



Annual survey report 2012

in partnership with

Cornerstone
ON DEMAND *Empowering People*

A blurred, black and white photograph of a large crowd of people walking, overlaid on a purple gradient background.

**LEARNING
AND TALENT
DEVELOPMENT**

2012

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FOREWORD

The CIPD has been tracking learning and talent development (L&TD) practice since 1998. Now in its fourteenth year, our survey continues to take the pulse of current and emerging practice. Since its launch the survey has identified the critical factors which shape L&TD practice and policy, such as the transition from L&TD as the training function to its role in helping people and organisations learn. We also identified the evolving shift towards its new place as integrator of learning, talent, and organisational development. Along the way we have tested the take up of practices such as coaching and e-learning and used the evidence base of our survey to challenge and improve practice. Furthermore, in order to influence and shape public policy on behalf of our membership we have identified key policy topics in learning and talent development. Issues such as skills gaps and mismatches, the employment and deployment of interns and employer views on apprenticeships have added to the quality of evidence and debate and amplified the CIPD's role as the voice of the profession.

Our latest survey takes place in a year when recession and re-balancing of corporate strategy have had far-reaching impacts on the private sector. Together with continued cost and delivery pressure on the public and not for profit sector, this defines an operating environment full of both promise and peril. The need to work in a resource-light/challenge-rich environment is

becoming a feature of L&TD practice, but so too is the need to focus on new markets, prospects and potential. Even with reduced resource our impact and effectiveness is often shaped by our ability to draw insight and inspiration for practice. L&TD therefore needs to refresh and revitalise its analytical toolkit by drawing more on emerging scientific insights. Our data indicate how we can help practitioners in this respect. We also need to challenge and influence the learning agenda in its many dimensions.

As our economy works through a painful transition it seeks to exploit its many strengths and address its continued weaknesses. Deficits in management and leadership skills are examined in depth this year. The data show that despite decades of investment, weakness in the UK's management skills base remains. The strengths we can build on are also indicated in this year's survey. L&TD's key role in promoting innovation and creativity is flagged as a compelling way in which we can harness strengths and unlock potential.

These are testing and compelling times for L&TD and as we enter the UK's Olympic year we believe that raising the bar on L&TD will help us to improve performance and contribution in the field of learning and talent development, which we feel is a prize well worth aiming for.

Dr John McGurk, Adviser, Learning and Talent Development, CIPD

Cornerstone OnDemand is delighted to partner with the CIPD to support its fourteenth learning and talent management report. Looking back over the last year, it is clear to us that whilst the industry is changing, there are still many challenges for organisations to manage across the spectrum of talent management, leadership skills, development, performance management, learning and development to name but a few. Organisations are also crying out for greater creativity, driven to a significant degree by the need to do more for less – a trend which is mirrored in training budgets across Europe and indeed, the world.

However, we have seen a tendency for organisations to answer these problems one by one, lapsing into silos. This is a natural response to ‘information overload’ but is far from the best solution. Learning and talent development managers need to be sterner and more realistic about what they can and cannot do. None of us are superheroes and we should not overstretch ourselves. We have seen a significant move to e-learning, which can be a fantastic method of learning, but certainly not the panacea to all problems. To a cynical mind, this movement may simply have been driven by the need to cut costs. Whilst learning and development is a reasonably mature discipline, talent management is frequently misunderstood and approached through individual tools and too often – spreadsheets.

By taking a more holistic approach to talent management, organisations will find that they have the time to put people – not budgets or individual firefighting exercises – back at the heart of their organisation. We are now seeing the emergence of a ‘recruitment to retirement’ approach to talent management which encompasses all types of learning (e-learning, classroom, workshops etc) as well as all engagement strategies, hiring and succession planning, such as including looking at social media channels in addition to traditional internal/ external sources of information, for example – and all available via one central dashboard.

Once organisations have this strategy in place, we will not only see a more integrated, transparent approach to learning and talent development, but also one which is focused on taking a bespoke approach to each employee, mapping out the right kind of training and development for the individual, communicated via the right channel, delivered to support the organisational goals.

It is only by doing this that organisations can escape being mired in individual problems and become empowered to gain a birds-eye view on their overall talent management strategy.

**Vincent Belliveau, SVP and General Manager
EMEA, Cornerstone OnDemand**

ABOUT US

CIPD

The CIPD is the world's largest Chartered HR and development professional body. We're a globally recognised body with over 135,000 members across 120 countries – including 84,000 professional members.

Our members include the next generation of HR professionals, and many of the world's most influential senior HR leaders from world-class organisations.

We set global standards for best practice in HR and its specialisms. It's our aim to support and develop professional capability: shaping thinking, leading best practice and building HR's profile in business.

cipd.co.uk

Cornerstone OnDemand

Cornerstone OnDemand supports businesses across all industries, providing HR solutions to help recruit top talent, develop employees and manage their careers, empowering them to achieve more.

Cornerstone's integrated software offering consists of four on-demand cloud solutions, including Cornerstone Recruiting Cloud, Cornerstone Performance Cloud, Cornerstone Learning Cloud and Cornerstone Extended Enterprise Cloud.

Our clients use our solutions to develop employees throughout their careers, engage all employees effectively, improve business execution, cultivate future leaders, and integrate with their external networks of customers, vendors and distributors.

Cornerstone OnDemand places client success at the heart of its business and has over 7.5 million users across 179 countries, with customers including Virgin Media, RSA, Money Advice Trust, Travelex, Jaguar Landrover Skandia and Luxair.

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1 SUMMARY OF KEY FINDINGS

Trends in learning and development

Views regarding which learning and talent development practices are most effective have changed little over the past few years, with in-house development programmes and coaching by line managers still seen to be the most effective practices. Nevertheless, more organisations report on-the-job training among their most effective methods, perhaps reflecting an increased focus on lower-cost practices due to economic pressures.

The most common organisational change expected to impact on learning and development over the next two years is greater integration between coaching, organisational development and performance management to drive organisational change, reported by nearly half of organisations.

A third of public sector organisations anticipate greater use of e-learning across the organisation over the next two years (compared with a fifth of other organisations) and a quarter expect less use of classroom and trainer-led instruction (compared with less than one in seven of other organisations).

Talent management

Slightly fewer organisations report they undertake talent management activities compared with last year (2012: 54%; 2011: 61%). In two-fifths of organisations, talent management activities cover all or most employees, but most focus on high-potential employees and senior managers. As in previous years, developing high-potential employees and growing future senior managers/leaders remain the key objectives.

Less than three-fifths of organisations with talent management activities believe they are effective, with nearly one in six (15%) reporting they are ineffective. Nevertheless, these figures show a slight improvement on last year.

As in previous years, coaching is most commonly rated among the most effective talent management activities, followed by in-house development programmes.

Management and leadership skills

Nearly three-quarters of organisations in England report a deficit of management and leadership skills. For two-thirds it is senior managers who lack these skills, while the vast majority (85%) report line managers and supervisors lack these skills.

Organisations that place high importance on management and leadership skills when promoting individuals and those that provide additional training are less likely to report they have a management and skills deficit although, even taking these measures, the proportion with a deficit is still high. On average a quarter of the workforces in the organisations surveyed have line management responsibilities so there is high demand for these skills.

One in seven organisations do not make any attempt to evaluate individuals' management and leadership skills for promotions. Nearly half evaluate management skills informally, while two-fifths use 360 feedback and a quarter use engagement surveys.

Two-thirds of organisations provide new managers with additional training. Reasons given for not doing so are that managers do not need any additional training (23%), budget issues (28%) and lack of time (24%).

Organisations are most likely to respond to poor feedback for line managers and leaders by giving appropriate feedback and a learning and improvement plan. Far fewer organisations have given informal warnings or penalised managers through the performance review. The public sector is least likely to take action in response to poor feedback for line managers and leaders.

Leadership development

As in previous years, the main leadership skills that organisations lack are performance management skills, leading and people management skills and skills to manage change.

Most organisations (80%) intend to conduct leadership development activities in the next 12 months. The most common focus of these activities, showing an increase compared with previous years, will be improving the skills of leaders to think in a more strategic and future-focused way (54%). Other common objectives will be developing high-potential individuals valued by the organisation, producing a common standard of behaviour for those in leadership roles and enabling the achievement of the organisation's strategic goals.

Development for managers with international responsibilities

Two-fifths of organisations that operate in more than one country carry out specific learning and talent development with managers who have international responsibilities.

The most common methods used to develop the skills of managers with international responsibilities are conference calls to facilitate cross-border coaching and mentoring (53%), and international conferences (52%).

Larger organisations are more likely to use programmes to nurture leadership talent internationally. The most popular programmes used were company-wide talent management programmes for high-potentials and coaching and mentoring to help international staff move into key roles. The latter has increased in popularity compared with previous years.

Individual and team learning diagnostics

Many organisations use one or more methods of learning analysis/diagnostics in their learning and development practice. Systematic approaches (such as 'Plan' – 'Do' – 'Check') were most common, followed by Belbin Team Roles and the Honey and Mumford Learning Styles Questionnaire (LSQ).

New insights on learning and development from areas such as neuroscience, social psychology, economics, computing and the natural sciences are currently rarely incorporated into learning and development practice in organisations. One in six is incorporating the connection between exercise and increased learning performance into their practice.

Innovation and creativity

Overall, two-fifths of organisations report that innovation and creativity are critical to their organisation and that everyone is involved. This varied significantly across sectors, however, with more than twice as many private sector organisations as public reporting that this was the case.

The main focus of innovation strategies is to ensure organisations can deliver faster and more efficiently to customers (53%), although this is less common in the public and non-profit sectors.

Over half of manufacturing and production organisations have specific project teams or departments which focus on innovation and creativity. The other sectors are less likely to have specialist or project teams but rather tend to encourage managers to innovate through business as normal.

Economic situation and training spend

Organisations continue to face difficult economic circumstances. Overall, half report that their economic circumstances have declined in the past 12 months, rising to three-quarters in the public sector. This has had a corresponding impact on the resources available for learning and development with a third reporting resources have declined over the past year. The public sector was particularly likely to report that learning and development funding and headcount has reduced.

Over a third of L&TD departments report they have become more business-focused over the past 12 months, continuing a trend observed last year. Over a third of public sector organisations have undergone a reduction in external suppliers and moved to in-house provision, redundancies of staff, rationalisation and 'reduction' of department including redeployment, while 22% have closed or rationalised their training facilities.

Most organisations have a training budget. Training budgets usually cover external courses and conferences (95%), hiring external consultants and trainers (81%) and books, training manuals, and so on. (80%). They cover training technology in more than half of organisations (56%).

The median annual training budget per employee was £276, less than last year (£350), with a particularly dramatic reduction in the public sector. The median number of training hours employees receive per year was 24, again a reduction on last year.

In very similar findings to last year, just one in ten organisations anticipates that the funding of learning and development will increase in the next 12 months. Nearly two-fifths anticipate reductions. Unsurprisingly, public sector organisations were most pessimistic regarding their future learning and development funding.

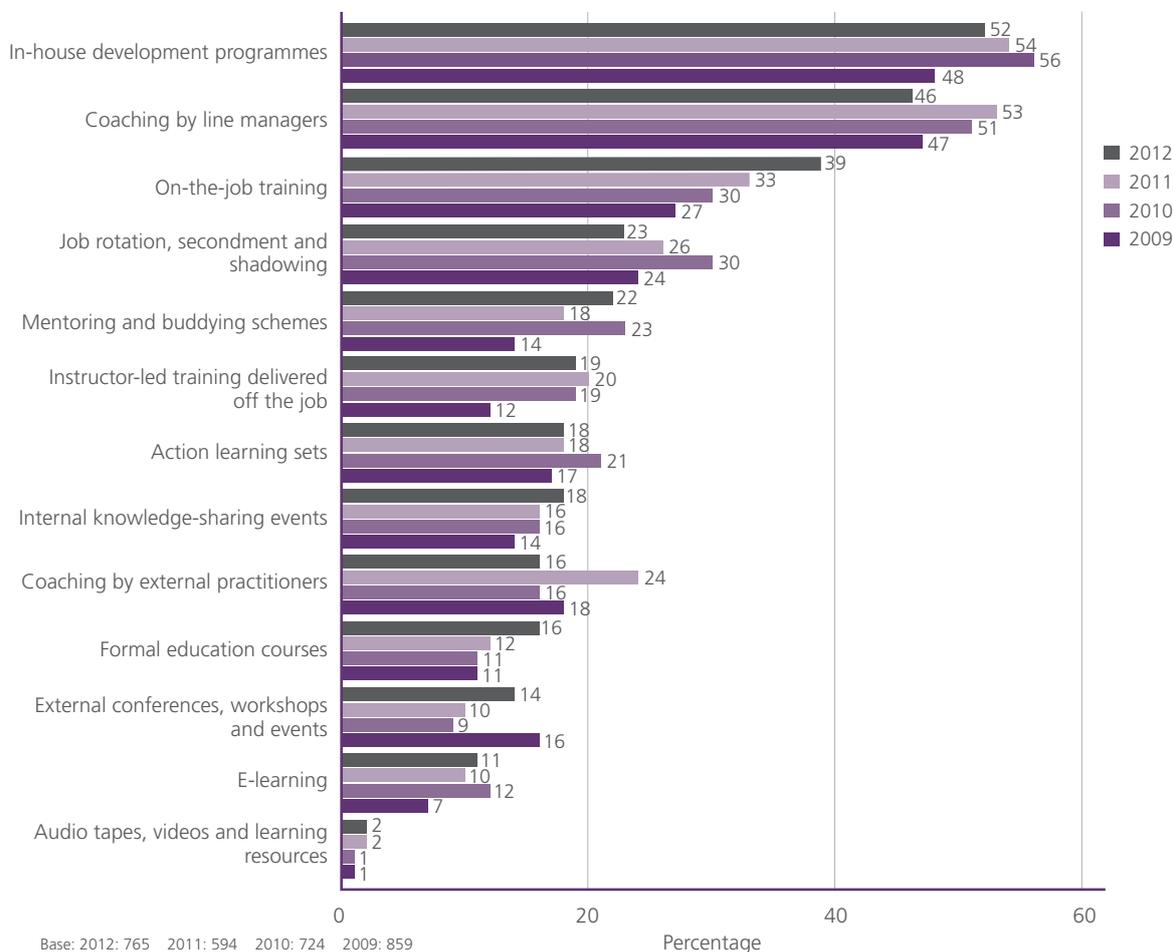
2 TRENDS IN LEARNING AND DEVELOPMENT

One of the aims of the CIPD *Learning and Talent Development* survey is to track changes in workplace learning and development. This section examines the perceived effectiveness of various learning and talent practices and anticipated future trends.

Effectiveness of learning and talent development practices

Views regarding which learning and talent development practices are most effective have changed little over the past few years (Figure 1). In-house development programmes and coaching

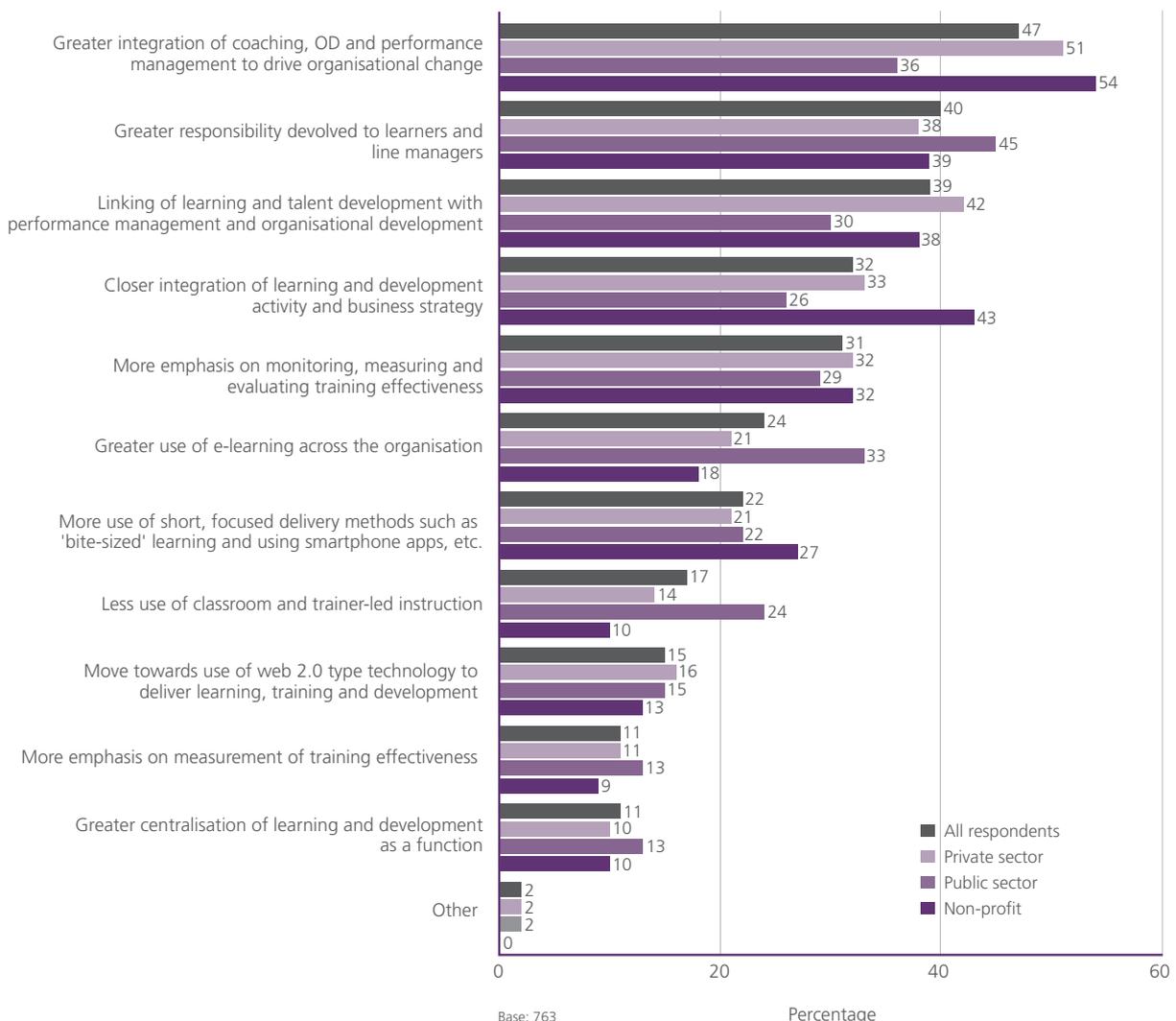
Figure 1: Which three learning and development practices do you believe are most effective?



by line managers are most commonly ranked in the top three most effective learning and development practices (by about half of respondents), although there has been a slight decline in the perceived effectiveness of these methods compared with the last two years. Two-fifths of respondents rank on-the-job training among the most effective learning and development practices, a higher proportion than in previous years. Organisations may be honing their skills in this area as the economic climate has forced many towards focusing on lower-cost practices.

In-house and on-the-job development and coaching tend to be seen as more effective than external development options such as external conferences, workshops and events, coaching by external practitioners and formal education courses, no doubt because they can be more tailored to individual and organisational needs. E-learning methods and learning resources such as audio tapes and videos are ranked least effective. Our previous research (2011) outlined in our report *Focus on e-learning* suggests that while e-learning methods are increasing in use, they

Figure 2: What do you anticipate will be the major organisational change affecting learning and development in organisations over the next two years? (Respondents selected a maximum of three.)



tend to be seen as most suitable for specific types of training (such as health and safety, hygiene, data protection, induction and technology training). Most managers believe they are not a substitute for face-to-face or classroom learning.

Anticipated changes over the next two years

Respondents were asked which major organisational changes would most affect learning and development in their organisation over the next two years. As last year, the most commonly anticipated major change was seen to be a greater integration between coaching, organisational development and performance management to drive organisational change, reported by nearly half of respondents (Figure 2). Aligned with this were changes linking learning and talent development with performance management and organisational development, reported by two-fifths of respondents, while a third reported closer integration of learning and development activity and business strategy.

It appears that organisations are taking a more holistic and joined-up approach to learning and development, performance and organisational development, recognising the clear links between these elements of organisational success. This is particularly the case in the private and non-profit sectors. In comparison, the public sector was less likely to report integration or greater links in any of these areas.¹

Another change commonly anticipated by two-fifths of respondents was greater responsibility devolved to learners and line managers. Just under a third reported more emphasis on monitoring, measuring and evaluating training effectiveness, reflecting the budget constraints and need to ensure value for money in the current economic climate. Only 11%, however, reported more emphasis on the measurement of training effectiveness.

The public sector was more likely than other sectors to report less use of classroom and trainer-led instruction² and greater use of e-learning across the organisation (Figure 2).³

3 TALENT MANAGEMENT

In today's challenging economic climate, the effective and strategic management of talent is critical to differentiate organisations from their competitors and drive business success. This section examines the popularity of talent management schemes, their objectives, how effective they are and which groups of employees they cover.

Prevalence of talent management activities

Just over half (54%) of organisations report they undertake talent management activities, a slight decline on the last two years (2011: 61%; 2010: 59%) mainly due to a considerable drop in their use in the private sector (private sector 2012: 59%, 2011: 70%; public sector 2012: 47%, 2011: 52%; non-profits 2012: 37%, 2011: 33%). Nevertheless, organisations in the private sector are still significantly more likely than those in the other sectors to undertake such activities.⁴ This is undoubtedly a reflection of the pressures the public sector faces as government seeks to close its deficit, with a declared policy designed to shrink and squeeze public sector activity and to curtail budgets on all kinds of non-essential, non-delivery-focused expenditure.

The likelihood of organisations having talent management activities is also related to their size.⁵ Three-quarters (76%) of very large organisations (5,000+ employees) undertake talent management activities compared with one-third (36%) of organisations with fewer than 50 employees. Organisations with a specific training budget are also more likely to undertake talent management activities (58%).⁶

Employees included in talent management activities

Two-fifths (44%) of organisations include all or the majority of staff in their talent management activities. Smaller organisations are particularly likely to do so (67% of SMEs include all staff compared with 37% of those with more than 250 employees).⁷

High-potential employees are most likely to be targeted by talent management activities, particularly in the private sector (see Figure 3), followed by senior managers and graduates, although the latter are far less likely to be included in talent schemes in non-profit organisations.⁸ The public sector is least likely to include middle managers in its schemes.⁹

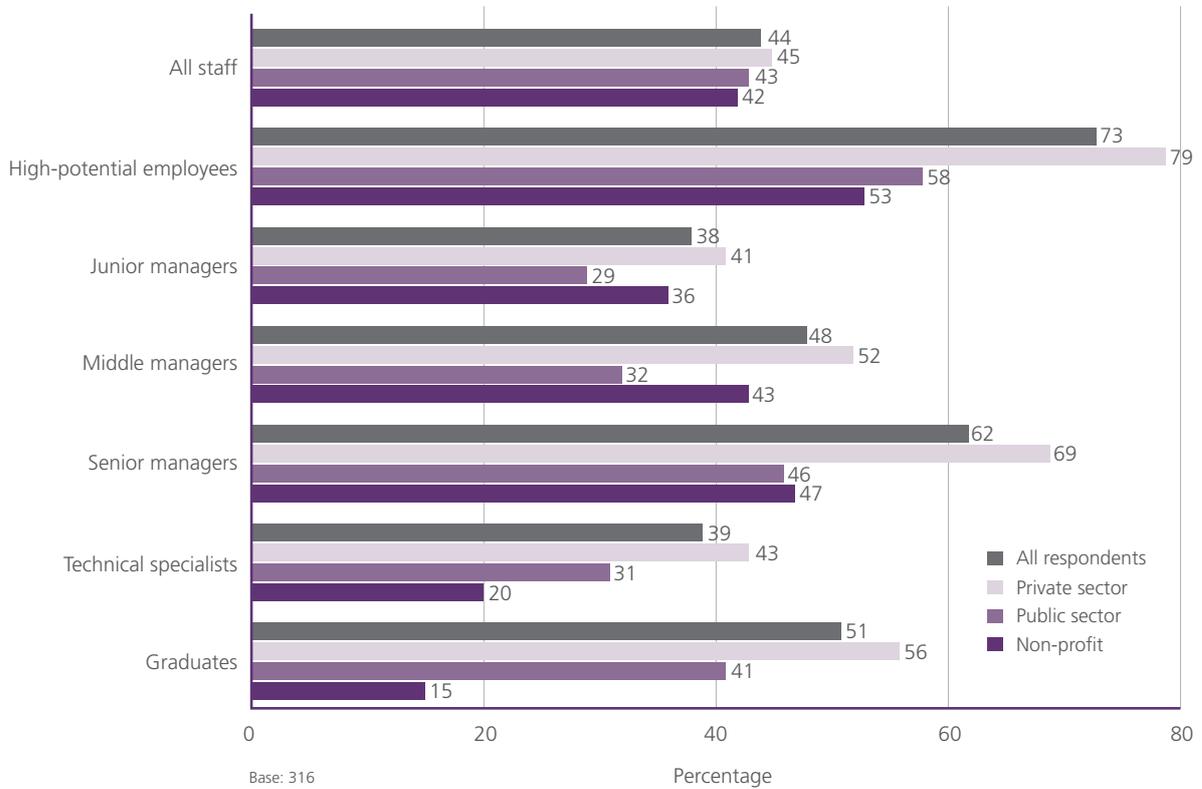
Objectives of talent management activities

The objectives of talent management activities are very similar to last year. Developing high-potential employees (62%) and growing future senior managers/leaders (59%) remain the most common objectives, reported by three-fifths of organisations. Retaining key staff (35%) and enabling the achievement of the organisation's strategic goals (32%) were key objectives for a third of organisations overall, although retaining key staff was less of a priority in the public sector, where only a quarter (25%) reported it was one of their top three objectives.¹⁰

There were no other significant sector differences in the main objectives of talent activities, although larger organisations were more likely to report that developing high-potential employees and

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Figure 3: Groups of employees that are mostly or all covered by talent management activities (%)



growing future senior managers/leaders were among their key objectives.¹¹

Less common priorities of talent management schemes were meeting the future skills requirements of the organisation (28%), attracting and recruiting key staff to the organisation (25%); supporting changes in the organisational structure or business environment (15%), addressing skills shortages (11%), assisting organisational resource-planning (8%) and the redeployment of staff to other roles (8%).

Effectiveness of talent management activities

Only a small minority of organisations (6%) rate their talent management activities as 'very effective'. A further 50%, however, rate them as 'fairly effective'. Nearly one in six believe their talent management activities are 'fairly

ineffective' (12%) or 'very ineffective' (3%), although this does represent a small improvement on last year (2011: 18% 'fairly ineffective', 3% 'very ineffective').

The public sector view their talent management activities less favourably than the private sector. Nearly a quarter (23%) rate their talent management activities as 'fairly' or 'very' ineffective (13% in the private sector) and just 44% as 'very' or 'fairly' effective (60% in the private sector).¹² Very small organisations (less than 50 employees) were most likely to report their schemes were 'very' or 'fairly' effective (83%) but there was little difference among organisations of other sizes and having a specific training budget did not have a significant impact.

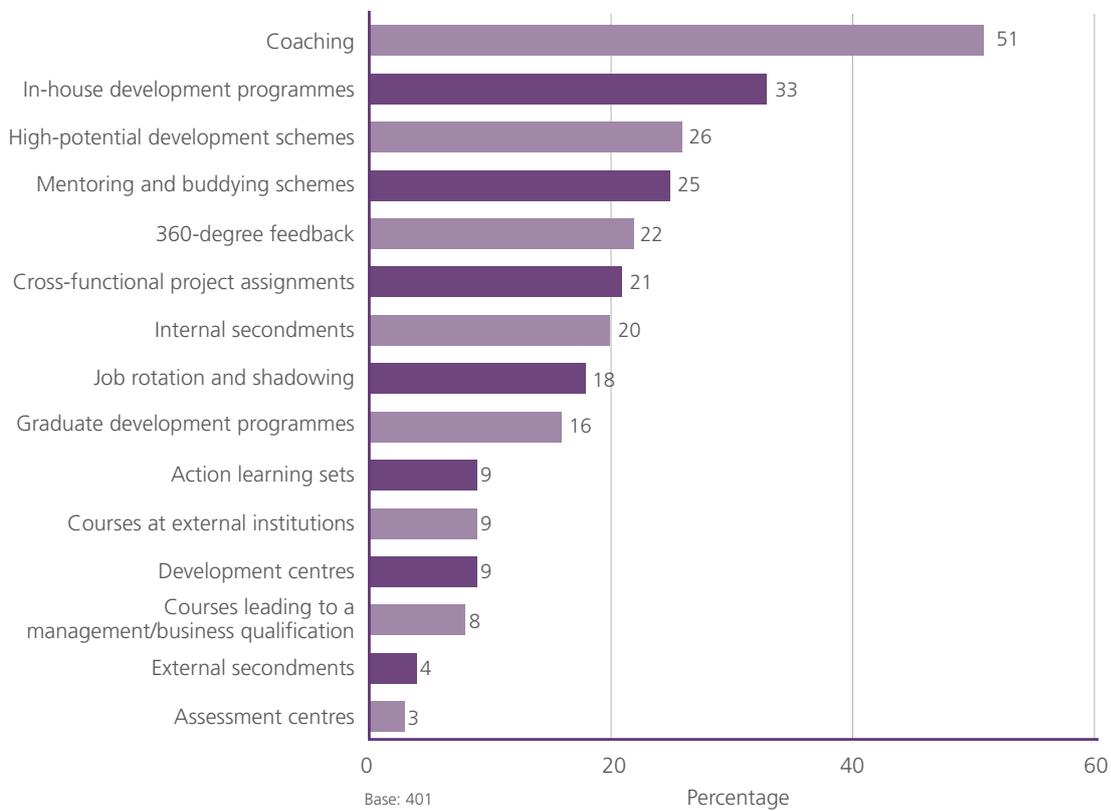
In similar findings to last year, half of organisations rank coaching and a third in-house development

programmes among their most effective talent management activities (Figure 4). High-potential development schemes and mentoring and buddying schemes are also among the most effective methods for a quarter of organisations.

Effectiveness ratings varied according to the size of the organisation, perhaps reflecting differences

in the use of practices. Larger organisations, for example, were more likely than smaller organisations to rank high-potential development schemes and graduate development programmes as among their most effective methods.¹³ In contrast SMEs were more likely to rate courses at external institutions and action learning sets as among their most effective methods.¹⁴

Figure 4: Of the talent management activities used by your organisation, which are the most effective? (%) (Tick three only.)



4 MANAGEMENT AND LEADERSHIP SKILLS

This section examines how adequate management and leadership skills are in organisations based in England, to inform policy work on the distinct skills agenda. It explores deficiencies in these skills, the importance attached to them when making promotions, how they are evaluated, whether additional training is provided for new managers and how organisations respond to negative feedback regarding management and leadership skills; 673 organisations with operations based in England responded to these questions.

Common deficit of management and leadership skills

Nearly three-quarters (72%) of organisations in England report a deficit of management and leadership skills. Very small organisations, with fewer than 50 people, are less likely to report a deficit (30%), but once this is taken into account the paucity of management and leadership skills is observed across all sectors as well as middle and larger-sized organisations.

Nearly two-thirds (65%) of organisations report senior managers are deficient in management and leadership skills, while the vast majority (85%) report line managers and supervisors lack these skills. The deficit of management and leadership skills at line manager and supervisor level is particularly apparent in the manufacturing and production sector (86%) and least common in the public sector (76%).¹⁵

The importance of management and leadership skills for promotions

The widespread need for good management and leadership skills is highlighted by our findings that on average a quarter of the workforce in our sample have line management responsibilities.¹⁶ Three-fifths (60%) of organisations across all sectors report that management and leadership skills are very important when promoting individuals into positions that have people management responsibilities and only 2% report they are not important.

Unsurprisingly, the more importance given to management and leadership skills when promoting individuals the less likely the organisation is to report they have a deficit of these skills (71% compared with 94% of those who consider such skills only somewhat important).¹⁷ Nevertheless, the proportion with a skills deficit is still extremely high, even when high importance is given to these skills for promotions, suggesting a serious deficiency of management and leadership skills in their workforce.

The evaluation of management and leadership skills

One in seven organisations, regardless of sector, do not make any attempt to evaluate individuals' management and leadership skills (Table 1). Most of these organisations (90%) report a deficit of management and leadership skills. Two-fifths use 360 feedback and 28% use engagement surveys, while 16% use other methods. Nearly half (46%)

evaluate management skills informally although this is less common in the public sector (34%).¹⁸ Larger organisations were more likely to use 360 feedback and engagement surveys than smaller organisations that were more likely to evaluate informally (Table 1).

Additional training for managers

Two-thirds of organisations (66%) report that when a member of staff gets promoted into a manager position (that is, takes on people management responsibilities), they receive additional training. Sector and size made no significant difference.

Where training is provided, development in people management skills is most common (91%). Three-fifths (62%) provide additional training in developing staff/mentoring skills. Business management skills, budgeting and financial skills and change management skills are provided by a third, while one in ten (11%) provide training in innovation and creativity to improve business performance. There are few differences in the training provided across sectors and organisational sizes with the exception of change management skills, which is more common in larger organisations.¹⁹

Organisations that provide additional training were less likely to report that they have a management and leadership skills deficit than organisations that don't (71% compared with 86%)²⁰ although the high proportion who provide training but still report a deficit suggests that the training provided is inadequate or does not cover all managers.

The reasons for not providing additional training are mixed. A quarter of organisations (23%) report that it is because the managers do not need any additional training, while similar proportions report it is due to budget issues (28%) or lack of time (24%). The public sector was less likely than the private to report that no additional training was provided because it wasn't needed and more likely to report it was due to budget issues (Table 2).²¹

Organisations with a deficit of management and leadership skills were more likely to cite lack of time as the reason for no additional training compared with organisations where there was no deficit of skills (Table 2).²¹ These organisations may need to review their management and resourcing priorities and the longer-term implications of poor management and leadership skills.

Table 1: How do you evaluate an individual's management and leadership skills? (% of respondents by organisation size)

	360 feedback	Informally	Through engagement surveys	Other	We don't evaluate them
All respondents	42	46	28	16	14
Fewer than 50	38	53	6	20	11
50–249	29	46	22	18	22
250–999	28	56	27	11	14
1,000–4,999	47	44	33	17	10
More than 5,000	63	36	39	17	14

Base: 658

Table 2: Reasons for not providing additional training (% of respondents)

	All respondents	Deficit of management and leadership skills?		Sector		
		Yes	No	Private sector	Public sector	Non-profits
They don't need any additional training	23	17	48	29	11	20
Budget issues	28	30	25	23	38	41
No time	24	26	14	24	19	33
Don't know/no information	23	25	17	21	31	20
Other	22	24	13	21	27	16

Base: 486

Responding to poor feedback for line managers and leaders

Organisations are most likely to respond to poor feedback for line managers and leaders by giving appropriate feedback and a learning and improvement plan (57%). Two-fifths (42%) report they respond by delivering one-to-one coaching to executives and senior management and/or by giving informal feedback about the poor quality of leadership and management skills. Far fewer organisations have given informal warnings (17%) or penalised managers through performance reviews (16%), although the latter is more common in very large organisations (23% of organisations with more than 5,000 employees).

The public sector is least likely to respond to poor feedback for line managers and leaders. Nearly one quarter (24%) have taken no action at all (compared with 13% of the private sector and 17% of the non-profit sector)²³ and they are less likely to have responded by giving appropriate feedback and a learning and improvement plan or by penalising through performance reviews.²⁴



5 LEADERSHIP DEVELOPMENT

The previous section highlighted the widespread deficit of leadership skills in organisations. This section explores which particular leadership skills are most lacking and the focus of leadership development activities.

Leadership skills gaps

Organisations were asked to identify a maximum of three leadership skills that they had identified gaps in. In findings very similar to last year (Figure 5) just over half reported gaps in performance management skills (in particular setting standards for performance and dealing with underperformance). Skills for leading and managing change and leading people and people management were also commonly lacking in nearly half of organisations.

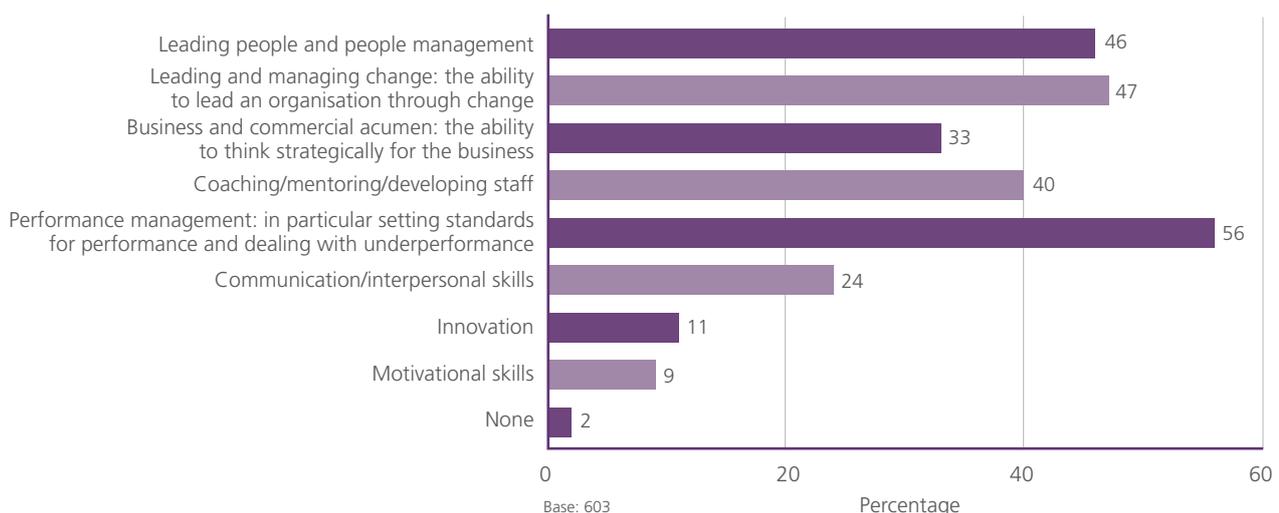
The public sector was particularly likely to report their leaders lacked skills for leading and managing change (64% compared with 34% of private organisations, 54% of non-profits)²⁵ as was the case last year. The on-going,

widespread budget reductions in this sector have intensified the scale of change required in many organisations and this may have highlighted the lack of skills needed to lead the required changes. In contrast, the public sector was least likely to identify a lack of skills in coaching, mentoring and developing staff (26% compared with 45% of the private sector, 47% of the non-profit sector).²⁶

Leadership development activities

Most organisations (80%) reported that they would carry out leadership development activities in the next 12 months. Only 6% reported they would not do so while 14% didn't know. There were no significant sector differences and whether or not organisations had a deficit of leadership skills did not impact on the likelihood of carrying out leadership development. Larger organisations, however, were more likely to do so (86% of organisations with more than 250 employees compared with 66% of SMEs).²⁷

Figure 5: Which of the following leadership skills, if any have you identified gaps in? (Please select a maximum of three.) (%)



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Focus of leadership development activities

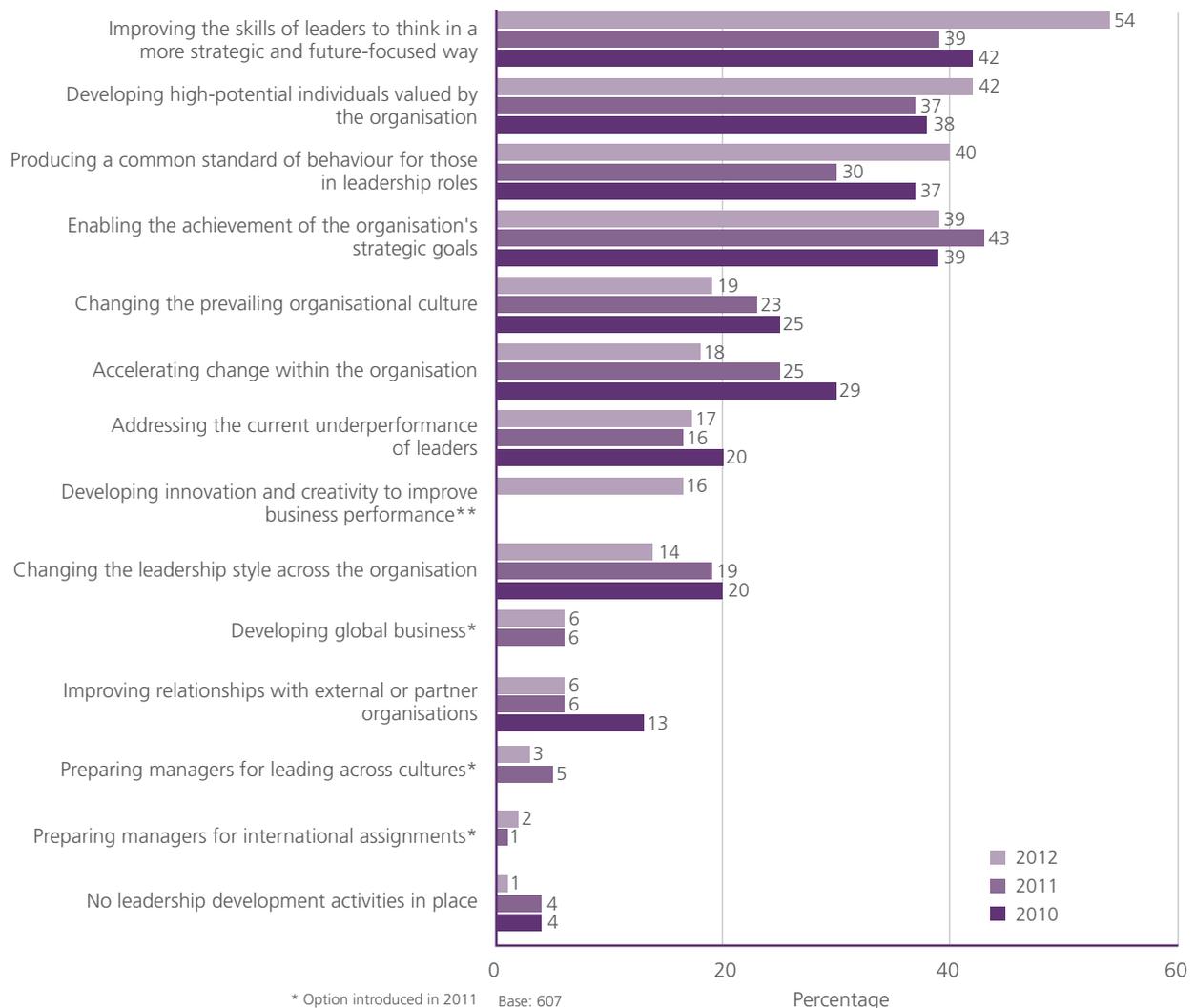
Improving the skills of leaders to think in a more strategic and future-focused way will be the most common focus of leadership development activities over the next 12 months, increasing in popularity compared with the last two years (Figure 6). Other common objectives will be developing high-potential individuals valued by the organisation (particularly in the private sector: 49% compared with 32% in the public),²⁸ producing a common standard of behaviour for those in leadership roles and enabling the achievement of the organisation's strategic goals.

Organisations report that leadership development activities will be less focused on accelerating

change within the organisation, changing the prevailing organisational culture or changing the leadership style across the organisation compared with the previous two years (Figure 6). Accelerating change within the organisation remains a more common focus of leadership development in the public sector (26% compared with 14% in the private sector)²⁹ reflecting the particular deficit of change management skills in this sector (see above) but even within this sector it has decreased compared with last year (2011: 40%).

Despite the widespread deficit of leadership skills just one in six organisations report their leadership development activities will focus on addressing the current underperformance of leaders.

Figure 6: What will be the focus of leadership development activities within your organisation in the next 12 months? (Please select a maximum of three.) (%)



* Option introduced in 2011
 ** Option introduced in 2012

Base: 607

Percentage

6 DEVELOPMENT FOR MANAGERS WITH INTERNATIONAL RESPONSIBILITIES

In our increasingly global world, more and more organisations are finding they need the skills to operate effectively across borders. This section looks at whether organisations that operate in more than one country carry out specific learning and talent development with managers who have international responsibilities and the methods they use to develop their talent.

International learning and development

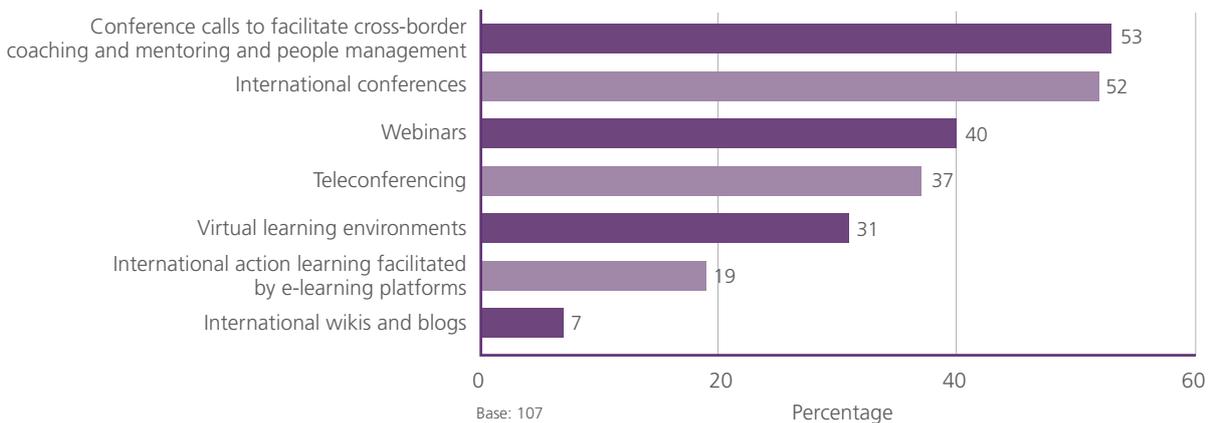
In similar findings to last year, two-fifths (39%) of organisations that operate in more than one country carry out specific learning and talent development with managers who have international responsibilities. Larger organisations are most likely to do this (5,000+ employees: 52%).³⁰

The most common methods used to develop the skills of managers with international responsibilities are conference calls to facilitate cross-border coaching and mentoring, and international conferences, followed by webinars and teleconferencing. Sector and size of organisation made little difference to the methods used.

Nurturing leadership talent internationally

The most popular programmes used to nurture leadership talent internationally were company-wide talent management programmes for high-potentials (Figure 8). Half use coaching and mentoring to help international staff move into key roles, an increase on previous years (2012:

Figure 7: Which, if any, of the following methods are used to develop the skills of managers with international responsibilities?

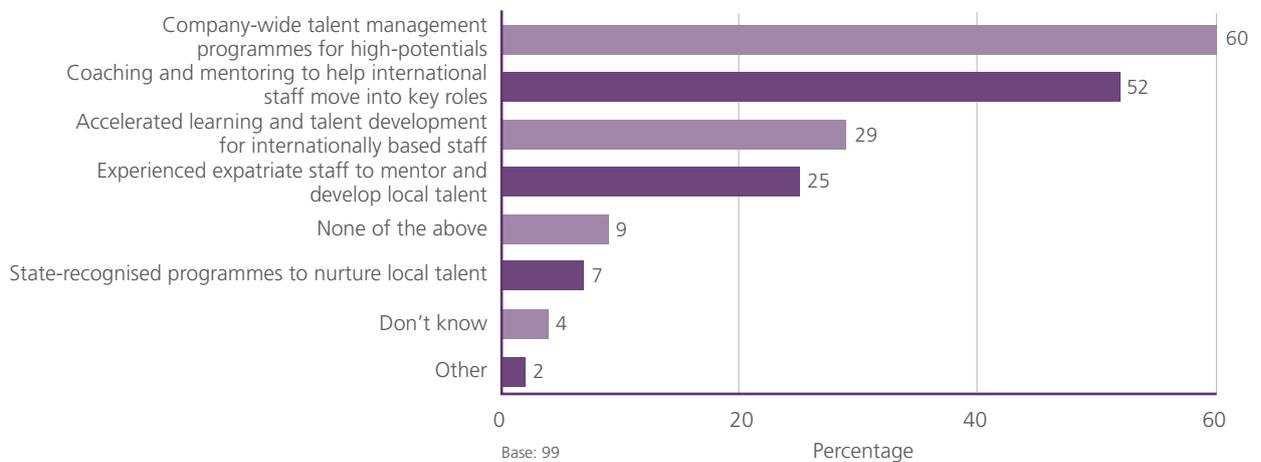


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52%; 2011: 33%; 2010: 38%). Over a quarter make use of accelerated learning and talent development for internationally based staff and experienced expatriate staff to mentor and develop local talent.

Larger organisations are more likely to make use of programmes to nurture leadership talent internationally. A fifth of SMEs that operate internationally did not use any of the programmes listed compared with just 2% of organisations with more than 5,000 employees.

Figure 8: Which, if any, of the following programmes do you use to nurture leadership talent internationally? (% of those who operate in more than one country)



7 INDIVIDUAL AND TEAM LEARNING ANALYSIS AND DIAGNOSTICS

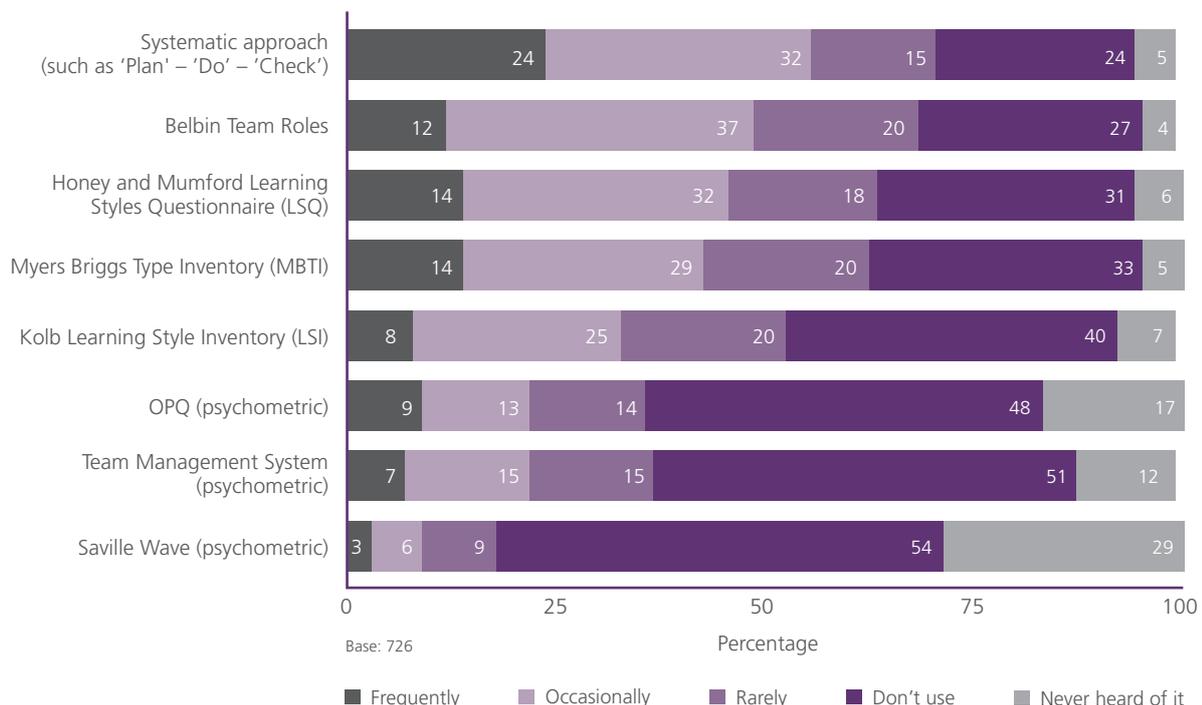
This year, for the first time, the survey looks at how models and insights about learning and development are used. In this section we examine which methods of learning analysis/diagnostics are used in practice and how familiar organisations are with new insights on learning and development from areas like neuroscience, social psychology, economics, computing and the natural sciences.

Methods of learning analysis/diagnostics

Many organisations use one or more methods of learning analysis/diagnostics in their learning

and development practice. Systematic approaches (such as 'Plan' – 'Do' – 'Check') were most commonly applied, with a quarter using these approaches frequently and a further third occasionally. Belbin Team Roles and the Honey and Mumford Learning Styles Questionnaire (LSQ) were used at least occasionally by nearly half of organisations and Myers Briggs Type Inventory (MBTI) by over two-fifths of those who responded to this question. In contrast, two-thirds or more of respondents don't use or haven't heard of OPQ, Team Management System or Saville Wave psychometrics.

Figure 9: How often do you use the following methods of learning analysis/diagnostics in your practice? (% of respondents)



LEARNING AND TALENT DEVELOPMENT

The use of several diagnostics, including the Honey and Mumford Learning Styles Questionnaire (LSQ), Belbin Team Roles, Myers Briggs Type Inventory (MBTI) and Saville Wave, were most common in the public sector.³¹

With the exception of systematic approaches and Saville Wave, the use of all the diagnostics listed in Figure 9 were related to organisational size such that larger organisations were more likely to use them.³²

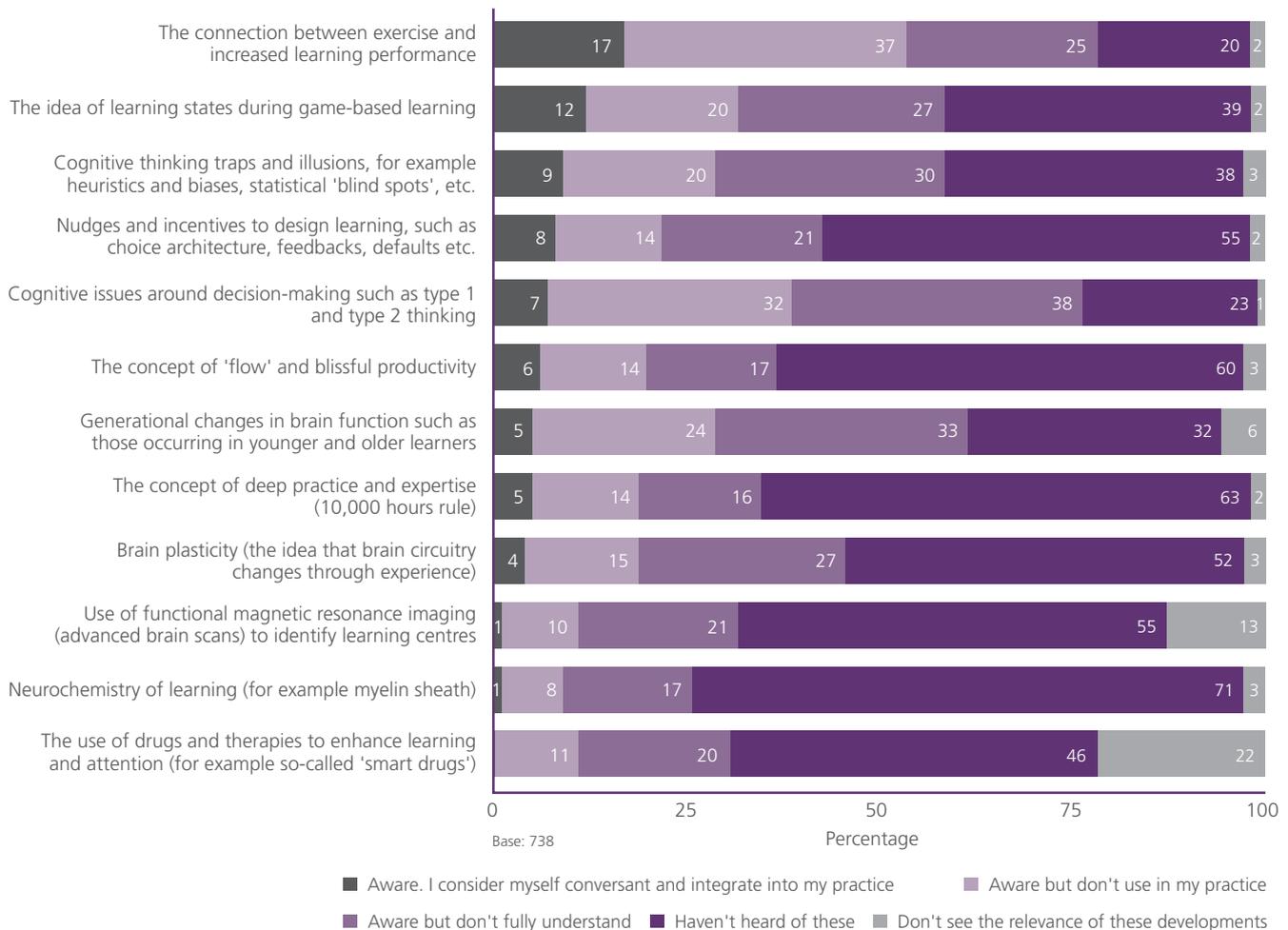
Just under a quarter of organisations reported they used other learning diagnostics/psychometrics in their organisation. The most common tools

listed included Insight Profiling/Discover Tools (15% of those who responded to this question), Hogan's Tools (14%), FIRO B (14%), Strengths Deployment Inventory (9%) and 360-Degree Feedback Tools (9%).

New and developing methods of learning analysis

New insights on learning and development are being developed from areas such as neuroscience, social psychology, economics, computing and the natural sciences. Figure 10 shows that many professionals are unaware of these developments and they are rarely incorporated into learning and development practice.

Figure 10: How aware are you of the following methods of learning analysis? (% of respondents)



Of the new methods we listed, organisations were most aware of the connection between exercise and increased learning performance, with one in six integrating this into their practice. The idea of learning states during game-based learning was integrated into practice in 12% of organisations. Three-fifths or more had not heard of the concept of 'flow' and blissful productivity, the concept of deep practice and expertise (10,000 hours rule) or neurochemistry of learning (for example myelin sheath).

Organisations were given the option to state if they had used other methods of learning analysis. Four reported the use of Neuro Linguistic Programming (NLP), one the use of Neuro Psychology in relation to change management and Cognitive Behavioural Therapy (CBT) in relation to coaching and one the use of psychological models such as Transactional Analysis.

8 INNOVATION AND CREATIVITY

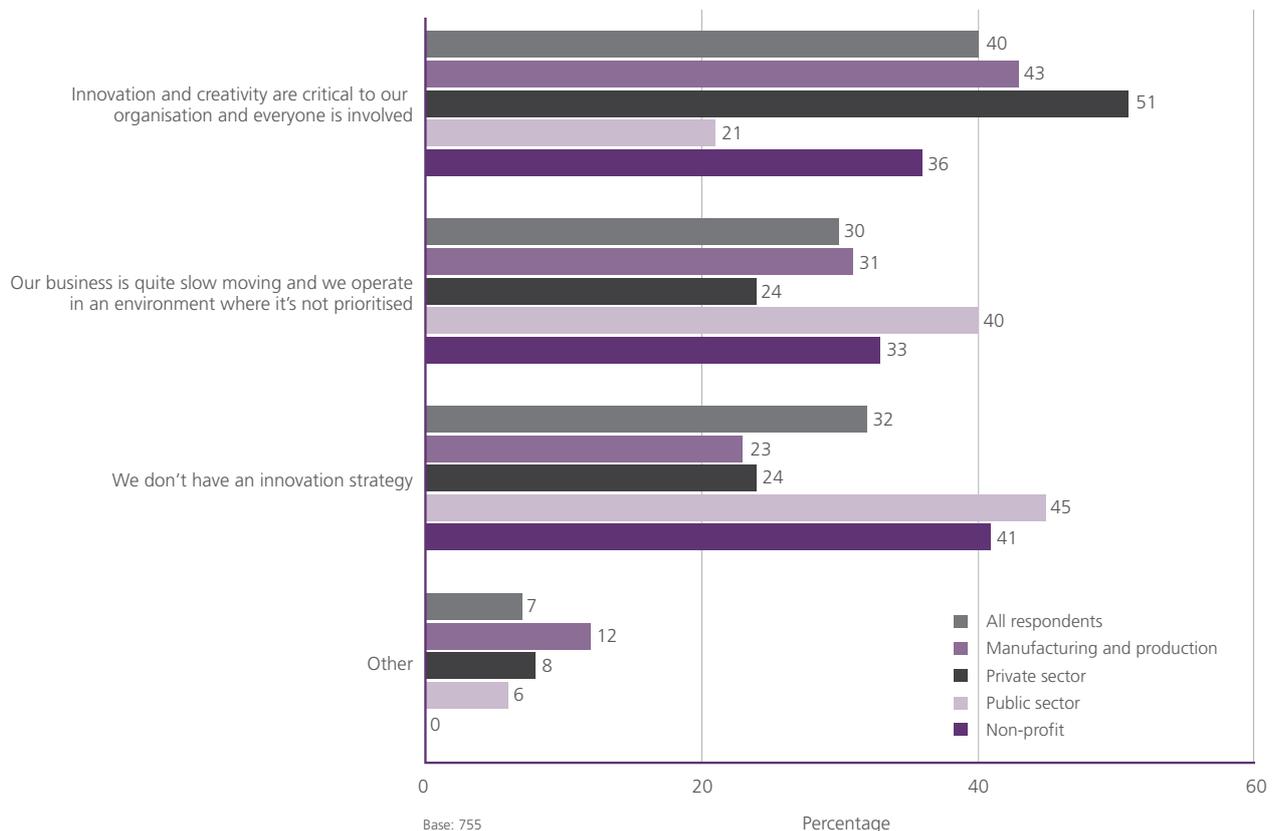
Innovation and creativity are more important than ever, both in terms of product and process. Good innovation policies can drive firms forward. Here we examine the importance organisations place on innovation and creativity, the strategies and approaches they take and who is involved.

The importance of innovation and creativity

Overall, two-fifths of organisations report that innovation and creativity are critical to their

organisation and that everyone is involved. This varied significantly across sectors however, with more than twice as many private sector organisations as public reporting this was the case (Figure 11).³³ The public sector was more likely to report their business was quite slow moving and they operate in an environment where it's not prioritised. Just under half (45%) of this sector did not have an innovation strategy compared with less than a quarter of the private sector.³⁴

Figure 11: As an L&TD practitioner, how would you describe the innovation strategy in your organisation?



The size of an organisation also appears to have an impact on innovation and creativity. Over half (53%) of SMEs reported that it was critical to their organisation and everyone was involved compared with a third (34%) of larger organisations.³⁵ Less than a quarter of SMEs reported they didn't have an innovation strategy compared with 35% of larger organisations.³⁶

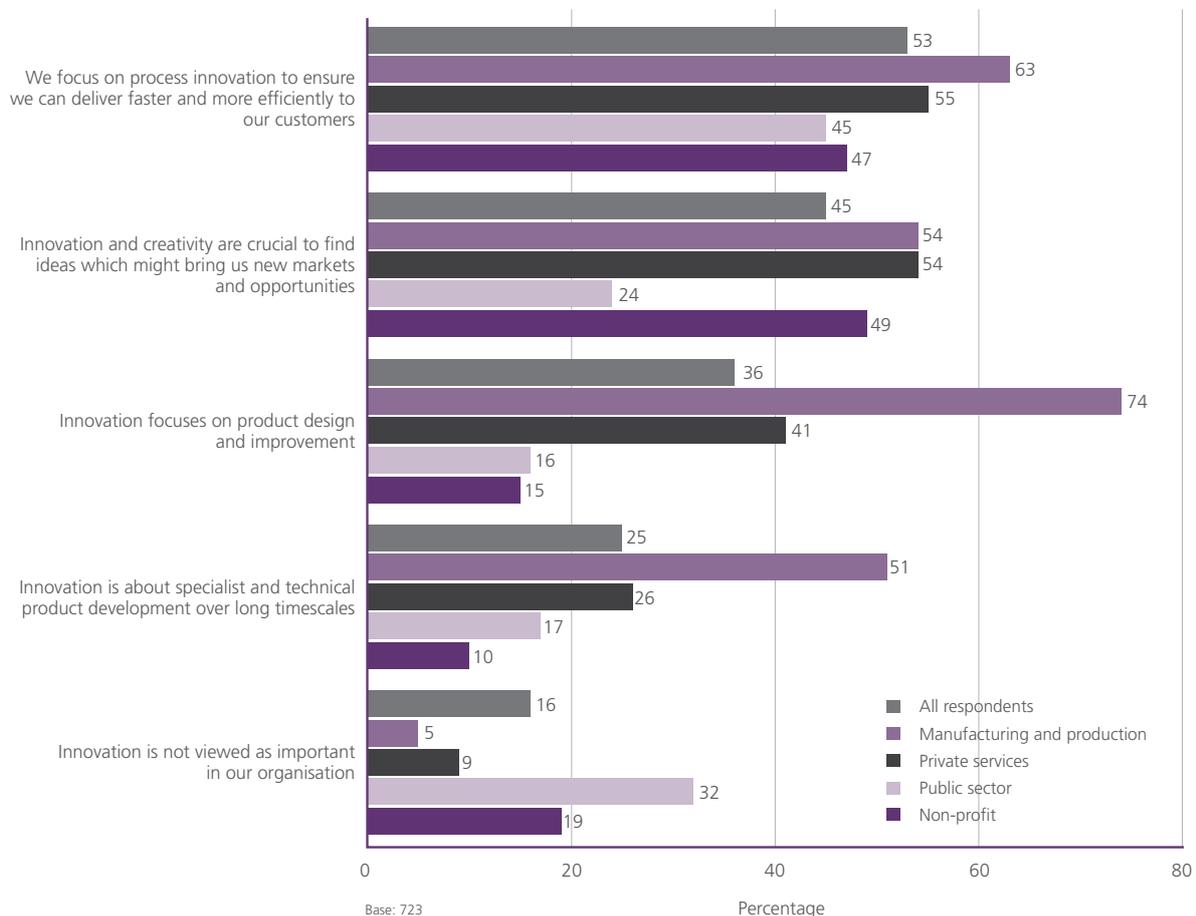
Types of innovation strategy and approach

Overall the main focus of innovation strategies is to ensure organisations can deliver faster and more efficiently to customers (53%) although this is less common in the public and non-profit sectors (Figure 12).³⁷ The private sector, in particular manufacturing and production organisations, view innovation as more important compared with

the public and non-profit sectors³⁸ although half of the latter view it as crucial to find ideas which might bring new markets and opportunities.

The nature of manufacturing means innovation is particularly important in this sector for product design and improvement and three-quarters of manufacturing and production organisations report they focus on this compared with just two-fifths of private services and one in six public and non-profit organisations.³⁹ Manufacturing and production organisations are twice as likely as private services organisations and three times as likely as the public sector to believe that innovation is about specialist and technical product development over long timescales, reflecting the different nature of their business.⁴⁰

Figure 12: What types of innovation strategy/approach are used in your organisation?



LEARNING AND TALENT DEVELOPMENT

Employees involved in innovation and creativity

Over half of manufacturing and production organisations have key project teams which focus on innovation and creativity or certain departments, such as product and development, to deliver innovation in partnership with others, although these are much less common in the other sectors (Table 3).⁴¹ Manufacturing and production organisations are also significantly more likely to employ technical specialists to deliver innovation and collaborate externally, licensing others to work with them.⁴²

The other sectors are less likely to have specialist or project teams but rather tend to encourage managers to innovate through business as normal. This is particularly common in the private services and non-profit sector and least common in the public sector where, as discussed above, innovation is less commonly seen as important.⁴³

Over a third of organisations across all sectors use employee suggestion schemes to tap into the creativity and ideas of all employees. Over a fifth pull in ideas externally and use them to develop their own innovation.

Table 3: Who is involved in innovation and creativity in your organisation? (%)

	All respondents	Manufacturing and production	Private services	Public sector	Non-profits
Managers are encouraged to innovate in business as normal	60	57	67	47	66
We have key project teams which focus on these areas	38	56	34	38	28
We use all employees in our innovation approach through employee suggestion schemes	37	41	37	34	38
Certain departments, such as product development, deliver innovation in partnership with others	28	55	30	13	17
We pull in ideas externally and use them to develop our own innovation (inbound)	23	23	22	22	32
We employ technical specialists to deliver innovation	22	36	24	12	13
We engage specialist consultants to help deliver innovation	15	19	15	14	15
We collaborate externally, licensing others to work with us (outbound)	15	28	12	14	15
We afford employees allocated time to innovate	7	7	9	4	8
Other	5	1	3	11	7

Base: 693

9 ECONOMIC SITUATION AND TRAINING SPEND

In 2011 UK organisations became accustomed to reports constantly revising economic growth downwards and forecasting a bleak outlook for 2012. As the uncertainty continues, organisations will need to find ways to stimulate growth while keeping costs under tight control. In this section we examine the impact of the economy on organisations' economic circumstances and learning and talent development resources and budgets.

Economic circumstances

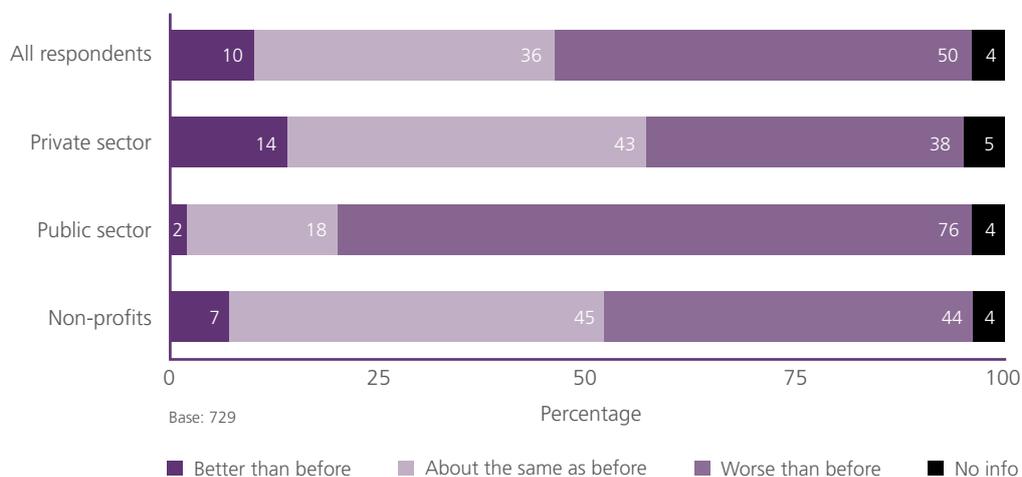
Organisations continue to face difficult economic circumstances. In findings very similar to last year, only a minority (10%) report that their economic/funding circumstances have improved over the past 12 months (Figure 13). Three-quarters of public sector organisations report their situation

has got worse, twice as many as in the private sector, reflecting the impact of government austerity. Larger organisations were slightly more likely to report their situation had got worse.⁴⁴

Impact on learning and talent development departments' (L&TD) resources

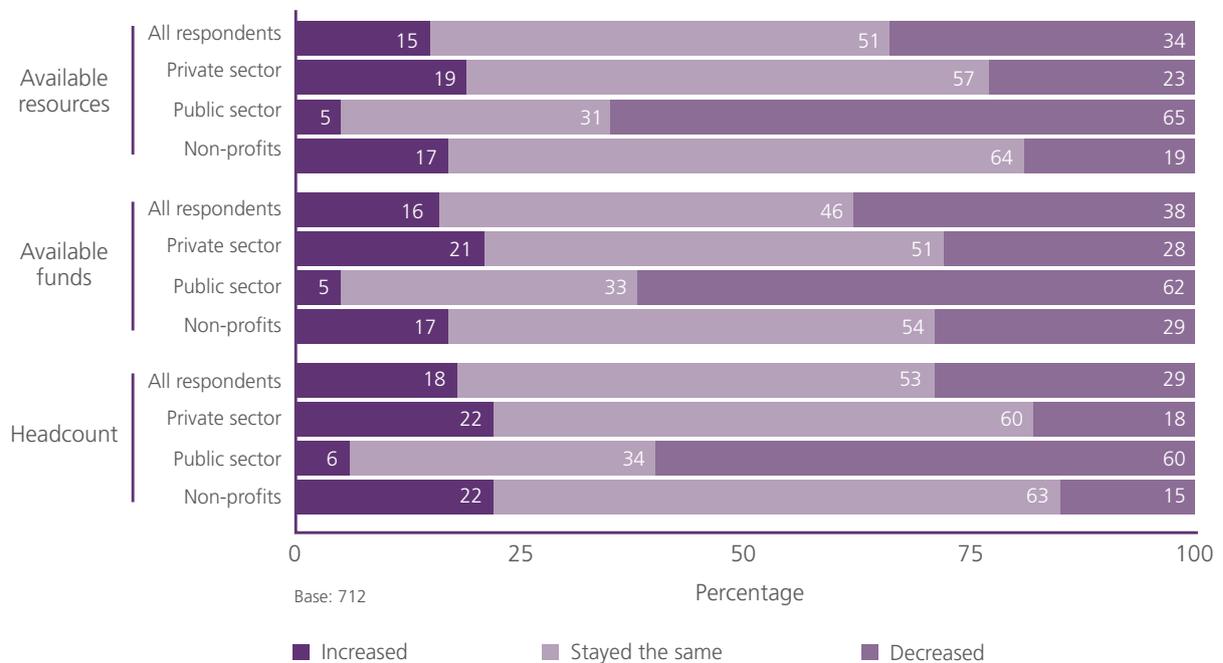
A significant proportion of the public sector have faced decreases in their available L&TD resources (65%), funding (62%) and headcount (60%) over the past 12 months. In comparison, the situation in the private sector and voluntary sector is better with about a fifth reporting that their available funds and resources have increased over the past 12 months, although a slightly higher proportion report that their resources and funds have decreased (Figure 14).

Figure 13: How would you describe the economic/funding circumstance facing your organisation in the past 12 months? (%)



LEARNING AND TALENT DEVELOPMENT

Figure 14: Changes to available resources, funds and headcount in L&TD departments over the past 12 months (% of respondents)



Changes to resources, funds and headcount are significantly related to the economic circumstances organisations face. Organisations that reported a worsening economic situation over the past 12 months were more likely to report reduced resources for learning and talent development, decreased funds and reduced headcount in the department.⁴⁵

Changes in L&TD departments

Most L&TD departments report they have undergone changes in the past 12 months and many of these, particularly for the public sector, are related to budget cuts (Figure 15). Over a third of public sector organisations have undergone reduction in external suppliers and moved to in-house provision, redundancies of staff, rationalisation and 'reduction' of department, including redeployment, while 22% have closed or rationalised their training facilities.

Over a third of L&TD departments report they have become more business-focused over the past 12 months, continuing a trend observed last

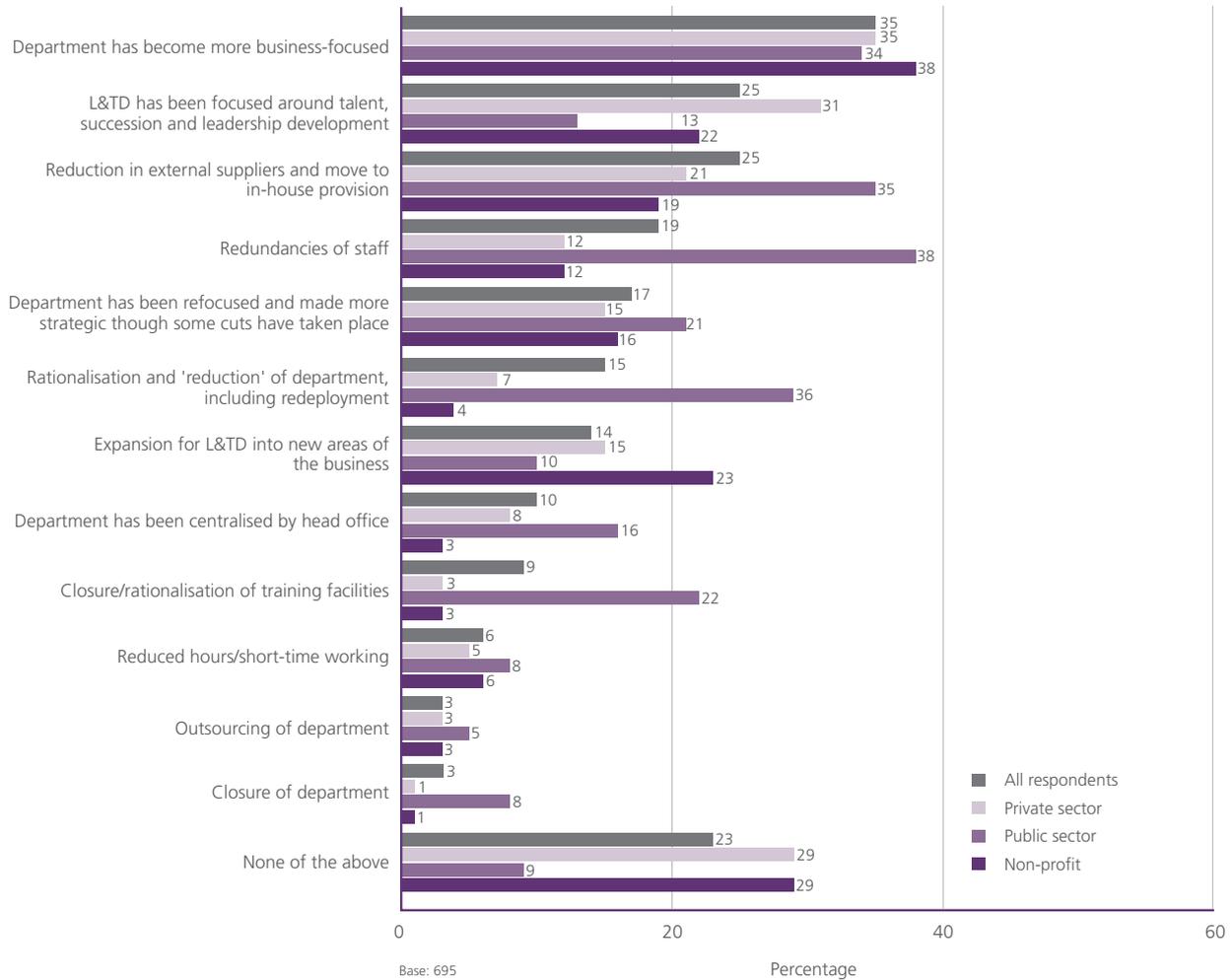
year. Nearly a third of private sector organisations have made a change to focus L&TD around talent, succession and leadership development, although this was less common in the public sector.⁴⁶

Training budgets

Most organisations with more than 250 employees have a training budget (public sector: 93%, private sector: 85%; non-profits: 92%). Smaller organisations, particularly in the private sector, were less likely to have a specific training budget (public sector: 77%, private sector: 62%; non-profits: 69%).⁴⁷

Of the 620 organisations that had a training budget, 309 (50%) provided useable and complete data on training budgets in sterling. The median annual training budget per employee was £276, but this masked considerable variation within and across sectors. Finances for training in the public sector appear to be particularly constrained. The median training budget for organisations in this sector was reported to be £167 per employee, a reduction of almost half compared with that

Figure 15: In what ways, if any, has your L&TD department undergone changes in the last 12 months? (%)



reported last year for this sector (£311, but higher than that reported in 2010: £116). The median training budget had also reduced in the private and non-profit sectors compared with last year, but to a much smaller extent, and their budgets remained almost twice that of the public sector (private sector median budget per employee, 2012: £308, 2011: £372; non-profit sector, 2012: £298, 2011: £349).

Items covered by the L&TD budget

Part of the reason for the considerable variation in training budgets is that they cover different items in different organisations. In the majority of organisations, training budgets cover external courses

and conferences (95%), hiring external consultants and trainers (81%) and books, training manuals, and so on (80%). They cover training technology in more than half of organisations (56%), while for a third of organisations they also cover fixed costs (35%) and salaries for in-house trainers (31%).

SMEs were less likely to include costs of hiring external consultants and trainers, training technology, fixed costs or salaries for in-house trainers in their budgets compared with larger organisations (SMEs: 70%, 43%, 22% and 13% respectively compared with 88%, 64%, 44% and 42% respectively in organisations with more than 250 employees).

Number of hours of training per employee each year

Only half of organisations (51%), report that they record the number of training/development hours employees receive in a 12-month period, with no significant differences across sectors or size.

The median number of training hours employees receive per year is 24 (among those who track the data). This suggests a decrease on previous years (2011: 5 days median, 2010: 4 days median, 2009: 5 days median).⁴⁸ Size and sector of organisation had no significant impact on the median amount of training per employee.

Future of L&TD funding

The economic uncertainty in the UK economy is reflected in expectations regarding L&TD funding over the next 12 months.⁴⁹ Just one in ten organisations anticipates that the funding of learning and development will increase while nearly two-fifths anticipate reductions.

Organisations' predictions for the future were moderately related to their experience of the past 12 months. Those that have experienced a worsening of economic circumstances and reductions in L&TD funding over the last 12 months were more likely to report they anticipate further decreases over the next 12 months. Unsurprisingly the public sector is most pessimistic regarding their future learning and development funding with nearly two-thirds anticipating decreases (Table 4).⁵⁰ In contrast, only a quarter of private sector and non-profit organisations anticipate a decrease in L&TD funding over the next year.

Table 4: How do you expect the funding of learning and talent development to change in the next 12 months? (%)

	All respondents	Private sector	Public sector	Non-profits
Increase	12	15	3	13
Stay the same	45	51	26	55
Decrease	37	27	65	23
Don't know	6	7	6	9

Base: 737

CONCLUSIONS AND INSIGHTS

Reduced resources call for increased resourcefulness

It's quite clear from this survey that budgets and resource are shrinking as organisations face continuing economic difficulty. It's also quite clear that this has gone on for some time. About half of private sector respondents report that is the case and three-quarters in the public sector, but one trend seems clear; L&TD is going to have to live in a resource-light context. Of course organisations may choose to target resource on new and emerging markets, on promising business areas or on particular 'mission critical' skills. That presents both opportunities and challenges; opportunities to shape and craft as well as challenges in adapting and remaining agile. Speed of decision and delivery are becoming critical. Often it means taking learning into the organisation in a quick and focused way, sometimes targeting learning around above-average teams or helping to resolve stalled performance. It means much more of a focus on productivity, time and efficiency and this seems to be the experience of many practitioners. The challenge will be to maintain that productive mindset when the heat is off. Laser-like focus on the relevance of learning and close attention to the impact and value of interventions will be the order of the day. This in many ways is how L&TD practitioners have to do the day job in these resource-light and challenge-rich times.

The role of L&TD becomes situational

Our CIPD HR Profession Map and capability framework points to the importance of situational HR embedded in organisational realities. The need for HR to support sustainable organisation

performance is therefore a constant requirement. L&TD will be effective as it plays different roles in different contexts to support that objective. A strategic role for L&TD, linking it more productively with OD, coaching and change management and focusing specifically on talent agendas is one way forward. We will call this the change catalyst role for L&TD. There L&TD becomes the facilitator and enabler of change and the collaborative partner to the rest of the organisation in effecting strategic change.

In other organisations perhaps where change is maturely embedded, L&TD is cast as the skills and capability custodian, building the skills and competence required at all levels of the organisation for the road ahead. Increasingly, to be either change catalyst or capability custodian we need to develop insight to inform our practice and to help the organisation and its people understand and appreciate the value of learning. The critical need for learning and development may be for managers because they have a big impact on employee performance and, as our evidence suggests, there is still a considerable deficit in leadership skills.

Developing continuous learning in leaders and managers

That nearly three-quarters of organisations see a deficit in management and leadership skills means that despite years of management training and development, much of the skill base of managers remains unimproved. Once we thought first-line supervisors, many of whom were lacking in basic skills, were the problem. The UK Commission for

Employment and Skills (UKCES) identified that nearly 40% had as their highest qualification a level 2 (competent school leaver) level of education. Now our survey indicates that senior managers are also perceived as lacking in management and leadership skills. Our survey suggests that though organisations value these skills in contemplating promotions, the actual systems for assessment are patchy. L&TD practitioners have a big role in using their insights on leadership and behaviour in making sure those leaders are developed properly. Following up their often relatively expensive initial development programmes and creating collaborative learning and knowledge-sharing opportunities would add considerable value. Many already do this. Offering and promoting coaching skills and making these accessible and flexible is another key role L&TD can play in supporting leadership skills. Helping managers to access information about key areas like well-being and stress, which have big impacts on employee engagement and disengagement, is another way in which L&TD can become a resource for continuous management development. Our insights, especially around skills, behaviours, cultures and their consequences, will be increasingly critical for this and for the other roles we will fulfil.

Nudge, fudges biases: working with the fantastic and flawed human

A lot of this activity is going to require a step-up in our awareness of a new and emerging evidence base from the sciences about how people think, act and behave. L&TD people use familiar models such as Myers Briggs, Kolb, and Honey and Mumford to generate insight on how people learn and develop. Perhaps these are too familiar, for the challenges we face now require different insights and a refreshed evidence base. Our survey also shows there is a low awareness of the emerging evidence base from neuroscience, cognitive research and areas like economics which could transform the way we think and plan L&TD. Behavioural science insights such as 'nudges' and understanding of behaviours like procrastination (fudges) and 'heuristics' (thinking shortcuts) could

have as much impact on how we plan learning as the assumed insight we get on people's preferences from our existing models. Policy makers increasingly turn to behavioural science insight for their ideas. The current UK Government has established a behavioural insights team to guide public policy. L&TD needs to develop its own behavioural insights perspective.

Understanding neuroscience issues such as how the brain codes, captures and cleans knowledge and memory, helps us to know much more about how to pace and develop our learning interventions. To draw insight from an increasingly diverse range of sciences we need to realise the increasing importance of collaboration and innovation in the emerging competitive environment. These insights are all out there now and available to tap. We already know for example about the connection between exercise and increased performance, with just under one-fifth of our respondents being aware of and regularly using this insight to drive practice.

We do not need to be neuroscientists or economists to use these insights, but we should be intelligently aware of their existence and how they can bring L&TD practice to new frontiers. Many practitioners are aware of these developments but more need to engage. The CIPD will do its bit to try and lift this capability with a forthcoming project on '*Steady State to Ready State*', and we will also develop an innovative new resource to help build practitioner awareness and engagement with these issues. That is a form of innovation and it's something which increasingly leads to our final insight; that innovation is L&TD's business.

Inspiring innovation

Our research shows that innovation and creativity are critical to organisations. The challenge of operating as a mature open economy in a world where our low-cost competitors are continually moving up the value chain means we must continually innovate. It's encouraging to see from this survey that innovation awareness is

relatively widespread in the private sector though concerning that only just over a fifth see it as crucial in the public sector. Arguably the need to innovate and deliver differently in the public sector is even more crucial given the current resource constraints. Innovation of course isn't just invention and product development; it is also seen in processes and in developing new collaborative ways of working and improving customer service. There is a major role for L&TD and HR in building the collaborative and open cultures in which innovation truly thrives. We need to become aware of who the innovators are and support them with appropriate resources, we need to help them to think and develop and we need to make insights such as those discussed above available to them in accessible formats. Innovation is above all about culture, not process or product. The lessons of great innovators like Google and IBM is that they create and nurture the conditions for innovation to take place. Getting involved in those kind of initiatives builds both the brand and the bandwidth of L&TD – it opens us up to more and allows us to become truly transformational. If we can do that in tough times we can do it better and more effectively in better times.

In summary, we need to get used to an era of reduced resource and work with increased resourcefulness. We need to:

- develop the resourcefulness needed in a resource-light environment and have a much broader view of what resource is
- help organisations innovate and create
- configure ourselves to better deliver the situational need of the business we are operating within
- help to continuously develop managers and support their capability to lead and manage sustainably
- be effective in offering solutions – we need to refresh and rewire our practice through developing insights and inspiration from the emerging science.

These are five challenges and opportunities which we need to seize upon and the CIPD will be doing its bit to help in that journey. If we focus on them we can deliver for business and for individuals. We can also deliver a more compelling and central future for L&TD, which in an era of constant change and adaptation is fast becoming one of the central components of transformation.

APPENDIX 1: BACKGROUND TO THE SURVEY

This is the fourteenth annual CIPD *Learning and Talent Development* survey. It examines current and developing practices within learning and talent development. The survey consists of 51 questions completed through an online self-completion questionnaire.

The majority of questions remain the same as in previous years, to provide useful benchmark data on topics including: current and future trends in learning and talent development, leadership development, talent management, measuring practice and training spend and the impact of the economy. New topic areas to reflect current and developing areas of the field have also been added. This year new questions examine: the quality, development and evaluation of management and leadership skills, the learning methods and diagnostic tools that are being used and organisations' approaches to developing innovation and creativity.

The survey was sent out to 21,122 CIPD learning and talent development specialists in the UK in January 2012. In total 766 people responded to the survey, a response rate of 3.6%.

Sample profile

Respondents worked for organisations of all sizes (Table A1). In previous years, large organisations have been particularly well represented. While this is still the case, this year the bias has reduced and the proportion of smaller organisations has increased (2012: 46% with 1,000 or more employees compared with 53% in 2011 and 60% in

2010). This year a third (32%) of respondents were from organisations with fewer than 250 employees compared with a quarter (26%) in 2011 and a fifth (18%) in 2010.

The sector breakdown is very similar to last year. Nearly half (47%) of respondents worked for private services organisations (2011: 48%), while over a quarter (28%) worked in the public sector (2011: 31%), 14% in manufacturing and production (2011: 13%) and 10% in voluntary, community and not-for-profit organisations (2011: 9%), (referred to in this report as non-profit organisations), (Table A2).

Two-fifths of respondents (41%) worked for organisations that have offices in more than one country. The majority (92%) were referring to the UK in their responses to the survey, 4% to other European Union countries and the remaining minority split among Africa, Asia, Eastern Europe, the Middle East and North America. The majority also had their organisation headquarters in the UK (86%), while 5% had headquarters in other European Union countries, 5% in North America and a minority in Africa, Asia, the Middle East, Australasia and Eastern Europe.

The survey was targeted at people in HR/learning and development or in senior roles to increase the validity of responses to the questions, which required specific knowledge on learning and talent development practices and policy. Nearly two-thirds of respondents (63%) reported they were responsible for determining the learning and

Table A1: Profile of respondents, by size of organisation

Number of employees	%
Fewer than 10	7
10–49	6
50–249	19
250–999	21
1,000–4,999	22
More than 5,000	24

Base: 764

development needs of their organisation. Table A3 confirms that the vast majority of respondents worked in HR, talent management or learning and development, while one-sixth (16%) were other senior managers including CEOs and directors and 6% were line managers.

Table A2: Distribution of responses by sector

	Number of respondents	%
Manufacturing and production	111	14
Chemicals, oils and pharmaceuticals	12	2
Construction	8	1
Electricity, gas and water	5	1
Engineering, electronics and metals	37	5
Food, drink and tobacco	14	2
General manufacturing	8	1
Paper and printing	3	0
Textiles	4	1
Other manufacturing/production	20	3
Private services	363	47
Professional services (accountancy, advertising, consultancy, legal, etc.)	98	13
Finance, insurance and real estate	61	8
Hotels, catering and leisure	20	3
IT services	21	3
Call centres	6	1
Media (broadcasting and publishing, etc.)	19	2
Retail and wholesale	24	3
Transport, distribution and storage	22	3
Communications	8	1
Other private services	84	11
Public sector	213	28
Central government	39	5
Education	38	5
Health	55	7
Local government	38	5
Other public services	43	6
Non-profit	79	10
Care services	9	1
Charity services	28	4
Housing association	18	2
Other voluntary	24	3

Base: 766

A3: Position in organisation

	%
Head of learning and development/talent	16
Senior manager	16
Organisational development manager/adviser	16
HR manager/HR business partner	22
Line manager	6
Other: training, learning or development	12
Other: HR	7
Other	5

Base: 764

Note on statistics and figures used

Some respondents did not answer all questions so where percentages are reported in tables or figures, the respondent 'base' for that question is given.

All figures have been rounded to the nearest percentage point. Due to rounding, multiple response options or 'don't know' responses, percentages may not always total 100.

'Average' in the report is used to refer to the arithmetic mean. The median is used in cases where

the distribution is significantly skewed or there are extreme outliers.

Different statistical tests have been used, (depending on the type of analysis and the measures used in the questionnaire) to examine whether differences between groups are significantly different than could be expected by chance and to examine associations between measures. Tests used include Chi-Square (χ^2), Spearman's rho (ρ) and Eta. We report on statistics at the generally accepted level of significance, $p < 0.05$.

¹Greater integration of coaching, organisational development and performance management to drive organisational change: public sector 36%; private sector: 51%; non-profit sector: 54%. $\chi^2 = 14.9$; $df = 2$, $p < 0.01$, $n = 766$. Linking of learning and talent development with performance management and organisational development: public sector 30%; private sector: 42%; non-profit sector: 38%. $\chi^2 = 9.2$; $df = 2$, $p < 0.05$, $n = 766$. Closer integration of learning and talent development activity and business strategy: public sector 25%; private sector: 32%; non-profit sector: 43%. $\chi^2 = 8.8$; $df = 2$, $p < 0.05$, $n = 766$

² $\chi^2 = 12.4$; $df = 2$, $p < 0.01$, $n = 766$

³ $\chi^2 = 13.1$; $df = 2$, $p < 0.01$, $n = 766$

⁴ $\chi^2 = 19.5$, $df = 2$, $p < 0.001$, $n = 766$

⁵ $\rho = .30$, $p < 0.001$, $n = 764$

⁶ χ^2 with Yates' correction = 23.6, $df = 1$, $p < 0.001$, $n = 766$

⁷ χ^2 with Yates' correction = 18.1, $df = 1$, $p < 0.001$, $n = 300$

⁸ Sector and high-potential employees: $\chi^2 = 15.9$, $df = 2$, $p < 0.001$, $n = 316$; Sector and senior managers: $\chi^2 = 12.8$, $df = 2$, $p < 0.01$, $n = 294$; Sector and graduates: $\chi^2 = 11.1$, $df = 2$, $p < 0.01$, $n = 272$;

⁹ $\chi^2 = 8.2$, $df = 2$, $p < 0.05$, $n = 276$

¹⁰ $\chi^2 = 9.5$, $df = 2$, $p < 0.01$, $n = 406$

¹¹ Developing high-potential employees: Eta = 0.19, $n = 404$; Growing future senior managers/leaders: Eta = 0.21, $n = 404$

¹² $\chi^2 = 9.9$, $df = 3$, $p < 0.05$, $n = 377$

- ¹³ High-potential development schemes: SMEs 16%, larger organisations: 28%; Eta = 0.17, n = 401; Graduate development programmes: SMEs 8%, larger organisations: 19%; Eta = 0.23, n = 401
- ¹⁴ Courses at external institutions: SMEs 18%, larger organisations: 6%; $\chi^2 = 10.5$, df = 1, p < 0.01, n = 401; Action Learning Sets: SMEs 16%, larger organisations: 7%; $\chi^2 = 4.6$, df = 1, p < 0.05, n = 401
- ¹⁵ $\chi^2 = 13.4$, df = 3, p < 0.01, n = 485
- ¹⁶ sd = 17.5, Median = 20%
- ¹⁷ Eta = 0.18, n = 631
- ¹⁸ $\chi^2 = 14.2$, df = 2, p < 0.01, n = 658
- ¹⁹ $\chi^2 = 18.0$, df = 4, p < 0.01, n = 446
- ²⁰ $\chi^2 = 17.1$, df = 2, p < 0.001, n = 642
- ²¹ No additional training needed: $\chi^2 = 15.8$, df = 2, p < 0.001, n = 486; Budget issues: $\chi^2 = 14.9$, df = 2, p < 0.01, n = 486
- ²² χ^2 with Yates' correction = 6.0, df = 1, p < 0.05, n = 467
- ²³ $\chi^2 = 10.9$, df = 2, p < 0.01, n = 661
- ²⁴ Giving appropriate feedback and a learning and improvement plan: $\chi^2 = 7.9$, df = 2, p < 0.05, n = 661; Penalising through performance review for poor leadership and management: $\chi^2 = 9.2$, df = 2, p < 0.01, n = 661
- ²⁵ $\chi^2 = 32.4$, df = 2, p < 0.001, n = 603
- ²⁶ $\chi^2 = 19.1$, df = 2, p < 0.001, n = 603
- ²⁷ $\chi^2 = 41.4$, df = 2, p < 0.001, n = 764
- ²⁸ $\chi^2 = 20.9$, df = 2, p < 0.001, n = 607
- ²⁹ $\chi^2 = 12.1$, df = 2, p < 0.01, n = 607
- ³⁰ $\chi^2 = 13.2$, df = 4, p < 0.05, n = 258
- ³¹ Honey and Mumford Learning Styles Questionnaire (LSQ): public sector 54%, private sector 41%, non-profit sector 49%, $\chi^2 = 11.0$, df = 2, p < 0.01, n = 725; Belbin Team Roles: public sector 56%, private sector 44%, non-profit sector 56%, $\chi^2 = 10.1$, df = 2, p < 0.01, n = 719; Myers Briggs Type Inventory (MBTI): public sector 52%, private sector 39%, non-profit sector 38%, $\chi^2 = 11.1$, df = 2, p < 0.01, n = 726; Saville Wave: public sector 14%, private sector 7%, non-profit sector 6%, $\chi^2 = 8.2$, df = 2, p < 0.05, n = 608
- ³² Belbin Team Roles: $\rho = .13$, p < 0.01, n = 717; Honey and Mumford Learning Styles Questionnaire (LSQ) : $\rho = .13$, p < 0.01, n = 723; Myers Briggs Type Inventory (MBTI) : $\rho = .21$, p < 0.01, n = 724; Kolb Learning Style Inventory (LSI) : $\rho = .19$, p < 0.01, n = 695; OPQ (psychometric) : $\rho = .13$, p < 0.01, n = 669; Team Management System (psychometric): $\rho = .08$, p < 0.05, n = 678
- ³³ $\chi^2 = 49.6$, df = 3, p < 0.001, n = 755
- ³⁴ Business was quite slow moving and they operate in an environment where it's not prioritised: $\chi^2 = 18.1$, df = 3, p < 0.001, n = 755; We don't have an innovation strategy: $\chi^2 = 32.0$, df = 3, p < 0.001, n = 755
- ³⁵ $\chi^2 = 25.1$ with Yates' correction, df = 1, p < 0.001, n = 753
- ³⁶ $\chi^2 = 9.4$ with Yates' correction, df = 1, p < 0.01, n = 753
- ³⁷ $\chi^2 = 10.9$, df = 3, p < 0.05, n = 723
- ³⁸ $\chi^2 = 60.2$, df = 3, p < 0.001, n = 723
- ³⁹ $\chi^2 = 116.4$, df = 3, p < 0.001, n = 723
- ⁴⁰ $\chi^2 = 53.7$, df = 3, p < 0.001, n = 723
- ⁴¹ We have key project teams which focus on these areas: $\chi^2 = 20.4$, df = 3, p < 0.001, n = 693; Certain departments, such as product development, deliver innovation in partnership with others: $\chi^2 = 62.3$, df = 3, p < 0.001, n = 693
- ⁴² We employ technical specialists to deliver innovation: $\chi^2 = 27.7$, df = 3, p < 0.001, n = 693; We collaborate externally, licensing others to work with us: $\chi^2 = 15.8$, df = 3, p < 0.001, n = 693

⁴³ $\chi^2 = 21.7$, $df = 3$, $p < 0.001$, $n = 693$

⁴⁴ $\rho = 0.20$, $p < 0.01$, $n = 698$

⁴⁵ Economic situation and changes in resources for learning and talent development $\rho = .44$, $p < 0.001$, $n = 666$; economic situation and changes in funds for learning and talent development $\rho = .40$, $p < 0.001$, $n = 691$; economic situation and changes in headcount in the LTD department $\rho = .37$, $p < 0.001$, $n = 678$

⁴⁶ $\chi^2 = 22.7$, $df = 2$, $p < 0.001$, $n = 695$

⁴⁷ χ^2 with Yates correction = 64.5, $df = 1$, $p < 0.001$, $n = 764$

⁴⁸ Direct comparison is not possible as in previous years training was measured in days while this year it was measured in hours for greater accuracy

⁴⁹ Economic situation in past 12 months and changes in funding for next 12 months $\rho = .52$, $p < 0.001$, $n = 698$; changes in funding for learning and talent development over past 12 months and changes in funding for next 12 months $\rho = .50$, $p < 0.001$, $n = 726$

⁵⁰ $\chi^2 = 103.3$, $df = 6$, $p < 0.001$, $n = 737$

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The annual *Absence Management* survey provides useful benchmarking data on absence levels, the cost and causes of absence, and how organisations are managing absence. The latest report is brought to you in partnership with Simplyhealth.



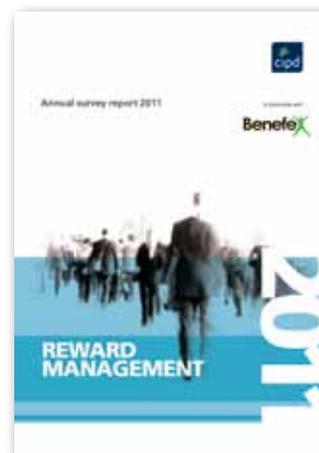
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