



Annual survey report 2006

LEARNING AND DEVELOPMENT

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Summary of key findings

The 2006 learning and development survey provides data on current and emerging trends and issues in learning, training and development. This year, we focused on some important issues facing the profession: developing talent, changes in workplace learning, demonstrating the value of learning, and developing a coaching culture, as well as providing benchmark information on training spend.

Developing your talent

- Fifty-one per cent of respondents undertake talent management activities, although only 20% report having a formal definition for it.
- Developing high-potential individuals (67%) and growing future senior managers (62%) are the two main objectives for talent management activities.
- In-house development programmes, coaching and succession planning are the most common activities.
- The most effective practices are in-house development programmes; internal secondments; and coaching. Succession planning, external secondments and action learning are considered to be the least effective.
- Ninety-four per cent agree that well-designed talent management development activities can have a positive impact on an organisation's bottom line.
- Forty-seven per cent agree there is currently a shortage of high-quality talent in UK organisations.

Developing a coaching culture

- Seventy-nine per cent of respondents report using coaching activities.
- Four-fifths of those using coaching report that their organisation aspires to having a coaching culture (80%) and three-quarters say they are investing time and resources to achieve this aim.
- Improving individual and business performance is the main business driver behind this aspiration.
- Forty-seven per cent report that they train managers in coaching skills, while 18% say they are providing coaching via a network of internal and

external coaches. A third of organisations say they are implementing both of these activities (35%).

- A coaching culture is considered 'very important' or 'important' to the success of an organisation by 93% of the respondents who undertake coaching activities.
- Competing business pressures are cited as the main barrier to developing a coaching culture by almost two-thirds of the sample (66%), with around half also citing a lack of internal skills and experience as a barrier (52%).
- Fifty-four per cent of respondents say that those involved in coaching activities are not rewarded and recognised for their efforts.

Changes in workplace learning

- On-the-job training is identified as the most effective form of learning by 39% of respondents.
- Eighty-five per cent believe that training is now more geared to meeting the strategic needs of the business than it was a few years ago.
- Four-fifths report that learning and training now incorporates a much wider variety of activities (79%) and almost three-quarters (74%) agree that their jobs now involve a greater element of consultancy.
- Only a quarter believe that e-learning had significantly altered learning and training offerings (25%).
- Two-thirds believe that learning and training is now taken more seriously by senior and line managers (63% and 68% respectively) and over half (58%)

believe the learning and development department has far more credibility than before.

- The implementation of new programmes to develop the roles of line managers is the most common change to workplace learning practices in the past 12 months.
- Only 42% feel that a career in learning and training is now more appealing.

Involvement in organisational change activities

- There is almost universal agreement (93%) that a consideration of the learning and development implications of change is critical to its success.
- But only 29% of respondents feel that the learning and development implications are considered 'important' when their organisations plan major change initiatives.
- Thirty-three per cent of respondents report that they're not involved in the planning process for change until after all the major decisions have been taken, and 9% of respondents said the learning and training department isn't involved at all.
- Many respondents feel that this exclusion is because training implications are not thought through (54%) and 46% believe it's because they're not considered key stakeholders in organisational change.
- Over 80% of respondents feel that greater involvement could result in higher employee satisfaction and improved business results.

Demonstrating the value of learning, training and development

- Nine in ten respondents use some form of evaluation to demonstrate the value of their learning, training and development activities (91%).
- Of these, 98% evaluate to Kirkpatrick level 1 criteria, 73% to level 2, 62% to level 3 and 36% to level 4. Only 18% look at the full return on their investment in learning and training.
- More complex evaluation activities tend to be applied to far fewer training events – 28% say they evaluate to level 2 for at least 75% of training events, whereas only 9% evaluate a similar proportion of training events to level 4.
- Operational skills needs (both immediate and future) are the most common business measures used in evaluation.
- Problems proving the value of training persist – 80% report that their training activities are

delivering greater value to the business than they are able to demonstrate.

- The most commonly cited barriers to effective evaluation are a lack of resources to undertake lengthy evaluation exercises (76%) and a lack of time (67%).

Economic influences on training and development

- Twice as many organisations report facing worse economic circumstances in the past 12 months than better (41% against 19%).
- Smaller organisations report better economic circumstances than larger ones.
- Public sector respondents give a gloomy view of their economic circumstances – 56% report their circumstances have worsened (compared to 34% in the private sector and 37% in the voluntary sector).
- Funding for training decreased for 22% of respondents in the past 12 months. Only 17% say funds have increased.
- Just 23% of voluntary sector respondents report budget cuts compared to 30% in the private sector and 42% in the public sector.
- Nineteen per cent of respondents expect funds for training to increase in the next 12 months, whereas 26% anticipate a decrease and 48% expect funding to remain steady.

Training spend and budgets

- Seventy-three per cent have a training budget, with the average spend per employee being £469.
- Those employing less than 100 people spend more per head on training (£898) than those with more than 500 employees (£344).
- Private sector organisations spend an average of £488 per employee, compared to £447 in the public sector and £438 in the voluntary sector.

Developing your talent

In 1997, McKinsey and Company completed a landmark study on talent management. The study argued that competitive advantage resulted from having superior talent and that managing talent was critical to effective HR management. Few people would disagree with this view. However, since then, commentators have expressed concerns about strategies that concentrate exclusively on an elite high-potential few, rather than those that take a more inclusive, 'whole workforce' approach. We were interested in assessing current attitudes and practices in relation to talent management and development within UK organisations.

Adoption of talent management activities

Of the whole sample, 51% of respondents report undertaking some form of talent management activities. Sixty per cent of organisations have no formal talent management strategy, and even more (80%) have no formal definition for talent management.

Table 1 reveals that private sector or large organisations are most likely to have adopted talent management practices. In fact, further analysis shows that 75% of private sector organisations employing over 500 employees undertake talent management activities.

Table 1: Talent management adoption, by sector and by size

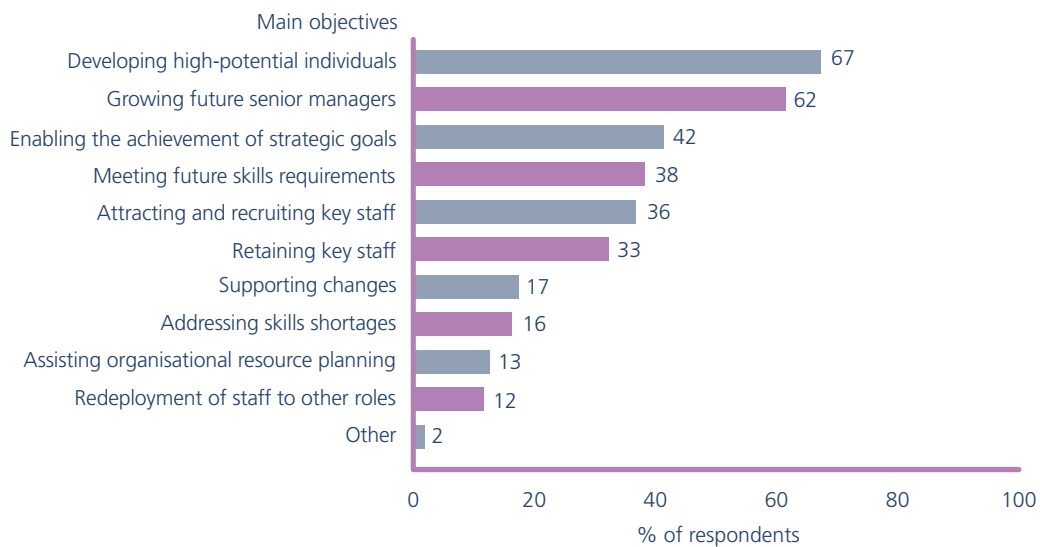
	% undertaking talent management activities
Sector	
Private	56
Public	46
Voluntary	30
Number of employees	
500 or more	61
250–499	54
100–249	35
Less than 100	35

What are organisations' objectives for their talent management activities?

Figure 1 shows that the most common reasons for investing in talent management activities are developing high-potential individuals (67%), growing future senior managers (62%) and enabling the achievement of strategic goals (42%).

These findings suggest that talent management is a future-focused activity, with organisations using it to develop their workforce to meet the strategic needs of the organisation. But it's also clear that there is a focus on the development of employees considered to have 'high potential' or to be future senior managers/leaders.

Figure 1: Main objectives of talent management



Who is talent management aimed at?

The survey results confirm that organisations, for the most part, are choosing to focus their resources on select groups of employees. Table 2 shows that 40% of respondents aim activities at their high-potential employees, while slightly fewer organisations (26–32%) report including their managerial employees in talent management activities.

Technical staff are the least likely group to be included in talent management activities. 'All staff' are only included by 28% of respondents, which demonstrates the relative rarity of an inclusive, 'whole workforce' approach to talent management.

Table 2: Types of staff involved in talent management activities

	% of respondents				
	All	Majority	Half	Minority	None
All staff	28	12	10	47	3
High-potentials	40	31	9	17	3
Senior managers	32	32	14	16	6
Junior managers	25	14	14	39	8
Middle managers	26	19	21	30	4
Graduates	28	12	9	21	30
Technical staff	19	21	10	34	17

Use of talent management activities

Organisations report using a wide range of different activities to develop their talent. Table 3 shows that around two-thirds (63%) of organisations frequently use in-house development programmes for talent management – the most popular method.

Coaching, succession planning and mentoring are frequently used by around one-third of those who invest in talent management. External secondments, action learning and development centres are among the least commonly used practices.

Table 3: Delivery methods for talent management

	% of respondents			
	Frequently used	Occasionally used	Rarely used	Not used
In-house development programmes	63	28	4	4
Coaching	43	38	13	6
Succession planning	34	40	18	8
Mentoring and buddying	32	36	19	13
Cross-functional project assignments	26	38	15	22
High-potential development schemes	26	37	14	24
Graduate development programmes	25	21	9	45
Courses at external institutions	25	51	20	5
Internal secondments	23	50	15	12
Assessment centres	20	26	14	41
360-degree feedback	20	33	16	30
Job rotation and shadowing	18	32	26	23
Development centres	15	26	16	44
MBA's	12	44	29	14
Action learning sets	11	24	21	44
External secondments	6	23	29	43

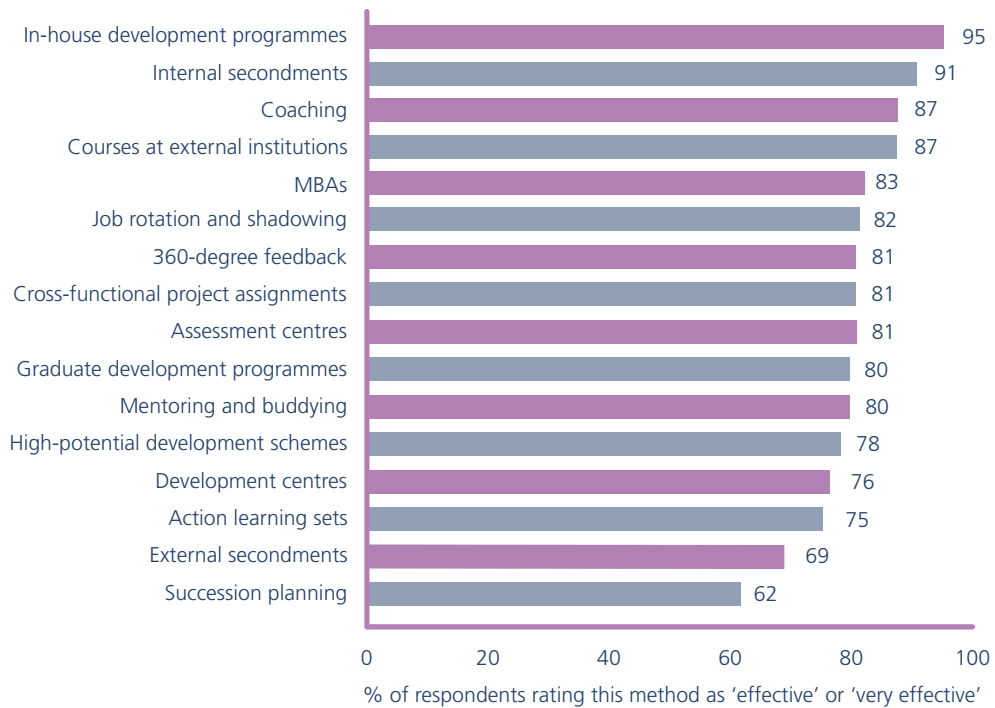
However, use of different activities varies depending on organisational size. Small organisations (less than 250 employees) report that coaching is the most popular method of developing talent (44% of the relevant sample). But larger organisations (250 or more employees) report that in-house development programmes are far more popular than other methods (66% of the relevant sample).

effective (95%). This is not always the case for other frequently used practices listed in Table 3. Succession planning, for instance, is the third most frequently used talent management activity, but is considered the least effective of all the practices shown in Figure 2. (Further statistical analysis on the rankings suggests that the correlation between preferred methods and effectiveness is 'weak' (Spearman Rho, 0.3).)

But which are the most effective practices?

Interestingly, the survey reveals that the most widespread methods are not always the most effective. In-house development programmes are the exception, being used frequently and also considered to be highly

Figure 2: The effectiveness of delivery methods



The most effective practices are believed to be in-house development programmes, internal secondments and coaching, while succession planning, external secondments and action learning are considered to be the least effective. It should be noted, however, that all practices received relatively high ratings of effectiveness.

Looking at activities as a whole, we find that 65% of respondents rate their organisation's talent management activities as 'very effective' or 'effective'. The remaining 35% – a fairly high proportion – feel that their activities are 'ineffective'. Some of the barriers to talent management reported by survey respondents include a lack of resources (money and time), poor management buy-in, and a lack of a formal, cohesive strategy. It therefore seems that organisations can achieve positive results from talent management activities but the strategy, commitment and resources need to be firmly in place for it to be successful.

Views about approaches to talent management

Finally, we sought to capture respondents' views about a number of different facets of talent management by asking them to agree or disagree with a variety of statements (Table 4). The responses provide an interesting perspective on organisations' philosophies towards this area of activity.

The vast majority of the sample agree that talent management is a business priority for their organisations (87%). It's likely that this is a result of the high level of belief in the value of well-designed talent management activities – 94% of respondents agree that it can have a positive impact on an organisation's bottom line.

Table 4: Views on talent management

	% of respondents who agree
Well-designed talent management development activities can have a positive impact on an organisation's bottom line	94
Using the term 'talent' is demotivating for employees who aren't selected to be part of that group	67
Talent management is a key part of our organisation's attraction and retention strategy	63
Special attention needs to be paid to the talent management of certain groups of workers, including women, ethnic minorities and older workers	52
There is currently a shortage of high-quality talent in UK organisations	47
Graduate recruitment/development programmes deliver a good return on investment to the organisation	38
Talent management activities should be focused on high-flyers or high-potential employees	29
Talent management is not a business priority	13

The investment in talent management activities is further explained by the 47% of respondents who agree that there is currently a shortage of high-quality talent in UK organisations. To counter this, organisations appear to be adopting talent management activities as part of their wider attraction and retention strategy (63% agree this is the case). It seems there is now a widespread acceptance that organisations need to 'grow' their own future talent rather than simply relying on the wider marketplace to provide it.

Despite earlier findings in this section indicating that organisations were focusing their efforts on high-potential employees, a contradictory view emerges here. Less than a third of respondents (29%) agree that activities should be focused on high-flyers or high-potential employees. And two-thirds agree that using the term 'talent' can be demotivating for employees not selected to take part. This more inclusive perspective on talent management is further supported by the 52% who also agree that special attention needs to be paid to identifying and managing talent within certain groups of workers such as women, ethnic minorities and older workers.

Developing a coaching culture

In the CIPD's 2004 training and development survey, we made the first attempt to collect detailed information regarding UK organisations' coaching activities. A high proportion of respondents (78%) reported using coaching activities in one form or another, though few of them had formal strategies in place to guide their activities. In this year's survey, we sought to assess progress in coaching and to particularly focus on organisations' coaching aspirations and the activities they use to develop a coaching culture.

Aspiring to have a coaching culture

This year, a similar level of coaching usage was reported by respondents (79%), but a new trend is emerging in which organisations are seeking to develop a coaching culture. Eighty per cent of respondents using coaching

claim their organisation aspires to develop a coaching culture, and 75% report investing time, resources and effort into achieving this aim.

Figure 3: Main business drivers for developing a coaching culture



It seems likely that organisations are seeking to develop organisational cultures characterised by coaching because they believe it will aid their performance. This is confirmed by the survey findings – 93% of respondents using coaching believe that a coaching culture is either 'very important' or 'important' to the success of their organisation. And Figure 3 shows that improving individual and business performance are the main objectives for developing a coaching culture (72%). This indicates an increasing emphasis on short-term task

performance at the expense of long-term development of organisational capability.

Coaching activities

We asked respondents what activities they were implementing to support the development of a coaching culture. Forty-seven per cent indicated that they are training line managers to act as coaches, while 18% said they are providing coaching via a network of internal and external coaches. Thirty-five per cent

reported that they are taking a dual approach and implementing both coach-training for managers and coaching via internal and external coaches.

Views and attitudes towards coaching activities

New CIPD research, *Making Coaching Work: Creating a Coaching Culture* (2005) by David Clutterbuck and David Megginson, identified a series of features that characterise organisations at different stages on the journey towards developing a coaching culture. In this survey, we sought to assess the progress of UK organisations along this journey by polling a range of statements about coaching activities and beliefs about coaching more generally. There are positive signs of progress within the survey data that reveal an interesting perspective on developments to date (Table 5).

Although we know that a high proportion of organisations are training their managers in coaching skills, 41% admit that coaching doesn't form part of their managers' job descriptions. Furthermore, 54% of respondents report that those who are involved in coaching activities are not rewarded and recognised for their efforts. If organisations are serious about developing a coaching culture, surely a good place to start would be to make it a clear part of managers' job descriptions and reward those who demonstrate commitment and skills in this area?

Table 5: Coaching in your organisation

To what extent:	% of respondents		
	Completely or to a large extent	To a small extent	Not at all
...is coaching seen primarily as a positive development opportunity rather than a remedial intervention?	45	46	10
...are coaching activities linked to business goals?	42	47	11
...is being a coachee encouraged and supported?	38	54	8
...is in-depth coaching training provided to coaches?	31	42	28
...are senior managers overtly supportive and committed to coaching?	30	56	14
...is preparatory training/briefing provided to coachees?	28	51	22
...is coaching integrated into wider HR strategy and processes?	27	55	18
...is the move towards more use of coaching actively managed?	26	51	23
...are there strong role models for good coaching practice?	25	54	21
...is coaching followed up with ongoing support or supervision?	23	49	28
...is coaching a formal part of managers' job descriptions?	23	36	41
...is time for reflection and self-development valued?	21	51	28
...do line managers take coaching responsibility seriously?	21	67	12
...does coaching happen at all levels in the organisation?	18	57	25
...is coaching the predominant management style?	14	44	42
...are coaches accredited, certified or licensed?	13	19	69
...are people recognised and rewarded for their involvement in coaching?	11	35	54
...are there effective mechanisms to identify and address barriers to coaching?	10	47	44

Coaching is no longer associated with remedial action and is linked to 'some' or a 'great' extent to business goals in around 90% of organisations. However, it is worrying that only 27% feel that coaching activities are completely integrated into wider HR strategy and processes. This lack of alignment could have a serious impact on the likely success of initiatives. Forty-four per cent feel that there aren't any effective mechanisms in place to identify barriers to coaching, which again suggests problems in trying to identify lessons learned and to reshape activities in light of this. Together these findings suggest that, although organisations aspire to having a coaching culture, there's still a long way to go before they realise this ambition.

Barriers to developing a coaching culture

Despite organisations' positive attitudes and beliefs about coaching, a successful coaching culture may not become established for a variety of reasons. Table 6 shows that competing business pressure (66%) forms the main barrier to developing a coaching culture. This

is followed by some of the more usual suspects – lack of expertise (52%), lack of investment (48%) and poor senior management commitment (48%). Another major challenge appears to be a lack of data and research to prove the value of coaching – this was selected by 42% of respondents.

Despite organisations' aspirations about, and investment in, coaching to date, a number of issues exist that are impacting on their likely chances of success. More forethought and resources are required if organisations' aspirations of developing coaching cultures are to be realised.

	% of respondents
Competing business pressures	66
Lack of internal skills and experience	52
Lack of investment and resources	48
Lack of senior management commitment	48
Lack of data to prove the value of coaching activities	42
Lack of belief in the value of coaching	34

Developing a coaching culture at The Children's Society

The Children's Society is a national charity in England, employing approximately 800 employees. It aims to support disadvantaged children and young people, including those who are disabled, refugees, at risk on the streets, or in trouble with the law.

The Children's Society increasingly has to deal with the dynamics of a rapidly changing world and as a result has recognised a need to strengthen local accountability and develop managers who are capable of growing the business. To enable these goals to be met, a new leadership style and culture is being developed to move away from a 'command and control' leadership style and towards a model of collective leadership. The charity believes coaching can help change and embed a new culture within the organisation by empowering people at the grassroots to take responsibility and develop accountability.

The Children's Society doesn't have a formal strategy for their coaching activities, but coaching does form part of its emerging approach to management development. The Society's management team aspires to develop a coaching culture, and a series of initiatives have been undertaken to introduce coaching to the organisation:

- six-month coaching contracts for senior managers with external coaches
- a series of coaching skills workshops for managers to build up internal coaching capability
- formal, external training for some HR professionals to become internal coaches
- coaching by internal and external coaches to support key individuals taking part in a development programme
- workshops on 'performance and development coaching' for middle and senior managers to develop their coaching approach and style
- plans to introduce action-learning-style peer-coaching groups, which will encourage mutual support and progress for people in dealing with 'live' issues.

To date, the coaching activities have been received well, but the learning and development manager feels that demonstrating tangible results will be critical to their ongoing success.

Interestingly, one of the main barriers to coaching is understood to be the dominant 'training culture', where employees assume they must attend a training course to be able to do something. Instead, the Children's Society sees itself on a journey towards a model of work-based, self-managed learning, with employees being offered a wider variety of ways to learn.

The Children's Society's plans for developing an internal and external coaching network all sit within its aspirations for changing the leadership style/culture and meeting its business goals. Developing a coaching culture is understood to be an important element in achieving its organisational strategy.

Information provided by Michael White, Learning and Development Manager (Central Region).

Changes in workplace learning

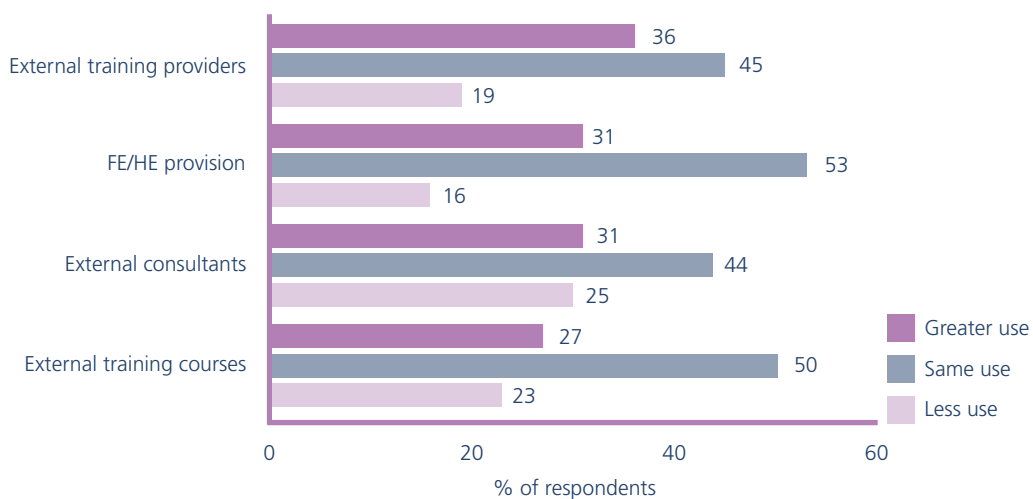
In the last few years, a number of significant changes have taken place in the way that employees learn in the workplace. A stream of CIPD research has concentrated on a shift away from a pure focus on instructor-led training activities and towards encouraging and supporting individuals to learn. This is associated with less use of formal courses and external resources and greater use of work-based methods such as coaching, mentoring and on-the-job training. In this section, we aimed to identify how far these changes have taken place.

Use of external resources in learning and development

Figure 4 shows that more than a third of respondents have made greater use of external training providers in the last few years (36%). Just under a third also say they are using further or higher education (FE/HE)

provision (31%) and external consultants (31%) to a greater extent as part of their learning, training and development activities. It therefore seems that formal and external training remains a significant part of organisations' learning and development activities.

Figure 4: Use of external learning, training and development resources



Rhetoric or reality about trends in workplace learning?

Respondents were asked if they agree with a series of statements about some much-discussed developments in learning, training and development of the past three years. Table 7 shows that 85% of respondents agree that training is now more geared to meeting strategic business needs and this is likely to result from a greater

focus on training due to organisations' continually changing skill requirements (72%). More bespoke training is also being used (84%) and 81% believe that developing a culture conducive to learning and development is a major focus within their organisation.

Progress towards a more learner-centred style of delivery does appear to be taking place. Four-fifths

report that learning and training now incorporates a much wider variety of activities (79%) and 74% agree that their jobs now involve a greater element of consultancy with both managers and learners. Eighty-four per cent support claims that learners are being encouraged to take more responsibility for their own learning and, overall, it was agreed that the training department is now more a facilitator of learning than a provider of instruction (73%).

However, other trends appear to have been more hype than reality. Only a quarter of respondents believe that e-learning has significantly altered learning and training offerings, which suggests that

the e-learning revolution predicted by some commentators hasn't had the transformational impact that was anticipated.

Disappointingly, only 42% of respondents feel that a career in learning and training is now more appealing, which suggests that some of the recent changes in workplace learning practices aren't to everyone's liking. But the good news is that two-thirds of respondents believe that learning and training is now taken more seriously by senior and line managers, and 58% believe that the department has far more credibility than before.

Table 7: Changes in learning, training and development in the past three years

	% of respondents who agree
Training is more geared to meeting the strategic needs of the business	85
Learners are now encouraged to take more responsibility for their learning and development	84
More bespoke training is being delivered with the aim of solving specific organisational problems	84
A major area of focus now is developing a culture that is supportive of learning and development activities	81
Learning and training now involves a much wider variety of activities	79
We now work much more closely with managers on the learning, training and development of their teams	76
Learning, training and development jobs now involve a greater element of consultancy activity with managers and learners	74
The training department is more a facilitator of learning than a provider of instruction	73
There is now a greater focus on training because organisations' skills requirements are constantly changing	72
Learning and training is taken more seriously by line managers	68
There is now more focus on supporting individual learners	64
Learning and development is taken more seriously by senior managers because there is a greater understanding of the competitive advantages to be gained	63
The learning, training and development department has far more credibility within the organisation than before	58
Organisations need to invest more in learning and training these days because of a decline in the educational standards of people entering the workforce	49
There has been more outsourcing of learning and training activities	46
A career in learning and training is now more appealing	42
More time is spent on training employees to meet regulatory requirements than on requirements linked to our business priorities	41
There is more money available for learning and training	40
E-learning has significantly altered our learning and training offerings	26

Motivating the learner at Egg

Egg is the UK's largest Internet-only bank and employs 2,500 people across three UK locations. Its organisational philosophy or 'enduring purpose' is to 'revolutionise customers' experience of financial services driven through unleashing the power of people'. The company's approach to learning and development reflects this philosophy.

10:10 – an operating practice

Egg chooses to see that every person operates within self-imposed limits and that these limits can be extended through appropriate interventions.

'We want to equip people with the means to develop, motivate them to stay and to envisage the future they desire and make it real. People use discretionary effort because of their emotional attachment to Egg. In that way they get what they want and Egg gets what it wants.' (Neil Rodgers, Chief People Officer)

10:10 is saying that it's not only possible to align individual ambitions with those of the organisation, but that it's essential for superior outcomes. Only through people getting to 10 for themselves in the challenges they choose to take on, will they be able to contribute what Egg wants. Understanding the motivation and learning preferences of employees is considered key to developing employees capable of, and focused on, high performance at work.

'Getting to 10:10 demands much attention. It is about a good match between what the organisation needs you to do and what you want to do – what energises you.'

There are 10:10 tools available on Egg's HR Intranet. But Neil is keen to emphasise that 10:10 isn't a process but an ongoing relationship the individual has with Egg, within which they can fully use their talents. It's the operating practice of always thinking what actions will take place from this conversation with the best chance of outcomes that are 10 for Egg and 10 for the individual. 'From this practice, complex and unpredictable organisation design and results will emerge.' Egg doesn't want development and performance management processes to be paper-intensive, compliance rituals. Support, progress and attitudes are monitored through the extensive use of employee feedback from surveys and from 200 face-to-face interviews a month.

The role of people managers

People managers have a crucial role in building and sustaining employee commitment at Egg. In the last 18 months, Egg has created programmes to equip managers with the necessary skills and understanding. Essential is a three-day 'know your people' course; this gives managers an understanding of how to recognise people's motivations, development needs and career aspirations at work, so they can help people move from unconscious choice to conscious choice in what they take on. A more skills-orientated course, 'committed conversations', is available, which develops competence in conversations that allow people to choose. This naturally leads to development fitting the individual and meeting the needs of both immediate outcomes and long-term career growth. Egg doesn't see any clash between these and embraces the paradox that greatest success will only come when Egg's needs and the talent of each person are fully satisfied.

What are the most effective ways to learn?

Almost four in ten respondents say that on-the-job training is the most effective form of learning in their organisation (Table 8). Work experience (17%) and formal training courses (17%) are the next most popular answers. Only 1% believe that e-learning is the most effective way to learn.

Table 8: Views about the most effective way for people to learn

	% saying this method is 'most effective'
On-the-job training	39
The experience of work itself	17
Formal training courses	17
Coaching/mentoring	13
Informal help from colleagues	9
Other	3
Self-study in their own time	2
E-learning	1

Approaches to learning and development

We then went on to ask respondents to indicate whether or not they agree with a series of statements in order to uncover more information about their organisations' approaches to learning and development (Table 9).

Some 71% of respondents agree that employee learning in their organisation is linked to the performance appraisal system. However, only 54% believe that employee learning is linked to specific organisational goals. And similarly only a little over a half say that efforts are made to ensure that employees understand the direction and strategy of the organisation and the implications for their skills and development (54%).

Two-thirds say that employee learning is encouraged through personal development and career plans (65%), and 60% agree that their organisation encourages employees to achieve qualifications. However, disappointingly, only 41% agree that employees who proactively develop their skills are recognised and rewarded in some way, and only 35% feel that managers are trained to have the appropriate skills to support the development of their team members. Only a fifth of organisations report that efforts are made to find out what motivates employees to learn (22%) or to design the work environment to be conducive to learning (22%). All in all, it seems that, although organisations claim to encourage and assist learning and personal development, there remain significant problems in terms of poor support structures to embed and sustain employee learning.

Table 9: Which of the following statements are true of your organisation's approach to learning and development?

	% of respondents saying 'true'
Employee learning is linked to the performance appraisal system	71
Employee learning is encouraged through personal development and career plans	65
The achievement of qualifications is encouraged to support employee learning	60
The organisational culture is designed to be supportive of learning and development activities	59
Employees are provided with advice on how to develop their skills and careers	58
Employee learning is specifically linked to organisational goals	54
A variety of learning/training options is provided to suit employees learning styles	54
Efforts are made to ensure that employees clearly understand the direction and strategy of the organisation and what this means in terms of their skills and development	54
Employees are provided with time to learn at work	53
Continuous professional development is compulsory for some employees	48
Employees who proactively develop their skills and abilities are recognised and rewarded	41
Managers are trained to have the appropriate skills and attributes to support the learning and development of their team members	35
Efforts are made to find out what motivates employees to learn	22
The work environment is designed to be conducive to learning	22
Continuous professional development is compulsory for all employees	7

Determining learning needs

Learning, training and development professionals are still believed to hold the main responsibility for determining organisational learning needs (54%) (Table 10). And a further third report that the main responsibility falls at the feet of the HR department more generally (36%). Senior and line managers are felt to hold partial responsibility for determining the needs, which indicates that a partnership approach between HR/learning and development and management is the most common approach in UK organisations.

Table 10: Level of responsibility for determining the learning, training and development needs of the organisation

	% of respondents			
	Main responsibility	Some	Limited	No involvement
Learning, training and development specialists	54	22	8	17
HR department	36	43	16	5
Senior managers	28	58	13	2
External consultants	2	19	35	44

As well as establishing who holds responsibility for determining training needs, we also enquired what processes are used to determine those needs (Figure 5). More than two-thirds of respondents report that the production of learning/training plans following discussions with managers is the most common method (68%), although a similar proportion say that their training needs are determined by analysis of data from the performance appraisal process (67%).

The process is part of the overall business planning process for 62% of respondents and half say they hold a review of learning needs following business change or restructuring. One in ten respondents admits they have no formal process for determining their organisation's training and learning needs. Overall, the majority of

respondents appear to have some formal systems in place for determining organisational learning/training needs, but traditional approaches remain the most commonly used.

With regard to identifying individual employees training needs, by far the most common method is performance appraisal discussions (76%) (Figure 6). A little under half of respondents say that managers identify training needs after observing employees' job performance and 47% report they result from informal discussions with managers or individual requests. In comparison, relatively few respondents use 360-degree feedback results (8%) or development centre results (6%) to determine learning needs.

Figure 5: Processes used to determine organisational training and learning needs

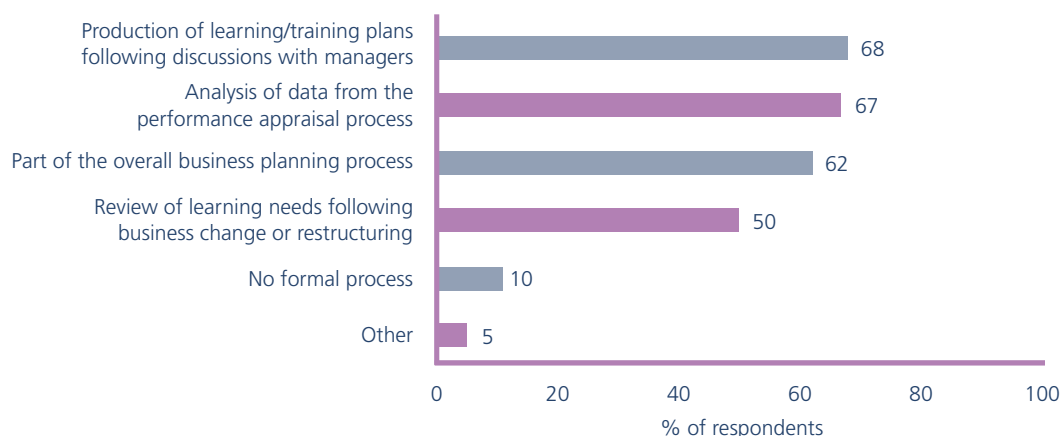
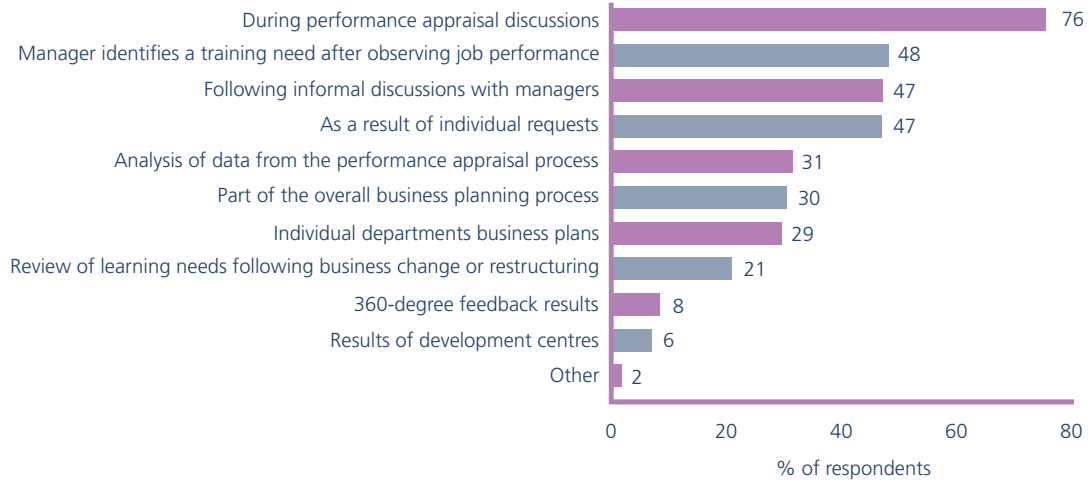


Figure 6: Main ways of determining individual training and learning needs

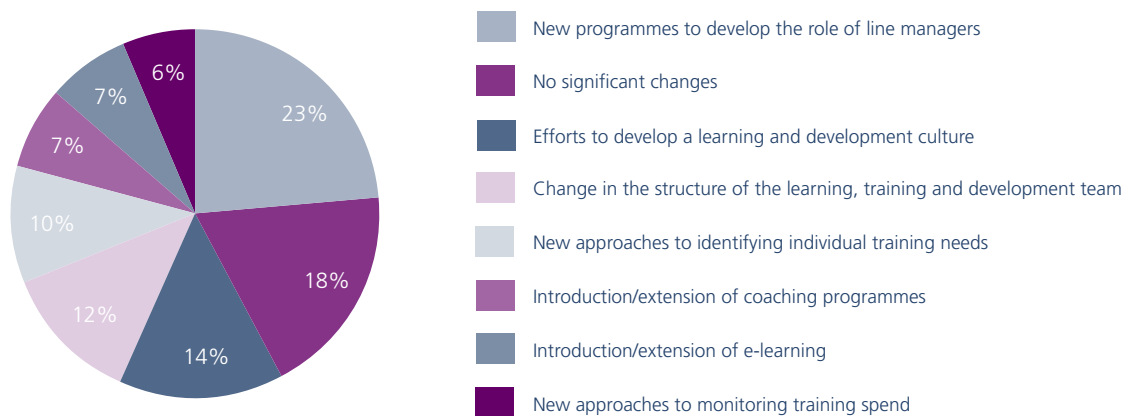


Significant changes to organisations' approaches to learning and development

A little under a quarter of respondents report that their most significant change during the last year has been to implement new programmes in order to develop the role of line managers (Figure 7).

Efforts to develop a learning and development culture are cited by 14%, and 12% say that a change in the structure of their learning, training and development team has been the largest change. Perhaps surprisingly, 18% report that there has been no change in their approach in the past year, indicating a period of consolidation.

Figure 7: Main change in approach to learning and training delivery in the last year



Changing roles in learning, training and development

Our final area of inquiry in this section concerns the roles performed by learning, training and development practitioners. In recent years, changes in workplace learning have led many commentators to predict changes in the roles of learning, training and development professionals. In particular, it's expected that we'll see a move away from instructor-based 'stand-up' trainers towards professionals with wider skill sets and who are involvement in more facilitation and consultation about learning.

Table 11 shows that, although we see small proportions of internal development consultants (11%) and development specialists (10%), the most common role is still stand-up trainers delivering technical or business training (27%). Just 4% are specialists in technology-enabled learning and training. It therefore seems that there's still some way to go before a new model of learning, training and development teams becomes a reality in the majority of organisations.

Table 11: Of those who are part of the learning, training and development team, what proportion have the following types of roles?

	% with role
Stand-up trainers delivering technical or business training	27
Training managers	19
Stand-up trainers delivering generalist 'soft skills' training	19
Training administrators	17
Internal development consultants working on major projects	11
Development specialists	10
Specialist in technology-enabled learning/training	4
Other	3

Providing learning to employees worldwide at the Hilton University

Hilton International is well known for its operation and management of over 400 hotels throughout the world, where it employs more than 70,000 team members.

Hilton is committed to offering learning opportunities to all employees irrespective of their location. In 2002 it established an e-learning platform, Hilton University. This recognised that, given the geographical dispersal of the operation, there were limits to what could be achieved through the provision of traditional residential training courses.

'Whether people are working in a small hotel in Madagascar or a major hotel in London or Paris, we want to offer them the same learning. We take the view that e-learning is the ideal method to achieve this ambition.'

E-learning, if properly supported, was felt to be particularly appropriate for the hotel environment. People can learn in their own time and in short study periods, acquire relevant information to help them do their jobs and develop personally.

Providing learning to employees worldwide at the Hilton University (continued)

The Hilton University Learning and Development team has undertaken a number of initiatives to ensure that e-learning is of benefit to the organisation and is valued by learners:

- access – clearly, any shortcomings in the technical requirements will cause frustration to the learner. Learning zones, equipped with computers, headphones, printers and Internet connection are made available at all hotels.
- service – every hotel has an HR manager; and most have an e-learning champion and/or a learning manager. These individuals hold responsibility for ensuring that individual learners receive personal support as they learn.
- relevance – currently the university is organised into seven faculties (eg management, finance, operations, executive education) as well as an IT professional development programme. Offering generic material has been considered valuable, but as the university develops, it is increasing the provision of bespoke learning activities to cover 'Hilton-specific' areas eg distribution and eCommerce, reservations and account management.

E-learning material is delivered through the Hilton University website (www.hilton-university.com) to enable learning at any pace and in any place. Some learners are encouraged by line managers to participate, and some e-learning is required before team members attend residential courses. However, most of the learners select their own courses from a library of more than 600 courses.

Surveying learner satisfaction

In late 2004, a learning management system (LMS) was introduced. The implementation of the system was considered an appropriate time to gain information on the learner perspective. An Internet survey was sent to 4,500 learners worldwide and over 1,800 submissions were returned. The overall headlines were encouraging. Over 90% of respondents agreed that, 'the courses help with my personal development' and even more encouragingly, over 70% agreed that, 'what I learned yesterday in my learning activity, I use today at my work.' Almost 90% agreed: 'I am happy with Hilton University.'

By now, learners have completed more than 100,000 courses since the launch of the university with a regular year-on-year growth. The survey also found that providing good learning opportunities for your people makes them stay longer – 87% agreed that this is an important factor for them to remain employed with Hilton International.

Future direction

As a result of the survey, Hilton feels certain that e-learning will continue to play an important role in employee training and development. The survey results are seen as an initial benchmark to ensure that access and support improve. Plans for expansion include the provision of more customised learning activities and efforts to improve usage volumes ie a greater number of learners and more use of the range of learning activities available, particularly the use of asynchronous discussion forums.

The university is currently starting to use a virtual classroom solution which will soon be fully integrated into the LMS. The Hilton Learning and Development team is optimistic that developing technologies will emerge to further enhance the learning experience.

Information provided by Andrea Kluit, Hilton's Director of International Learning and Development.

Involvement in organisational change activities

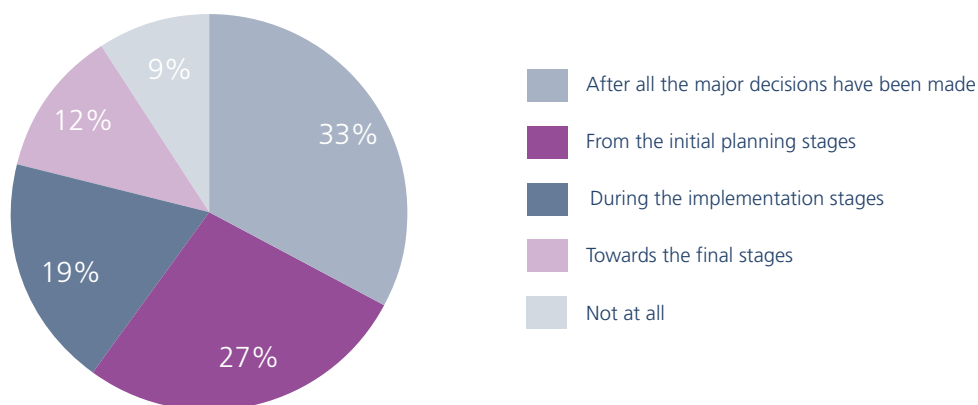
Organisational change and restructuring activities inevitably involve adjustment to processes, structures and jobs. Because of this, employees frequently have to develop new skills or approaches to their work in order to fit in with the new work environment they face. Much research has pointed to the importance of thinking through the training and development implications of organisational changes if activities are to be successful. Because of this, we were interested in assessing the extent of involvement of learning, training and development professionals in their organisation's change activities.

The importance of involvement

The survey found near universal agreement that a consideration of the learning, training and development implications of change was critical to its success (93%). However, it seems that this doesn't reflect the situation many learning and development practitioners face in their own organisations. Only 29% of respondents feel that implications for learning, training and development are considered an important consideration when planning major business initiatives, although 47% feel they are considered to be 'quite important'. Six per cent feel that learning and development implications are considered 'not important at all'.

Although the majority of respondents feel that learning and development involvement is important in facilitating organisational change to some extent, timing of such involvement is also vital. Often criticisms have been levelled that HR is brought in 'too late' to the process. Figure 8 provides further information on the timing of learning and development intervention during change processes.

Figure 8: How early are learning and development professionals involved in the process of change?



Disappointingly, a third of respondents say that the learning and development team isn't involved in the process of change until after all major decisions have been made (33%) and only 27% say they are consulted from the initial planning stages. A small minority (9%) report that learning and development professionals aren't involved at any stage of the change process. Despite low levels of involvement, the results indicate that in the vast majority of cases the learning and training team is expected to pick up the training needs that emerge from the change activities. Unsurprisingly, only 24% of respondents feel that current training and development efforts following organisational change are 'sufficient' (67% feel they aren't sufficiently involved).

Barriers to involvement

With four in ten respondents only getting involved in the process of change after all major decisions have been made, if at all, it's perhaps unsurprising that only 21% of respondents feel that learning, training and development professionals have enough involvement in the whole process of change. But why is this happening? The survey results identify four notable reasons (Figure 9).

Figure 9: Reasons for insufficient involvement of learning and development professionals



The biggest difficulty is believed to be inadequate forethought on the part of the change team, with 56% of respondents believing that training and development implications are frequently not thought through properly. Secondly, problems are also felt to stem from issues with the standing and influence of learning and development – 46% of respondents feel that learning and development isn't regarded as a key stakeholder in the process of change. In a similar vein, 43% of respondents feel that a 'lack of presence' of senior HR professionals on the change team might also be blamed.

These barriers represent lost opportunities for learning and development professionals to contribute to organisational change, as well as potentially poorer outcomes for the business. Over 80% of respondents feel that greater involvement could result in higher employee satisfaction and improved business results. Greater involvement is also felt to be an opportunity to build the credibility of the learning and development profession (Table 12).

Table 12: The benefits of learning and development involvement in the process of change

	% of respondents
Results in greater employee satisfaction with change initiatives	87
Produces improved business results from change initiatives for the organisation	86
Raises the credibility of the learning and development profession	83

Transport for London (Group Marketing and Operations): gaining high levels of involvement in organisational change

The Group Marketing and Operations (GMO) department at Transport for London comprises many of the customer-facing transport information services. Last year, a major project was undertaken within GMO to improve and define consistent standards for customer service. This formed part of a wider organisational transformation to change the culture within the business after an unsettling period of change at senior management levels. Having established a stable management team, the department wanted to move away from the existing blame culture and towards a culture of personal responsibility where employees take accountability for delivering high levels of customer service.

To achieve this cultural shift, a project was undertaken to define these standards and communicate the organisation's future strategy. Customer service is considered critical to the success of the organisation and there was a strong desire to involve staff in the process.

From the outset, Training and Development (T&D) drove the programme, with the visible and actual backing of the management team. The T&D manager led the process to determine the programme specification and source a provider. This involved working closely with the management team to define the required business outcomes.

The programme ran between February and June, with all 280 staff taking part in two-day off-site events. The programme used actor-based scenarios and gave employees the opportunity to provide their thoughts on what customer service should look like. Ultimately, the aim was for them to feel they were setting their own standards. Managers attended the same programme, and also a further two courses focusing on motivation and coaching skills. A follow-on 'coach the coaches' programme for managers is currently taking place to help managers develop their coaching skills and embed the new standards within their teams.

The combination of the high involvement of the T&D manager alongside strong support from the management team was felt to make a large difference to the success of the programme. This degree of involvement was achievable because T&D has a good reputation within the business. The T&D manager believes that the credibility of the T&D team is crucial for them to have a strong voice in strategic activities.

It was a large-scale programme and one that has made a major impact. As well as defining the new standards and building employee buy-in, the programme also helped to overcome the silo mentality that existed. The new standards are awaiting final approval from the GMO senior team. After this, they will form the backbone of many HR processes, including induction and performance management. As a testament to its success, the programme is now being rolled out to other parts of Transport for London.

Information provided by Ronnie Downey, Training and Development Manager (GMO).

Demonstrating the value of learning, training and development activities

An ongoing issue for learning and training professionals is demonstrating that learning and training activities can deliver tangible value to organisations. In this section, we sought to establish the extent to which different evaluation methodologies are used to demonstrate the value of training and development programmes.

Extent of evaluation activities

Ninety-one per cent of respondents report that they do evaluate learning, training and development activities in their organisation. Of these, 98% use Kirkpatrick level 1 evaluation exercises and three-quarters use level 2 exercises (Figure 10).

A little under two-thirds of respondents (62%) report that at least some of their evaluation exercises meet Kirkpatrick level 3 criteria (62%) and a third go as far as level 4 (36%). Less than a fifth look at the full return on their investment in learning and training (18%).

At first glance, the reported levels of evaluation appear to be relatively high. After all, if everything was to be monitored and measured, the benefits of evaluation would soon be outweighed by bureaucracy. However, closer examination reveals that more complex evaluation activities tend to be applied to less than 10% of training events (Table 13).

Twenty-eight per cent say they evaluate to level 2 for at least 75% of training events, whereas only 9% evaluate a similar proportion of training events to level 4. More than four-fifths of respondents who attempt full return on investment calculations say it's applied to fewer than one in ten training events they hold.

Figure 10: Evaluation exercises undertaken

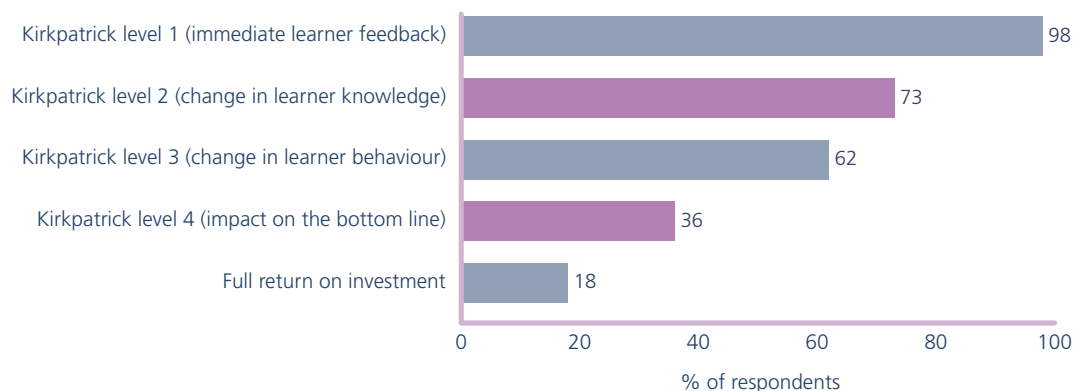


Table 13: Percentage of training/development events/interventions higher-level evaluation is applied to

	% of respondents			
	Less than 10	10–50	51–74	75 or more
Kirkpatrick level 2	29	26	17	28
Kirkpatrick level 3	40	31	13	17
Kirkpatrick level 4	69	15	7	9
Full return on investment	83	8	2	7

Evaluation criteria

The survey also asked what business measures respondents use when evaluating learning and training activities (Table 14). Operational skills needs feature heavily in respondents' evaluation exercises, with 84% saying that they carry out evaluation in relation to immediate operations skills needs and 55% reporting that evaluation is linked to future skills needs.

Two-thirds of respondents use employee satisfaction as a criteria for evaluation (66%) while half use customer satisfaction indicators (51%). Perhaps surprisingly, financial metrics don't feature highly as evaluation criteria – around a fifth evaluate in relation to operating profits (22%) and 27% to sales targets.

Table 14: Does evaluation take place in relation to the following business measures?

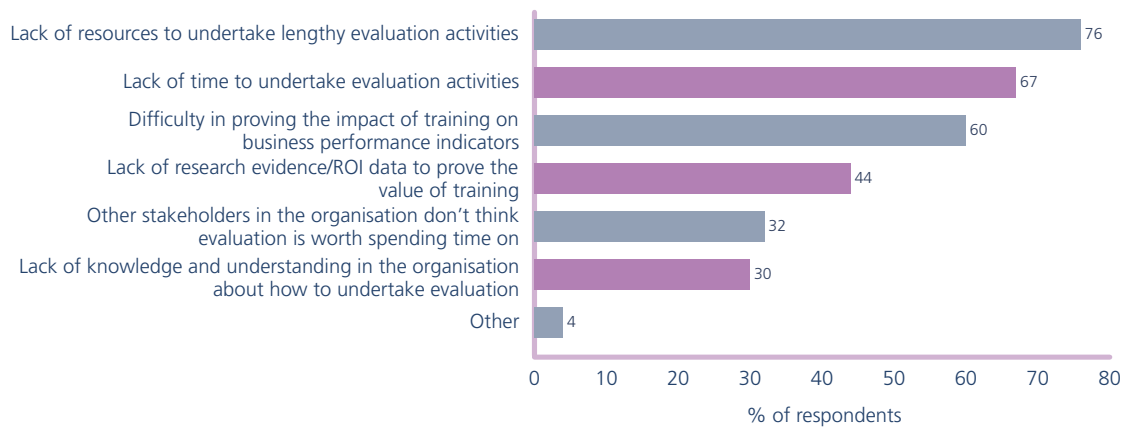
	% of respondents
Immediate operational skills needs	84
Employee satisfaction	66
Future operational skills needs	55
Customer satisfaction	51
Organisational efficiency	47
Accident incidents	47
Major organisational goals/change	44
Organisational productivity	40
Staff turnover	35
Sales targets	27
Operating profits	22
Supplier feedback	20
Other	2

Is it enough?

While evaluation exercises do take place in the vast majority of organisations, it's clear that evaluation often doesn't go far enough. Indeed, 80% of respondents feel that their learning, training and development activities deliver greater value to the organisation than they are able to demonstrate. Naturally, the survey was keen to identify the main issues respondents face when trying to prove the impact of their activities.

Figure 11 shows that the most commonly cited issues are a lack of resources to undertake lengthy evaluation exercises (76%) and a lack of time (67%). A little under two-thirds also cite difficulties proving the impact of training on business performance indicators (60%). Around a third say another obstacle they face is other stakeholders in the organisation not thinking evaluation is worth spending time on (30%).

Figure 11: Main issues faced when trying to prove the effectiveness of learning, training and development activities



Some 57% of respondents feel that there is now more emphasis on evaluation and proving the value of training than a few years previously. Just 7% of respondents believe that there is now less emphasis on evaluation (no table is shown). These findings suggest that, while respondents still experience problems with effective evaluation of learning and training, organisations continue to push them to provide evidence of the value they are delivering.

We also asked respondents how important effective evaluation is to the personal credibility of learning, training and development professionals. Almost two-thirds report that effective evaluation is very important to their credibility (60%) and a further third say it is important (35%). Only a handful of respondents don't think evaluation is important to the credibility.

Reporting on the contribution of learning, training and development

Our final area of enquiry in this section was to ask respondents what types of reporting on learning, training and development activities they are asked to provide to senior management (Table 15). Only 8% of respondents carry out no reporting whatsoever on training activities. Just under half prepare reports for senior management on major projects (44%) and 39% are expected to produce quarterly reports on progress towards their annual training plans. Around a quarter of respondents report on an ad hoc basis or in response to requests for information (24%).

Table 15: Types of reporting on learning, training and development activities used

	% of respondents
Reports on major projects to senior management	44
Regular quarterly reports on progress on annual training plan	39
Regular quarterly reports to the board/senior management	39
Only report in response to request or on ad hoc basis	24
No reporting	8
Other	5

Scottish Water Solutions: demonstrating the value of learning and development activities

Scottish Water Solutions is a unique organisation formed as a result of a joint venture between Scottish Water and a consortium of eight private businesses. It is responsible for the completion of 2,900 projects to improve Scotland's water quality and wastewater treatment processes.

Within the business, training and development (T&D) is often seen as an overhead rather than an area for investment. As a result, the department is continually being pushed to demonstrate its contribution from a business perspective. As a result, T&D activities have come under greater scrutiny, with demands being made for training plans to be assessed against business needs, as well as requests for data to prove the effectiveness of activities.

Against this backdrop, evaluation activities have been scaled up, with the learning and development (L&D) team trying to do more to assess the value they are delivering. A new learning management system (LMS) was recently introduced, and is being used to evaluate changes in employee skills levels against competencies and job roles. Staff were asked to undertake an online assessment of their skills against their job-role profile, which was then verified by their manager and three nominated colleagues, resulting in 360-degree skills-based information. This exercise provides a baseline database of employees' skills to be used during performance and development processes to determine changes in skill levels.

The L&D team is using the LMS data to provide hard data to the business. For example, (a) calculating the costs of developing employee skills and (b) calculating the efficiency of the different T&D activities they are providing:

$$(a) \quad \frac{\text{costs of training}}{\text{number of candidates}} \quad \times \quad \begin{array}{l} \text{net changes} \\ \text{in skills} \end{array}$$

(this calculation assesses value for money and the costs of increasing different types of employee skills)

$$(b) \quad \frac{\text{number of candidates} \quad \times \quad \text{length of training}}{\text{costs of the training}}$$

(this provides a ratio of the efficiency of different T&D activities).

The new approach to evaluation offers much more useful information. T&D activities are evaluated against different criteria, including the annual training needs analysis and the completion of projects and business key performance indicators. The department produces an annual training report detailing the training delivered to different functions, the costs and the results delivered to the business.

The new system has given the T&D team greater confidence in their ability to demonstrate the impact of their work. It also enables them to benchmark with other companies on process issues. They hope that this information will change perspectives and convince people that training is an investment, rather than a budget that can be cut when times are tough.

Information provided by Jason Simeon, Organisational Development Manager.

Economic influences on training and development

In this year's survey, we continued to monitor developments in the economic circumstances facing UK organisations because of their influence on funds available for training. In this section, we examine the views of CIPD members on these matters.

Economic conditions in the past 12 months

Looking at the sample as a whole, 19% of respondents feel that the economic circumstances facing them in the past 12 months has improved (compared to 15% reporting improved conditions in the 2005 survey). Four in ten say their economic conditions have stayed the same, while 41% feel their economic circumstances have worsened in the past 12 months – this figure is up from 33% last year. Overall, despite a slight increase in the number of respondents experiencing better economic circumstances in the past 12 months, this was heavily overshadowed by a much larger increase in those reporting worse economic times.

When this data is analysed by the size of the organisation (Table 16), it appears that organisations with fewer employees have enjoyed better economic circumstances than their larger counterparts. Twenty-four per cent of those employing less than 100 people say their economic conditions have been better in the past year compared to 15% of those employing more than 500 people.

Table 16: Economic circumstances in the past 12 months, by organisational size

	% of respondents		
	Better	Same	Worse
Less than 100 employees	24	34	37
100–249 employees	25	44	30
250–499 employees	22	41	35
500 or more employees	15	37	48

Table 17 illustrates the economic circumstances of respondents in the last 12 months analysed by sector. The data shows that respondents in the private and voluntary sectors appear to be experiencing better economic conditions than those in the public sector.

Just 11% of respondents in the public sector report that their economic circumstances have improved, while 56% say they have worsened in the past year (this has increased by 14% since the 2005 survey). The figures for the voluntary sector show that economic circumstances have improved for 20% of respondents (compared to 13% in 2005).

Table 17: Economic circumstances in the past 12 months, by sector

Sector	% of respondents		
	Better	Same	Worse
Private	22 (18)	41 (55)	34 (27)
Public	11 (11)	32 (47)	56 (42)
Voluntary	20 (13)	43 (52)	37 (32)

2005 figures shown in brackets

Impact on the funding of training

We then sought to establish the impact of economic conditions on the funds available for training. Our findings show that funding for training decreased for 33% of respondents in the past 12 months, while for 48% funding remained steady. Only 17% of respondents say their funding for training increased.

Table 18 shows funding information analysed by organisational size. The general trend is that the smaller the organisation, the less likely it is that funding has decreased. Around a quarter of those employing under 500 employees saw training budgets cut in the last 12 months, compared to 40% of organisations employing more than 500 employees. For the small proportion of organisations that experienced increases in funding, the pattern is less clear.

Table 18: Impact on funding of training in the past 12 months, by number of employees

	% of respondents		
	Increased	Same	Decreased
Less than 100 employees	21	50	24
100–249 employees	16	59	23
250–499 employees	21	52	25
500 or more employees	16	42	40

When the impact on funding of training is analysed by sector, we see that respondents in the voluntary sector experienced fewer funding cuts than their counterparts in the public and private sectors. Table 19 shows that 20% of voluntary sector respondents had budget increases last year, compared to 17% in the private sector and 16% in the public sector. Similarly, just 23% of voluntary sector respondents report funding cuts, while 30% in the private sector and 42% in the public sector report suffering a drop in funds available for training.

When this year's figures are compared to those gathered for the 2005 survey, it's clear that the voluntary sector is much better off in 2006 than in 2005, while the proportion of public sector respondents who experienced budget cuts grew considerably (from 29% to 42%).

Table 19: Impact on funding of training in the past 12 months, by sector

Sector	% of respondents		
	Increased	Same	Decreased
Private	17 (18)	49 (59)	30 (23)
Public	16 (16)	41 (55)	42 (29)
Voluntary	20 (11)	55 (61)	23 (25)

2005 figures shown in brackets

Future prospects

The final economic indicator we looked at was expected changes in funding in the next 12 months (Table 20). Forty-eight per cent of respondents expect funding for training to remain stable, 26% anticipate a decrease in funds, while 19% are optimistic and expect funds to increase.

In general, smaller organisations are more optimistic – for example, more respondents from organisations employing less than 100 employees anticipated an increase in funding than anticipated a decrease.

Table 20: Expected change in funding of training in the next 12 months, by numbers of employees

	% of respondents		
	Increase	Same	Decrease
Less than 100 employees	24	50	21
100–249 employees	21	56	21
250–499 employees	19	51	19
500 or more employees	16	46	32

When this data is split by sector, the outlook in the public sector remains more gloomy than in the private and voluntary sectors (Table 21). Just 13% of public sector respondents expect funding for training to increase, compared to a fifth of those in the private and voluntary sectors.

The figures for those who expect funding to decrease are even more stark – 37% of public sector respondents are anticipating decreases in funding, compared to 25% of those in the voluntary sector and 21% of those in the private sector.

Table 21: Expected change in funding of training in the next 12 months, by sector

Sector	% of respondents		
	Increase	Same	Decrease
Private	21	51	21
Public	13	44	37
Voluntary	20	48	25

Training spend and budgets

Information about how much money is spent on training remains a popular request from CIPD members. As a result, we again surveyed members about their training costs so that we can provide benchmarking information that can be used for comparative purposes.

What is being spent on training?

Across the whole sample, 73% of respondents report having a specific training budget. The average size of the training budget is £469 per employee and employees receive an average of just over five days' training each year. These figures are very similar to those reported in last year's survey.

Training spend varies by industry sector and organisational size. Table 22 shows that organisations in the voluntary sector are more likely to have a training budget (87%) than organisations in the public and private sectors. However, although private sector organisations are least likely to have a specific training budget (67%), they have the highest average spend (at £488 per employee).

Table 22: Budget and training days received in the last 12 months, by sector and by size

Sector	Respondents with a budget (%)	Budget per employee (£)	Training received per employee (days)
Private	67	488	5.2
Public	80	447	5.1
Voluntary	87	438	4.9
Size			
Less than 100	65	898	5.8
100–249	72	443	5.5
250–499	74	608	5.0
500 or more	76	344	4.7

Organisational size has a strong influence on training spend. This year's results show a similar pattern to last year: as the size of the organisation increases, training spend per employee appears to get smaller. For example, organisations with more than 500 employees spend £344 per employee, while this figure is £898 for organisations with less than 100 employees. This is likely to reflect the savings that large organisations can gain via economies of scale in providing employee training.

In terms of the number of training days received in the last 12 months, the differences across sectors and size bands are very small, centring around an average of 5 days per employee.

Conclusions and implications

You can find further insights into the implications of these survey findings in a publication in the Reflections series called *Reflections on the 2006 Learning and Development Survey: Latest trends in learning, training and development*. Members can download this free from the CIPD website (www.cipd.co.uk/surveys).

This year's survey shows a decline in the economic circumstances facing UK organisations. Twice as many organisations report facing worse economic conditions in the past 12 months than better. And this appears to have trickled down to impact on training budgets. A third of respondents report budget cuts, although nearly half feel that funding has remained steady. The public sector reports a particularly gloomy picture. Looking forward, the outlook remains unsettled – though almost half expect funding for training to remain stable, a quarter anticipate further budget cuts.

More than half of respondents undertake talent management activities, although definitions and formal strategies remain fairly elusive. There is a high level of belief in the contribution of talent management – over 90% agree that activities can positively affect an organisation's bottom line. Talent management appears to be a future-focused activity, with the most common objectives being growing future leaders, developing high-potential staff and achieving strategic goals. The vast majority choose to focus their resources on select groups of employees – namely, high-potential and managerial employees. Inclusive 'whole workforce' approaches to talent management remain comparatively rare.

Coaching continues to be a popular learning and development activity, with 79% reporting using it. Four-fifths of respondents using coaching claim their organisations aspire to have a coaching culture and three-quarters report investing time, resources and effort into achieving this aim. Developing a coaching culture is seen as crucial to improving the performance of both individual employees and the organisation as a

whole. However, despite positive attitudes, the results indicate there's still a long way to go before organisations realise their ambitions of developing a successful coaching culture. Many organisations are failing to reward and recognise those involved in coaching activities, there is a lack of integration with HR strategy and few organisations believe managers take their coaching responsibilities seriously. The main barriers to coaching are felt to be competing business pressures, a lack of internal skills and a lack of investment.

Progress towards a more learner-centred style of workplace learning appears to be taking place to some extent. The vast majority of respondents report that they are currently using a much wider variety of activities, that their jobs involve a greater element of consultancy and that learners are being encouraged to take more responsibility for their own learning. However, other signs are less positive. Only a third report that managers are trained in the appropriate skills to support the development of their teams, and only a fifth report that efforts are made to find out what motivates employees to learn or that the work environment is conducive to learning. The good news, however, is that two-thirds believe that learning and training is now taken more seriously by senior and line managers, and almost 60% believe that the department has far more credibility than before.

Perhaps one of the more worrying findings in this year's survey was that relatively few respondents are involved in the decision-making process concerning organisational change. This has led to members voicing their concerns about the way change is managed in

relation to learning and development. Respondents feel that this is due to the fact that the training implications are rarely thought through and that learning and training professionals are often not seen as key stakeholders in organisational change. This is an area those in the HR profession will need to address if they want to build their credibility and be seen to have a more strategic position.

Demonstrating the value of learning and development activities remains a key challenge – four-fifths of respondents feel that their activities deliver greater value to the organisation than they are able to prove. Over 90% of respondents report that they evaluate learning and development activities, but closer examination of the data reveals that more complex levels of evaluation are only applied to a small proportion of training activities. The most commonly cited problems respondents experience with evaluation are a lack of resources and time, as well as difficulties proving the impact of training on business performance indicators. More work needs to be done to demonstrate the link between training and the bottom-line performance of the organisation, particularly as respondents feel that it is critical to their personal credibility as learning and development professionals.

Background

This is the eighth annual CIPD learning and development survey (formerly ‘training and development’) carried out in conjunction with the Centre for Labour Market Studies (CLMS), University of Leicester. The survey provides annual data on current and emerging practice in learning and development. This year’s survey covered a number of different topic areas, including talent management, the development of coaching cultures, changes in workplace learning, involvement in organisational change, evaluation of learning and development, the influence of economic circumstances, and training spend.

The analysis, design and management of the survey was undertaken by Dr Johnny Sung and Martin Quinn at CLMS and the survey was project managed by Jessica Jarvis, Adviser, Learning, Training and Development, at the CIPD.

The survey was carried out using a structured postal questionnaire which was sent out to 5,000 CIPD members who hold roles as learning, training and development managers. Of these, 635 useable questionnaires were returned to CLMS – a good response rate of 13%. The returned questionnaires were fed into a database using FileMaker Pro and the results were analysed using SPSS.

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

Six leading commentators in the field of learning and development were commissioned by the CIPD to produce essays on specific themes covered by the survey. These essays aim to provide a broader context to the survey findings and also identify the implications for practitioners. The essays, *Reflections on the 2006 Learning and Development Survey: Latest trends in learning, training and development*, are collected in the CIPD’s Reflections series and can be downloaded from the CIPD website (www.cipd.co.uk/surveys).

Sample profile

The sample breakdowns by industrial sector and organisational size are shown in Tables 23 and 24. As usual with CIPD surveys, the sample is skewed towards larger organisations, which reflects the membership profile of CIPD. Nevertheless, as Table 23 shows, the survey gathered responses from a reasonable proportion of smaller and medium-sized organisations.

Table 23: Breakdown of samples, by organisation size

	% of respondents
Less than 100 employees	12
100–249 employees	19
250–499 employees	18
500 or more employees	51

Table 24: Profile of respondents, by industry sector

	% of respondents
Agriculture and forestry	1
Chemicals, oils and pharmaceuticals	4
Construction	2
Electricity, gas and water	1
Engineering, electronics and metals	5
Food, drink and tobacco	3
General manufacturing	4
Paper and printing	1
Textiles	1
Other manufacturing	4
Professional services	5
Finance, insurance and real estate	9
Hotels, catering and leisure	4
IT services	1
Media	1
Retail and wholesale	8
Transport, distribution and storage	2
Communications	1
Other private services	6
Call centre	1
Care services	2
Housing associations	4
Charity services	2
Other voluntary	2
Central government	5
Health	6
Other public services	5
Education	6
Local government	7

Almost two-thirds of respondents in this year's survey are from the private sector (Table 25). The public sector accounts for 29% of the sample and one in ten respondents are from the voluntary sector.

Table 25: Profile of respondents, by sector

Sector	% of respondents
Private	62
Public	29
Voluntary	10

Acknowledgements

The CIPD is very grateful to all those organisations and individuals who gave their time to take part in the 2006 survey and the associated case studies.

We explore leading-edge people management and development issues through our research. Our aim is to share knowledge, increase learning and understanding, and help our members make informed decisions about improving practice in their organisations.

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Chartered Institute
of Personnel and
Development

151 The Broadway London SW19 1JQ
Tel: 020 8612 6200 Fax: 020 8612 6201
Email: cipd@cipd.co.uk Website: www.cipd.co.uk
Incorporated by Royal Charter Registered charity no.1079797

