

## **Trends in training practices**

- Traditional training methods such as on-the-job training, conferences and formal education courses remain more commonly used than the newer methods like e-learning and knowledge-sharing events.
- However, the 'newer' training methods are rising in popularity. Coaching by line managers is now used by 88% of respondents and 72% use mentoring/ buddying schemes.

- Coaching by line managers and e-learning look set to increase dramatically over the next few years, with over 70% of respondents saying they expect to increase their use of these activities.
- On-the-job training, instructor-led training off the job, and formal education courses are the training methods judged to be most effective.
- Interestingly, despite the fact that more people use line managers to coach employees, respondents believe that coaching is more effective when carried out by an external practitioner.

## **E-learning**

- This year for the first time, over half of respondents (54%) report using e-learning, and 39% of those currently not using it plan to implement it in the next 12 months.
- As many as 94% of respondents believe that e-learning is most effective when combined with other types of training.
- The flexibility of e-learning and its 'just in time' availability are seen as its main benefits.
- The two main barriers to effective e-learning are inadequate current technology infrastructure and ensuring people have the time and space to participate in learning.

### Organisations' future skills requirements

- Respondents are expecting a more demanding future in terms of their future skill requirements. Thirty-six per cent believe that higher levels of skills will be required, 26% expect to need different types of skills, and 26% expect a broader range of skills to be required.
- The main drivers behind changing skills requirements are achieving the organisational strategy and driving quality improvements.
- Ninety-four per cent of respondents believe that upskilling their workforce is important to achieving their organisations' business strategy.
- The largest barriers employers face when upskilling their employees are constraints due to cost, lack of interest from senior staff and employees' reluctance to engage in learning.

### Apprenticeship programmes

- Over half (58%) of respondents say they are involved in NVQs/SVQs but under a third are involved with apprenticeship programmes at level 2 or advanced levels.
- Where respondents are involved in advanced apprenticeships, around half of them are principal sponsors of the scheme.

### Leadership development

- Currently, 85% of respondents are pursuing leadership development activities and 52% have a formal strategy for the development of leaders.
- Around two-thirds of respondents think there is a shortage of effective leaders in the UK (65%).
- The main leadership skills gaps in UK organisations are in leading and managing people, managing change, business acumen, coaching, and communication.
- The most common forms of leadership development are development reviews in appraisals (93%) and in-house leadership programmes (85%). In-house programmes are seen as the most effective way of developing leaders.
- Almost a third (31%) believe that their leadership development activities are ineffective.
- Although 91% believe there is a direct link between investment in leadership development and business performance, the largest barrier to leadership development activities is that it isn't seen as an essential business activity.

### Gaining manager buy-in to training

- The majority of respondents believe that line managers take training seriously (60%), but only 48% believe that senior management is firmly committed to training.
- A little over half of respondents (54%) train the majority of their line managers to support training efforts, with a further 12% reporting that they train all their managers.
- Eighty-one per cent of our sample cite business pressures as the main reason for a lack of managerial support for training.
- Only 17% of respondents say they reward and recognise managers for developing and improving the skills of their team members. This may be part of the reason for poor managerial commitment to training.

### Training spend and budgets

- The average size training budget is £621,162 and the average spend per employee is £607.11.
- The private sector has the highest training spend per employee – £817.37 – while the figures for the public and not-for-profit sectors are £414.43 and £432.85 respectively.
- Average training spend per employee appears to decline with organisation size. Organisations with 50–99 employees allocate £738.61 per employee. This falls to £599.71 for organisations with 100–249 employees, £483.19 for those with 250–499 and £339.35 per employee for organisations with more than 500 employees.

# Economic influences on training and development

Training activities in organisations are known to be very sensitive to economic conditions because of their influence on funding for training. This year, we continued to survey members’ views on the economic conditions facing their organisations, and their impact on training budgets.

**The impact of economic conditions on training spend**

Looking across the sectors, 15% of respondents feel that they have seen an improvement in economic conditions over the last 12 months, while 33% feel things have got worse. The remainder perceive no change. However, interesting differences emerge when the survey results are analysed by sector.

The outlook in the private sector does, however, appear to be improving. Eighteen per cent of respondents feel that economic conditions in the past 12 months have got better – a 5% increase compared with the previous year. But in the public sector, the proportion of respondents thinking that the funding situation has improved has fallen from 13% to 11%.

While, in all sectors, more respondents think things have got worse rather than better; public sector training managers are markedly more negative in their outlook. Almost half of the respondents (42%) think matters have got worse, compared to 27% in the private sector and 32% in the voluntary sector (Table 1).

Table 1: Economic circumstances facing the organisation in the last 12 months

	% of respondents				
	Private sector		Public sector		Voluntary sector
	2004	2005	2004	2005	2005
It has been ...					
Better	13	18	13	11	13
The same	51	55	48	47	52
Worse	36	27	39	42	32

Table 2: The impact of economic conditions on funding for training in the last 12 months

It has ...	% of respondents				
	Private sector		Public sector		Voluntary sector
	2004	2005	2004	2005	2005
Increased	18	18	18	16	11
Decreased	27	23	30	29	25
Stayed the same	55	59	52	55	61

### Funds for training

A similar picture is seen with regard to funding for training, implying that the perceptions of economic conditions have filtered through to views on funds available for training (Table 2).

Interestingly, the majority of the respondents report that training budgets have stayed at a similar level to the previous year – 57% in the private sector, 54% in the public sector and 61% in the voluntary sector. Again, the picture differs from sector to sector. Public sector respondents take a slightly more negative view, with 29% thinking that the funding situation has worsened as against 23% in the private sector and 25% in the voluntary sector.

### Looking to the future

When asked to predict how the funding situation will change in the next 12 months, 20% of all training managers expect to see an increase in funding over the next year, with 23% expecting a decrease. Significantly more private sector training managers expect an increase in training funding (26%) than expect a decrease (19%). Respondents in non-profit organisations were more evenly balanced – 15% expect an increase and 15% expect a decrease. However, many public sector managers are pessimistic: 32% expect funding to decrease and only 13% expect an increase.

The gloomy picture in the results from the public sector is somewhat puzzling. Government spending has continued to rise in the past year, and it hasn't been a period in which public sector belts were conspicuously tightened. So why is there such pessimism in the public sector? There are several possible reasons for this. One explanation is that money available in the public sector is being diverted from training to increase pay levels in order to confront recruitment and retention difficulties. Alternatively, the pessimism may reflect wider problems in the public sector that are resulting in low manager morale.

## Citifinancial: Watching cost while providing business-focused training

Strong support for training at leadership level means that training budgets are rarely hit at Citifinancial, even when other budgets are being cut across the business. Despite this, training budgets have been declining year on year because the head of Training and Development doesn't advocate a 'spend, spend, spend' approach to their activities and always aims to provide cost-effective, high-quality training.

In 2004, the training department achieved significant cost savings in their activities because of a move towards greater use of online learning. The majority of training is now delivered as a blended solution to prevent disruption to the business by reducing the amount of time employees are away from the workplace. It's felt that the incremental cost savings that this achieves are hugely beneficial to the business as a whole.

Support for e-learning has been positive following a successful pilot programme focusing on the Disability Discrimination Act. The head of Legal (a renowned technophobe!) voiced strong support for the e-learning tool and encouraged employees to use it. This overt support helped to build employee buy-in to the initiative and, after the roll-out of several other e-learning programmes, employees at Citifinancial are taking to e-learning more and more.

Looking to the future, the Citigroup business, of which Citifinancial is just one part, is looking to achieve significant cost savings globally. However, the CEO has already voiced strong support for the role that training will play as the business develops across Europe, so budgets are unlikely to be touched.

**Information provided by Douglas Ferguson, Head of Training and Development (Europe).**

# Trends in training practices

The survey asked respondents about their use of various training practices and how effective they felt they were. This year, we adjusted the list of training practices to take into account developments in training since our survey first began in the late 1990s.

## So what are the most popular training activities?

Figure 1 shows that traditional training methods such as on-the-job training (99%), external conferences (95%) and formal education courses (93%) are by far the most frequently used training methods – probably reflecting the long history of using these practices. The fact that on-the-job training remains the most widely used training method is encouraging, as it reflects the learning preferences of many employees.

The CIPD's 2005 *Who Learns at Work?* survey, which interviewed 750 employees, found that on-the-job training was considered by employees to be the most effective way for them to learn. However, some newer training activities are rising up the list. Coaching by line managers is used by almost nine in ten respondents and around two-thirds say they use external practitioners to coach staff. Internal knowledge-sharing events such as 'brown bag' lunches are used by a little over half of respondents, while a quarter of respondents say they use action learning sets to develop their employees.

Figure 1: Percentage of organisations using different training methods



Table 3: Expected change in usage in the next few years

	% of respondents		
	Increase	Decrease	Stay the same
Coaching by line managers	74	1	25
E-learning	71	3	26
Mentoring and buddying schemes	63	2	35
On-the-job training	52	0	48
Internal knowledge-sharing events ('brown bag' lunches)	50	2	48
Job rotation, secondment and shadowing	48	3	49
Action learning sets	42	2	56
Coaching by external practitioners	36	13	51
Audio tapes, videos and learning resources	35	8	57
Instructor-led training delivered off the job	26	15	59
External conferences, workshops and events	22	13	65
Formal education courses	21	10	69

Coaching by line managers and e-learning look set to increase significantly over the next few years, with almost three-quarters of respondents reporting that they expect to increase their use of these activities (Table 3). Two-thirds of the respondents expect to increase their use of mentoring and buddying schemes, while over half of respondents say they will make more use of on-the-job training. More traditional methods, such as formal education courses, external conferences and instructor-led training, are likely to grow at a much slower rate in the next few years.

### But which training practices are the most effective?

As well as inquiring about the use of the various training methods, we were also interested in the respondents' perceptions of their effectiveness. Table 4 (page 10) shows that effectiveness ratings for training practices are all fairly high. Audio tapes, videos and learning resources are considered the least effective, with only 71% saying they are 'effective' or 'very effective'. The more traditional forms of training, such as on-the-job training, instructor-led off-the-job training and formal education courses, are seen as the most effective. Interestingly, while more people use line managers to coach their staff than use external coaching practitioners, external coaches are perceived to be more effective as a learning intervention.

Table 4: Perceived effectiveness of different training methods

Method	% of respondents indicating 'effective' or 'very effective'
On-the-job training	96
Instructor-led training delivered off the job	94
Formal education courses	93
Coaching by external practitioners	92
Job rotation, secondment and shadowing	87
Mentoring and buddying schemes	85
External conferences, workshops and events	84
Coaching by line managers	83
Internal knowledge-sharing events ('brown bag' lunches)	82
Action learning sets	77
Audio tapes, videos and learning resources	71

### Informal learning at work

Finally, we asked about the extent to which informal learning takes place in the workplace. The Internet or a company intranet are, jointly, the most frequently used informal learning activity, with 60% of the respondents reporting that staff frequently use the Internet for research purposes and only 7% saying this method is

rarely used (Table 5). Forty-one per cent of respondents frequently take part in informal learning activities via external professional and industry bodies, while a third feel that challenging work assignments help to foster informal learning in their organisation.

Table 5: Reported usage of informal learning activities

	Frequently used	Sometimes used	Rarely used
Use of the Internet/intranet for research purposes	60	32	7
Links to external professional and industrial bodies	41	47	12
Exposure to challenging work assignments	35	50	13
Observation of more experienced colleagues	34	50	15
Participation in cross-disciplinary cross-functional teams or projects	29	50	19
Contact with personal and peer network	28	51	20

Trends in training practice tend to emerge over time and, in this year's survey results, we don't see any great leap forward. Instead, we see a continuing trend of providing learners with greater choice in terms of the different learning/training activities on offer.

There is a steady growth in the use of technology-based learning, but learning from and with others is still considered the most effective way for people to learn. It seems that, in the future, the challenge for training practitioners will be to find out which are the most effective combinations of training activities they can offer within the scope of their training budget.

### Royal Liverpool Childrens' NHS Trust: Employing a wide range of training practices to suit different staff groups

Training activities at the Royal Liverpool Children's NHS Trust employ a wide range of learning tools and techniques. Part of the reason for this is the hugely varying needs of staff employed at the Trust, including porters, administrators and a full range of healthcare professionals. Some examples of activities undertaken at the Trust are:

- **An A class NVQ centre.** A wide range of NVQs are facilitated to provide credit to the skills that staff develop through on-the-job learning. NVQs also help to set and maintain visible and clear standards.
- **An e-learning zone.** This holds a wide range of materials on technical subjects as well as management learning modules. It is particularly useful for night staff who find it hard to attend day-time training.
- **A basic skills assessment programme.** This is being developed to help identify and support staff who need to improve their literacy, numeracy and IT skills.
- **Development programmes for first-time supervisors and managers.** These follow a blended learning approach incorporating e-learning, action learning sets and facilitated workshops.
- **A preceptorship buddy system.** This is a formal programme of development and training for nurses just out of college, offering a managed form of on-the-job learning.
- **Executive coaching.** Some members of the executive team support this activity for directors and aspiring executives across the NHS in the north-west.
- **The Royal College of Nursing Leadership Programme.** This combines a formal mentoring programme with action learning focused on an analysis of family and patient stories.
- **A clinical skills centre.** This is a place where medical students and staff can practise on dummies and have their skills assessed on volunteer patients.
- **Internal change agent training.** Fifty staff have undertaken a six-day programme to work as change agents across the organisation by supporting local teams striving to improve working practices.
- **NHS graduate trainee programme.** The Trust is accredited to support graduate trainees from the NHS general management, HR and financial management training schemes.
- **Action learning sets.** These are beginning to be used across the organisation to support work-based learning and improvement activities. They enable staff to learn quickly while dealing with practical issues at work. Action learning sets are also used by senior management teams, and form part of the 'Modern Matrons' way of working.

The philosophy adopted by the Trust is to offer a broad range of learning options to suit individual needs. In the future, growth areas are seen to be action learning sets at the grassroots level, as well as coaching skills for managers.

**Information provided by Tina Fiddies, Training and Organisational Development Manager.**

# E-learning

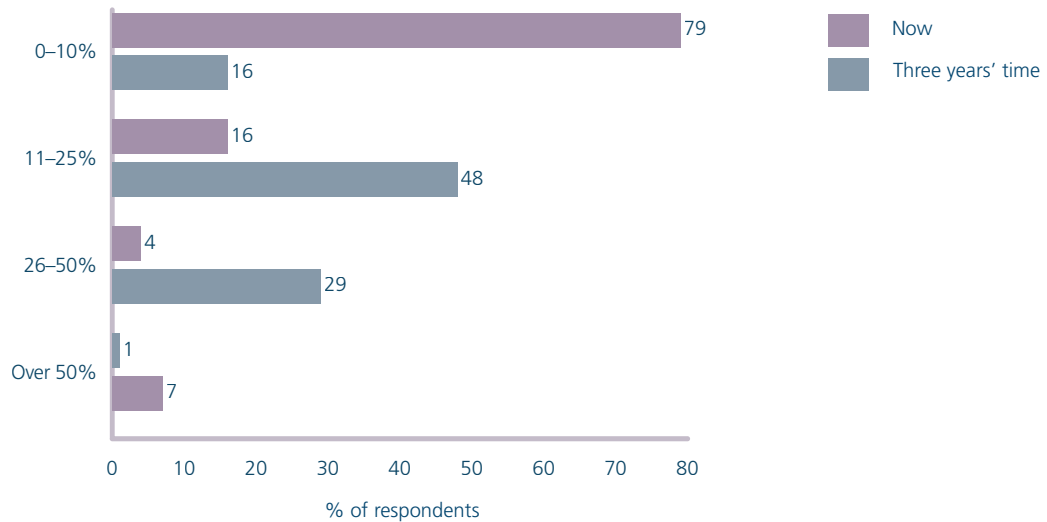
This year's survey attempts to gain a balanced view of how organisations are using e-learning, as well as seeking respondents' views on how it is shaping organisational learning as a whole.

## Use of e-learning continues to rise steadily

This year for the first time, over half of respondents (54%) report that they use e-learning. Furthermore, 39% of those not using e-learning say they have plans to introduce it in their organisation in the coming year. Among those who are already using e-learning, 71% say they will increase the use of e-learning in the next few years. Around a quarter say they expect their usage to remain the same (26%) and just 3% foresee a decrease.

At the moment, e-learning accounts for less than 10% of total training time in the vast majority of respondents' organisations (Figure 2). However, use of e-learning is expected to dramatically increase. In three years' time, 26–50% of total training time is expected to be delivered by e-learning in 29% of organisations, and 48% of organisations expect to be using e-learning for 11–25% of training.

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



### What is e-learning used for?

The results indicate that e-learning is mostly used for particular types of training, such as IT training (70%), technical training (45%), health and safety (34%) and induction training (33%). E-learning is much less likely to be used for training in 'people skills' like management training (23%) and interpersonal skills training (13%). Less than 10% of respondents report using e-learning in diversity (9%), foreign languages (7%) or teambuilding (3%) training. This may suggest that, while use of e-learning continues to grow, it is mostly aimed at training activities with a technical or knowledge component.

### What are the most common types of e-learning?

The most common form of e-learning being used in organisations is CD-ROMs, used by two-thirds of respondents (66%). Slightly more respondents use generic e-learning modules (59%) than actually have custom-made modules designed for them (54%). However, other CIPD research indicates that custom-made e-learning modules are likely to be a growing trend. Organisations seem to be increasingly prepared to commission e-learning modules designed specifically for their needs as they believe they are more effective because the learning is put in context.

## The Crown Prosecution Service (CPS): The 'Prosecution College' e-learning initiative

Building on their prior experience of developing and deploying a major piece of customised e-learning, the CPS is now seeking to extend and embed e-learning to become an integral method for delivering Crown Prosecution training priorities.

From the start, e-learning has been an attractive option for the CPS. The context in which prosecution lawyers work is fast-moving and technically complex. In 1998, the Home Office published *Speaking Up for Justice* – a report containing 78 recommendations designed to improve the treatment of witnesses. The CPS training department adopted a blended solution to training on the implications of the report. One element was the production of a bespoke e-learning module that allowed lawyers to access information and training at any time.

The *Speaking Up for Justice* e-learning module was an ambitious project. In retrospect it was not rigorous enough in its technical content and insufficiently interactive to engage the learner. Most importantly, there was not enough learner support. However, this was a very useful 'lessons learned' process for the Learning and Development function and informed the strategy for the development of e-learning in the CPS.

In 2005, the CPS will establish a new virtual facility called the 'Prosecution College'. There will be three virtual faculties in the college: management/leadership; business support, and legal. The content will be written by internal subject-matter experts and produced using tools developed by a specialist e-learning consultancy. The pilot subject will be a suite of five legal induction modules covering technical issues such as the Bail Act and custody time limits. The pilot suite will take three or four hours to complete and will be a compulsory activity to be undertaken in advance of a classroom session. To support the lawyer induction process, 80 internal tutors have been identified who will receive and review e-mailed answers to questions posed in the modules.

**Information provided by Sharron Hughes, E-learning Project Manager.**

Relatively few respondents use discussion sites (14%) or web seminars/virtual classrooms (11%). These results indicate that collaborative e-learning activities still remain the preserve of a small minority of organisations.

### Views on the significance of e-learning for training in UK organisations

We wanted to gain views on the value of e-learning activities from respondents who are experienced in managing e-learning (33% of respondents considered themselves experienced). We repeated an exercise carried out in the *Training and Development 2002* survey where respondents are asked to agree or disagree with a series of statements. This allowed us to compare views on e-learning and see how they have progressed (Table 6).

On this basis, the most striking change between 2002 and 2005 is the increase in the number of people who believe that e-learning is more effective when combined with other forms of learning (94% now, compared to 63% in 2002). This reflects the popularity of ‘blended learning’ which has become increasingly popular in the last few years as training practitioners have realised that making e-learning available to unprepared and unsupported learners will not work. There has also been a growth in the proportion of respondents who believe that e-learning is over-hyped by vendors and that it can be low on content.

More than half of respondents still think that current e-learning products do not demonstrate the future of e-learning and a similar proportion think that e-learning can result in money being wasted.

Table 6: Views on the value of e-learning

Statement	% of respondents who agree	
	2005	2002
E-learning is more effective when combined with other forms of learning	94	63
E-learning demands a new attitude to learning on the part of learners	86	90
E-learning is over-hyped by vendors	65	58
E-learning demands an entirely new skillset for people involved in training and development	63	65
The current generation of e-learning products don't demonstrate what the future of e-learning will look like	54	69
E-learning involves the possibility of wasting a lot of money	51	54
E-learning has only a marginal effect on classroom training	49	39
A lot of e-learning is low on content	35	19
E-learning is the most important development in training and development in a lifetime	23	23
E-learning is a threat to traditional training providers	18	19

### What are the main benefits of e-learning?

E-learning appears to be becoming a key component in organisations' training and learning strategies, but what are the specific benefits that organisations achieve from using e-learning? Table 7 shows that almost three-quarters of respondents believe that the chief benefit of using e-learning is that it is available 'just in time' and can be used continuously.

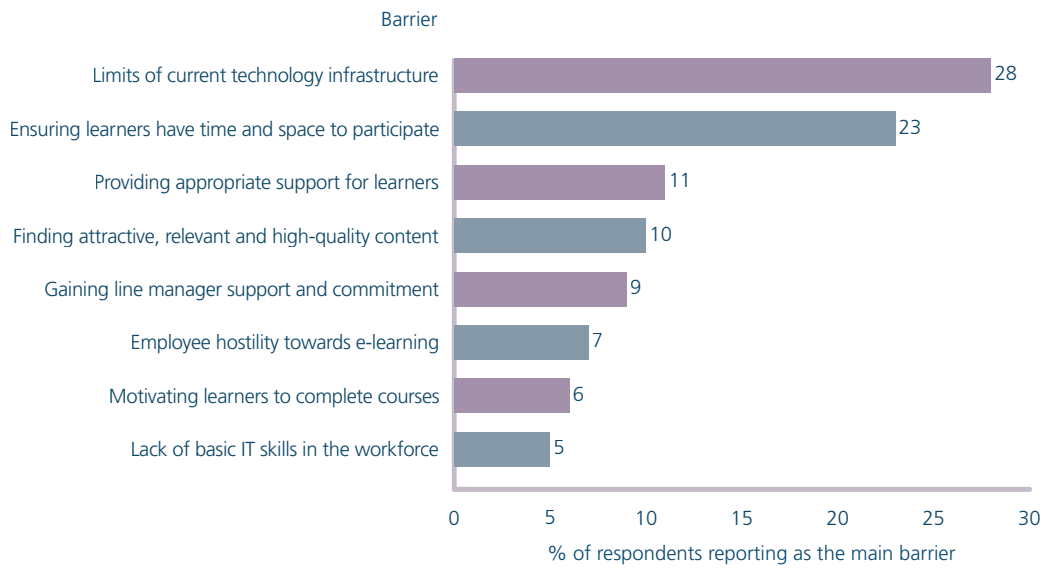
The flexibility of e-learning and its ability to simultaneously reach an unlimited number of employees are also considered to be significant benefits of e-learning. Surprisingly, less than 10% see the ability to personalise training for each individual employee as a major benefit.

Being flexible and able to reach a large number of learners makes e-learning an attractive training tool. However, trainers are still experiencing a number of practical implementation problems. Figure 3 (page 16) indicates that inadequate current technology infrastructure is considered to be the main barrier to making e-learning effective (28%), with a further 23% thinking that ensuring people have the time and space to participate in learning is a key barrier. Only 7% gave employee hostility as the main barrier.

Table 7: Main benefits of using e-learning

Benefit	% of respondents
Available just time in time and can be used continuously for learning and reference	71
Flexibility of access from anywhere at anytime	55
Ability to simultaneously reach an unlimited number of employees	49
Uniformity of delivery of training	43
Achieving cost reductions	35
Reduction in time it takes to deliver training	31
Ability to log or track learning activities	30
Possibilities of global connectivity and collaboration opportunities	10
Ability to personalise the training for each learner	9

Figure 3: Barriers to the effectiveness of e-learning



# Organisations' future skills requirements

In recent times, one of the most challenging public policy objectives in the UK has been to encourage employers to raise the skills levels of their workforce. This is a complex issue involving many factors as well as future uncertainties. The current survey sought to find out the extent to which employers are thinking about their future skills requirements. It also tried to identify the obstacles that employers may face when trying to upskill their workforce.

The good news is that organisations overwhelmingly recognise that upskilling their employees is vital to their future success. Indeed, 94% of respondents believe that upskilling their workforce is either 'very important' or 'important' to achieving their organisations' business objectives.

## How are skills requirements expected to change in the future?

The survey results indicate that respondents are expecting a more demanding future in terms of their skills requirements. Figure 4 shows that over a third of

our sample believe that higher levels of skills will be required, and just over a quarter of the sample expect they will need different types of skills. A similar proportion of the sample expects a broader range of skills to be needed (26%). Very few respondents (10%) expect to need similar or lower skills levels in three years' time. Clearly, the general expectation is for higher and broader skills to be required in the future.

Figure 4: How do you see skills requirements changing in your organisation in three years' time?

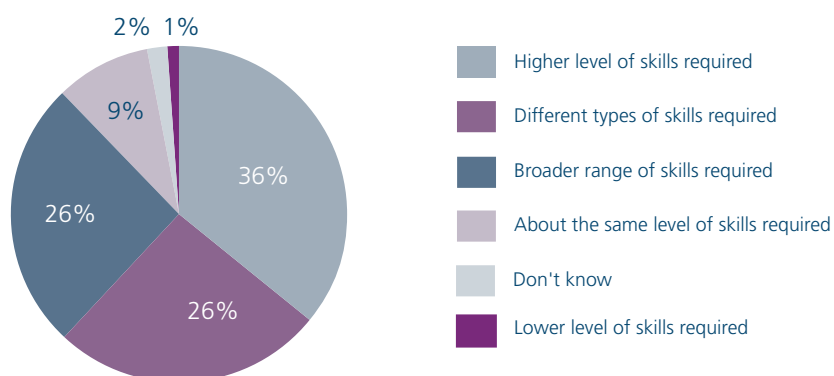


Table 8: Which of the following will influence your future skills requirements?

	% of respondents
Need to meet the requirements of organisational strategy	79
Quality improvements	56
Technological change	53
Legal requirements	51
New products/services	45
Need for greater innovation/ideas	45
Reduction in costs	41

### What are the drivers of changing skills needs?

We also sought to examine the factors driving changing skills needs. Table 8 illustrates that the most frequently cited reasons for higher or greater skills requirements stem from organisational strategy (79%) and quality improvements (56%). Other important reasons are technological change and the need to respond to more demanding legislative requirements, which are both mentioned by more than half of the respondents.

The focus on quality and innovation is encouraging, but a smaller but substantial proportion still see cost reductions as the key influence. This will be unwelcome news to those who believe that UK employers should be competing on added value rather than cost.

Figure 5: Ranked results from the thematic analysis of responses to the question, 'What type of skills does your organisation need to focus on developing to fulfil requirements in three years' time?'

1	Managements/leadership skills – Respondents indicate a need to develop managerial and leadership skills in general, but skills in managing change and project management are also needed.
2	Communication/interpersonal skills – Respondents refer to building relationships with clients and colleagues through effective communication and teamworking skills.
3	Business skills/acumen and strong commercial awareness.
4	Customer service and sales skills.
5	Advanced or higher-level technical and clinical skills.
6	Broader skillsets/multiskilling/multidisciplinary skills.
7	Coaching and mentoring
8	Innovation
9	IT skills
10	Ability to easily adapt to change

### **What types of skills will be needed to fulfil requirements in the future?**

We were interested in finding out what respondents thought were the priority areas for skills development to fulfil their organisations' future requirements. We therefore asked an open-response question inviting respondents to identify the types of skills they needed to focus on to fulfil requirements in three years' time. Analysis of the results produced a wide range of responses, as illustrated in Figure 5.

Some of these themes concern the ability of organisations to drive change and remain competitive, such as skills needed to create new products, services and internal processes. Other themes focus on the skills that organisations feel are essential in their current

environment and which they believe will remain in demand in the future. Examples of these types of skills include customer service, sales and client relationship skills and interpersonal skills such as communication and coaching/mentoring. Another major feature of the analysis is the belief that skills need to be developed to deal with a more demanding and competitive organisational environment. To remain competitive, organisations need employees with strong business acumen, as well as leaders/managers with the ability to lead the organisation through times of change. Employees themselves need to be able to respond to change by being more adaptable.

### **John Lewis Partnership: Communicating and building new standards in team leadership**

Last year, the managing director of John Lewis Partnership delivered a series of roadshows to 5,000 managers across the UK to communicate the forward business strategy. A significant part of the roadshow was communicating the role of managers in achieving those plans. Managers were told that developing leadership and management skills was critical to making a cultural shift so that the business goals could be achieved. Managers would need to focus on team leadership rather than being task- and process-oriented. They would be expected to demonstrate the following management behaviours: setting direction, coaching, motivating, listening, and delivering results.

Following the roadshows, all managers undertook a self-assessment exercise to identify their development needs in relation to moving towards this new model of team leadership. Managers were offered a broad range of options to help them develop their skills, including coaching, mentoring and action learning sets. A coaching skills programme for managers and a management development programme are being cascaded down the organisation to support this change in culture.

New performance management tools have been designed to focus on behaviour rather than task achievement. This will enable improvements in soft skills, such as team leadership, to be measured and rewarded. It is hoped that the tools will encourage managers to develop their leadership skills as they see that their management capabilities form a significant part of how they are appraised.

There has been an encouraging reaction to the new management style. This was seen in the annual Partner opinion survey, where a significant change was seen in the section manager population – this group expressed feeling more included and committed to the business than in previous years.

**Information provide by Alan Savage, Manager of Training Resources.**

### How do changing skills requirements affect recruitment practices?

Given organisations' awareness of their future skills requirements, we were interested to see how this was affecting recruitment practices and decisions. After all, new recruits are the main source of future skills supply. Table 9 shows that immediate skills requirements appear to command more attention during recruitment than future skills needs. The principal requirement that employers look for is interpersonal skills (66%). Specialist skills, experience and the potential for growth in skills are also considered to be very important in recruitment decision-making.

These highly ranked criteria seem to be the skills that are considered important today, failing to fully reflect the future skills requirements described in the previous section. It therefore looks like future skills requirements are not yet fully filtering down to recruitment mindsets and decisions.

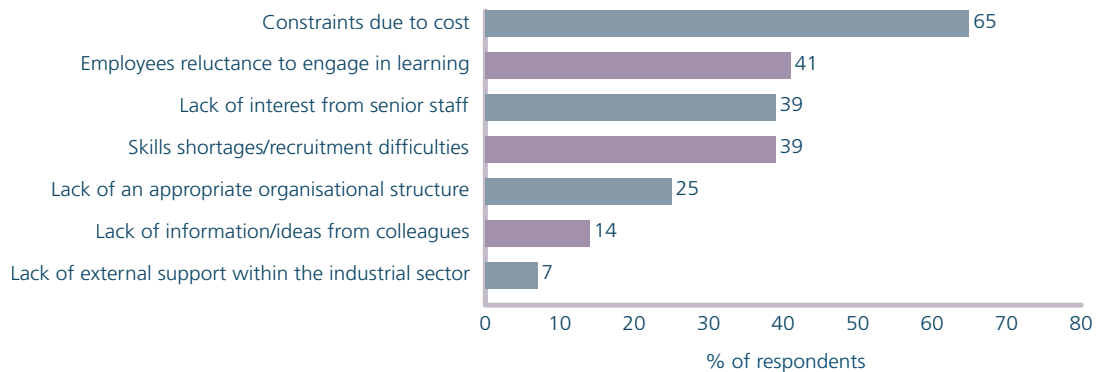
### Barriers to developing workforce skills

If employers are clear about their skills requirements in the future, what might be the difficulties they face in upskilling their workforce? The main restriction appears to be cost constraints, with 65% of respondents reporting this as a barrier (Figure 6). Following this, 41% think that their employees are not interested in developing their skills, being reluctant to engage in learning. Nearly 40% of respondents encounter problems in finding the right skills in the marketplace and a similar proportion have problems with support from senior management. An interesting result is that the only external factor – lack of support within the industrial sector – is the least most commonly reported barrier (7%). Clearly, organisations are encountering problems convincing others in their organisations (employees and senior staff) that resources and commitment are needed to start the process of developing skills to meet the future requirements of the organisation.

Table 9: When recruiting new employees, what importance do you place on the following criteria?

Criterion	Very important	Important	Not very important	Unimportant
Interpersonal skills	66	32	2	0
Potential for growth in skills	44	47	8	1
Specialist skills	43	45	11	1
Experience	38	54	8	0
Technical knowledge	29	54	16	1
Qualifications	24	57	18	1
Leadership and management skills	24	59	16	1
Potential for innovative ideas	17	57	25	1
Likely changes in skills requirements in your organisation	15	51	32	2

Figure 6: Which of the following barriers do you encounter in upskilling your employees?



## RAC Consumer Services: Reacting to management skills gaps to meet business growth plans

A talent review process at RAC Consumer Services revealed significant skills gaps in the management population in terms of their commercial and people management skills. As these skills are deemed critical for the business's growth plans, a new development programme aimed at addressing these areas was designed. The leadership team heavily supported the plans, understanding the implications for the business if this investment didn't take place. To demonstrate this commitment, the finance director acted as the overall sponsor and all the directors pledged to be actively involved in the delivery of the programme.

The learning and development team worked with an external provider to develop a programme called Accelerate. This aimed to develop high-potential staff in preparation for future leadership roles and comprised a series of taught modules to upskill people in commercial skills, alongside a series of work-based projects. The modules covered finance, marketing, planning and forecasting, commercial awareness and strategic planning. Each module was owned and co-tutored by one of the RAC's directors. The director briefed the external tutor and nominated an internal expert to help them design and deliver the module. The combination of internal and external expertise brought the learning to life by embedding it in the organisation's culture. Alongside the taught modules, relevant work-based projects were identified for participants to work on in action learning sets. Each project was owned by a director and offered participants an opportunity to practise their new skills while tackling 'live' business issues.

The six-month review of the programme was very positive – tangible business results could be seen. There was much greater collaboration across the business, with noticeable improvements in cross-functional working. By broadening managers' skills and perspectives, a large bank of people capable of working in a number of different senior leadership roles is being created. It has exposed talent across the business and changed parochial attitudes. The review also identified some areas for improvement. More time will be spent on identifying participants who will gain maximum benefit from the programme, and use of talent coaches to provide additional support to participants as they learn is being considered.

The next area of focus is enhancing people management skills. It is hoped that the Accelerate programme will become a flexible development programme, where individuals can choose a selection of modules to meet their specific needs. RAC Consumer Services now have an ambitious target associated with their talent development strategy – they want 60% of leadership roles to be filled by internal promotions.

**Information provided by Elaine Gisby, Head of Learning and Development.**

# Apprenticeship programmes

In this section we asked respondents about their involvement with various government-sponsored training initiatives and then focused specifically on their involvement with Advanced Apprenticeships (the new name for Advanced Modern Apprenticeships).

As well as assessing respondents' involvement with government schemes, we also wanted to examine the extent of their knowledge about government training initiatives. Table 10 shows that 58% of respondents are involved in NVQs/SVQs and a further 38% are aware of this scheme. Just 4% of the respondents are unaware of NVQs/SVQs. Over a quarter (29%) of respondents are involved in Apprenticeships Level 2 (formerly Foundation Modern Apprenticeships) while a fifth are involved at Advanced Apprenticeship level. Notably, however, more respondents are unaware of Advanced Apprenticeships (23%) than are involved in them (20%).

Few respondents are involved in foundation degrees (17%), student apprenticeships (15%) and pre-apprenticeships (6%) and, for all of these initiatives, more respondents are unaware of them than actually take part in them.

Table 10: Involvement in government-sponsored training initiatives

	% of respondents		
	Involved	Aware but not involved	Not aware
NVQ/SVQ	58	38	4
Apprenticeship Level 2	29	54	17
Advanced Apprenticeship	20	57	23
Foundation degrees	17	64	19
Student apprenticeship	15	58	27
Pre-apprenticeships	6	44	50

### Involvement in Advanced Apprenticeships

Among respondents who are involved in Advanced Apprenticeships, we were interested in their level of involvement and their reasons for taking part. In nearly half the cases, respondents are the principal sponsor of Advanced Apprenticeships (48%) while 18% are involved as a subcontractor and 17% are involved as a joint sponsor.

As for the reasons for involvement, Figure 7 shows that nearly two-thirds of respondents become involved with Advanced Apprenticeships to help young people get ahead. Half of respondents are involved because Advanced Apprenticeships give them access to more suitable employees and 41% cite financial assistance as the main reason.

Figure 7: Reasons for involvement in Advanced Apprenticeships



# Leadership development

Leadership development is a highly topical subject in the HR community at the moment. We regularly hear laments about a crisis in leadership in the UK due to a lack of leadership talent in organisations. We were therefore interested in gaining a current picture of attitudes towards leadership development activities, as well as identifying which development activities are being used most widely and which are considered to be the most effective.

Our survey found that 85% of respondents undertake leadership development activities, and approximately half of these report having a formal strategy in place (52%).

## Drivers of leadership development activities

Figure 8 shows that approximately two-thirds of respondents report that organisational change is the main driver for implementing leadership development activities in their organisation, with a similar percentage

reporting their forward business strategy as the main reason. For 57% of respondents, internal skills gaps are leading them to take action to develop leadership skills within their organisation. Few respondents feel that recruitment difficulties or demand from employees are key factors.

Figure 8: What drives the decision to develop leadership skills?

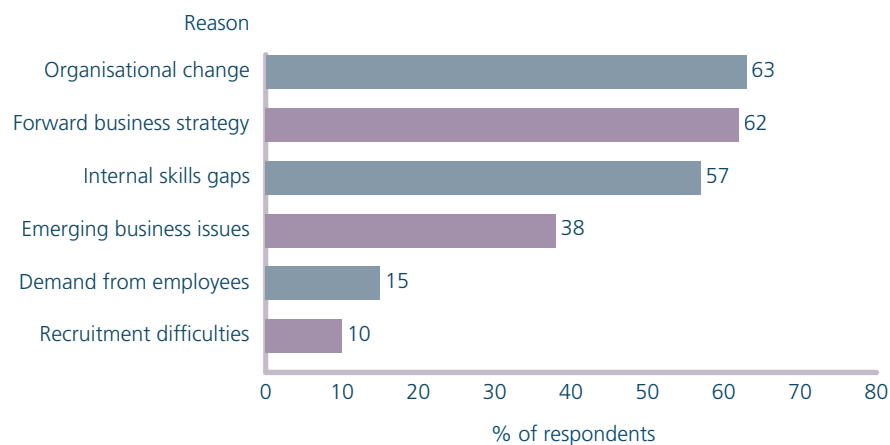


Figure 9: Most frequently reported leadership skills gaps

1	Leading people and people management
2	Leading and managing change: the ability to lead an organisation through change
3	Business/commercial acumen: the ability to think strategically for the business
4	Coaching/mentoring/developing staff
5	Performance management: in particular setting standards for performance and dealing with underperformance.
6	Communication/interpersonal skills
7	Innovation

### Leadership skills gaps

In order to understand what organisations see as their main leadership skills gaps, we asked respondents to provide us with details of the skills their leaders need to develop. The thematic analysis of these responses is shown in Figure 9. Leading people and people management skills is the most frequently cited skills gap, along with managing change in organisations. Communication and coaching also appear frequently in the analysis, indicating that soft skills are seen as an essential part of effective leadership. Business awareness and the ability to think strategically also feature strongly in the responses.

### Objectives of leadership development activities

We asked respondents to outline the main objectives of their leadership development activities (Table 11). Over half of respondents say that one of their main objectives is to improve the skills of leaders to think in a more strategic and future-focused way (56%). And over half (54%) report that achieving their organisation's strategic goals is a main objective. Other common objectives include producing a common standard of behaviour for those in leadership roles and developing high-potential individuals in the organisation. For around a third of respondents, addressing current performance problems among leaders is a priority and a further third say they need to change the leadership style across the organisation.

Table 11: Main objectives of leadership development

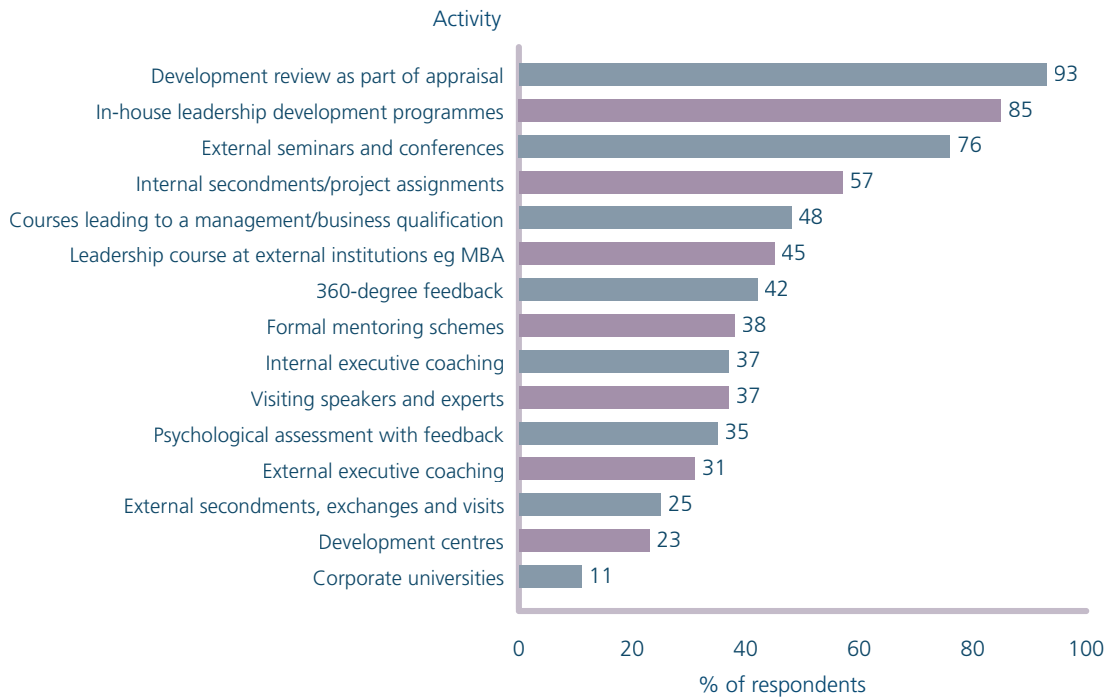
Objective	% of respondents
Improving the skills of leaders to think in a more strategic and future-focused way	56
Enabling the achievement of the organisation's strategic goals	54
Developing high-potential individuals valued by the organisation	44
Producing a common standard of behaviour for those in leadership roles	43
Addressing the current underperformance of leaders	34
Changing the leadership style across the organisation	33
Changing the prevailing organisational culture	30
Accelerating change within the organisation	29
Improving relationships with external or partner organisations	13

**What are the most common and most effective leadership development activities?**

Figure 10 reports the most frequently used development activities, with development reviews as part of appraisal being by far the most common activity, used by 93% of respondents. As many as 85% report having in-house development programmes and three-quarters of respondents make use of external seminars and conferences. Other frequently used activities are internal secondments (57%) and courses leading to qualifications (48%).

Less frequently used development activities include internal and external executive coaching (37% and 31% respectively) and formal mentoring schemes (38%).

Figure 10: Most frequently used development activities



Having established the most commonly used development activities, we wanted to know which activities were considered to be the most effective.

Table 12 lists the most effective leadership development activities. Nine in ten respondents believe that in-house leadership development programmes are effective, making it the most highly ranked development activity – ahead of internal secondments (86%), external executive coaching (84%), leadership courses (83%) and formal mentoring schemes (82%). It's interesting to note that three of the less frequently used development activities are rated as some of the most effective (external executive coaching, leadership courses, formal mentoring schemes) while the most frequently used

activity, development reviews as part of appraisal, doesn't make it into the top half of the list in terms of effectiveness.

We asked respondents to rate the overall effectiveness of their organisations' leadership development activities. Despite individual activities receiving high effectiveness ratings, only 8% of respondents rate their total activities as 'very effective', although a further 55% rate their activities as 'effective'. Worryingly, 31% say they feel their leadership activities are 'not very effective', suggesting that organisations are encountering problems achieving the required results from their activities.

Table 12: Most effective development activities

Activity	% reporting effective or very effective
In-house leadership development programmes	90
Internal secondments/projesct assignments	86
External executive coaching	84
Leadership courses at external institutions	83
Formal mentoring schemes	82
Courses leading to a management/business qualification	81
Internal executive coaching	80
360-degree feedback	79
External secondments, exchanges and visits	76
Psychological assessment with feedback	75
Development centres	75
Development review as part of appraisal	75
External seminars and conferences	72
Visiting speakers and experts	72
Corporate universities	61

### Evaluating leadership development

We asked respondents how they evaluated the impact of their leadership development activities (Figure 11). Feedback given by participants is the most frequent method of evaluation (87%) followed by appraisal systems (73%). A concern is that the least common form of evaluation is analysis of changes in individual performance or career progress (42%). This confirms many previous findings – ie few organisations spend extensive time tracking the impact of their activities, particularly when it's something that's difficult to establish, for example, the impact on individual and business performance.

The lack of evaluation may be explained by the respondents' high level of belief in the effectiveness of their leadership development activities. Ninety-one per cent of respondents believe there is a direct link between investment in leadership development and business performance. This finding makes the results of Table 13 a little startling. The main barrier to leadership development activities is that they are not considered to be essential business activities (47%). Other significant barriers are a lack of support from senior managers (40%) and problems proving the direct impact of activities on business performance (38%). This suggests that training managers still have a lot of work to do in convincing management of the benefits of leadership development.

Figure 11: Criteria used to evaluate leadership development

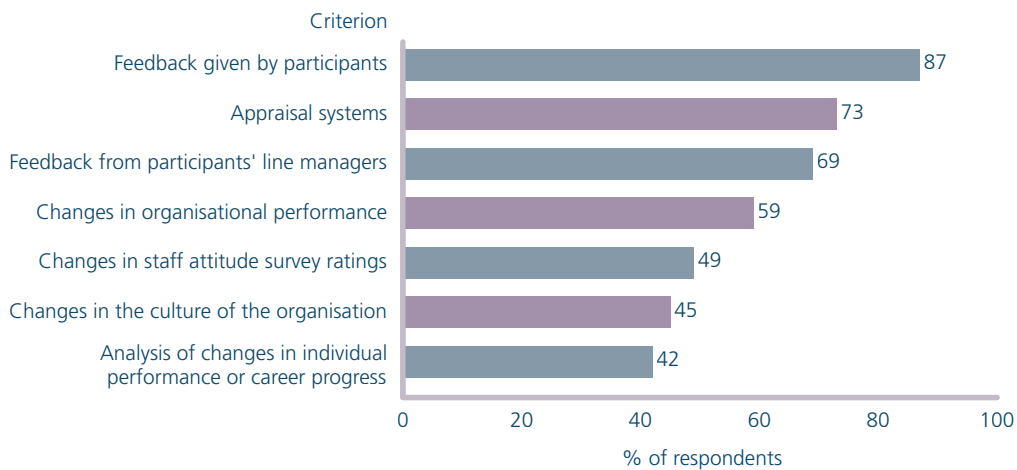


Table 13: Main barriers to leadership development activities

Barrier	% of respondents
Perception that it isn't an essential business activity	47
Lack of support/commitment from senior managers	40
Organisational culture	38
Inability to prove the direct impact of activities	38
Lack of financial support	36
Lack of interest of those taking part	30
Lack knowledge, expertise and experience to deliver it	26
Not linked to business or HR strategy	19

**Views about the value of leadership development activities**

Finally, we sought respondents' views about the value of leadership development activities by asking them to agree or disagree with a series of attitudinal statements. Table 14 shows that 98% of respondents believe that well-designed leadership activities can have a positive impact on the organisation's bottom line, reflecting the earlier finding that respondents have a high level of belief in leadership development activities. Seventy per cent agree that a key barrier to effective leadership

development is emphasis on short-term activities at the expense of longer-term strategic goals. Only a third believe that leadership development is more important than other training and development activities.

Two-thirds of respondents believe that there is a current shortage of highly effective leaders in UK organisations (65%). This suggests that the current focus on leadership development activities is likely to continue in the next few years.

Table 14: Views on leadership development activities

Statement	% of respondents who agree or strongly agree
Well-designed leadership development activities can have a positive impact on an organisation's bottom line	98
A key barrier to effective leadership development is that priority is given to short-term activities at the expense of processes that are more likely to prove longer-term and wider strategic value	70
There is a current shortage of highly effective leaders in UK organisations	65
Leadership development is more important than other training and development activities	37
Generic leadership development programmes are a waste of money as leaders need highly targeted individual development activities	31

## Broadway Homelessness and Support: Realising significant business results from developing management and leadership skills

As a small voluntary sector organisation specialising in supporting London's homeless people to move off the streets, Broadway is certainly a 'people' business. Strong management and leadership skills are seen to be critical in developing a culture that's focused on service delivery so that the organisation can successfully compete in the challenging local authority contract/bidding culture that now forms part of its external environment.

Broadway's management and leadership development programmes aim to build up generalist management skills and to create managers who are commercially aware and externally focused. A dearth of skills in the local labour market has resulted in the realisation that the organisation's future success will depend on developing and growing its own future senior managers.

All managers undertake the first year of the management development programme. This focuses on developing core management skills such as managing performance, building teams, developing staff, managing absence, managing diversity, appraisal etc. Middle and senior managers attend further modules focusing on skills that include strategic planning, project working, finance, change consultancy, creativity and innovation, and influencing and negotiating for results. This training is supported by internal and external action learning sets as well as coaching and mentoring.

Broadway has seen excellent results from its investment in the programme. The employee opinion survey provided tangible evidence of high-level staff satisfaction. The organisation has half the sickness absence rate of its sector as a whole (2.4%) and turnover rates have decreased (from 20% to 14%). Although a major monetary investment was made in the development of its managers, the opinion is that it has paid off significantly through the impact on sickness absence, staff turnover, and staff satisfaction and retention.

Last year, Broadway became the third organisation (and the first charity) in London to be awarded the Investors in People Leadership and Management Award. The organisation has also been shortlisted for the 2005 *Sunday Times* Best Employer list.

**Information provided by Richard Banks, Training and Development Manager.**

# Gaining manager buy-in to training

One of the frequent grumbles of training managers is the low priority that is given to training because of a lack of understanding about how it benefits individuals and organisations. In particular, trainers often report problems convincing managers to spend sufficient time and resources supporting the development of their team members. We were interested in assessing how supportive managers are of training activities and what can be done to build manager commitment and engagement with training.

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## How seriously do managers take training and development?

The good news is that the majority of managers do take training seriously (60%) and only a small minority of respondents (3%) think that their line managers don't take training seriously at all. During analysis, some small sectoral differences emerge. Taking the 'seriously' and 'very seriously' categories together, the results show that line managers in the public sector appear to be lagging behind their counterparts in other sectors in terms of the seriousness of their attitude to training (63% in the private sector, 54% in the public sector and 62% in non-governmental bodies).

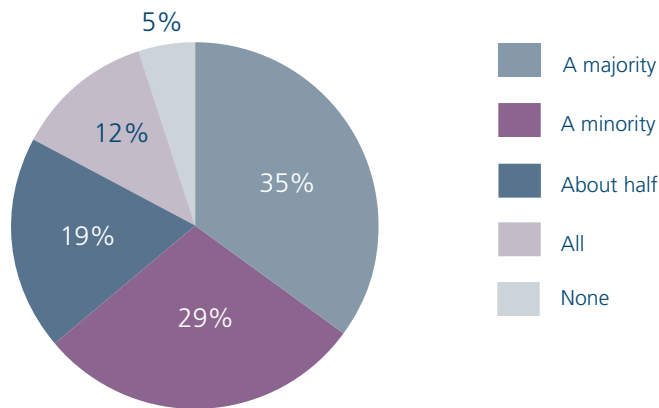
The commitment of senior managers appears to be fairly consistent with the results for line managers. Only 2% of the sample report that their senior managers are 'not committed to training at all'. But, disappointingly, only 48% of the senior managers are firmly committed to training in their organisations, with the remaining 50% being partly committed. It appears that training is not commanding as much attention at the senior level as it does at the manager level.

## Training line managers

Figure 12 (page 32) shows that 54% of organisations train either half or the majority of their line managers to support training and development activities, with a further 12% reporting that they train all their line managers. However, there is a concern that more than one-third of the organisations have either none or a minority of their line managers trained to support the training and development of their team members.

Given the low levels of training for line managers, it isn't that surprising that managers are perceived to have fairly poor skills in providing effective support for training. The survey results indicate that 36% of respondents think their line managers have 'low levels of skills and knowledge' in supporting the development of their teams. A large proportion think that their line managers have mid-ranging levels of skills and knowledge (58%), but only 6% of the sample think their managers have high levels of skills and knowledge in supporting learning and development.

Figure 12: Proportion of line managers receiving training to support training and development effort



### Why is there a lack of support for training?

One possible explanation of managers' low level of support for training is the tendency for organisations to focus on immediate operational matters rather than looking forward to establish the future needs of the organisation. In order to investigate this further, we asked respondents to indicate the main reasons why they feel there is a lack of support for learning and development.

Figure 13 shows that the lack of support for training is not so much a consequence of poor senior management commitment. It's because business pressures often take priority. Eighty-one per cent of the sample cite business pressures as the most important reason for not supporting learning and training sufficiently. This is consistent with the second most commonly reported reason – 54% of the sample think that training being 'perceived as optional or peripheral' is another important reason for a lack of support.

Figure 13: Reasons for not supporting learning and development in organisations

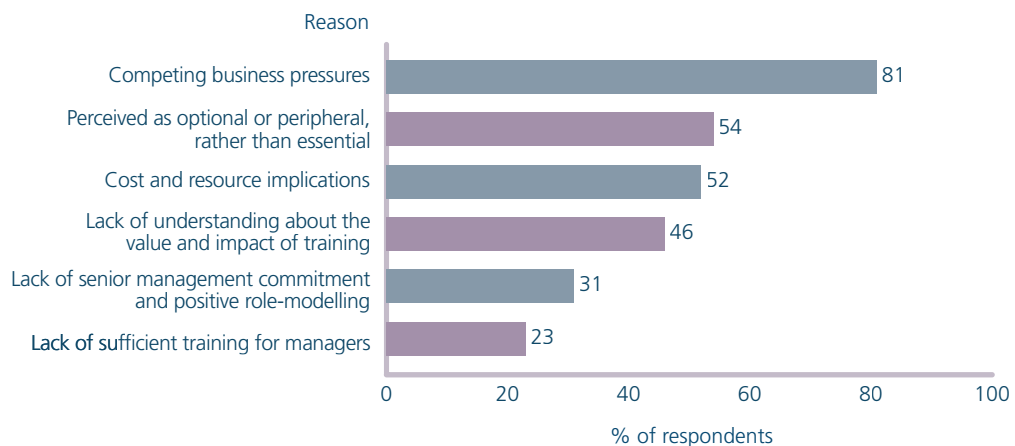


Table 15: Activities to encourage manager buy-in to training

Activity	% of respondents
Provide HR support to managers in identifying suitable development activities for their teams	80
Communicate clear messages about the importance of learning and development to managers	76
Define managers' responsibilities for the development of their teams in their job descriptions	71
Include managers' role in developing their teams as a module in management training courses	56
Encourage senior managers or leaders to act as role models or champions	53
Reward managers for developing and improving the skills of their team members	17

### Encouraging manager buy-in to training

The survey examined how organisations are trying to build and encourage manager buy-in to training. Table 15 demonstrates that the most frequently reported activities are aimed at helping people in the organisation understand and take advantage of the benefits of training.

However, it's interesting that rewarding managers for developing and improving the skills of their team members is only cited by 17% of the sample. It's often the case that 'what gets rewarded gets done.' If this is true, perhaps organisations should increase their efforts to include people development responsibilities in performance management systems.

To continue this area of questioning, we invited respondents to give us their views on the 'most critical activity HR can undertake to increase line manager commitment and buy-in to training'.

A thematic analysis of these responses provides us with greater insights into the issue of building support for training (Figure 14). Demonstrating the link between training and the bottom-line performance of the organisation is considered to be the most crucial activity HR can undertake to gain manager buy-in to training. Other important activities are integrating training into wider business and HR processes and gaining the involvement and support of senior management.

Figure 14: Most frequently cited activities considered to raise managers' buy-in to training

- 1 Demonstrating the link between training and bottom-line performance – making explicit the benefits of training in terms of performance, return on investment and productivity
- 2 Involving senior staff in training activities such as training needs analysis, role-modelling and sponsorship and feedback
- 3 Linking training more holistically with a wider range of business and HR practices such as HR and business plans, appraisals and reward/recognition
- 4 Linking training to business objectives
- 5 Educating and engaging managers through use of competency frameworks, coaching etc.

# Training spend and budgets

Information about organisations' training budgets remains a popular request from CIPD members. For this reason, we asked members for information about their training costs so that we could create benchmarking information that can be used for comparative purposes.

## What are organisations spending on training?

Across the sample, 79% of respondents report that their organisation has a training budget. The size of the training budgets varies across our sample, from £2,000 to £90 million. The average size of the training budget across the sample is £621,162 and the average spend per employee across the whole sample is £607.11.

Tables 16 and 17 provide more detailed information about reported training budgets, by sector and organisational size respectively.

Training spend per employee varies quite considerably from sector to sector. For example, the private sector has the highest training spend per employee – £817.37 – while the figures for the public sector and the non-profit organisations are £414.43 and £432.85 respectively. The higher figures for the private sector may simply reflect the higher average training budget that exists. But it may also be a result of the higher proportion of organisations in the private sector that are small and therefore don't have the benefit of

Table 16: Training budgets and spend per employee, by sector

Sector (number of respondents)	Average training budget	Spend per employee
Private (157)	£1001,213	£817.37
Public (12)	£377,254	£414.43
Non-government/non-profit (58)	£128,204	£432.85

Table 17: Training budgets and spend per employee, by number of employees

Size band (number of respondents)*	Average training budget	Spend per employee
50–99 (32)	£56,868	£738.61
100–249 (63)	£97,867	£599.71
250–499 (65)	£170,826	£483.19
500+ (138)	£1,267,190	£339.35

\* Budgetary information for organisations with fewer than 50 employees could not be analysed due to small response from organisations of that size

economies of scale in their training activities. It's interesting that non-profit organisations actually assign a higher 'per head' training budget than the public sector.

The amount of money budgeted for training per employee varies with organisational size. Average spend appears to decline with size. Firms with 50–99 employees allocate £738.61 per employee. This falls to £599.71 for 100–249 employees, £483.19 for 250–499, with the allocation in firms with 500 or more employees as low as £339.35. These results are a little surprising, but it's likely that the drop in spending is a result of the significant economies of scale in training provision: a course laid on for 50 employees is cheaper per person to run than a course for ten. An alternative explanation may be that smaller organisations often have greater training needs, particularly if they are new, expanding or have high labour turnover.

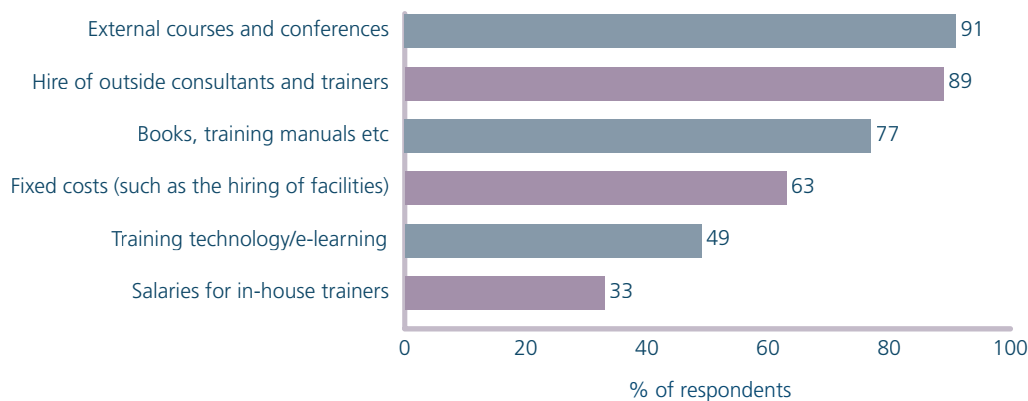
#### Limitations of reported training spend data

As a high proportion of respondents didn't provide full information in this part of the survey, the data has only limited reliability and should therefore be used with caution. It's likely that there is a systematic over-reporting of the budget in terms of average spending on training – respondents with formal training systems and a specific training budget are more likely to supply figures because it's easier for them to gather the information.

#### What does the training budget cover?

In terms of the items included in training budgets (Figure 15), there has been a remarkable level of stability in the past few years. In 2005, external courses and conferences are again the most common item included in the training budget (91%). This is followed by the hiring of external consultants and trainers (89%).

Figure 15: Items included in the training budget



The results indicate that training budgets cover only part of the training costs incurred by organisations. While around 90% of respondents include expenses such as external courses and conferences, only 63% say that fixed costs such as hiring facilities are covered, and as few as 31% report that salaries for in-house trainers are covered by the training budget. Because of this, it appears that the total costs of training are likely to be significantly greater than those recorded in training budgets alone. If organisations aren't able to provide a full picture of the full costs of training, problems may arise when they attempt to evaluate the impact and profitability of their training efforts.

### **Number of training days provided to employees**

Another way of examining organisations' training provision is to look at the number of training days provided. The survey results indicate a similar picture to last year. The mean number of training days per employee across the sample is 5.8 days, but with variations across the sectors. The public sector provides an average of 6.0 days' training, compared to 5.8 days in the private sector and 5.1 days in not-for-profit organisations.

All of these results provide information for organisations seeking to benchmark their training activities. However, any benchmarking exercise should consider how much training in their organisation is formal or informal, as this can explain differences in formal reports of number of training days or average training spend.

Organisations should be very cautious when interpreting these figures to generalise about whole sectors.

# Conclusions and implications

You can find further insights into the implications of these survey findings in a publication in the Reflections series called *Latest Trends in Learning, Training and Development*. Members can download this free from the CIPD website ([www.cipd.co.uk/surveys](http://www.cipd.co.uk/surveys)).

Although there have been some changes in the economic conditions facing UK organisations, they haven't significantly impacted on the level of funding available for training. In the public sector, economic conditions have worsened in the past 12 months, continuing the trend identified in the 2004 survey. But private sector members appear to have had a better year, with a 5% increase in the number of respondents saying their economic circumstances have improved.

Training spend varies considerably by sector. Private sector organisations spend an average £817.37 per employee on training compared to £414.43 in the public sector and £432.85 in the voluntary sector. The results indicate that training budgets cover only part of the training costs incurred by organisations. If organisations aren't able to provide a full picture of the full costs of training, they may face problems evaluating the impact and profitability of their training efforts.

In terms of training methods used, traditional methods such as on-the-job training and external conferences remain the most popular, while the use of coaching and mentoring look set to increase over the next few years. The use of e-learning continues to grow and the next few years should see the proportion of total training time delivered by e-learning increase considerably. But it's noticeable that e-learning remains a method that's most effective when used in combination with other forms of training and that respondents are still concerned that it can be over-hyped.

Organisations appear to be well aware of changing skills requirements, expecting that the future will require higher-level and broader skills across their workforces.

However, despite this, immediate skills requirements appear to command more attention during recruitment than future skills needs. Even if organisations are clear about what skills they need, they may face problems finding those skills in the marketplace. But upskilling existing staff is not an easier option, with cost constraints and commitment of employees and senior staff being the main barriers faced.

Ninety-one per cent of respondents believe there is a direct link between investment in leadership development and organisational performance. Despite this, half of those surveyed don't have a formal strategy and 47% think that the main barrier is that leadership development isn't seen as an essential business activity. This would suggest that trainers have a challenging task ahead of them in persuading senior management of the benefits of leadership development, especially as two-thirds of respondents believe there is a shortage of highly effective leaders in the UK.

Almost four in ten respondents don't think that their line managers take training seriously enough – a worrying sign. Furthermore, half of respondents feel that their senior managers are only partly committed to training. More work needs to be done to encourage and build manager support for training and it seems that the most critical activities are likely to be including people development responsibilities in performance management systems, as well as continuing efforts to demonstrate the link between training and the bottom-line performance of the organisation.

# Background

This is the seventh consecutive year the CIPD has produced its training and development survey in conjunction with the Centre for Labour Market Studies (CLMS), University of Leicester. The survey provides annual data on current and emerging practice in training and development by surveying CIPD members about their training activities. The analysis, design and management of the survey was undertaken by Dr Johnny Sung and Martin Quinn at the CLMS. The survey was project managed by Jessica Jarvis, Adviser, Learning, Training and Development, at the CIPD.

The survey was designed as a structured postal questionnaire with approximately 50 questions covering topics that included the impact of economic circumstances on training, trends in training practices, e-learning, leadership development, gaining manager buy-in, apprenticeship programmes and organisations' future skills requirements.

In September 2004, 5,000 questionnaires were sent out to training managers randomly selected from the CIPD membership database. From the sample, 664 useable returns were obtained – a response rate of 13.3%. These responses were then fed into a computerised database and analysed using SPSS.

Once the initial analysis had been undertaken, a small number of respondents took part in follow-up telephone interviews to produce mini case studies on various topics. These are included in the coloured boxes throughout the report.

Six leading commentators in the field of training and learning were commissioned to produce essays on specific elements arising from the survey results. These essays are aimed to provide a broader context to the survey findings and discuss the implications of the findings for practitioners. The essays are collected in the CIPD's Reflections series, *Latest Trends in Learning, Training and Development*, which members can download free from the CIPD website ([www.cipd.co.uk/surveys](http://www.cipd.co.uk/surveys)).

## Sample profile

The sample breakdowns by industrial sector, organisation and region are shown in Tables 18–21. The decision to survey only CIPD members means that larger organisations are slightly over-represented in the sample.

Table 18: Profile of respondents, by industry sector

	% of respondents
Agriculture and mining	1
Chemicals, oils and pharmaceuticals	4
Communications	1
Construction	3
Energy and water	1
Engineering and electronics	5
Finance, insurance and real estate	9
Food, drink and tobacco	4
IT, technical industries	3
Hotels, catering and leisure	4
Media	2
Paper and printing	1
Professional services	7
NHS	5
Local government	9
Central government	6
Other public sector	10
Retail and wholesale	6
Transport and distribution	3
Voluntary and community	5
Other	11

Table 19: Breakdown of sample, by organisation size

Size band	% of respondents
Less than 25	1
25–49	2
50–99	9
100–249	19
250–499	19
500+	50

Table 20: Profile of respondents by sector

Sector	% of respondents
Private	54
Public	33
Non-governmental/non-profit	13

Table 21: Profile of respondents, by region

	% of respondents
England	84
North-west	9
North-east	4
Yorkshire and Humberside	9
West Midlands	8
East Midlands	6
East	4
London	16
South-west	12
South-east	16
Scotland	10
Wales	4
Northern Ireland	0
Other	2

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