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Global Overview

The Learning & Development Industry

2022

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By **eLEVATION**

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TL;DR

The L&D Industry keeps its momentum:

How do we know? Because we connected the dots and the data to a single line that tells a story of momentum.

Investment in learning resources continues to grow:

- Global organizations invested more resources in learning: learning expenses have grown by 10.5% since 2020, and an increase of about 50% learning hours per employee is recorded.
- A piece of data we consider carefully (due to different responder's mix) reflects an increase of 62% in employees' salary at L&D departments out of total annual budget.
- The absolute majority of organizations report learning continuity in 2021 despite Covid-19. Not something to undermine in an era of endangered professions and markets going silent.

The transformation from tactical to strategic has begun:

- We wrote about it at length in our [2021 Trends Report.](#) Global execution has begun!
- Global L&D departments are already busy with switching from the tactical task of developing learning products for outsourcing, to accelerated activities of strategy and supporting business goals.
- Did you know? Technical skills' validity is 2.5 years, and professional skills' validity is 5 years (it used to be 10-15 years). This is another factor that generates huge momentum in the need for someone like us, who bridges the gaps by promoting interorganizational recruitment process, for instance. Changes in skills terminology also reflect that transition.

As far as trends go, there's nothing new under the sun. **Data and forecasts indicate the 2021 trends continue.** At the end of this overview, we seriously wonder how all this beauty relates to the great resignation, a question we are yet to answer.

Background

Covid-19 has taught us a lot in the professional aspect: that switching jobs is legitimate, even during a global pandemic; that implementation of digital tools is possible and necessary (and can be executed quite rapidly); that learning is much more accessible than we previously thought (in Zoom, digital courses, even randomly); and mostly that change is the only foreseeable permanent.

Thus, any forecast is true to the moment it is written, since the jobs market (among others) has experienced a major lunacy.

The **skill gap** is expanding. The constant need for a "personal upgrade" urges employees to acquire new skills outside their workplace and to present themselves as professionals in their fields. The "skills economy"[1] challenges the managers, the recruiters and who else but us, the L&D people.

Covid-19 has acted as an accelerator to workplace changeability, a trend we identified back on early 2020. **The big resignation** occurring globally originated in the constant development of the world of work: the younger generations are less concerned about employment scarcity; complaints about standstill and lack of growth in the workplace; and legitimacy for identity search over the Covid-19 chaos. Just notice this crazy data: in the US there are close to 14M open positions, expected to grow up to 20M during 2022. Say no more.

Recruitment processes have become more challenging, therefore more **inter-organizational recruitments** are taking place (mobilizing people inside the organization between positions and departments). A research by EMSI shows that the past two years have demonstrated a 40% increase in positions offering on-job-training, even for essential workers. This means recruiting more capable people and suitable people who are trained as part of their job entry process. (see the chart below for example). **The market changes, and skills become more dominant than experience. The ability to learn becomes one of the most important skills.**

3 Ways Companies Are Attracting Logistics & Supply Chain Talent

Giving More Training +40%

Teasing Advancement Opportunities +45%

Decreasing Experience Requirements +333%

% change in job postings mentions, March-August 2019 vs. 2021   Source: Emsi Burning Glass Data, 2021

Source: joshbersin.com

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[1] Dynamic reality in which people are constantly busy acquiring new skills to maintain their relevancy to the job market.

But lunacy has its upside as well – it generates plenty of new opportunities within organizations. This is where the L&D people enter the field. We can assist in internal utilization by supporting training that increase connectedness and minimize desertion. We can help employees pleading for personal development and upskilling to acquire new skills and even reskill and to become an organizational growth engine. We are obligated to continue and develop ongoing learning (anyone mentioned LLL[2]) in a variety of methods and obviously to use technology to support it.

We reviewed some major global surveys and reports (published recently):

Name	By whom?	What is the data based on?	What else?
TRAINING INDUSTRY REPORT	Training magazine - long-standing professional development magazine	243 diverse organizations	Conducted by a professional and independent research company
ATD State of the Industry	ATD – largest global (over 120 countries) L&D professions organization	223 diverse organizations	The organizations have provided the data, mostly from 2020. Sponsored by ALLENCOMM I-allego
Workplace learning trends report	Udemy is an online academic institute offering online courses. The company is a platform and a leading data supplier in skill management and careers	Based on user data during 2019-2021	This is an organization with a motive...
Predictions for 2022: Everything Is About to Change	Josh Bersin heads the research company Bersin, owned by Deloitte; the company conducts global HR researches	Based on several sources of information, including the U.S. Bureau of Employment	Bersin is a global expert in HR and L&D

We divided the key results into three major parts:

1. Budget and resources

2. Methods and learning technologies

3. Strategies, skills and in between

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[2] Life Long Learning, which we talk about a lot.

1. Budgets and resources

The dry data:

Name	Annual budget per employee	Average annual learning hours
TRAINING INDUSTRY REPORT	$1,100 *No change	63.9 *Significant increase
ATD State of the Industry	$1,267 *Decrease	35 *Similar to last year
Average	$1,184 *Decrease[3]	6 workdays, ~49.5 hours

- Most of the organizations report continuity in learning activities in 2021, despite Covid-19.
- **Learning expenses have grown by 10.5% compared to 2020.**
- Employee salary cost for L&D departments have grown by 62% (!) out of the total annual budget. But hold your horses, this may result from a different responding crowd from last year…
- Some crazy data – only 16% of the organizations measure ROI, and only for part of their learning activities.
- **An increase of about 50% of learning hours per employee**[4]**.** Here also, we estimate that the change resulted from plenty of data about small and medium companies. The responder's mix was different from last year.
- Most organizations report no change in the annual learning budget. Large organizations (over 10K employees) invest on average $17.5M, medium (1-5K employees) about $1.3M and small (under 1K) about $341K. Forecasts talk about a similar budget since many learning processes have gone digital, which minimizes costs.

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[3] Compatible to the global financial shrinkage.

[4] Something to think about: measuring learning hours per employee doesn't necessarily teach us about improved performance. Perhaps thinking about ROI or KPI's is more productive.

2. Methods and learning technologies

77 Boom!

Haven't heard of Wally Terribile yet? You'll be as excited as we are to realize he is a perfect example for new learning and its revolutionary affect on our lives. This dear man, from somewhere in Malta, is the oldest M.A graduate ever. Isn't it a lovely 77th birthday gift? Terribile, who has been an undergraduate during the chalk & blackboard years, talks about the fact that digital learning has broken all boundaries, and that at his age and with his means, learning has only just begun.

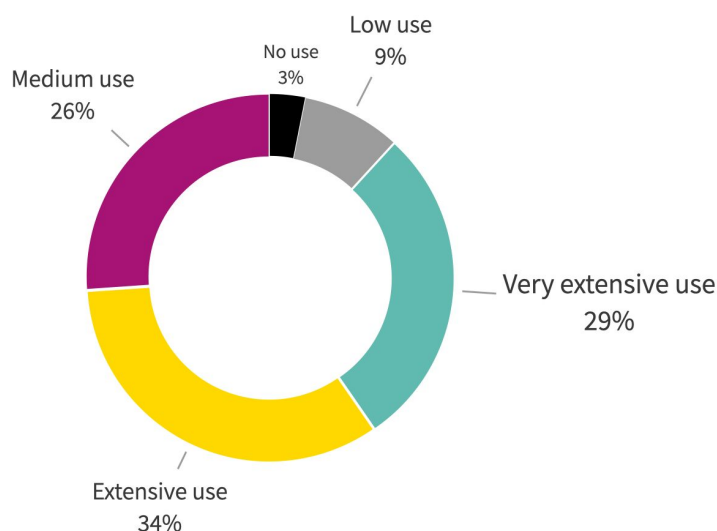An amazing example for the transitions learning has undergone and its major Covid-19 acceleration.

Source: timesofmalta.com

How about some data?

- In the learning methods mix, similarly to previous years, blended learning is **the most common**. Following is online asynchronous learning (about 65%) and face to face learning is around 30% (despite Covid). It's nice to see a constant **increase in OJT training** compared with previous years[5].

- Upskill coaching is very significant for managers – personally and as "coaches" for their own teams. It's important to note that conducting quarterly performance review meetings has come up as something to keep, especially when working remotely.

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Organization's use of OJT

Low use 9%

No use 3%

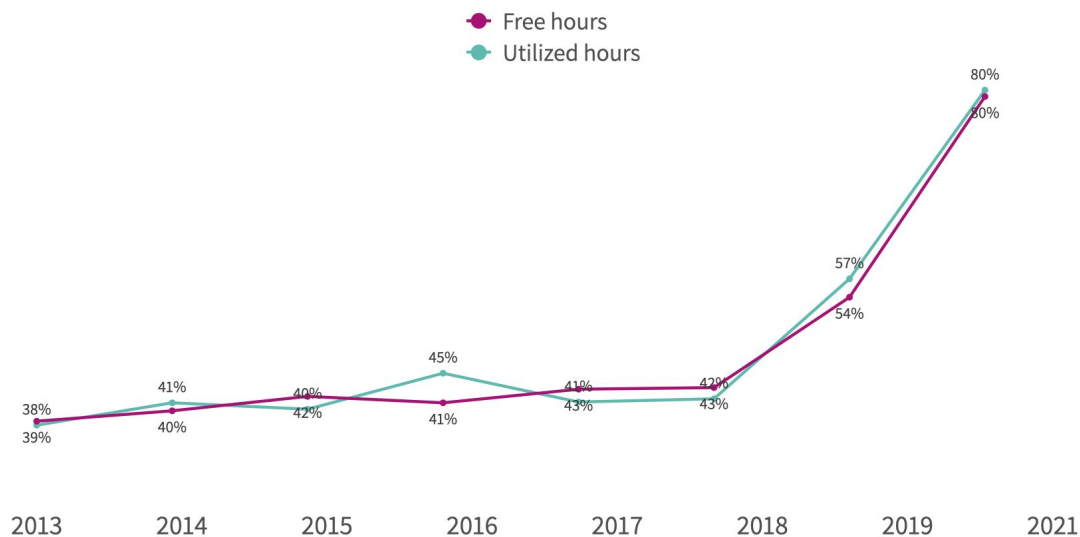Medium use 26%

Very extensive use 29%

Extensive use 34%

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[5] The explanation is the onset of technology as a knowledge sharing platform, especially in large organizations.

- Organizations report an "explosion" of digital learning hours: 35% of virtual synchronous learning (instructor in Zoom/Teams instead of a classroom); 32% of asynchronous learning (courseware, online courses etc.).

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Learning Hours Using Technology

● Free hours
● Utilized hours

80%
80%

57%
54%

38%   41%   40%   45%   41%   42%
39%   40%   42%   41%   43%   43%

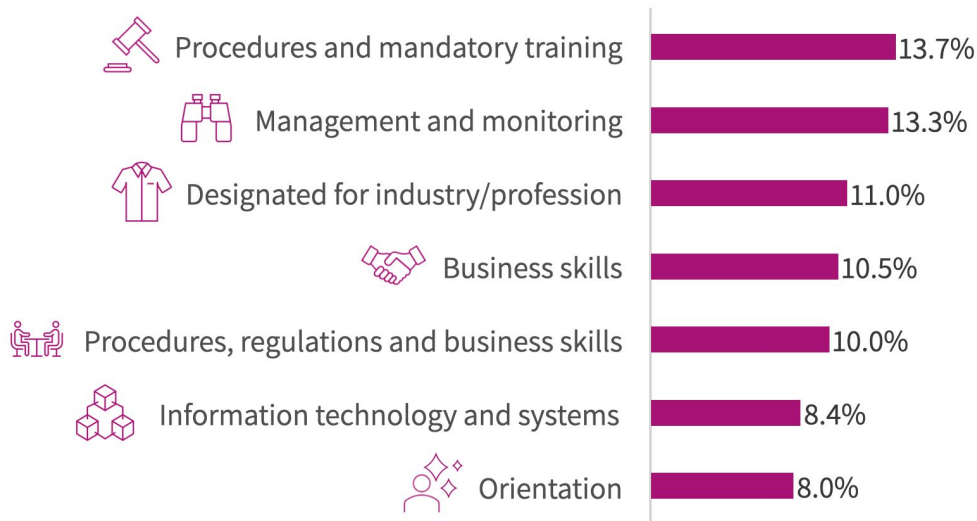2013   2014   2015   2016   2017   2018   2019   2021

* Average percentage of formal learning hours delivered and utilized using technology based means.

- Most organizations stated they wish to return to face to face learning while maintaining the distance learning capabilities they utilized during Covid-19. This is a very traditional data that doesn't necessarily reflect the whole market but shows we still have some way to go.
- **A major gap reported globally in users' engagement with distance learning**[6].
- Using learning technologies, synchronous learning tools and learning management systems are common in almost every organization (like last year).
- The learning subjects run from regulatory training (heading the table) all the way to orientation (remaining last). The major addition is dealing with content related to the pandemic and cyber. It's important to note that unlike previous crises, this year reflected no decrease in management skills training (previously known as soft skills), probably due to the huge managerial challenges at hand (remote and hybrid management).

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[6] See here a survey conducted by Zoom with 1,700 users.

By **eLevation**

Portfolio Areas Allocated to 7 Major Fields

Field	Percentage
Procedures and mandatory training	13.7%
Management and monitoring	13.3%
Designated for industry/profession	11.0%
Business skills	10.5%
Procedures, regulations and business skills	10.0%
Information technology and systems	8.4%
Orientation	8.0%

- **All methods spread between trends and reality, like VR and AR, almost don't exist according to the current survey (ATD).** This is interesting since AI is one of the most amazing technologies ever and its combination with VR / AR / avatars etc. indicates a whole industry of AI-based-learning still awaits just around the corner. Combining these smart technologies into learning processes will lead to better learning and employment experiences, more personal and sensitive to the changing conditions. Something to look forward to.

- **Again, this year, professional content development is mostly conducted by outsourcing.**

3. Strategies, skills and in between

The pursuit of talents

- In the heart of the talent topic are skills. **Today the validity of technical skills is 2.5 years, and of professional skills is about five years (it used to be 10-15 years).** Beyond mapping existing organizational skills and an increase in recruitment of data skills, the important part is to identify gaps in the current skills map for future needs.
- **9 out of 10 managers feel that their organizations are already dealing with the skill gap** or predict they'll do so in the next five years. Dealing with this subject is critical to them, mostly due to its contribution to their ability to fulfil their business goals and moreover, generating competitive advantage in a boiling market in which they find themselves competing.
- About 60% of the companies prefer to hire or "borrow" employees in a concentrated way if they cannot find them in the available pool. Recruiting permanent employees for specific skills has become an issue, mostly due to their short lifespan but also due to talent shortage.

Focusing on skills and changing terminology

- Beyond the re/upskilling discussions in organizations, it seems like there's a new discussion evolving about the type of skills required. The new conceptualization abandons the differentiation between soft and hard/technical skills and talks about power, tactical and technical skills.
- **Power skills** are desired and critical skills for every employee, such as leadership, teamwork, communication and productivity. Why "power"? Because these won't be replaced by machines and will provide employees with work power. Power to collaborate, to communicate efficiently, to lead. These are core skills for every employee in the new world of work. And why abandon the "soft" terminology? Allow us to quote from the Udemy report to make this clear: "Let's get one thing straight: there's nothing soft about power skills". According to McKenzie: any employee, no matter in what section, position or geographical location, needs power skills to add value to what automation can achieve.
- **Tactical skills** are required so employees can excel in daily tasks asked from them. These are not profession-dependent skills, but skills like BI, design or finance, improving each employee's performance.
- **Technical skills** relate to familiarity with parallel areas to the specific role an employee holds and assist in better coping and problem solving. The skills required for technical roles are no longer exclusive to the title of the position they were traditionally related to. Thus, data skills, for instance, become a desired component in almost any role, just like basic computer skills have become a common requirement for all.

How can we stay in the loop?

1. We'll start by going back to our **2021 learning trends report**. (Pardon the vanity, but it's all in there already…).

Limi's 2021 learning trends report

Context (super-trends)	Trends	Recommendations
Technology Getting stronger, becoming strategy	**Where to** From tactical to strategic	• Define a "north star" • Use models • Learn to learn • Test impact
Organizational culture Different! Empathy and cultural diversity	**What** Future readiness	• Create organizational collaboration • Become a fortune teller • "Harass" managements • Turn learning into an index
Consumerism & marketing Everyone goes digital, holistic consumer experience	**How** Learning infrastructures	• Mark the essence • Act based on parameters such as: ongoing, ecological, holistic and data-driven learning
Job market Changing models, growing investment in people		

2. **Define a strategy** – look at the full picture, privatize the tactical and jump over the new challenges occupying the organization to assist in fulfilling the business goals in a more significant way.

3. **Develop skills** – constant investment in development by in-house training or from external suppliers.

4. **Support via learning systems** (preferably LXP) to provide innovative learning experience; to assist employees to maintain competitive work skills and managers to develop themselves and enable their team development as part of an organizational connection.

5. **Insist on diverse hybrid learning mix** – maintain diversity of learning methods and learning continuity suitable to learners' needs. It's recommended to combine informal methods, OJT, mentoring and coaching as well as communication with colleagues and professional content experts. Ensure accessibility to digital learning for all. Develop responsive learning accessories. Invest in bridging information security gaps to make proper use of mobiles.

6. **Define goals and measure** – detail strategy into goals, measure ROI, define KPI's and stay aligned with changing requirements. Collect data, gather insights from it and hopefully generate as much added value as possible.

Summary

We conclude this overview with a great contemplation. On the one hand there is a great optimism and astonishing data; on the other hand, there is the great resignation. So where is the influence of all that positive trends on organizations? Despite all the learning going on, how come there's still mass desertion? Perhaps learning does not generate enough connection and doesn't advance people as we would like to think?

We promise to continue researching this subject and recommend that you do the same in your organization. In the meantime, let's continue to leverage the leverage!

We hope this overview assists you in promoting <u>learning as growth engine </u>of your organization and personnel.

Summary

About us

Limi is a home to the L&D profession in Israel.
We provide broad professional solutions in order to empower L&D personnel: managers, employees and trainers. Why? So learning becomes a growth engine and develops organizations

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Elevation was established in order to solve the skilled work force shortage. The company offers "Academy as a Service" to companies and organizations in order to train existing personnel (Upskill & Reskill) and recruit new employees via training (Train to Hire). By building and operating inter-organizational academies, we create a world with no tuition and democratization of the most advanced knowledge, based around technical skills. Our business clients are in Israel and Europe. Our offices are in Tel Aviv and Berlin.

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Thank you!