



Annual survey report 2009

Learning and development

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Summary of key findings

The 2009 *Learning and Development* survey provides data on current and future learning and development issues and trends. This year we have explored the areas of employee skills, talent management, coaching and technology as well as economic influences and training spend.

Current and future trends in learning and development

- The greatest changes in learning and training methods that have occurred over the last two years are the introduction of new programmes to develop the role of line managers (61%) and efforts to develop a learning and development culture across organisations (50%).
- The key role played by line managers in delivering successful training is once again emphasised by the results from this survey, with 47% of respondents believing coaching by line managers to be one of the most effective learning and development practices.
- Although only 7% of respondents deem e-learning to be one of the most effective learning and development practices, 42% say that they have actually used it more in the last two years.
- Looking to the future, almost two-thirds (65%) anticipate that learning and development activity will become more closely integrated with business strategy and 60% feel that there will be a greater emphasis on the evaluation of training effectiveness. This seems likely to be at least in part a response to the current economic downturn.

Employee skills

- The 2006 Leitch report appears to be having a greater impact than last year, with 47% of respondents now saying that they have already made use of, or considered using, the Train to Gain service (compared with 39% in 2008).
- Interpersonal (79%) and communication skills (74%) are viewed as most important when

recruiting new employees. Although 60% of respondents continue to feel that new employees are lacking in these skills, the figure has improved slightly from last year (66%).

- The development of management and leadership skills (81%) is seen as most important in meeting business objectives in the next two years. Sixty-seven per cent of respondents also feel that both strong commercial awareness and business acumen are important.

Talent management

- The proportion of respondents stating that they undertake talent management activities has fallen sharply since 2006 from 51% to 36%. However, the level of uptake varies greatly according to organisational size. Larger organisations (over 5,000 employees) are much more likely to make use of talent management (59%) than small companies employing 250 or fewer people (19%).
- The most widely used talent management activities are in-house development programmes (88%) and coaching (86%). These are regarded as being effective by 35% and 50% of respondents respectively – the top two most effective activities. The least popular activities are external secondments and action learning sets, with around a third of organisations saying that they are not used at all.
- The main methods for evaluating talent management practices is through feedback from line managers (48%), the retention of those identified as ‘high potential’ (48%) and feedback from employees involved in talent management initiatives (45%).

- The top enabler of effective talent management is clear commitment and support from the leadership team. The biggest barriers are the time and cost associated with setting up and running talent management schemes, pressures of work and resistance from line managers to attend programmes.

Coaching

- Over two-thirds (69%) of respondents use coaching within their organisations, although this has fallen slightly from last year (71%). Public sector (78%) and larger organisations with more than 5,000 employees (83%) are most likely to use coaching.
- Coaching appears to have forged closer links with management development over the last year. Fifty-five per cent of respondents agree that coaching is part of management development initiatives in their organisation, an increase of 8% on the last survey. Despite this, only 25% of respondents agree that coaching is the predominant management style within their organisation.
- While coaching may not be seen as a particularly formal process (only 36% say that in-depth training is provided to coaches), it is viewed positively by many. Fifty-seven per cent agree that being a coachee is encouraged, and 62% feel that coaching is seen primarily as a positive development opportunity rather than a remedial intervention.

Technology

- Results suggest that communication between learning and development teams and their IT colleagues could be improved. A quarter of respondents say they are not involved or consulted at all in the roll-out of new IT systems. Furthermore, only 11% feel that the implications for learning, training and development are taken into account when changes to IT infrastructures are planned.

Economic influences on learning and development

- Unsurprisingly, only 11% of respondents feel that the economic circumstances facing their organisation in the past 12 months have improved. Forty per cent report facing similar circumstances to last year, while almost half state that their economic/funding situation has worsened (46%).

Over half (57%) of organisations with more than 5,000 employees feel that economic conditions are getting worse, compared with 39% of those with 250 or fewer people.

- However, the worsening economic situation does not appear to have impacted as severely on the funds available to learning and development teams as might be expected. Around half (51%) of respondents feel that funds for learning and development have stayed the same for the past year, with around a third (32%) saying that these funds have decreased.
- Many respondents remain fairly optimistic about the future, with just under half (45%) agreeing that learning and development funds will remain the same in the next 12 months.
- Encouragingly, 76% agree that 'learning and development in my organisation is seen as an important part of business improvement'.

Training spend and budgets

- Seventy per cent of organisations surveyed have a specific training budget for the next 12 months, a decrease of 7% from last year.
- The median training spend per employee is £220, substantially less than last year (£300) and previous years (£272 and £278). In comparison with other sectors, voluntary sector organisations continue to spend more per employee per year on training.
- While large organisations have larger training budgets, they also have to spread this across a greater number of people, thus organisations with 250 or fewer employees continue to spend far more per employee than those with more than 5,000 staff.

Trends in learning and development

One of the aims of the CIPD *Learning and Development* survey is to track changes in workplace learning, as well as identify anticipated trends for the next five years.

Changes to learning and development

The vast majority of respondents have experienced change over the last two years in the way that learning and development is delivered within their organisation.

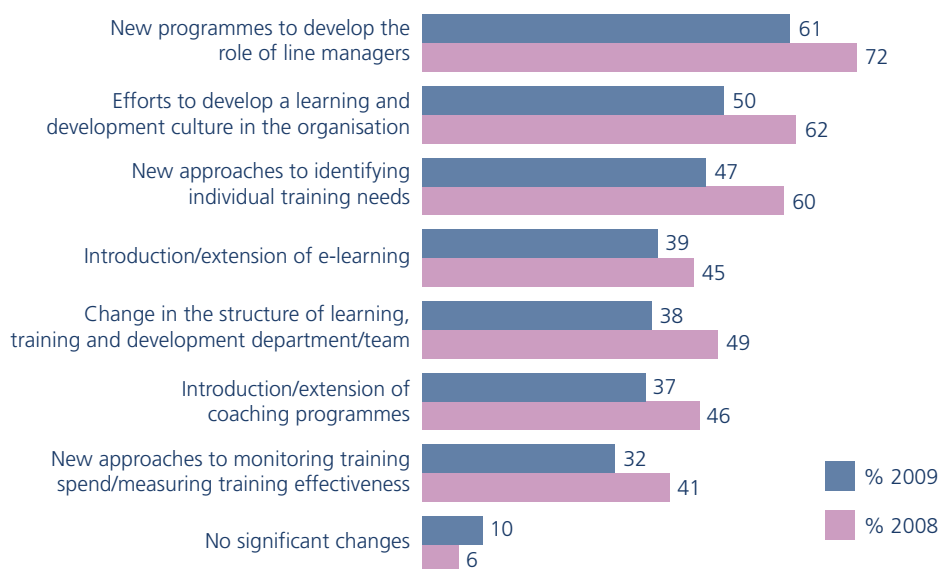
In organisations where learning and development delivery methods have changed, the most common change continues to be the introduction of new programmes to develop the role of line managers (61%); although, this has decreased by 11% from last year (72%). Respondents also point to 'efforts to develop a learning and development culture in the organisation' (50%) and 'new approaches to identifying individual training needs' (47%), although these figures are also down on last year (see Figure 1).

Use of learning and development practices

The greatest area of growth relates to in-house development programmes, with over half (57%) of respondents saying they have used them more in the past two years. Similarly, just under half of respondents (48%) are making increased use of coaching by line managers.

The learning and development practices that are least favoured by organisations are action learning sets, with just over half (54%) of respondents saying that these are not used or are used less, a similar figure to last year (53%) (see Table 1).

Figure 1: What changes have taken place in your learning and training delivery methods over the last two years?



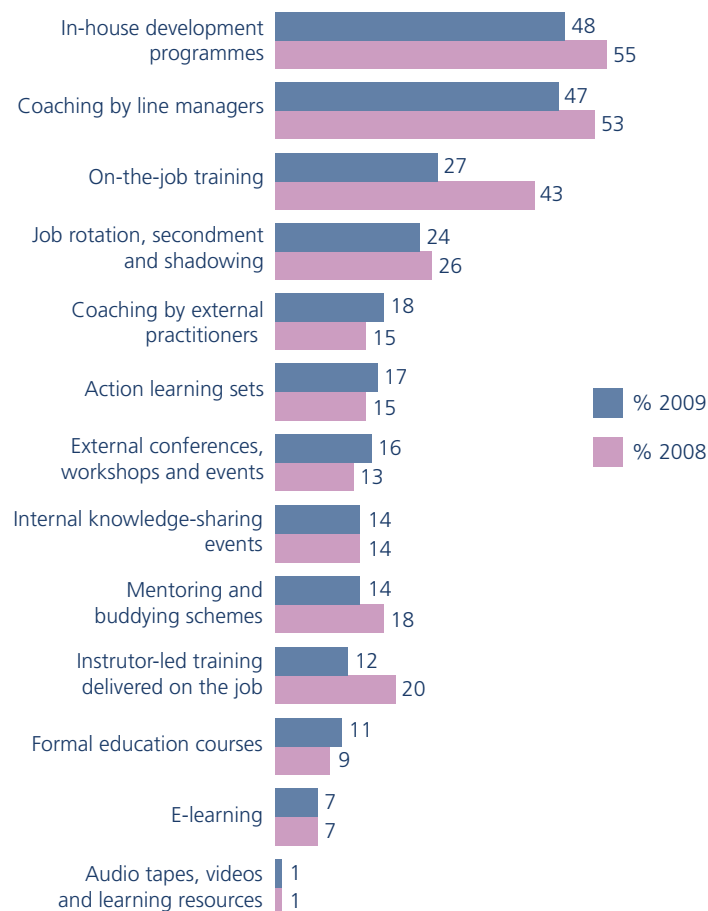
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Table 1: How has the use of each of the following learning and development practices changed over the past two years in your organisation? (%)

	Use more	Stayed the same	Use less	Do not use/ no longer use
In-house development programmes	57	29	5	6
Coaching by line managers	48	42	1	6
E-learning	42	26	3	26
Internal knowledge-sharing events	41	37	4	14
Mentoring and buddying schemes	33	43	3	18
Coaching by external practitioners	32	36	10	19
On-the-job training	32	60	2	2
Job rotation, secondment and shadowing	30	42	4	21
External conferences, workshops and events	21	60	12	3
Formal education courses	21	61	7	7
Instructor-led training delivered off the job	21	50	10	15
Action learning sets	17	24	3	51
Audio tapes, videos and learning resources	13	38	14	31

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Figure 2: What changes have taken place in your learning and training delivery methods over the last two years?



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Effectiveness of learning and development practices

In-house development programmes (48%) and coaching by line managers (47%) continue to be rated the most effective learning and development practices. Some way behind these top two results, just over a quarter (27%) of respondents view on-the-job training as the most effective learning and development practice, although its popularity has fallen by 16% since last year. This apparent loss of faith does not yet appear to have affected employers' use of on-the-job training as a learning and development tool, with 32% saying that they have used it more over the last two years.

Although e-learning is deemed to be one of the most effective learning and development practices by only 7% of respondents, 42% say they have used it more in their organisation in the last two years (see Figure 2 on page 5).

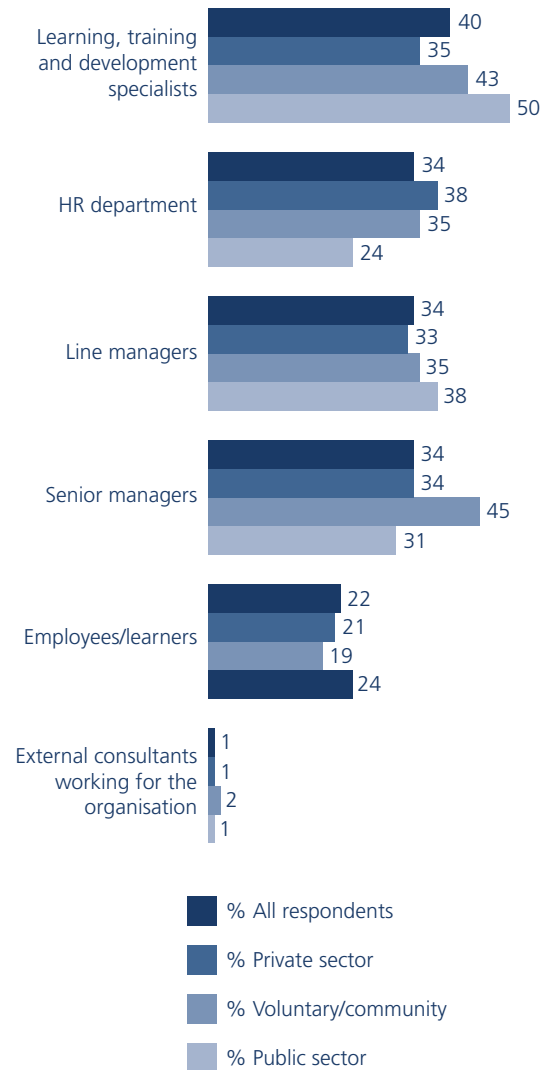
Who is responsible for determining learning and development needs?

Two-fifths of respondents (40%) agree that learning, training and development specialists have primary responsibility for determining learning and development needs (down 9% from last year). Just over a third (34%) of respondents believe it is the main responsibility of senior or line managers and only 22% of respondents believe it is the responsibility of the employees/learners themselves. The group seen to be least likely to be responsible are external consultants working for the organisation (1%) (see Figure 3).

Activities that learning and development specialists spend most of their time working on

Like last year, the tasks that learning and development specialists spend most of their time on are: managing and planning learning and development efforts (46%) and delivering courses or spending time in a training facility (43%). They are less involved in designing and implementing delivery of technology-enabled training/e-learning (8%) and managing or organising delivery by trainers employed by their organisation but not in the training department (14%) (see Table 2).

Figure 3: To what extent are the following people responsible for determining the learning and development needs of the organisation as a whole? (% main responsibility)



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Expected changes in learning and development over the next five years

The biggest change anticipated over the next five years is a closer integration of learning and development activity with business strategy (65%).

A similar proportion of respondents (60%) anticipate a

greater emphasis on the monitoring and evaluation of training effectiveness. Just under half of respondents expect more responsibility to be devolved to both learners (42%) and line managers (46%).

Table 2: Which of the following activities do learning and development specialists in or working for your organisation spend most of their time doing? (2008 figure in brackets) (%)

Overall management/planning of learning and development activities	46 (49)
Delivering courses/time in a training facility	43 (46)
Managing/organising delivery by external trainers	33 (36)
Strategy discussions/building relationships with senior managers	25 (27)
Monitoring and evaluating training	24 (21)
Delivering one-to-one coaching or individual support	16 (16)
Implementation discussions/building relationships with other line managers	16 (19)
Managing/organising delivery by trainers employed by your organisation but not in the training department	14 (14)
Designing and implementing delivery of technology-enabled training/e-learning	8 (7)
Other	10 (3)

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Employee skills

In this section we look at the level of implementation of the recommendations from the Leitch report as well as skill deficiencies and key skills needed to meet future business objectives.

The 2006 Leitch report is still having an enormous impact on the skills agenda in the UK. This report compared the skills levels of employees in the UK to those in 30 other advanced industrial nations and discovered that the UK was not performing as well as might be expected. The Government response to this report has been to announce a range of initiatives and funding for management and leadership training. The Train to Gain initiative aims to directly engage with the needs of employers and provide courses and policies specifically aimed at nurturing business skills (CIPD 2008).

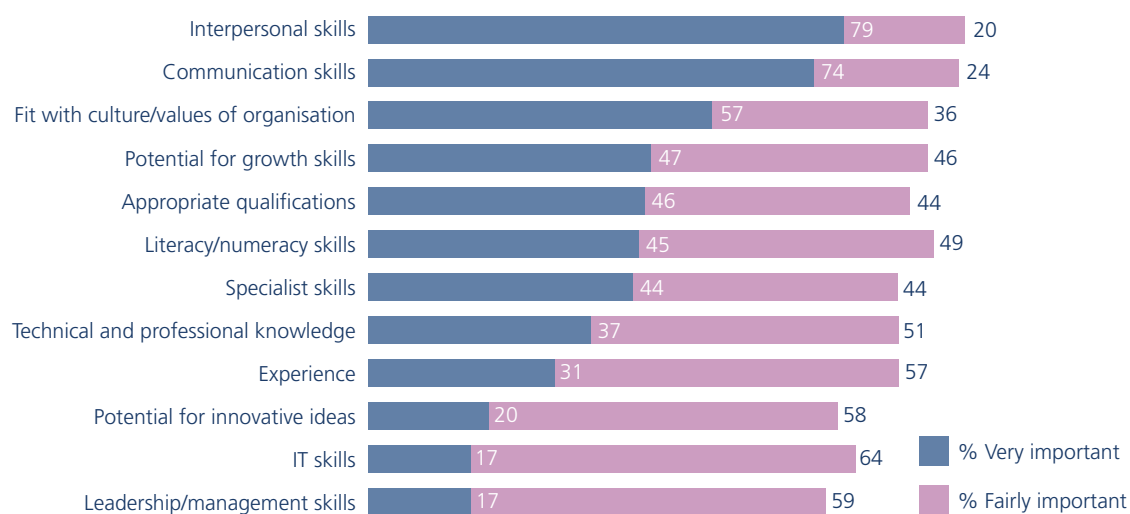
However, the 'After Leitch' report (Innovation, Universities, Science and Skills Committee 2009) maintains the targets set out by the original Leitch review are unrealistic and has criticised the complexity of the Train to Gain initiative (TrainingZone.co.uk 2009). In this section we examine employers' perceptions of government initiatives such as Train to Gain. We also identify the types of skills currently required, as well as highlight those that will need to be developed to meet future business objectives.

Table 3: Which of the following has your organisation already implemented or would consider implementing to improve skill levels? (2008 figures in brackets where applicable) (%)

	Already implemented	Considered	Would consider	Would not consider/ not relevant
Provided vocational or occupational-specific training for employees	74 (78)	8 (8)	10 (9)	6 (4)
Involvement in government-sponsored NVQs/SVQs	53 (52)	11 (13)	16 (18)	18 (13)
Involvement in government-sponsored basic Apprenticeships (NVQ level 2)	33 (n/a)	12 (n/a)	24 (n/a)	28 (n/a)
Sought external accreditation for an in-house training programme	31 (34)	21 (19)	28 (30)	18 (14)
Used the Train to Gain service	31 (25)	16 (14)	23 (30)	25 (25)
Involvement in government-sponsored Advanced Apprenticeships (NVQ level 3)	28 (n/a)	14 (n/a)	27 (n/a)	26 (n/a)
Involvement in foundation degrees	25 (29)	14 (13)	32 (33)	25 (19)
Placed an increased emphasis on literacy and numeracy training for employees	25 (23)	17 (19)	28 (27)	26 (25)
Made a Skills Pledge commitment	19 (13)	12 (10)	31 (37)	31 (30)

Base: 859

Figure 4: When recruiting new employees, how important are the following criteria? (% answering 'very/fairly important')



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Level of implementation of the specific recommendations from the Leitch report

Like last year, the most popular initiatives are the provision of vocational or occupational-specific training for employees (already implemented by 74% of employers) and involvement in government-sponsored NVQs/SVQs (53%).

The percentage of respondents who have used or participated in the Train to Gain service has risen to 31%, with a further 23% saying that they would consider it, suggesting that uptake may increase even further in the future. The least popular initiative remains the Employer Skills Pledge, with only 19% of employers saying they have already implemented it and almost a third (31%) stating that they would either not consider it or feel that it is irrelevant. These figures suggest that the Government still has work to do to engage employers with these initiatives.

Skills perceived to be important when recruiting new employees

Across all business sectors, employers consistently cite a lack of customer service and general people skills as key issues that bar access to employment (CIPD 2008). Around three-quarters believe interpersonal (79%) and communication skills (74%) are 'very important' when recruiting new employees.

Conversely, the skills seen to be least important in new recruits are those of leadership and management (with 20% of all respondents believing them to be 'not very important') and having the potential to generate innovative ideas (18% of respondents stating that this skill is 'not very important').

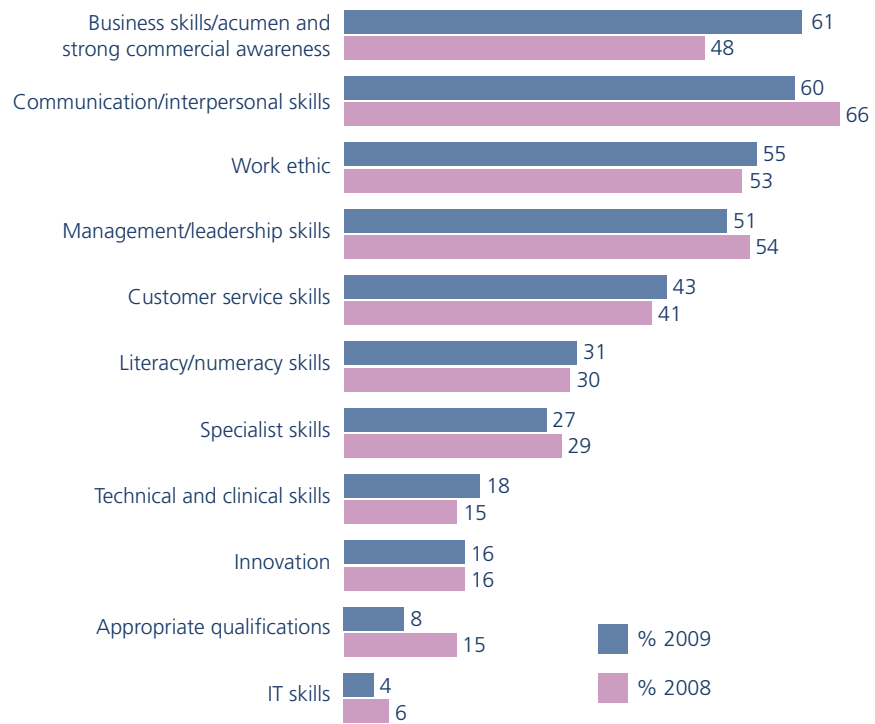
Perceived skill deficiencies among new employees

The Government is making a concerted effort to increase the extent to which skills gained from academic qualifications directly relate to the world of business. However, it appears that more remains to be done to achieve this. Sixty-one per cent of respondents say that new employees (that is, those joining from school, college or university) are deficient in business skills/acumen and lack a strong commercial awareness, an increase of 13% from last year. Communication skills are regarded as very important or important by 99% of organisations when recruiting new employees, however, 60% of respondents still believe that this is an area where school/college/university leavers are lacking (see Figure 5 overleaf).

Future skill requirements

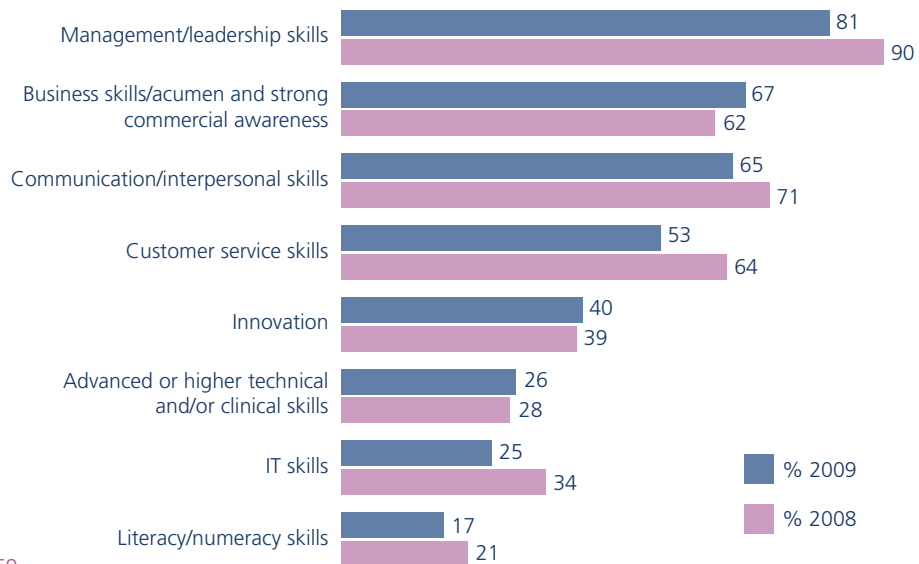
Over four-fifths of respondents (81%) believe that management/leadership skills are where their organisations need to concentrate their training to meet business objectives in two years' time. However, over half (51%) of respondents feel that new joiners are deficient in skills in this area, a fall of 3% from last year.

Figure 5: Which of the following areas do you feel that new employees (joining from school/college/university) are more deficient in?



Base: 859

Figure 6: What types of skill, if any, does your organisation need to focus on developing to meet business objectives in two years' time?



Base: 859

Given the current economic climate, it is perhaps unsurprising that over two-thirds (67%) of respondents cite business acumen and commercial awareness as a skill that it will be important to develop to meet business objectives in two years' time (see Figure 6).

Perceived deficiencies in leadership skills

Over three-quarters (76%) of respondents believe there to be deficiencies in their organisation's leadership and people management skills. However, fewer than two-thirds (64%) report this in the voluntary and community sector.

A similar proportion believe there to be a shortage of skills applicable to coaching, mentoring and developing staff (75%) and performance management (74%). There are also substantial gaps in leading and managing change (72%) and business and commercial acumen (60%). Only 29% of respondents regard 'innovation' as a deficient leadership skill.

Purpose of leadership development activities

Half (50%) of respondents feel that the main purpose

of their leadership development activities is to enable their organisation's strategic goals. A further 48% feel that a key objective is to develop leadership skills in strategic and future-focused thinking (see Figure 7).

Support for employees studying for qualifications

Employers, especially those in the public sector, appear to be keen to provide financial support to employees studying for qualifications, especially if these are professional or attained via vocational training. However, organisations are less likely to provide financial support for employees studying for undergraduate or postgraduate degrees with business content, particularly if they are a small organisation (employing fewer than 250 employees) (see Table 4 overleaf).

The survey examined the rewards given to staff who undertake further study. Organisations rewarding staff who obtain further qualifications tend to be the exception rather than the rule, with the majority of respondents saying that their organisation provides neither an increase in salary nor a bonus to staff obtaining further qualifications.



However, where employees are rewarded for gaining additional qualifications, they are more likely to receive salary increases than bonuses (see Table 5).

The likelihood of employees being granted time off to study for additional qualifications seems to be influenced by the nature of qualification being sought. While only 8% of respondents say that they would not allow any time off to employees studying for a professional qualification, 16% would not allow time off to those studying a vocational qualification and over one-third (37%) say that they would not allow time off to those studying for undergraduate degrees with business content.

Table 4: Does your organisation provide financial support for employees studying for a qualification? (%)

	Yes for all	Yes for some	No
Professional qualifications	32	63	4
Other vocational training	34	55	10
Postgraduate degrees with business content	14	58	26
Undergraduate degrees with business content	12	47	39

Base: 859

Table 5: Are extra payments in salary or bonus made to employees who achieve a relevant qualification? (%)

	Yes – salary	Yes – bonus	Neither salary nor bonus
Professional qualifications	25	7	68
Other vocational training	14	5	78
Postgraduate degrees with business content	12	4	82
Undergraduate degrees with business content	8	3	85

Base: 859

Talent management

Talent management is increasingly being recognised as an essential organisational strategy in many organisations. We have therefore included questions in this survey that are designed to assess the extent of talent management activities undertaken, the objectives of these and how effective they are felt to be.

Current use of talent management activities

In comparison with results from the 2006 *Learning and Development* survey (where we last asked about talent management), the proportion of employers undertaking talent management activities has declined from 51% to 36%. However, of those who do make use of talent management, the percentage stating that they do not have a formal talent management strategy has also sharply decreased from 60% to 39%. Larger organisations (over 5,000 employees) are much more likely to undertake talent management activities than small companies (250 or fewer employees) (59% versus 19%).

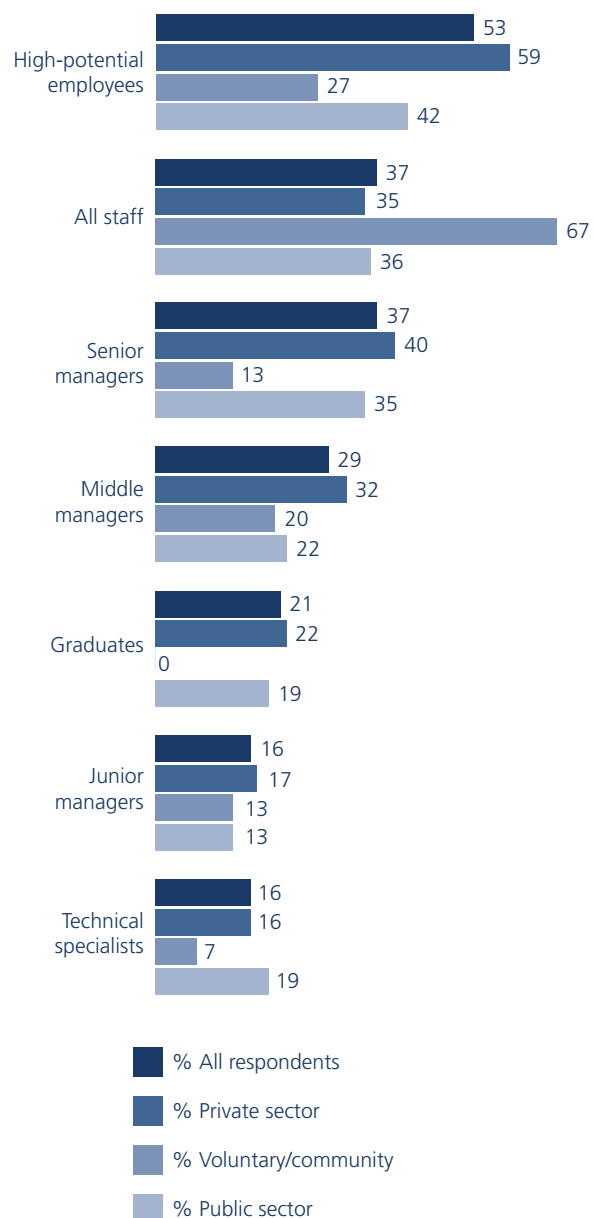
Of the talent management activities being undertaken, in-house development programmes are the most popular tools, being used frequently or occasionally by 88% of respondents, which is consistent with the findings of the 2006 survey. Eighty-six per cent frequently or occasionally use coaching compared with around a third who use external secondments (37%) and action learning sets (35%).

Who is covered by talent management strategies?

High-potential employees are most likely to be included in talent management strategies (53%), followed by all staff (37%). Only 16% of technical specialists are included in talent management strategies.

Organisations within the voluntary/community sector are much more likely than those in either the public or private sectors to include all staff in their talent management strategies.

Figure 8: Which of the following groups of employees are covered in your talent management strategy?



Base: 306

Objectives of talent management activities

Three-quarters of those surveyed (75%) agree that developing high-potential employees is one of their organisation's main talent management objectives, while 61% cite nurturing future senior managers and leaders as a main talent management objective. While these were also found to be the two main objectives in the 2006 survey, rather surprisingly enabling the organisation's strategic goals is less likely to be seen as a key objective than in 2006 (29% versus 42% in 2006).

Effectiveness of talent management activities

Reassuringly, the most commonly used talent management activities are those perceived to be the most effective (see Figure 10). Coaching is regarded as being effective by half (50%) of respondents and is used as a talent management tool either frequently or occasionally by 86% of organisations. Similarly,

in-house development programmes are regarded as being effective by 35% of respondents and are used as a talent management activity in 88% of the organisations surveyed. In contrast, only 5% of respondents regard external secondments as an effective talent management tool – a possible link to their frequent or occasional use by only 27% of organisations.

Just over one in five (21%) of respondents feel that their organisation's talent management activities are neither effective nor ineffective. This may be related to the fact that the effectiveness of talent management is not currently evaluated in 19% of organisations. Indeed, only 4% of respondents whose organisations undertake talent management activities believe that they are very effective, but over half believe that they are fairly effective (53%).

Figure 9: What are the main objectives of your organisation's talent management activities? (%)



Base: 306

Figure 10: Of the talent management activities used by your organisation, which are the most effective? (%)

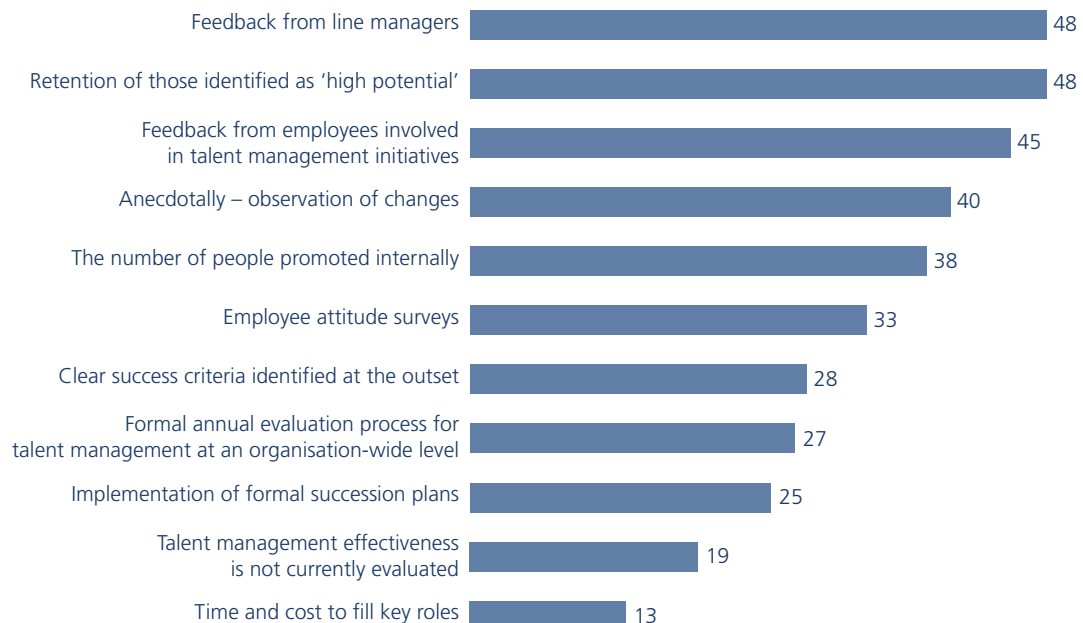


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Evaluation of talent management strategies

Feedback from line managers is used to evaluate the success of talent management activities by just under half of respondents (48%). The same proportion use retention of those identified as 'high potential' as a way of monitoring the effectiveness of their talent management strategy. Feedback from employees actually involved in the activities is also a popular way of evaluating success, cited by 45% of respondents (see Figure 11).

Figure 11: How is the effectiveness of talent management practices evaluated in your organisation? (%)



Base: 306

Talent management: enablers and barriers

Like other research examining the key enablers of talent management, the results from this survey confirm that, to succeed, commitment to the talent management initiative is required throughout all levels of management, from chief executive to line manager. Indeed, when asked why their talent management programme was so successful, one private sector organisation commented:

'The fact that our Executive Committee take full ownership for the development of their people – they lead by example from the CEO down through the organisation.'

In addition to commitment from all levels of management, other enablers of talent management include: a well-structured appraisal and performance management system, developing management skills in identifying talent and retention of current staff.

Time appears to be the biggest obstacle to undertaking effective talent management strategies. Many managers simply do not have the time available to properly address talent management strategies. Furthermore, some organisations are reluctant to grant the time necessary to implement schemes effectively or run talent management activities.

Respondents from a number of organisations cite prohibitive costs as a barrier to putting in place effective talent management strategies. In a number of cases the perceived benefits are not sufficient to justify the initial set-up costs. Indeed, one private sector organisation commented:

'Not enough time given by management on ensuring the learning and development takes place. Not enough finance provided for learning and development implementation.'

Case study: Building a talent strategy to help deliver AXA's vision

AXA is a world leader in financial protection and wealth management, with major operations in western Europe, North America and the Asia/Pacific area. It services over 50 million customers throughout the world (individuals and businesses) and in total has approximately 110,000 employees and distributors worldwide, working in around 50 countries. In terms of revenue, it is the fifteenth largest company in the world.

AXA UK comprises four operating companies: AXA Life, AXA Insurance, AXA PPP Healthcare and AXA Ireland. It is involved in insurance, investment, pensions, healthcare, protection and life cover, has 12,000 staff and generated an annual revenue of £4.74 billion last year. AXA was ranked nineteenth in the *Sunday Times' Best Big Companies to Work For* survey in 2008.

AXA UK has always believed in the value of developing its people, its vision being, 'We are the trusted market leader, employing the best people to provide confidence, outstanding value and superior service to our customers.' AXA didn't have a talent process with a strong strategic focus until late 2007, when the Talent and Leadership Team developed their vision to complement that of the UK: 'Drive competitive advantage and future business success through creating and deploying a pipeline of exceptional trusted business and technical leaders.'

Lesley Brooks, a talent and leadership partner working for AXA for 11 years, explains that core to this strategy is the organisation's ability to successfully identify both promotable talent and future leaders. Success comes from promoting the best people. To identify the organisation's future leaders, talent and potential must go hand in hand, so it's important how talent pools are defined:

- Talent – 95% of employees who have performance ratings of successful, superior or outstanding. Managers make these ratings by assessing how the individual is performing against their objectives and behaviours, which is why performance reviews are so important.

(continued)

Case study: Building a talent strategy to help deliver AXA's vision (continued)

- Promotable talent – 40% of employees who have the potential to progress to the next career level. Managers review three key criteria: ability, drive and engagement.
- Future leaders – 1–3% of employees with the potential to be a business or technical leader or technical specialist.

A major driver for AXA is to become a high-performing organisation and gain competitive advantage through the quality and capability of its people. Implicit in this goal is the need to attract, develop and retain talent throughout the organisation. Prior to 2007 there were a number of programmes that helped develop promotable talent within AXA, but nothing coherent to ensure the pipeline for the most senior positions.

The team spent a number of months researching best practice across the world before developing and launching the Future Leader Programme in April 2008.

Potential future leaders are identified through the process of the UK talent review and succession planning and through meeting specified criteria. These individuals make up the future leader talent pool. The business then prioritises who from the pool should go through the Future Leader Programme.

Participants of the programme undertake rigorous assessment at an 'assessment for development' event, developed by their partners Pearn Kandola, which aligns both the AXA leadership behaviours and additional competencies against all the exercises, which then enables measurement of individuals' leadership strengths and development needs against future roles. This process also provides AXA with rich data on its leadership strengths, gaps and risks, which can then be benchmarked externally.

After the assessment event HR works closely with the participants and their line managers to identify deployment opportunities and experiences, which helps to fast track their development and realise their potential. AXA embraces a blended learning development approach, and while there are a couple of core elements to the programme, participants are encouraged to take advantage of action learning, coaching, mentoring and work-related opportunities such as cross-functional working groups.

Before the end of the programme, individuals have to produce a portfolio that includes what they have learned about themselves, what they have done as a result of this learning and why they should be considered for specific roles in the organisation.

There have been some clear benefits in investing in this new approach to talent, as AXA now have:

- a clear pipeline of future business and technical leaders and identification of where they are in the organisation
- in-depth profiles of senior and emerging talent with an understanding of their strengths and risks
- a future leader gap and risk analysis for the future success of AXA
- internal and external benchmarked populations
- a highly rated and valued assessment and development process, which is realistic and predictive of future success
- focused and targeted individual development against the leadership framework
- business recognition and continued support of the programme.

Coaching

The use of coaching in learning and development has seen significant growth over the past few years and is perceived to be a very effective tool by many organisations. Indeed, more than two thirds of respondents to this survey make use of coaching within their organisation.

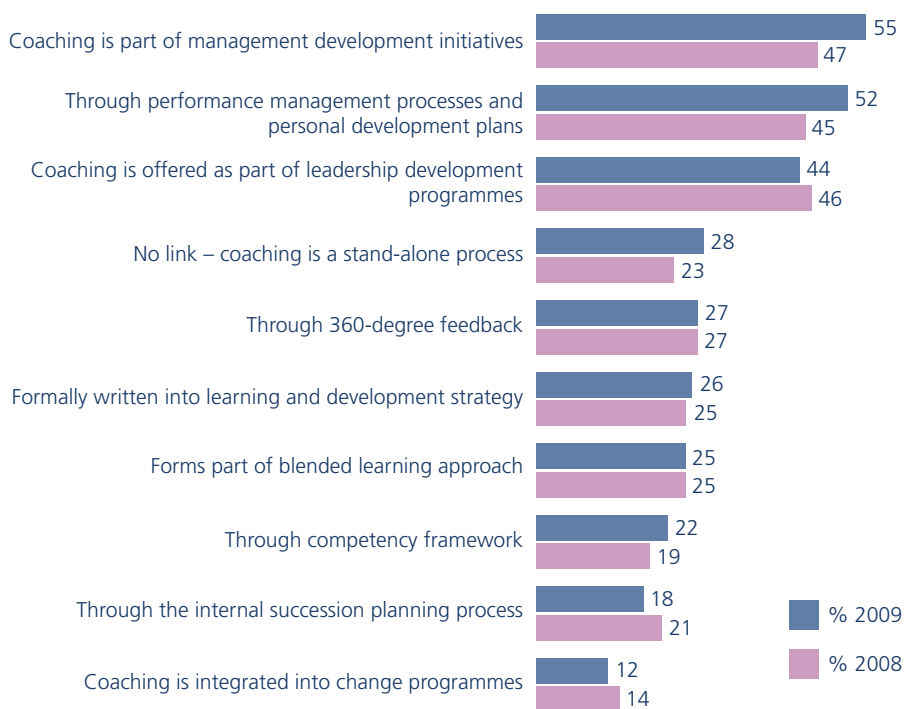
The position of coaching within overall learning and development strategies

The percentage of respondents that use coaching within their organisations has fallen slightly from 71% last year to 69% this year. Organisations in the public sector and those with over 5,000 employees are the most likely to use coaching.

Over a quarter (28%) of respondents believe coaching to be a stand-alone process within the bigger picture of overall learning and development strategies.

However, for many it is closely linked with management activities (55%), even more so than last year (47%). Furthermore, 52% of respondents say that coaching is linked to the overall learning and development strategy through performance management processes and personal development plans (an increase of 7% compared with last year). Coaching is less likely to be integrated into change programmes (12%) or internal succession planning processes (18%).

Figure 12: How is coaching linked with your organisation's overall learning and development strategy?



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The nature of coaching

Sixty-two per cent agree that coaching is seen as a positive development opportunity rather than a remedial intervention, and being a coachee is encouraged and supported by 57% of employers. Other positive findings include the fact that 47% believe there are strong role

models in their organisation for good coaching practice and the same proportion believe that time for reflection and self-development is valued. However, 42% tend to disagree that in-depth training is provided to coaches and 39% disagree that coaching training is followed up with ongoing support or supervision.

Case study: Coaching and mentoring at Baker Tilly

Background

Baker Tilly is a firm of business advisers and auditors whose brand was initially formed by the merger of two accountancy firms in 1988. Subsequently it has expanded through a series of mergers and acquisitions and is now the seventh largest accountancy practice in the UK. It has a turnover in excess of £200 million a year and 2,500 staff (of whom 250 are partners) working from 30 UK offices. It is part of the Baker Tilly International network, which is the eighth largest accountancy grouping in the world.

In the UK Baker Tilly has won many awards for its audit services – most recently UK Auditor of the Year for Pensions and UK Auditor of the Year for Charities. It has a particularly strong reputation for risk management in auditing, an extensive and successful practice in taxation, both corporate and personal, reconstruction and recovery, corporate finance, and a number of teams offering more specialist services – for example business strategy, economic modelling and employee remuneration and IT advisory.

The firm's ambitious growth strategy is dependent on the quality of their people and their development. Where they have joined from outside, their integration into the culture and practices of Baker Tilly is of prime importance. Given the nature of the business there is a strong commitment to continuous development/training within professional groupings established as 'faculties'. These are dedicated functions responsible for managing formal training and encouraging less formal interventions designed to improve performance.

Richard Jones, a long-established Baker Tilly partner in London, has been seconded to the Audit Faculty and has extensive responsibilities for coaching and mentoring in the Audit Faculty. His view is that there is now a much wider recognition of the importance of softer interventions based around self-understanding and 360-degree feedback, which has produced real business benefits.

In the London audit department formal structures and mechanisms are also implemented at the more junior and middle levels to ensure that effective coaching is in place. New starters at trainee level are assigned a buddy to assist them with their initial acclimatisation and induction. At the end of each assignment it is the responsibility of the manager to ensure that feedback is given to each individual involved on their performance. There is a well-established performance appraisal system that involves a formal review twice a year. When they have completed their examinations position, individuals must attend a 'transition' course, which includes training in coaching and feedback skills. A smaller group with particular potential are placed in a fast-track scheme and with their agreement they are then assigned two mentors – partners or senior managers elsewhere in the organisation.

Support and challenge through feedback is pervasive throughout the practice. As Richard Jones puts it, 'Formal training gives you the building blocks. However we need to try at all stages to help people understand for themselves what it is they can do to enhance their ability to meet their objectives. This

(continued)

Case study: Coaching and mentoring at Baker Tilly (continued)

will involve helping them to eliminate barriers to effective performance. Ongoing coaching alongside appraisal is the key element to this process.' He is not concerned with the formal distinction between coaching and mentoring. 'It's more important to look at the outputs and how to achieve them than worry about what we call it on the way through.'

Richard Jones's main area of responsibility within the Audit Faculty is the mentoring of partners, to provide support and encouragement to the individuals and reassurance to the faculty. He meets with three categories of partner: new partners who have achieved their position through promotion from within Baker Tilly; people new to the organisation who have joined at partner level; existing partners who have been referred to the Audit Faculty for support. In his view the underlying message is the same: 'What do you want to achieve and what steps do you need to take to achieve it?' His skills and approach as a coach are similar in each of the three situations. However the context, and hence the challenges, of each of the three categories can be very different.

With newly promoted internal partners the challenge is to encourage them to adopt a much wider perspective. Their energies and focus can be misdirected. However, their abilities are considerable and working with them is very satisfying and stimulating. New joiners brought in at partner level need to be guided in the way 'things are done around here'. They may have been used to a different audit methodology or simply a different style of working. They may need a sounding-board for their judgement calls and to be encouraged to experiment with new, more effective approaches to communication with their own and their client teams.

Very occasionally existing partners will be referred to the Audit Faculty for coaching support. This can be a difficult step for them and it will follow some observed problems in style or delivery. The challenge for Richard Jones is to avoid appearing judgemental and build trust with these partners before moving forward with them.

Richard Jones has a strong audit background – and he is committed to coaching solutions, has received appropriate training himself and has undertaken relevant psychometric tests. He is comfortable in this new role. Baker Tilly are aware that an alternative would be to outsource this provision to external coaches. While it is possible that such people could offer greater subject experience, they would not have the same understanding of the firm and its practices. Nor would they be able to build the confidence of those receiving coaching in the same way.

Technology

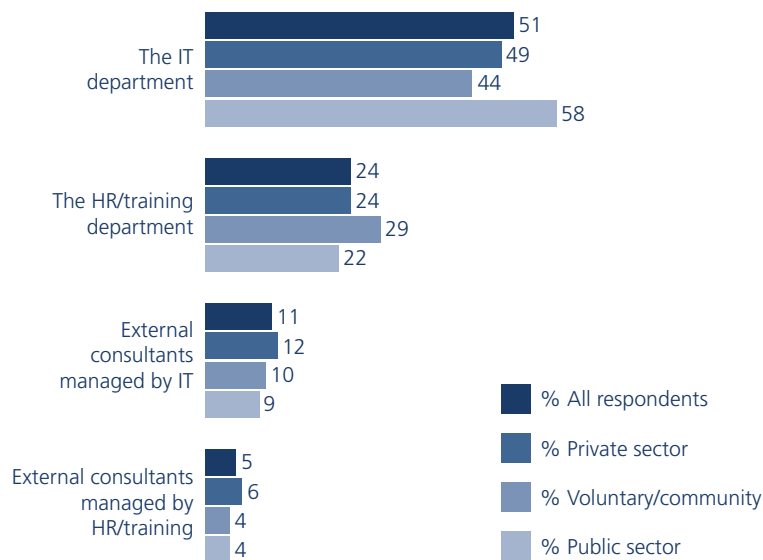
This year we have introduced some new questions to investigate both how new IT systems are introduced and who is responsible for delivering IT training.

To what extent are learning, training and development issues taken into consideration when changes to IT infrastructures are planned?

A quarter of respondents (25%) say that learning, training and development teams are not involved or consulted at all in the roll-out of new IT systems, while only 22% say that they are involved from the initial planning stages. Furthermore, only 11% of respondents feel that the implications for learning,

training and development are strongly taken into account when changes to IT infrastructures are planned. Perhaps this is because while in 53% of organisations, the HR department holds the main responsibility for ongoing training in standard IT, in 51% of the same organisations it is the IT department that is responsible for delivering training when new systems are introduced.

Figure 13: Who holds responsibility for delivering the training and development requirements that emerge from the introduction of new IT systems/software?



Base: 859

Case study: Using electronic and technology systems at the Broads Authority

The Broads Authority is a special statutory body set up under its own Act of Parliament in 1989 with responsibilities for the management and maintenance of the Broads ('a mosaic of interconnected rivers and shallow lakes'), an internationally important wetland in East Anglia with a status equivalent to that of a national park. Its main purposes are to: conserve and enhance the national beauty, wildlife and cultural heritage of the Broads; promote opportunities for understanding and enjoyment by the public; and to maintain the navigation area.

The Broads cover an area of over 300 square kilometres and 200 kilometres of navigable water, a quarter of which is of recognised international significance. Two-thirds of the Broads Authority's annual income is from the Government in the form of a national park grant and the remaining third comes from tolls paid by commercially or privately owned leisure craft. According to its vision statement, the Broads is 'a place where people come to enjoy quietly the special qualities of this wetland landscape'. The authority faces major challenges to protect this unique environment in the face of rising sea levels and climate change. Moreover, it has a high public profile regionally and nationally. As the Chief Executive, John Packman, puts it, 'National parks and navigation authorities have a high public profile and for a small organisation we are very fortunate in the high level of contact with ministers.'

Some 150 people are employed by the Broads Authority, 40 of whom are seasonal staff who have a contractual arrangement with the authority. There are also 200 volunteers who are essential to the delivery of services. The intention is to create an integrated approach to the discharge of all the functions across the organisation and involve all the staff.

For a small organisation there is a very wide range of skills, expertise and disciplines. Indeed, when a restructuring exercise was undertaken in 2001, over 80 separate job descriptions were identified. At one extreme some authority employees are internationally renowned scientific experts in fresh water bodies and conservation. At the other it has recently taken over from a private contractor a group of employees who undertake dredging work to maintain the navigational channels. There are people who work in isolation patrolling the Broads by foot or by boat – most of whom are continually in contact with the public. There are also the finance, administrative and support staff that one would expect at any public body.

The use of systems

All except a handful of the staff and volunteers have easy access to a personal computer, though some of the staff patrolling the rivers and countryside use a PC at the base station. The standard Microsoft Office systems (Outlook for email, Word, and so on) are in use throughout and the challenge has been to make best use of the more specialist niche or bespoke systems available. These can potentially have a very positive impact. According to John Packman, 'If you are a small organisation, the only way you can deliver enhanced services while containing costs is through technology.' Hence systems are seen as a key driver of productivity. A good example is a new toll system that is currently being implemented. The intention is that, in the future, all leisure users will be able to pay their annual toll online, thus saving administration costs.

Such systems demand a basic literacy and confidence on the part of all staff at all levels. Three years ago the HR department recognised that basic skills were variable and used the European Computer Driving Licence (ECDL) to improve the overall levels. The ECDL is an internationally recognised qualification that

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Case study: Using electronic and technology systems at the Broads Authority (continued)

enables people to demonstrate their competence or basic computer skills. The approach taken was to load the software onto every PC in the authority. This allows members of staff to access the software when convenient to them. The majority of learning needs, such as ECDL, are identified during annual staff performance reviews held in February each year.

Following this initiative the basic level of skills are in place and are not a constraint on the introduction of new systems. The staff at the Broads Authority are generally committed to the organisation and are willing to acquire new knowledge and skills if they will lead to greater effectiveness at work. The difficulty is that, to quote Hannah Daugaard-Hansen, the Head of Human Resources, 'As soon as we get to grips with the learning and training needs of one system another comes along.' This creates a particular challenge in determining solutions and priorities. If the user is a sophisticated learner there is less of a problem. Currently, for example, the authority has issued a small number of scientific staff with personal digital assistants (PDAs) to record information on plants and on rights of way.

There is current concern about gaining the main benefits from a bespoke document management system (DMS), which is designed to reduce dramatically the need for paper-based transactions (for example invoices). The system is in place and most staff use it in some way or another. However, it is recognised that the full potential impact on office productivity is less than it might be and there is far too much reliance on ongoing support from the IT department. On the other hand a new module on the HR information system, which allows individuals to direct information on absence, holidays, training and performance, is more widely and effectively used; its introduction was preceded by a series of short classroom familiarisation and training sessions and it featured at new staff inductions.

The responsibility for systems training will always be shared between the IT and the HR functions. There is a recognition that some staff will learn systems as they go along, if they have the fundamental skills. However, there will always be a challenge in particular with ongoing learning, in part finding the resources and time to put programmes in place. Occasionally external providers are used to present short classroom courses. For example, when the Microsoft systems were upgraded, lunchtime seminars were arranged to share experience on PowerPoint.

Generally, however, the support of individual learning will be an issue that will grow in importance in the HR and IT departments. This will particularly apply when new systems that can lead to improved productivity are introduced.

Economic influences on learning and development

In this section we examine the views of CIPD members on the economic circumstances facing UK organisations and the influence this has on the funds available for learning and development.

Against a backdrop of economic uncertainty, respondents were asked their views about the economic circumstances facing UK organisations and how this has affected the funds available for learning and development within their organisations.

Unsurprisingly, only 11% of respondents feel that the economic circumstances facing their organisation have improved in the past 12 months, down by 9% from last year. While 40% of respondents think that the economic circumstances facing their organisation have stayed

relatively static, nearly half (46%) feel they have worsened, an increase of 13% from last year. These views may well have changed since respondents were surveyed in October 2008.

Over half (57%) of organisations with more than 5,000 employees feel that the economic conditions they face are getting worse, compared with 39% of those organisations with 250 or fewer employees. Organisations within the public sector are also more likely than any other sectors to report worsening conditions.

Table 6: How would you describe the economic/funding circumstances facing your organisation in the past 12 months? (by sector) (%)

	Private sector	Voluntary and community	Public sector
Better	13	8	9
Same	40	46	40
Worse	44	42	50

Base: 859

Table 7: How would you describe the economic/funding circumstances facing your organisation in the past 12 months? (by size) (%)

	250 or fewer employees	251–1,000 employees	1,001–5,000 employees	5,000 or more employees
Better	14	10	14	6
Same	44	40	40	34
Worse	39	50	45	57

Base: 859

Impact on the funding of training

The impact of the worsening economic situation on learning and development does not appear to be as adverse as might be expected. While almost a third (32%) of respondents feel that funds available for learning and development in their organisation have decreased in the past 12 months, this is only an increase of 5% points compared with the last survey (27%). Indeed, over half (51%) of respondents state that funds have remained relatively stable and 14% feel that funds have actually increased. This may well be linked to the fact that 70% of respondents agree that learning and development is a high priority in their organisation and 76% feel that it is seen as an important part of business improvement. Reassuringly, only a third (33%) agreed with the

statement ‘in an economic downturn, learning and development in my organisation is considered a “nice to have” rather than a necessity’.

The private sector appears to be faring slightly better than other sectors, with 15% of respondents stating that funds available for learning and development have increased over the past 12 months compared with only 10% of public sector organisations.

Smaller organisations (with fewer than 250 employees) continue to be less likely to report a decline in their training funds over the past 12 months (26%) in comparison with those employing more than 5,000 people (44%).

Table 8: How has this affected the funds available for learning and development in the past 12 months? (by sector) (%)

	Private sector	Voluntary and community	Public sector
Increased	15	13	10
Stayed about the same	49	59	51
Decreased	33	25	34

Base: 859

Table 9: How has this affected the funds available for learning and development in the past 12 months? (by size) (%)

	250 or fewer employees	251–1,000 employees	1,001–5,000 employees	5,000 or more employees
Increased	16	15	16	5
Stayed about the same	55	51	50	45
Decreased	26	32	32	44

Base: 859

Future prospects

We asked respondents how they expect the funding of learning and development to change in their organisations over the next 12 months. Fourteen per cent of respondents are optimistic and believe that funds for learning and development will increase, while just under half (45%) think that funding will remain roughly the same. However, just over a third (36%) of respondents believe that funding will fall over the next year, an increase of 16% on last year.

Fifty-nine per cent of respondents from voluntary and community organisations feel that funds for learning and development have remained stable over the past

12 months; however, they do not feel that the future will be as rosy. Indeed, 29% of respondents from these organisations think that the funds available for learning and development of employees will decrease over the next 12 months. This belief is not limited to this sector alone. Thirty-six per cent of public sector and 37% of private sector respondents also expect funding for learning and development to decrease over the next 12 months. Respondents from large (over 5,000 employees) organisations are also pessimistic about funding for learning and development over the next 12 months, with 52% expecting it to decrease.

Table 10: How do you expect the funding of learning and development to change in the next 12 months? (by sector) (%)

	Private sector	Voluntary and community	Public sector
Increase	14	19	10
Stay about the same	44	50	47
Decrease	37	29	36

Base: 859

Table 11: How do you expect the funding of learning and development to change in the next 12 months? (by size) (%)

	250 or fewer employees	251–1,000 employees	1,001–5,000 employees	5,000 or more employees
Increase	15	12	16	9
Stay about the same	46	51	47	34
Decrease	33	31	31	52

Base: 859

Training spend and budgets

Information on training budgets remains a popular request from CIPD members. In this section we ask respondents about both their training spend and the average number of training days that employees receive.

In total, 70% of respondents say that their organisations have a specific training budget, a decrease of 7% from last year. Employers in the private sector are once again least likely to have allocated budgets, with voluntary/community organisations and those in the public sector leading the way.

The median training spend per employee is £220, substantially less than last year (£300) and the previous two years (£272 (2007) and £278 (2006)). While the budget per employee of organisations in the private and voluntary sectors has risen since last year, the public sector has fared worst, falling to £127 per employee compared with £222 last year.

Budgets also vary considerably between organisations of different sizes. Smaller companies may have smaller budgets but they continue to spend more per employee (£417), while companies with more than 5,000 employees spend the least per employee (£125).

A fall in training spend could be linked to the decline in recruitment in the current climate. The CIPD 2008 autumn *Labour Market Outlook* survey report, which

was conducted at a similar time as the *Learning and Development* survey, recorded a significant drop in the proportion of respondents planning to recruit employees over the next three months – 75% compared with the 86% recorded in the spring 2008 survey. The winter *Labour Market Outlook* survey report (December 2008 – January 2009) has shown this percentage fall even further to 62% (CIPD 2009). If recruitment drops, training spend is likely to follow suit as there is less demand for corporate training and induction modules.

The winter 2008–09 *Labour Market Outlook* survey report also indicates that cutting learning and development expenditure is seen as a way of avoiding redundancies by one in five of organisations (21%), which will no doubt have an impact on training budgets in the coming months (CIPD 2009).

The items most likely to be covered by training budgets are external courses and conferences (64%) and the hiring of external consultants and trainers (60%), while salaries for in-house trainers are least likely to be covered (19%).

Table 12: Which items are currently covered by your training budget? (%)

External courses and conferences	64
Hiring external consultants and trainers	60
Books, training manuals and so on	55
Training technology	32
Fixed costs	27
Salaries for in-house trainers	19
Other	4

Base: 859

We asked those who keep a record of the number of training/development days to indicate how many days an employee receives in a 12-month period. While over a third (34%) of respondents do not keep a record, among those who do, the average number of training days is six per employee.

Table 13: Budget and training days received in the last 12 months, by sector and size

	Respondents with a budget (%)	Budget per employee (£)	Training received per employee (days)
Sector			
Private sector	63	314	6.5
Voluntary and community	82	417	5.4
Public	82	127	4.9
Size			
250 or fewer employees	61	417	5.7
251–1,000 employees	76	260	7.2
1,001–5,000 employees	79	184	7.1
5,001 or more employees	74	125	4.8
	Base: 859	Base: 605	Base: 555

Conclusions and implications

The 2006 Leitch report is still exerting a noticeable influence upon learning and development strategies and those organisations willing to consider implementing its main initiatives, the Skills Pledge and the Train to Gain service, have increased significantly from last year. However, in line with the more negative findings of the 'After Leitch' report (Innovation, Universities, Science and Skills Committee 2009), a considerable proportion of organisations (around a quarter) still would not consider implementing these policies or regard them as an irrelevance. With the importance of business skills and commercial awareness ranked so highly by employers, it will be interesting to see whether the Government's aim to increase the direct business relevance of courses has an impact on these figures.

In addition, the 'After Leitch' report recommended that the Government's skill targets should be broadened to include re-skilling rather than simply focusing on upskilling. This will be particularly important in the coming year with redundancies on the increase, not only to support people who have lost jobs, but also those who have been out of the labour market for a while (TrainingZone.co.uk 2009).

The Government has also started to recognise the high quality of much of the in-house training provided by many corporate organisations and has formally given accreditation to courses run by organisations such as McDonald's and Flybe (CIPD 2008). Given the already extensive usage of in-house development programmes and their perceived effectiveness, the number of organisations seeking external accreditations for their internal training and development programmes may well rise.

Although the business case for a clear talent management strategy has strengthened over recent years, the majority of respondents do not undertake talent management activities. While there has been a decline in the proportion of employers undertaking these activities since the 2006 *Learning and Development* survey report, it appears that the talent management strategies that are in place have become more formalised.

The use of talent management strategies is most widespread among the private sector, but least among voluntary and community organisations. Furthermore, the larger a company, the more likely it is to undertake talent management activities. The current economic downturn and uncertainties about the future mean that the effective and strategic use of talent management is increasingly important. However, cost is perceived as a major barrier and it remains to be seen whether companies that do not currently make use of these activities will be willing or able to implement talent management as a new strategy this year.

Coaching continues to be used by the majority of organisations and is viewed as a highly effective learning and development tool, both generally and also more specifically as a talent management activity. While it is clear that as a process it is viewed favourably, and that being a coachee is encouraged, more support needs to be offered to coaches. Not only should employees receive in-depth training prior to becoming a coach, they should also be provided with ongoing support and supervision. This will not only help coaches to continuously develop their skills, but also provide a useful way of monitoring the quality and effectiveness of coaching as a learning and development tool.

Unsurprisingly, the proportion of employers predicting improved economic circumstances over the next 12 months has declined. More positively, employers are more likely to say that the funds for learning and development will stay the same over the next year rather than fall. On the other hand, there has been a sharp decline in the average training spend per employee this year – perhaps this is a more realistic indication of things to come.

With funding for learning and development seen as less likely to increase than last year, it will be extremely important for learning and development professionals to closely align their activities to business strategy and increased efforts should be made to assess their effectiveness. Both of these actions will help to ensure that organisational requirements are constantly being met.

Background

This is the eleventh annual CIPD *Learning and Development* survey. The survey examines current practices within learning and development and explores the issues affecting the profession now and in the future. While a number of new questions have been introduced, the majority of questions remain the same as last year, giving us the ability to provide useful benchmark data.

The analysis, design and management of the survey was undertaken by Nicky Day, Amy Colaço-Osorio and Marisa Tuffnell at Ipsos MORI and by Claire McCartney and Victoria Winkler at the CIPD.

The survey was carried out using an online questionnaire. This was sent out to 5,000 CIPD members who hold roles as learning, training and development managers. An email reminder was sent to respondents halfway through the fieldwork and of the 5,000 sample, 859 usable questionnaires were returned, representing a response rate of 17%, a slight increase from last year (15%).

The returned questionnaires were analysed using SPSS.

Although 5,000 CIPD members were sent the survey only 859 returned the questionnaire. Therefore we cannot be certain that the figures obtained are exactly those that would have been obtained if everybody had taken part. However, at a 95% confidence interval we can be certain that the results are accurate to +/-3%.

Where percentages in the results do not sum to exactly 100%, this may be due to computer rounding, multiple responses or a number of not stated answers.

A small number of respondents took part in follow-up telephone interviews to produce mini case studies on a selection of topics. These are presented in the coloured boxes throughout the report.

Sample profile

The sample breakdown by industrial sector and organisational size is shown in Tables 14, 15 and 16. As usual with CIPD surveys, the sample is skewed towards larger organisations, which reflects the membership profile of the CIPD. However, as Table 16 shows, the survey gathered responses from a reasonable proportion of smaller and medium-sized organisations.

Table 14: Profile of respondents, by industry sector (%)

Agriculture and forestry	–
Chemicals, oils and pharmaceuticals	3
Construction	3
Electricity, gas and water	1
Engineering, electronics and metal	5
Food, drink and tobacco	3
General manufacturing	4
Mining and quarrying	–
Paper and printing	1
Textiles	–
Other manufacturing/production	5
Professional services	9
Finance, insurance and real estate	6
Hotels, catering and leisure	4
Transport, distribution and storage	3
Media	2
Retail and wholesale	4
IT services	2
Communications	1
Call centres	1
Other private services	8
Care services	3
Housing association	3
Charity services	4
Other voluntary	3
Central government	3
Health	7
Education	5
Local government	8
Not stated	–

Base: 859

Table 15: Profile of respondents, by sector (2008 figure in brackets)

	%
Private	61 (51)
Voluntary and community	13 (11)
Public	29 (38)

Base: 859

*the total exceeds 100% because some respondents ticked more than one sector

Table 16: Profile of respondents, by size (2008 figure in brackets)

Number of employees	%
250 or fewer	37 (26)
251–500	13 (16)
501–1,000	12 (13)
1,001–5,000	21 (22)
5,001–10,000	8 (8)
10,001 or more	9 (12)

Base: 859

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