



10 TRENDS IN CORPORATE TRAINING





Methodology

CIL recently interviewed C-level executives at a number of leading training providers serving the corporate market, together with Learning and Development (L&D) professionals to discuss current trends in the corporate training landscape.

Key topics included:

- How can training act as a solution to the greatest workforce challenges in 2023 and beyond?
- What do employers and learners want from online training?
- How is engagement and ROI being demonstrated with online training?
- What is the potential impact of AI?

10 TRENDS IN CORPORATE TRAINING

- 1 For corporates, recruitment and retention issues are particularly acute challenges at present - see pages 6 & 7.
- 2 Upskilling experienced professionals is an important solution to address the skills gaps across most markets (alongside recruiting new talent) - see pages 8 & 9.
- 3 CEOs are proactively anticipating future skills shortages to 'future-proof' their organisations and address the onflow of associated issues - see pages 8 & 9.
- 4 Online training is continuing to evolve but there is still a necessity to incorporate the best features of in-person delivery (e.g. cohort / community learning) - see pages 4, 5 & 10.
- 5 Both employers and learners highly value personalised learning experiences - see page 10.
- 6 Shorter snippets of content, in particular videos, are proving to be the format of choice, aligning with how younger professionals are engaging with content on social media platforms - see page 10.
- 7 As always, ROI and demonstrating engagement continues to be an important consideration for corporate organisations - see page 11.
- 8 When L&D teams partner with external business units to address key business needs, ROI is 'implicit' and there is less scrutiny on demonstrating ROI on training spend - see page 11.
- 9 AI and automation in the training space is expected to be a catalyst for change, albeit there remains some hesitancy from providers regarding its overall potential and the risk is unclear - see page 12.
- 10 Creators are aware that human input will still be required to contextualise learning in an AI-enabled world - see page 12.

ONLINE CORPORATE TRAINING: AN EVOLVING MARKET?

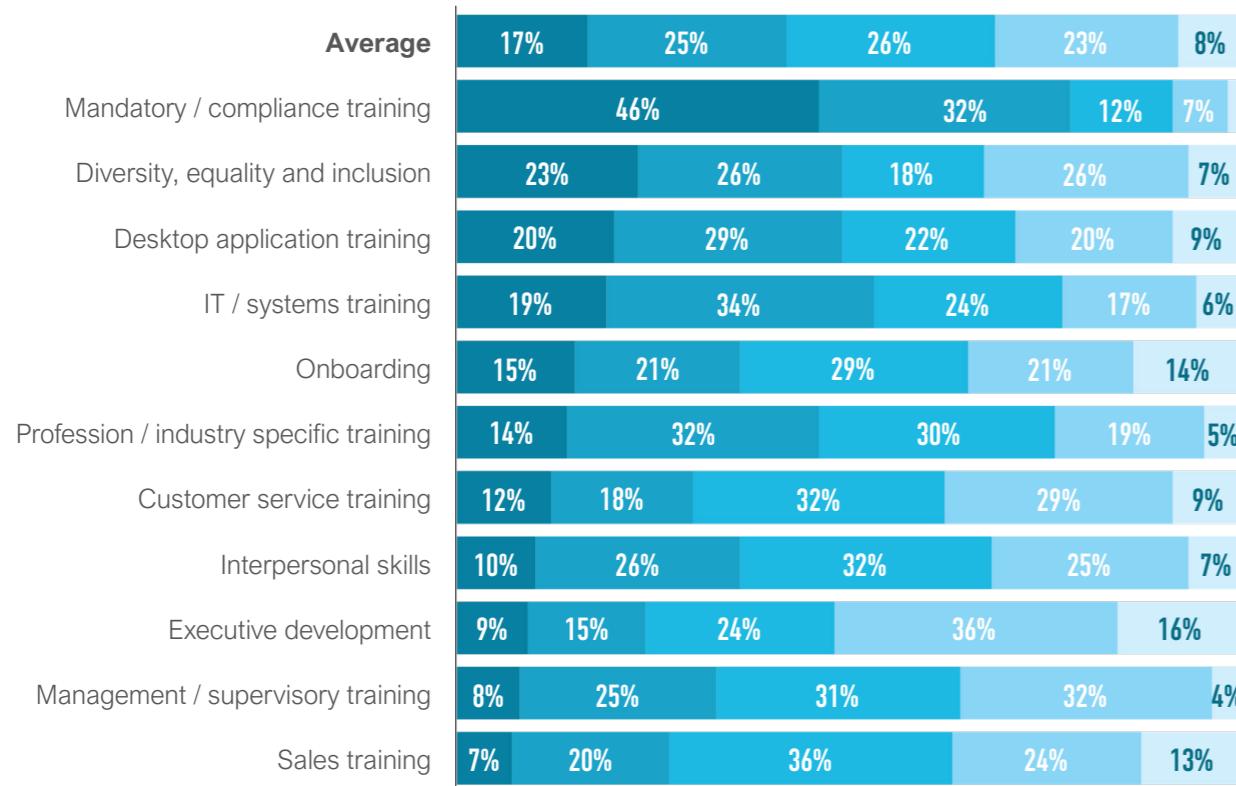
Online training is omnipresent in the corporate world and viewed as a critical method of upskilling and reskilling the workforce across a range of end sectors. The pandemic, and associated lockdowns, drove a wave of adoption.

Post-pandemic, online training remains well embedded in the corporate world across industries and training types (see figures 1 & 2).

Figure 1: Online training usage rate by US corporates for types of training

Source: Training Industry Report 2023 by Training Magazine, n = 457

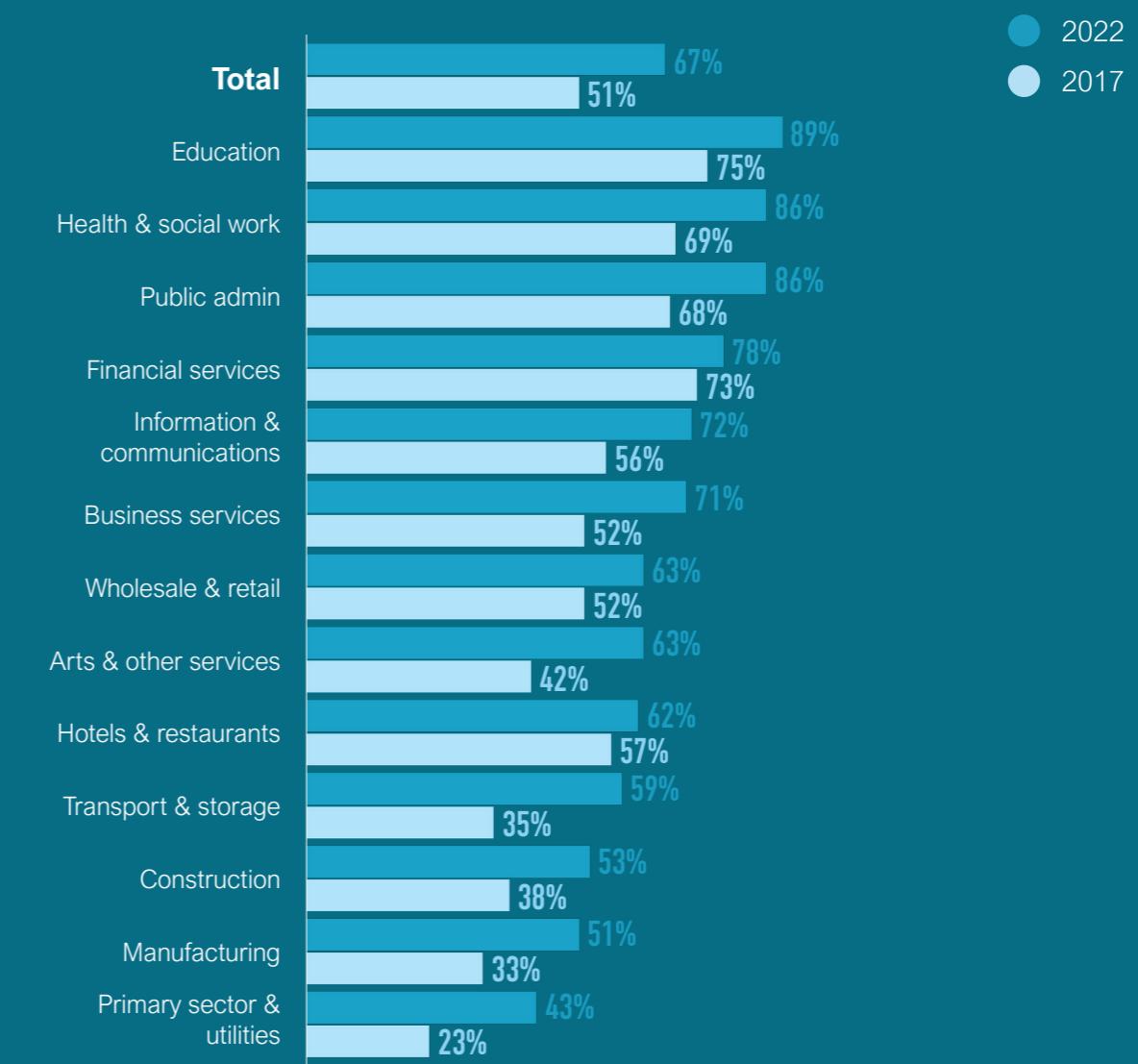
● All online ● Mostly online ● Some online ● A few online programs ● No online



Even industries traditionally less digitised are seeing the use of e-learning grow, for example, manufacturing and construction (see figure 2). In order to succeed, training providers and employers need to remain agile and able to evolve their propositions, with AI as a potential catalyst for change.

Figure 2: Proportion of UK employers providing online training / e-learning in the last 12 months

Source: DfE Employer Skills Survey 2022



WORKFORCE CHALLENGES AND PLANNING FOR THE FUTURE

In our research, training providers and corporates referenced a number of workforce challenges with three macro trends consistently highlighted:

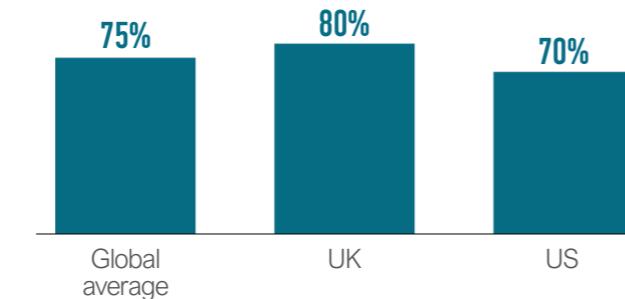
1. Recruiting and retaining staff
2. Upskilling staff
3. Forecasting future skills requirements.

1. Recruitment and retention

Interestingly, whilst the prevalence of a 'skills gap' in the UK and US has been widely observed for many years, skills shortages represent a particularly acute challenge for corporates at present. As a result, addressing the skills gap is seen as key to boosting both countries' economic performance. Against this background, many companies are seeing greater tightness around recruiting certain roles.

According to a survey by the Manpower Group, 80% and 70% of employers reported difficulty in hiring for roles in the UK and US respectively, in line with global averages (see figure 3).

Figure 3: % of employers reporting difficulty in filling roles
Source: Manpower 2024 talent shortage survey, n = 40,000 (across 75 countries)



Employers in the US and UK have both faced difficulties in filling job vacancies in recent years, with unfilled vacancies and difficult to fill vacancies increasing significantly since the pandemic (see figures 4 and 5).

Example drivers of these difficulties include a low number of applicants with the required skills, a lack of interest in the job, competition from other employers and poor terms and conditions offered for the post.

Figure 4: Number of hard-to-fill vacancies in UK

Source: DfE Employer Skills Survey 2022

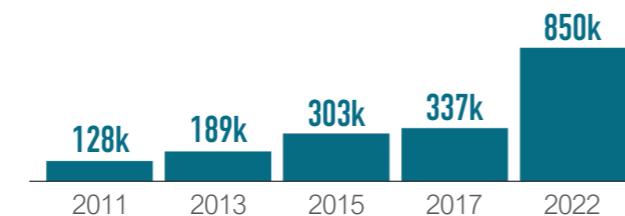
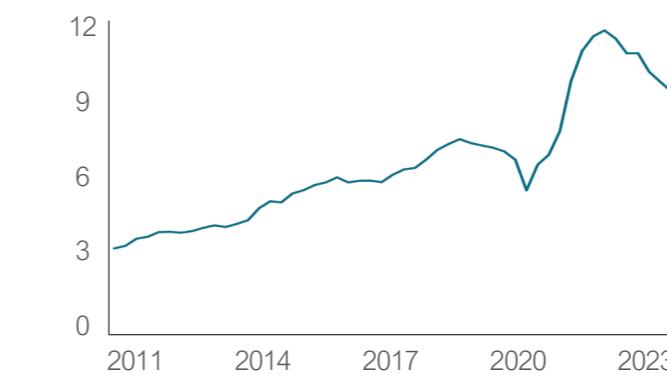


Figure 5: Total unfilled job vacancies in the US
Source: OECD, # million



Data from the UK DfE Employer Skills Survey 2022 and the US BLS highlights that accommodation & food service, healthcare & social work, and education are the sectors struggling the most with filling vacancies across both geographies.

Employers continue to expect a difficult hiring market. 74% of US employers surveyed by Salary.com indicated that hiring had become more difficult over the past year (see figure 6). Over half of UK employers surveyed by CIPD expect vacancy challenges over the next six months, with 27% anticipating significant problems (see figure 7).

Figure 6: Change in difficulty of attracting qualified candidates

Source: Salary.com July 2023 Skills Pulse Survey, n = 425

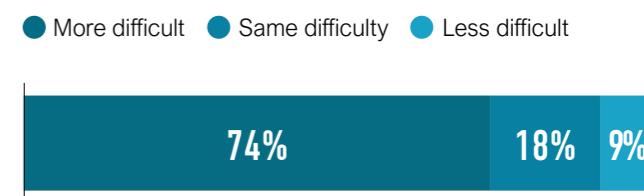


Figure 7: Vacancy expectations in next six months

Source: CIPD, n = 2,003

● Yes - significant problems ● Yes - minor problems
● No problems ● Do not know



WORKFORCE CHALLENGES AND PLANNING FOR THE FUTURE

2. Upskilling

Though corporates believe that recruitment will help address some of their skills shortages, this alone will not solve the skills gap. Companies are therefore also looking to upskill their workforce. Employer surveys indicate that upskilling current employees is the most common response to the skills gap across both the US and UK (see figures 8 and 9).

As part of their recruitment processes, employers are looking to new talent pools (e.g. apprentices, international workers, school leavers, parent returners) and recruitment strategies (e.g. skills-based hiring, augmenting job / degree requirements, temp labour) to address skills gaps. With this diversification of talent comes a divergence in experience and skills; this can change the shape of training requirements. In response to this shift, providers are increasingly recognising the need to be agile and to evolve their propositions.

3. Forecasting future skills requirements

Employers are seeing a long-term shift in workplace skills requirements, with an increasing need for digital and data-based skills. A key challenge here is identifying skills requirements in the future workplace, with some business leaders increasingly taking a 'visionary' approach to identify potential skills gaps.

Workforce planning requires forward thinking. This does not appear to be commonplace yet, with most corporates being reactive to any prevailing skills gaps. The challenges associated with anticipating future needs are further exacerbated when the L&D function is removed from higher level decision-making. There is an appetite amongst corporates to become more proactive in anticipating future skills gaps to future-proof their businesses, creating opportunities for training providers to provide support here.

Figure 8: US employers plan to address skills gaps in their organisation

Source: Salary.com July 2023 Skills Pulse Survey, n = 425

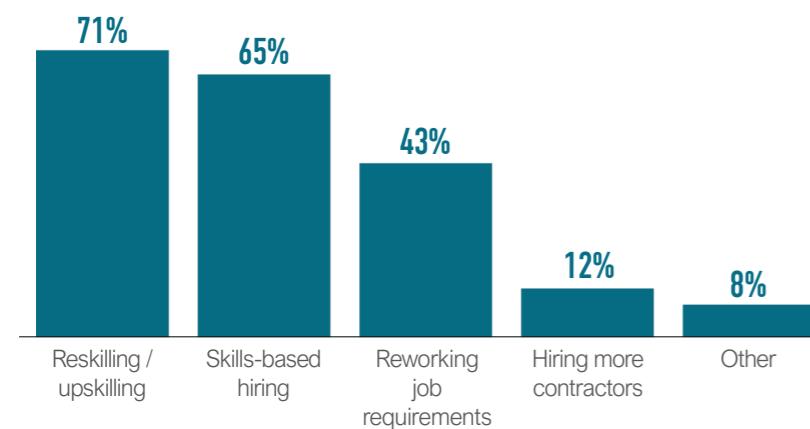
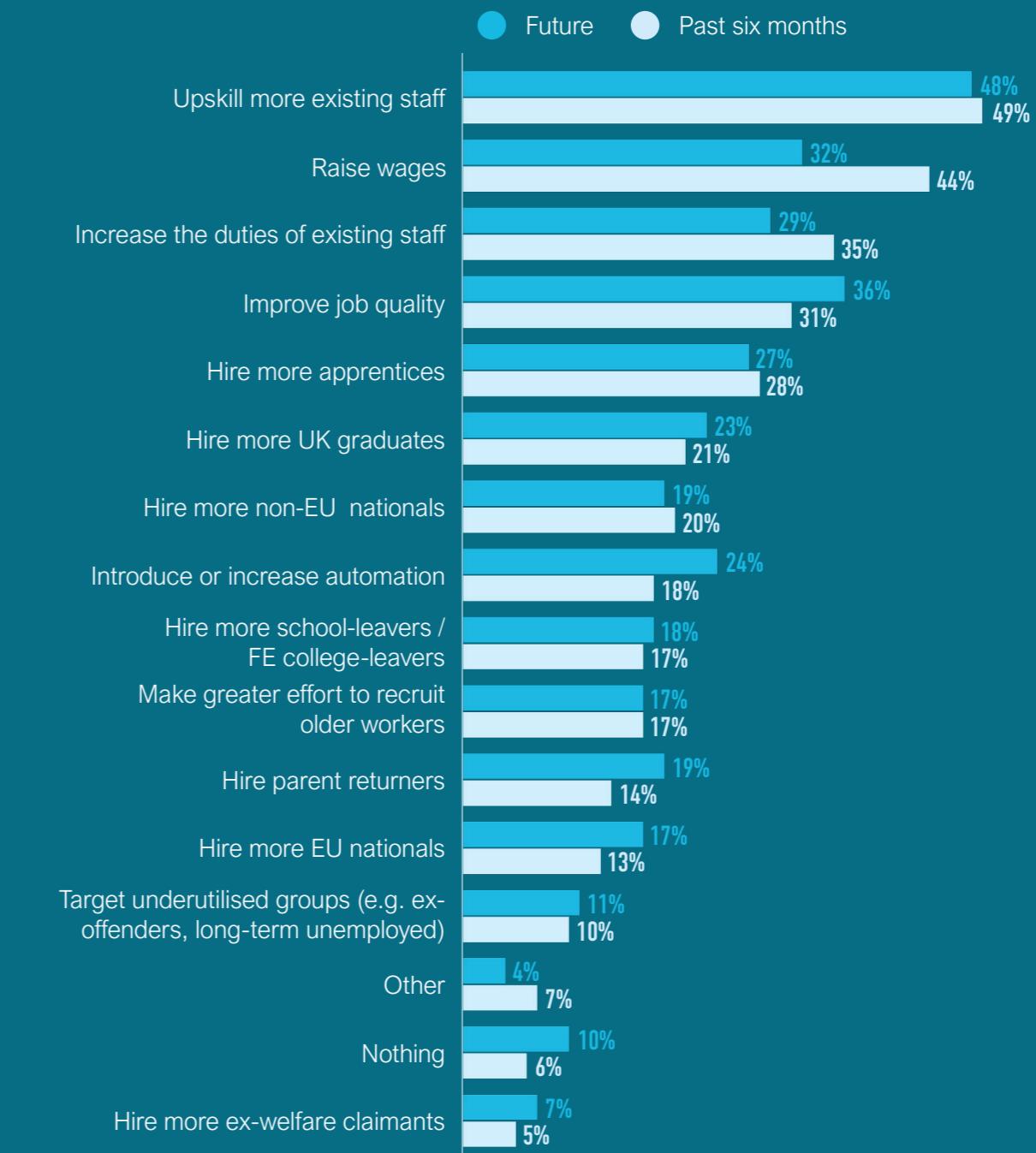


Figure 9: UK employers' planned response to hard-to-fill vacancies

Source: CIPD, n = 817



EMPLOYER AND LEARNER REQUIREMENTS

The prevalence of online training in the workplace and the impact of the global pandemic on overall adoption is well documented. Post-pandemic, employers are reluctant to return completely to in-person training or longer extended training days, and online training remains a core component of training design. Many corporates are now shifting towards a hybrid model with learning often delivered in short sharp online snippets combined with the best features of in-person delivery. This includes:

- **Cohort-based / community models:** to make training more social and collaborative. Learners often demonstrate greater engagement when they are given the opportunity to interact with others undertaking the same training.

- **Facilitated sessions:** for example, discussions led by a facilitator (with cameras on!) can boost engagement levels, both due to greater accountability and as a result of removing conflicting time pressures (with training allocated to a specific time in the learner's diary).

Though facilitated learning can drive engagement, it also needs to be balanced with learners having the flexibility to complete training in their own timeframes and at their own pace. For example, learners may study technical or theoretical content in their own time, with facilitated group sessions (online or in-person) used to foster discussion and embed content.

Online training is considered a 'must' for workplaces, with scope for training to be asynchronous or synchronous. Broadly, it can be broken down into a few key use cases:

- **Learners learning to 'do the job':** this can take the form of 'frictionless learning', i.e. digital platforms embedded into day-to-day systems to solve problems as they arise.

- **Career advancement / personal development:** learning aimed at upskilling / reskilling.

- **Mandatory / compliance-based training:** training underpinned by regulatory requirements.

More generally, there appears to be a trend towards shorter formats (i.e. bitesize or microlearning). With this, video is a particularly relevant format given it lends itself to short-form delivery. There also continues to be emphasis on the ability to personalise learning (i.e. tailoring the content and format for different learners), particularly given the increasing diversification of the workforce.

DEMONSTRATING ROI AND ENGAGEMENT

Demonstrating return on investment (ROI) and engagement continues to be a key consideration for corporates investing in training. Traditionally this has been measured both in terms of learner outcomes and training efficiency metrics. A few examples of learning outcomes include:

- **Satisfaction metrics:** the extent of learner satisfaction with the training 'product', as measured by way of a net promoter score, positive reviews (in response to a learner survey) and so forth.

- **Recorded engagement metrics:** here, dropout, attendance and completion rates as well as the pass rate (if applicable) are used to provide an indication of learner engagement.

- **Application metrics:** the extent to which learning has been applied. For instance, self-reported improvements to workflow, behavioural changes and so on.

Whereas, examples of training efficiency metrics include:

- **Improving time to competency** (for new joiners / job role switchers) - a contributor to improved profitability.

- **Reducing the time committed to training**, which results in the member of staff having more time back in the business.

- **Reducing training costs**, which could include training more learners for less, whilst retaining quality delivery.

Market feedback also highlights the high-level need to embed training in response to 'key business needs' or 'strategy'. Examples include, reskilling a team to be deployed elsewhere in the business, reducing staff churn and improving sales productivity.

In doing so, ROI becomes more implicit in addressing identified business needs, and the requirement to monitor the metrics referenced above becomes more based on operational functions (i.e. to check suitability and that the programme is on track) rather than being used to evidence the ultimate return on investment.

AI - THE CATALYST OF CHANGE?

AI is accelerating the evolution of almost everything, including the world of online training. Headline perspectives from L&D professionals and training providers include interest, intrigue and curiosity, mixed with some confusion and uncertainty. Most agree that AI will enable training providers to complete tasks faster and enhance content creation, including personalising the experience for each learner. For example:

- **Simulations:** there is an opportunity for AI in technical scenarios to allow learners to simulate intricate or complex scenarios. AI has the potential to enhance the learning experience for users. Yet the full extent to which AI can have an impact on simulated scenarios will vary depending on the area being trained – e.g. technical skills vs behavioural development.

- **Rapid content creation:** generative AI can support training designers to rapidly create new courses and adapt to market shifts. Concerns are predominately surrounding content accuracy, client confidentiality and intellectual property.

- **Adaptive learning:** there is scope for AI to deliver adaptive learning, where courses are curated to meet individual learner needs. Machine learning can identify both the confidence and competence of a learner and direct the learner through a personalised learning journey, depending on where they sit on either of those scales.

Despite the opportunities presented by AI, there is still an awareness by providers that, for now, a human input will be required to contextualise learning. From a skills perspective, in an AI world, some believe that a learner's personal development and the application of knowledge – such as how to interact with clients and teams as well as problem solve – will become even more valuable. As a result, training providers will increasingly focus here for the future of their businesses.

GET IN TOUCH

CIL brings clarity to complexity. We have extensive experience advising investors and management teams throughout the investment process, identifying opportunities for growth and providing value creation support.



Mark Jeynes
Partner, Europe
mjeynes@cil.com



Rebecca Pigula
Partner, North America
rpigula@cil.com



Megan Savage Shaw
Director, Europe
msavage@cil.com



Ian Cook
Associate Principal, North America
icook@cil.com



www.cil.com