



Training Trends 2023

Unlocking investment,
realising potential

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Executive summary

Our latest research into training priorities and challenges uncovers an exciting trend towards increased investment, while identifying barriers preventing L&D from reaching its full potential.

When we created our inaugural *Training Trends* report last year, our goal was to help organisations make the most of their training investment and to identify how embedding quality from start to finish can maximise the impact for individuals and organisations alike.

A year later, many of these challenges still apply as organisations focus on adapting to an ever-changing economic landscape and the increasing demand for both new skills and knowledge of emerging technologies.

In our follow-up research exploring the latest training trends, we asked learning and development (L&D) and

finance leaders in over 600 large organisations¹ where their training priorities lie and what challenges they face in securing investment.

Despite respondents recognising skills development as the leading driver of business growth, they also surfaced barriers preventing training from realising its potential.

This report details top findings and industry insights, including actionable advice into how to build programmes that provide real return on investment for both employees and organisations. Whatever your training goals, it's time to remove obstacles and open the door to a future powered by skills.

¹ These report findings are based on data from a Censuswide survey of over 600 large UK-based B2B organisations with an international footprint. Commissioned by City & Guilds, the survey asked L&D, HR and finance professionals and business leaders about training trends within their organisation.



Andy Moss
City & Guilds
Chief Customer Officer

Training trends – a snapshot

Organisations are ready to invest in training, but there are challenges ahead.

Employers increasingly recognise the link between training, business growth and productivity. However, from bureaucracy to confusion around KPIs, competing business priorities, and embedding quality, there are still issues surrounding the execution of L&D programmes.

Positive trends



Training was identified as the top driver of business growth by the majority of decision makers surveyed.



The majority of organisations say they will be investing more in training in the next 12 months.

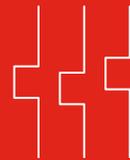


Improved staff performance and productivity were identified as the top benefits of training.

Negative trends



3 in 5 respondents say that investment in non-mandatory staff training is at risk of being deprioritised.



L&D and finance are misaligned in key areas, including their readiness to meet future skills needs.



1 in 3 L&D professionals say they need more support when requesting budget for staff training.

1.

Employers see skills as key to organisational growth

From improved staff performance to productivity, business decision makers increasingly recognise the importance of training.





#1

Training was identified as the top driver for business growth¹.



2/3

Almost 2/3 of respondents say they'll be increasing spend.



55%

of respondents identified improved staff performance or productivity as the two most important benefits of training.

¹ 40% of UK B2B decision makers surveyed identified staff training as the top driver of business growth within their organisation.

Investment in skills development is on the up

The majority of businesses plan on increasing training budgets over the next 12 months.

From the rise of AI to the increasing demand for green skills and a shift towards hybrid working, the rapidly changing workplace means that ongoing skills development is no longer an option up for debate but a necessity for organisational growth.

The good news is that employers appear to be getting on board with this movement. We found that regardless of their role, business decision makers are recognising the link between investing in staff development and organisational growth. The majority of respondents identified training as the top driver for growth, and 63% of respondents stated that they will be increasing investment in their training over the next 12 months.

Respondents were most likely to say that the most important benefits training provides to their organisation are improved staff performance and improved productivity.

Seeing the enthusiasm for training and the confidence in the benefits of skills paints a positive picture for the future of learning development.

However, our research also identified that a lack of alignment between different business departments and other barriers threaten to reduce the effectiveness of training programmes, and readiness to meet future skills needs, which could impact business growth...

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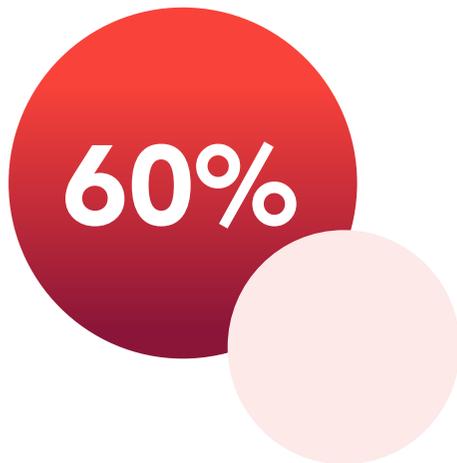
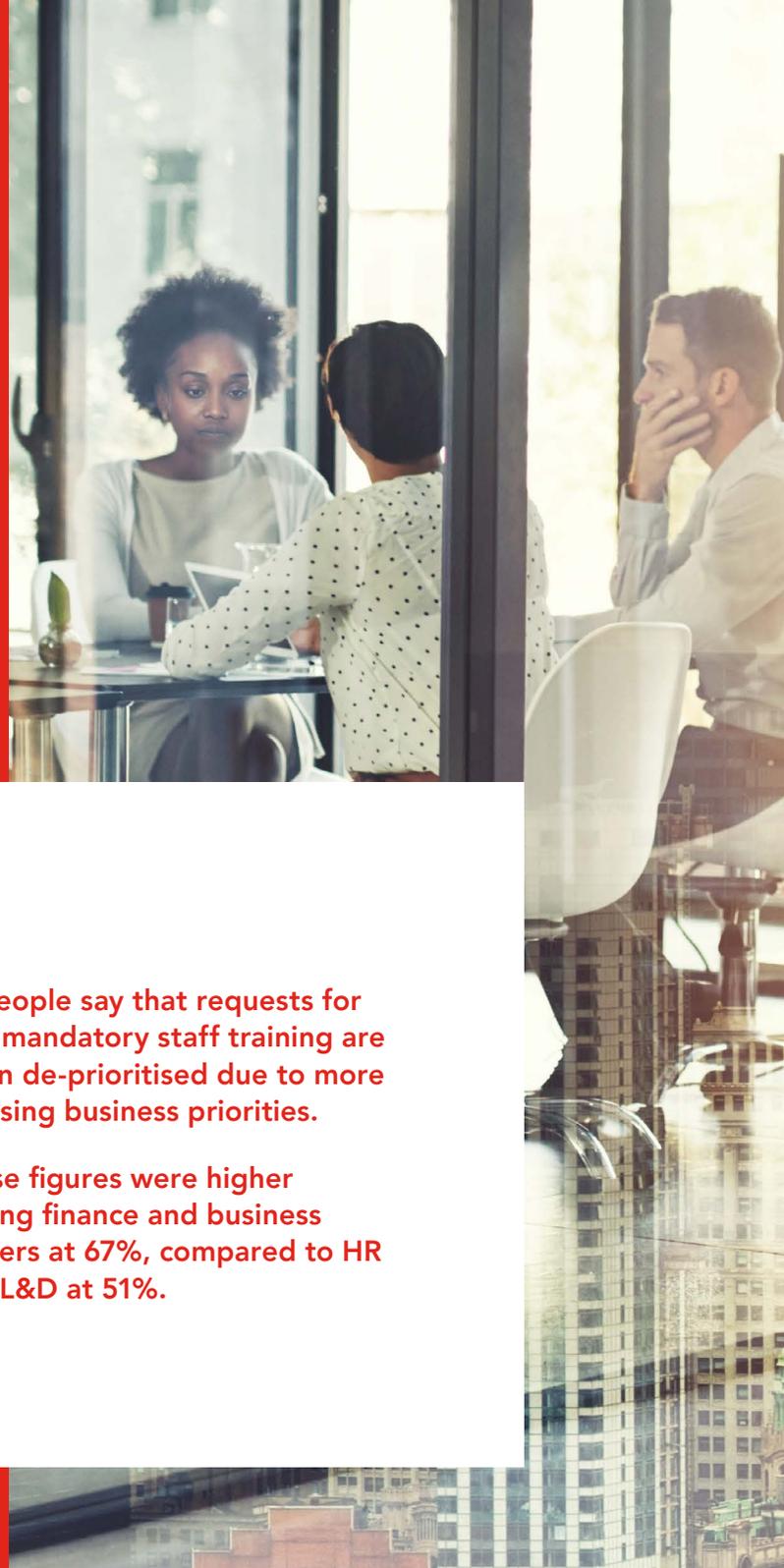
Barriers to high-quality training remain

Despite positive trends, there are still a number of challenges holding back skills development, from competing business priorities to building measurable impact.



Challenge 1

Non-mandatory training is at risk of being deprioritised



60% of people say that requests for non-mandatory staff training are often de-prioritised due to more pressing business priorities.

These figures were higher among finance and business leaders at 67%, compared to HR and L&D at 51%.

"This finding is consistent with the internal tension we often see within companies. There is recognition of the importance of measuring the impact of training, however this can be challenging to carry out. This means that the true value gained from training is not always made visible, and therefore it is more likely to be cut."

Beckie Badger
Assured Consultant

Challenge 2

Investing in training or business cases being rejected

The four most common reasons staff training budget requests are rejected are:

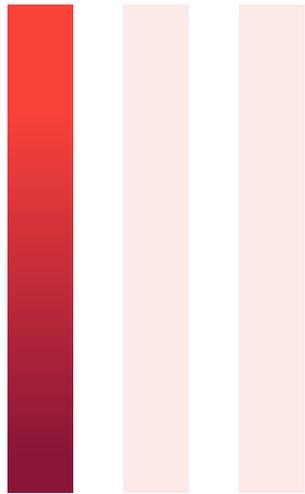
1. Training requested doesn't address the key problems the business needs to address.
2. Training requested is not aligned with the priorities of other departments (Finance, Legal, HR, Technology, etc).
3. No clear alignment with the overall business strategy.
4. Low or no confidence in return on investment.

"In-house training is still this unsung hero in many organisations. There is so much more potential for businesses to tap into if they are able to articulate the story that training can help unfold. One of the key ingredients is about knowing what data to collect, and at which stage of the journey, so the full impact can be clearly articulated."

Mandy Smith
Executive Director Customer Solutions
City & Guilds

Challenge 3

Aligning training to business goals



1 in 3

HR/L&D decision makers told us the top area they want more support with is aligning their training programmes to the strategic goals and priorities of the business.

“Most learning programmes focus on content delivery, often leading to unclear scope and limited application. Alternatively, by prioritising business needs you can make informed decisions and measure outcomes that the business care about. Our Design for Results methodology always starts with the end in mind. If you are clear on the business problem and desired outcomes from the start, you can design the learning experience to meet this need.”

Andy Costello
Head of Customer Solutions
Kineo, part of City & Guilds

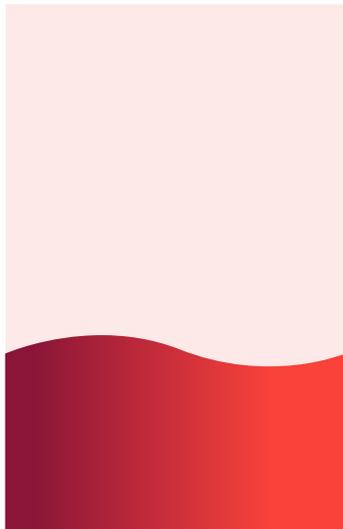
Challenge 4

Struggling to build measurable impact



"Gathering data is essential for measuring impact and improving outcomes. To begin, define the change you aim to see and create a hypothesis. This prediction informs what data to collect for measurement and to prove success. Tools like Kineo Analytics streamline data collection across the learning experience, enabling you to measure success, track engagement, and make informed decisions for continuous improvement."

Matthew Mella
Learning Strategy & Design Team Lead
Kineo, part of City & Guilds

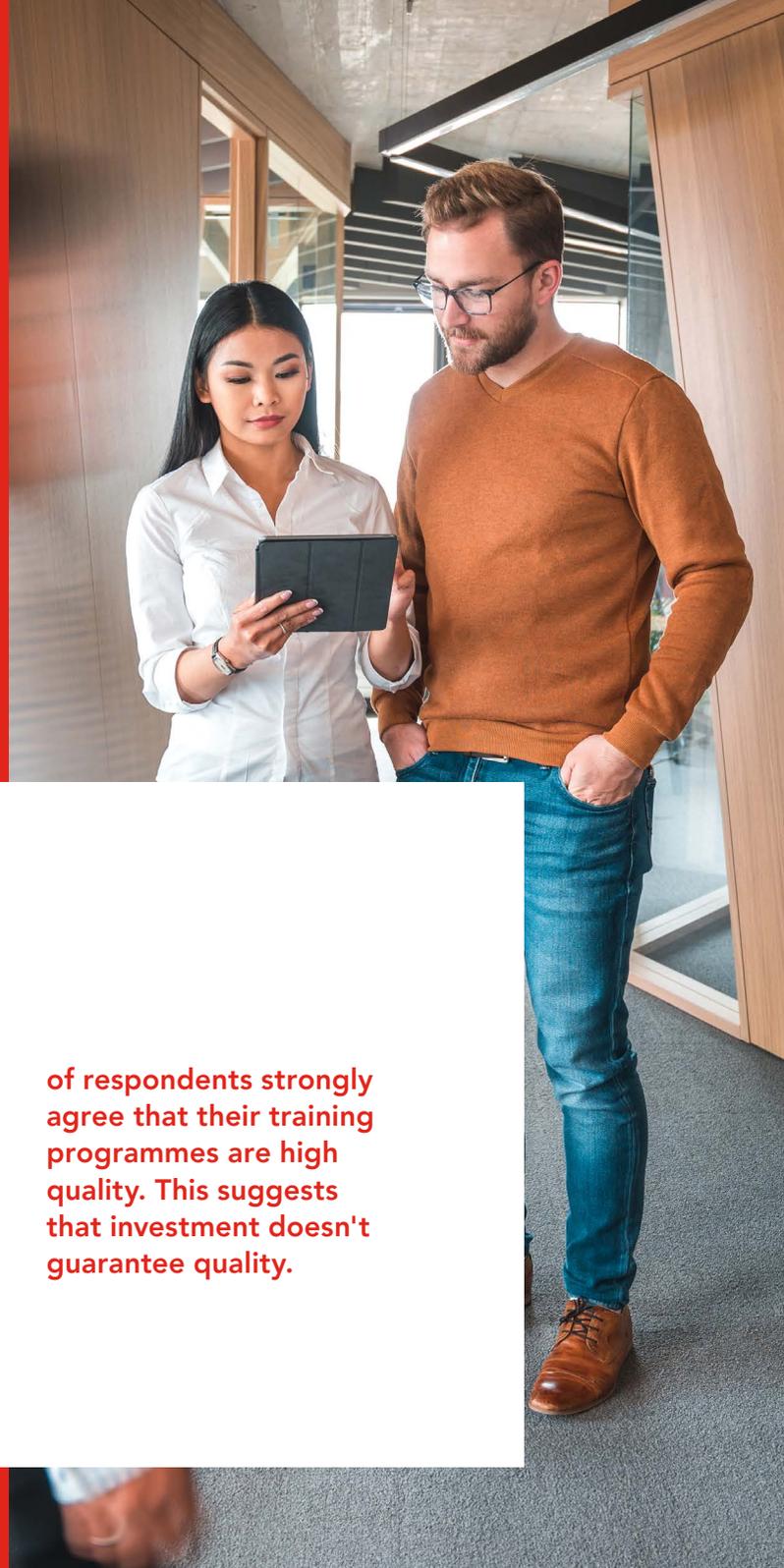


1/3

of the people we surveyed said their top challenge is knowing what measurements or KPIs to use to demonstrate success.

Challenge 5

Ensuring you have high-quality training



of respondents strongly agree that their training programmes are high quality. This suggests that investment doesn't guarantee quality.

"Just because you train your staff, it doesn't mean that your training is effective and successful. The key to elevating in-house training is in a structured approach: a proactive training strategy focuses on improved performance of staff rather than just fixing problems or skills gaps."

Kay Backham
Assured Consultant

What do these challenges mean for training?

"These challenges can lead to missed opportunities for skills development and wasted investment as programmes fail to reach their potential."



Whether organisations are struggling to align training to business goals, measure their impact or ensure they have high-quality programmes, these challenges can lead to missed opportunities for skills development and wasted investment as programmes fail to reach their potential.



This in turn may impact how much organisations value and commit to training. If the benefits are not clearly articulated and realised, further investment is likely to be harder to secure and could lead to training being dropped when up against competing business priorities.



Overcoming these barriers requires a collaborative effort from all decision makers to build stronger business cases. This should include demonstrating calculated ROI, aligning training to business priorities and having clearly defined and measurable KPIs for continuous improvement.



Looking beyond these key challenges identified by respondents, our research also suggests that, beneath the surface, there is misalignment between L&D and finance leaders that may be further hindering investment in training programmes.

3.

How aligned are finance and L&D?

While key decision makers agree on many training issues, not everyone sees eye to eye on the amount of investment, where it is needed or how prepared their employees are for future skills needs.



How are organisations' current training offers perceived by key decision makers?

Our research suggests that there is a clear divide in perception of programmes depending on an individual's role within the business, with finance and business leaders significantly more confident in their training than HR and L&D decision makers.

Our current training is sufficient



There is sufficient training budget



Our training programmes are high quality



■ Finance/business leaders ■ L&D/HR



Are organisations prepared for future trends?

From AI to hybrid working, L&D and finance leaders are aligned on a number of key trends that they expect to see creating challenges for their organisation in the future. However, when asked if their organisations are prepared to face them, L&D professionals appear to be less confident.

Our organisation is prepared for...

AI



Automation



Hybrid working



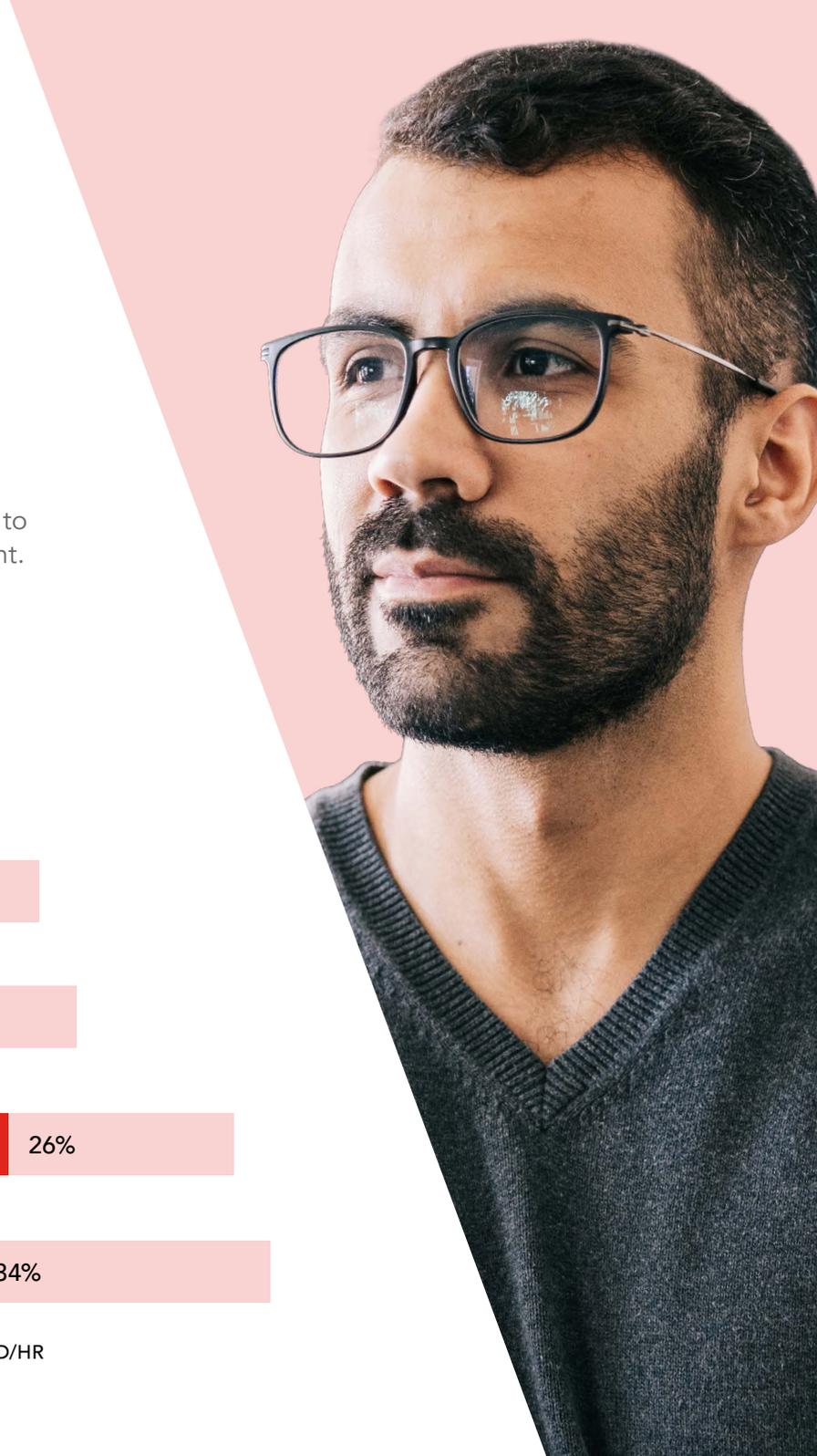
Sustainability



Digital transformation



■ Finance/business leaders ■ L&D/HR



What does this misalignment mean for training?

The success of and future investment in training may be dependent on the perception of key decision makers. If the people in charge of making financial decisions are not aware of the challenges or areas for improvement that need to be addressed, they might be more likely to cut further funding based on the belief that current investment is sufficient.

Looking to the future, the fact that finance decision makers appear to be more confident than L&D leaders that their organisations are prepared for trends such as AI or automation could make it harder to secure funding for training when up against competing business priorities.

To close the gap between the two parties, transparency and collaboration are key. Establishing a common understanding can help finance teams see where

improvements need to be made. In turn, finance can help L&D teams make a stronger case for training.

Every department is likely to have its own valuable insights into the training needs of their organisation, and for the promise of training investment to become the reality of successful training, businesses need to be enabled to pool these insights and create true alignment...

"To close the gap between the two parties, transparency and collaboration are key."



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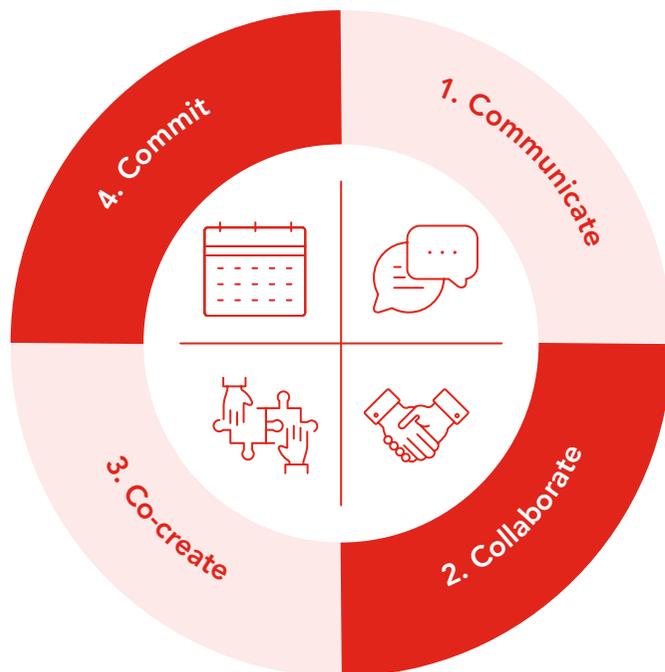
Unlocking investment, realising potential

How leaders across all functions can work together to build training programmes that support their business and employees to grow.



The power of partnership

Our survey findings suggest that L&D and finance leaders are united in their view that skills are key for organisational growth. However, it also surfaced challenges and misalignment in how training needs are perceived by the two departments. So, how can these two teams work better together to realise the true potential that lies within their workforce?



Communicate

Communication is king. Proactive and open communication between teams and departments is vital for everything from sharing the training vision and linking it to business goals to identifying KPIs and reporting against these. Whether it's discussing areas for improvement in an existing training offer or exploring new skills areas for investment, conversations between L&D and finance teams should start as early as possible to ensure that everyone is on the same page from the offset. Communication helps build transparency, creating an environment where key stakeholders support each other as they work together towards shared goals.

Collaborate to co-create

Effective training can't be developed in a vacuum. To be successful, it needs to be integrated into an organisation's DNA and closely aligned to strategy, which requires collaboration from both L&D and finance decision makers – as well as the wider organisation.

Co-creation takes collaboration to the next level. When L&D and finance join forces and map out a shared journey, they can identify opportunities, as well as pain points that need to be addressed to maximise those opportunities. This shared interest creates a sense of co-ownership which, in turn, can become a key driver of improvement and, ultimately, success.

Commit to continuous improvement

Learning is no longer a choice. To remain competitive, individuals and organisations must keep learning to grow and improve. The same applies to staff training. Even with clear KPIs in place and a collaborative approach among decision makers, there is no such thing as perfect training. All high-quality training is built on continuous improvement which means that the work never really stops.

To fully understand the impact of training requires a long-term strategic approach and includes thinking about evaluation and measurements right from the start so that the right data can be captured at the right point in the training journey.

Communication breeds trust, which in turn drives collaboration. Collaboration supports continuous improvement, which paves the pathway to success.

Uncover new opportunities for growth

As The Skills Organisation, at City & Guilds we're dedicated to delivering innovative and industry responsive solutions to help organisations, and their workforces, prepare for a successful future. Find out how we can support you on your training journey to build teams that are fully equipped with skills needed for success today and tomorrow.

Skills Discovery Sessions

Optimise your learning and skills strategy with our interactive sessions. Discover new avenues for growth with an evaluation that delves into your organisation's skills development landscape, identifying your challenges and opportunities. Tailored to your unique needs, our Skills Recommendations Report will provide insights to drive your organisation forward.

[Request a complimentary session](#)



Assured

Developed by leading brands in skills development, Assured ensures that the way in which organisations plan, design and deliver their learning programmes meet world-class quality standards: the Assured Benchmark. If you have in-house training programmes that you'd like to take to the next level you can find out more.

[Find out more at cityandguilds.com](https://www.cityandguilds.com)



Kineo Analytics

Kineo, part of City & Guilds, helps world-leading businesses improve performance through learning and technology. A tool designed to measure the impact of training, Kineo Analytics tracks data across the full learning experience, providing insights to prove the success of online learning content and make smarter decisions.

[Find out more at kineo.com](https://www.kineo.com)



Leadership and management

Strong and responsive leadership and management are at the heart of good business decisions. Both The Oxford Group and ILM, part of City & Guilds, work with organisations to help deliver their strategic goals by equipping leaders and managers with the skills they need to address key issues in the workplace and drive business performance.

[Find out more at oxford-group.com](https://www.oxford-group.com) | [i-l-m.com](https://www.i-l-m.com)





About City & Guilds

Since 1878 we have worked with people, organisations and economies to help them identify and develop the skills they need to thrive. We understand the life changing link between skills development, social mobility, prosperity and success. Everything we do is focused on developing and delivering high-quality training, qualifications, assessments and credentials that lead to jobs and meet the changing needs of industry.

We work with governments, organisations and industry stakeholders to help shape future skills needs across industries. We are known for setting industry-wide standards for technical, behavioural and commercial skills to improve performance and productivity. We train teams, assure learning, assess cohorts and certify with digital credentials. Our solutions help to build skilled and compliant workforces.

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