The Oxford Group
A City & Guilds Business

Unlocking skills investment

Trends, challenges and opportunities



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Executive summary



Caroline Taylor,
Executive Director for Leadership and Management, The Oxford Group

As part of City & Guilds, we draw on the extensive resources of the wider organisation, which includes ILM, Kineo, City & Guilds Electrical, Gen2 and Intertrain.

In our most recent research, City & Guilds revealed Learning and Development (L&D) priorities discovering growing investment, alongside the identification of obstacles that hinder L&D from realising its complete potential.

When City & Guilds published their first Training Trends report in 2022, our objective was to assist organisations in optimising their training investments and recognising the significance of embedding quality throughout the entire process, resulting in maximum impact on individuals and organisations.

A year later, numerous challenges from the report continue to be relevant as organisations strive to adapt to a constantly evolving economic landscape and the escalating need for both new skills and knowledge of emerging technologies.

In the subsequent research, which delved into the most recent L&D programme trends, City & Guilds surveyed L&D professionals as well as finance leaders from over 600 large organisations. Our objective was to understand their skills priorities and the challenges they encounter when it comes to securing investment.

Although survey respondents acknowledged skills development as the primary catalyst for business growth, they also highlighted obstacles that hinder the realisation of L&D potential. This report outlineskey findings and industry insights, offering practical guidance on building programmes that deliver tangible returns on investment for both individuals and organisations.

Regardless of your L&D objectives, it is imperative to overcome barriers and unlock a future driven by leadership skills.

L&D programmes - a snapshot

Organisations are ready to invest in L&D, but there are challenges ahead.

Employers increasingly recognise the link between skills, 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



L&D 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 L&D in the next 12 months.

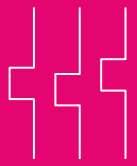


Improved staff performance and productivity were identified as the top benefits of L&D initiatives.

Negative trends



3 in 5 respondents say that investment in non-mandatory staff skills are 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 development.

1.

Employers see skills as key to organisational growth

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





#1

Skills were identified as the top driver for business growth[1].



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 L&D.

[2] 40% of UK B2B decision makers surveyed identified staff development 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 L&D 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 skills as the top driver for growth, and 63% of respondents stated that they will be increasing investment over the next 12 months.

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

Seeing the enthusiasm for development and the confidence in the benefits of skills paints a positive picture for the future of L&D.

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

2.

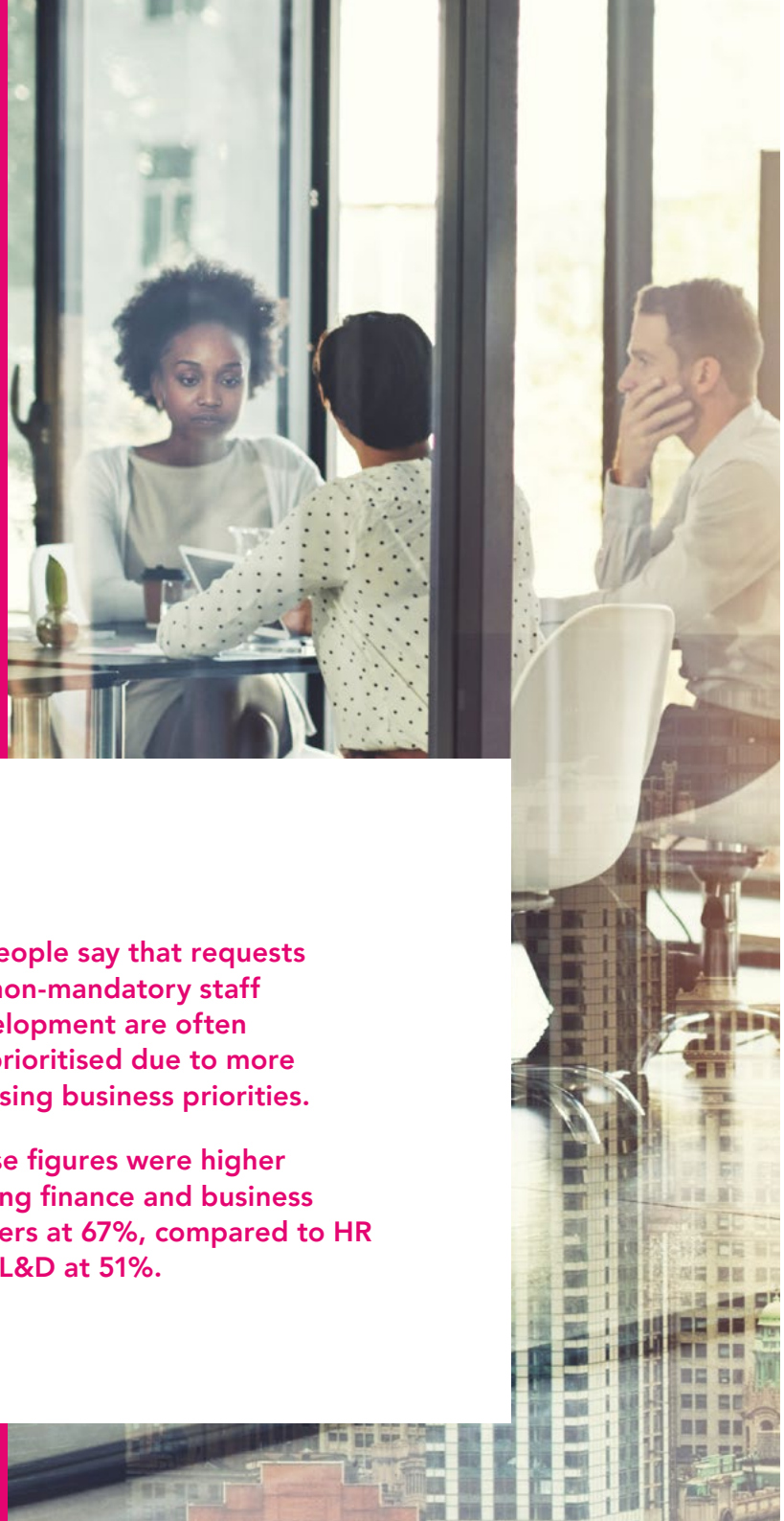
Barriers to high-quality skills initiatives remain

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 skills is at risk of being deprioritised



60%

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

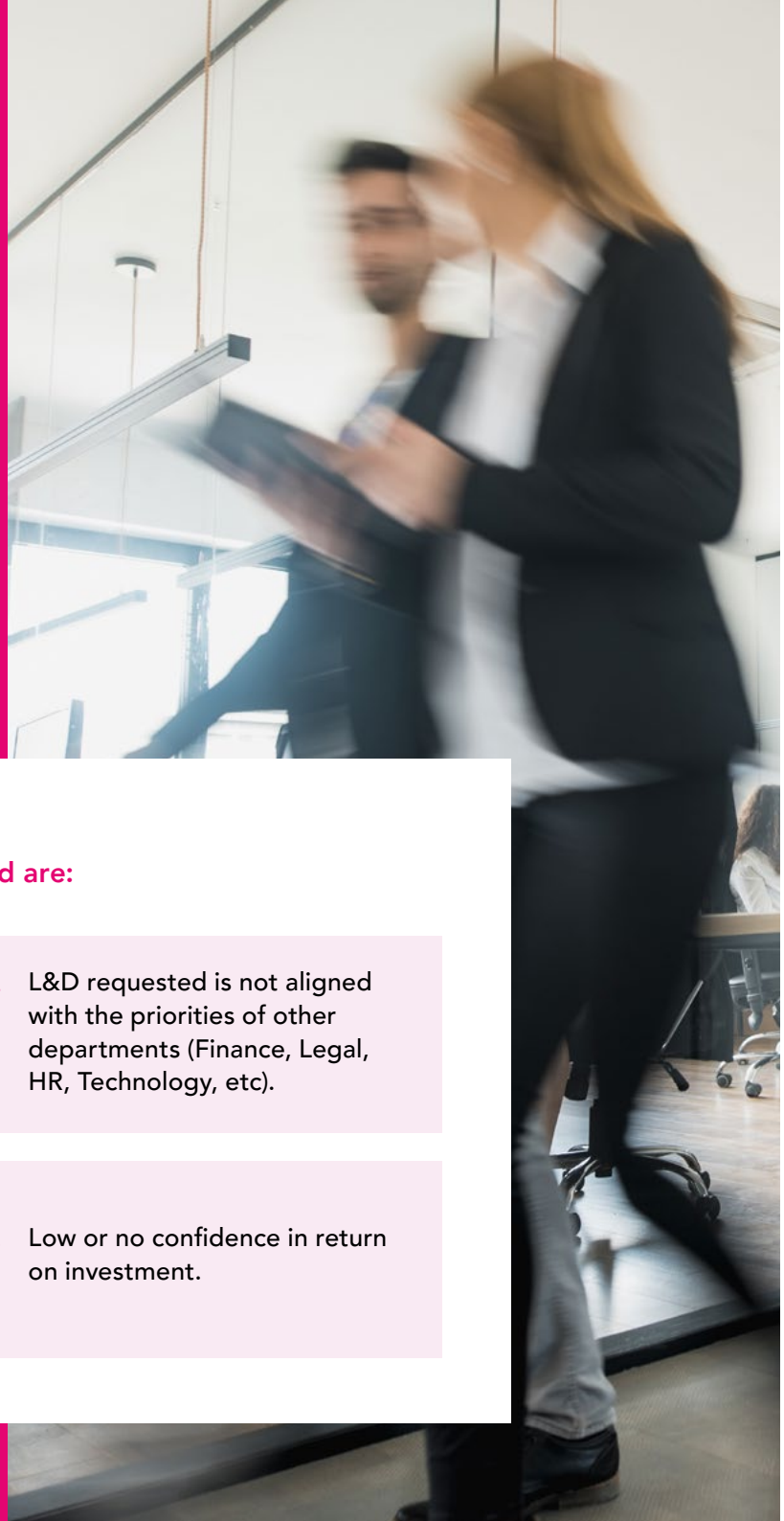
These figures were higher among finance and business leaders at 67%, compared to HR and L&D at 51%.

"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 skills initiatives is not always made visible, and therefore it is more likely to be cut."

Beckie Badger
Assured Consultant
City & Guilds

Challenge 2

Investing in skills or business cases being rejected



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

1. The requested skills fail to effectively tackle the core issues that the business needs to resolve.
2. L&D 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.

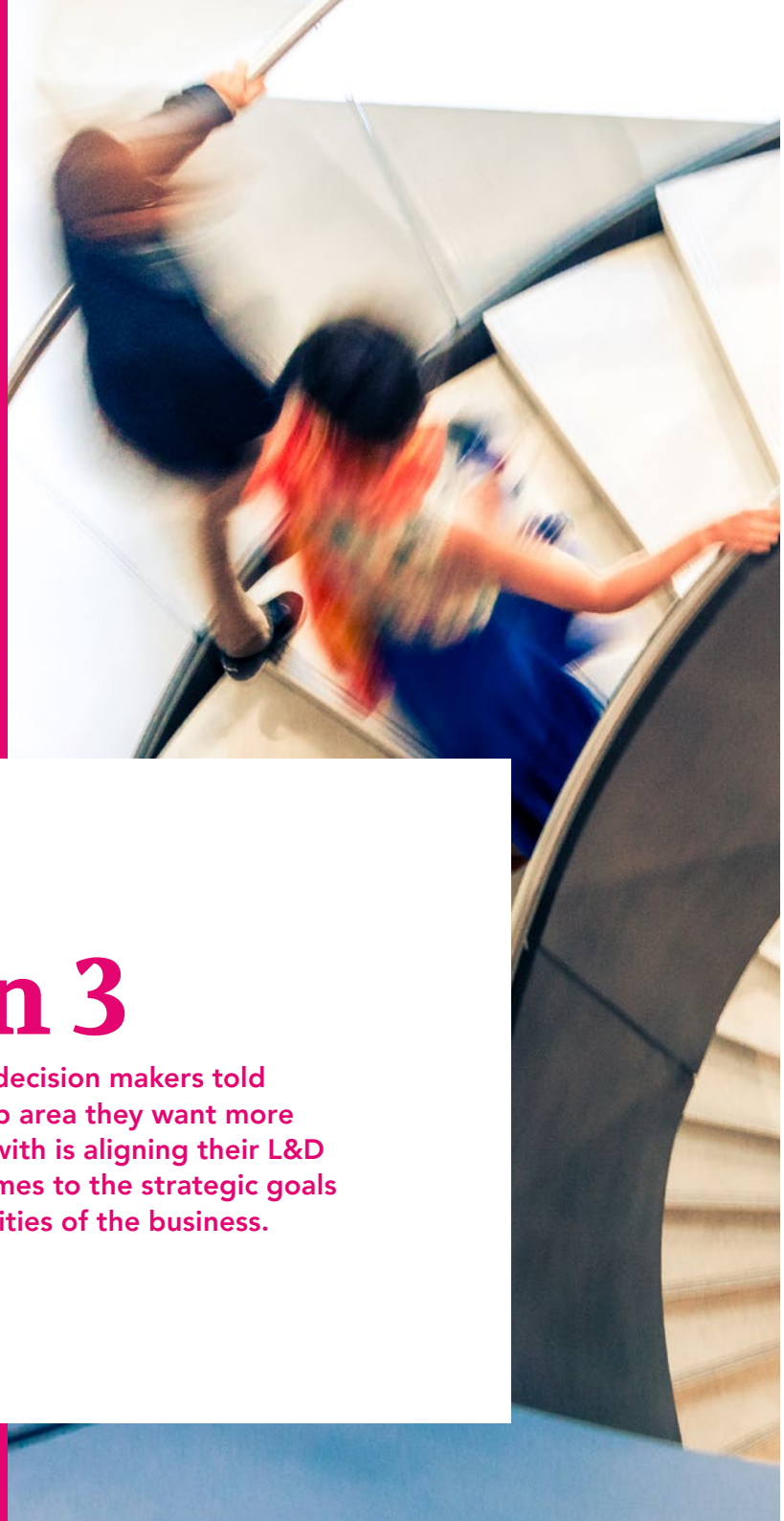
"By effectively communicating the transformative power of skills development, companies can discover even greater benefits.

A compelling business case should clearly articulate... from what...to what....why this is important in the context of the organisational strategy and how we measure the transformation."

Andy Dent
Director of Client Solutions
The Oxford Group

Challenge 3

Aligning L&D to business goals



1 in 3

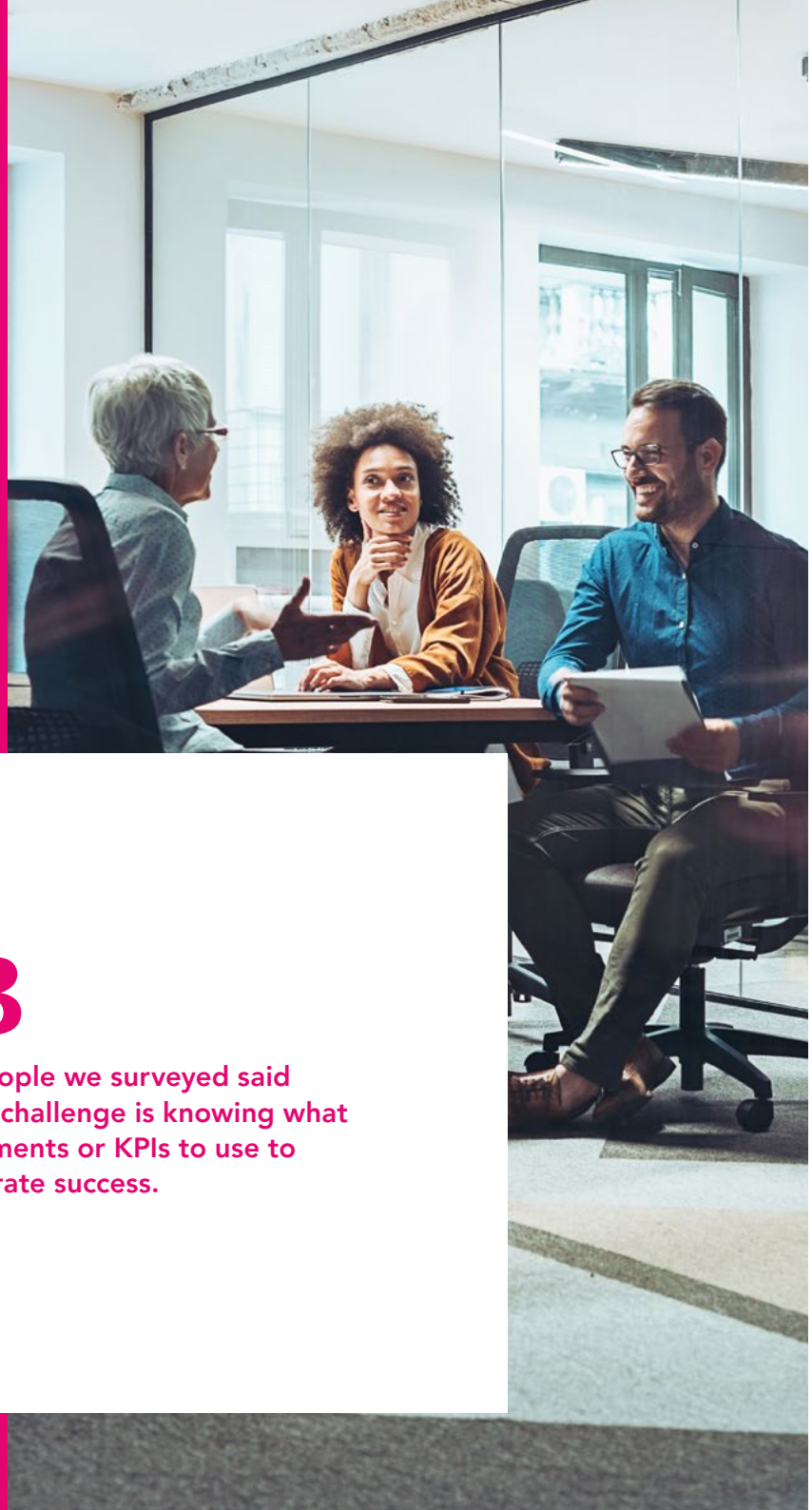
HR/L&D decision makers told us the top area they want more support with is aligning their L&D programmes to the strategic goals and priorities of the business.

"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



1/3

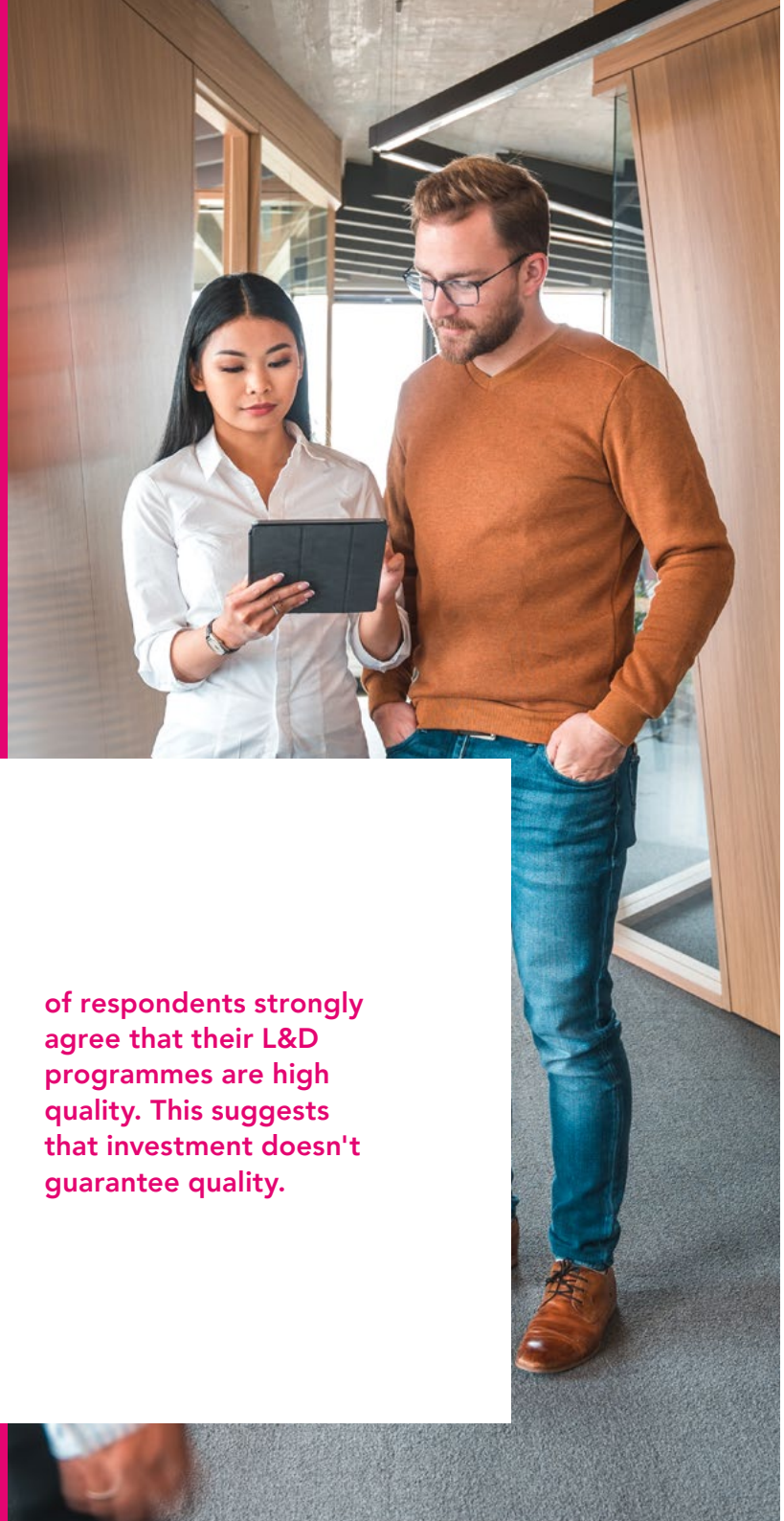
of the people we surveyed said their top challenge is knowing what measurements or KPIs to use to demonstrate success.

"Collecting data is crucial for assessing the impact of skills initiatives and enhancing results. To start, clearly define the desired change and formulate a hypothesis. This measure helps to guide the selection of data to be gathered for analysis and validating success. "

Kezia Richards
Director of Operational Excellence
The Oxford Group

Challenge 5

Ensuring you have high-quality L&D





of respondents strongly agree that their L&D 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
City & Guilds

What do these challenges mean for L&D?

"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 L&D 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 L&D. If the benefits are not clearly articulated and realised, further investment is likely to be harder to secure and could lead to L&D initiatives 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 L&D to business priorities and having clearly defined and measurable KPIs for continuous improvement.



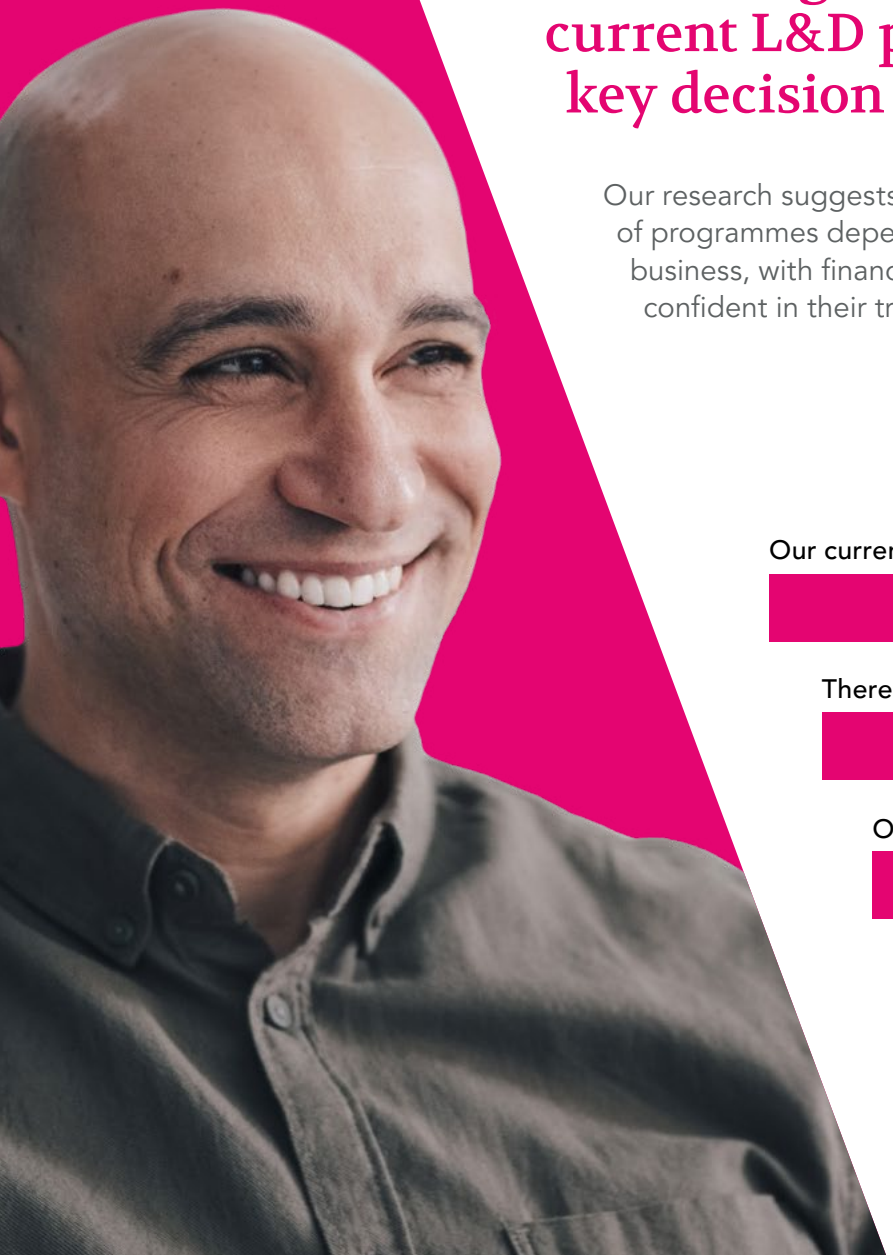
Looking beyond these key challenges identified by respondents, our research also suggests that, beneath the surface, there is misalignment between L&D and finance leaders that may be further hindering investment in future programmes.

3.

How aligned are finance and L&D?

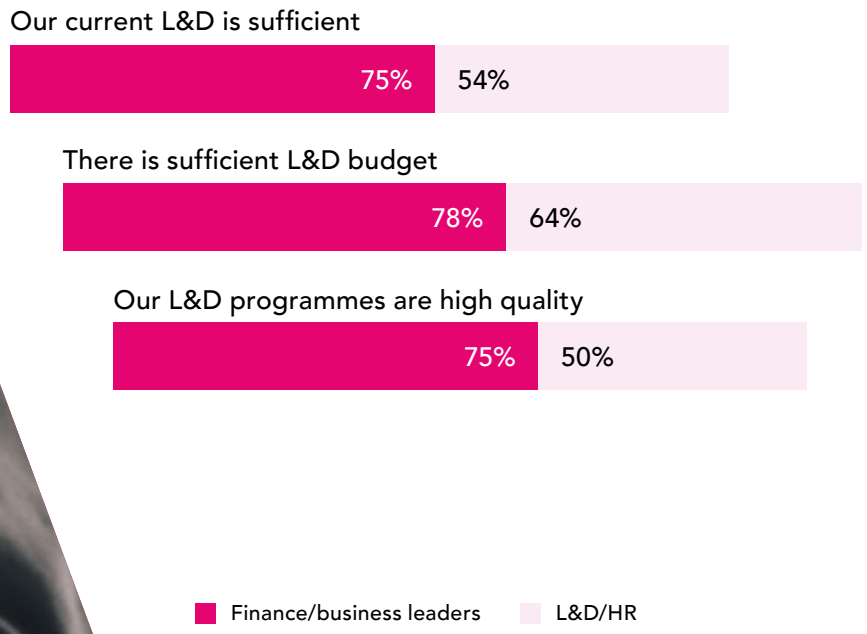
While key decision makers agree on many L&D issues, not everyone sees eye to eye on the amount of investment, where it is needed or how prepared their employees are for future skills needs.





How are organisations' current L&D 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.



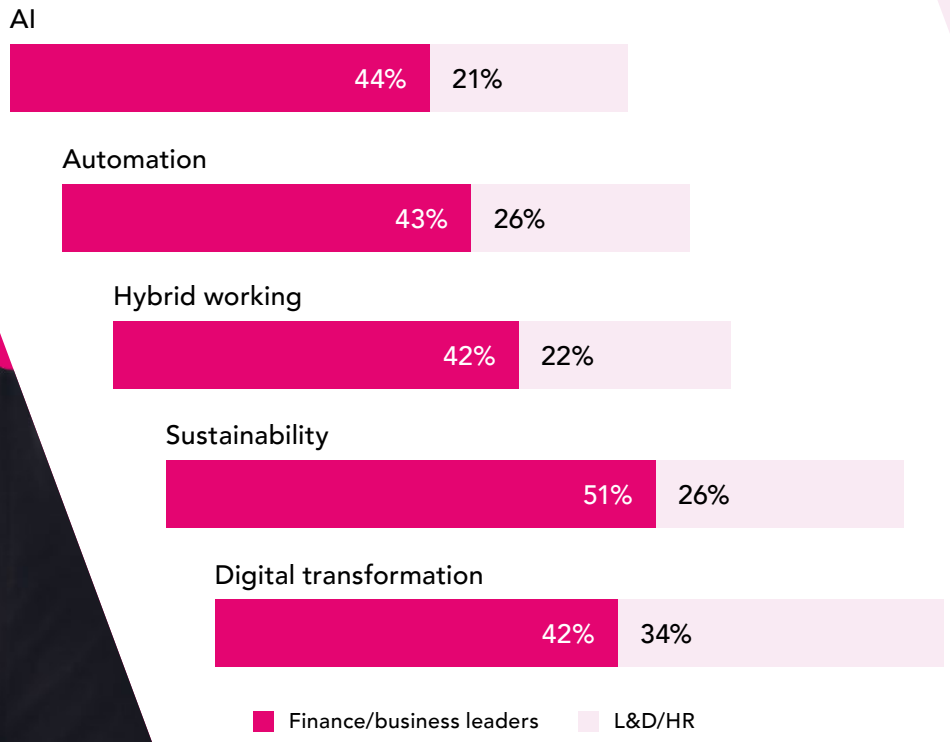




Are organisations prepared for future trends?

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...





What does this misalignment mean for L&D?

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 L&D needs of their organisation, and for the promise of skills 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."



4.

Unlocking investment, realising potential

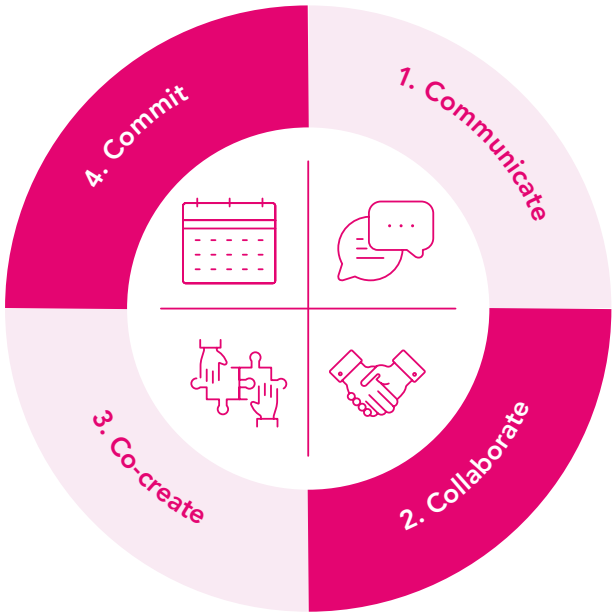
How leaders across all functions can work together to build L&D programmes that support their business and employees to grow.



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 L&D 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 key. 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 L&D 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 L&D 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 L&D. Even with clear KPIs in place and a collaborative approach among decision makers, there is no such thing as perfect L&D. All high-quality L&D is built on continuous improvement which means that the work never really stops.

To fully understand the impact of skills development 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 L&D journey.

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

Uncover new opportunities for growth

City & Guilds is firmly dedicated to delivering cutting-edge and industry-responsive solutions that aid global organisations and their employees in preparing for a prosperous future. Learn more about our specialisms through our community of brands.

Leadership, management and coaching

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 | i-l-m.com



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



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



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About The Oxford Group

We believe leadership matters…With over 35 years of experience creating trusted and engaged leaders and managers, The Oxford Group is known and valued for the unique relationships we build with our clients and their people and the results of our development programmes. Our leadership and coaching solutions create a significant impact, whether it's for those entering their first managerial position or those facing contemporary leadership challenges. Our team comprises more than 200 multilingual consultants and coaches, serving five continents.

Part of City & Guilds

The Oxford Group is a part of City & Guilds. City & Guilds' purpose is to help people and organisations to develop their skills for personal and economic growth. Each City & Guilds business has a distinct focus; our combined products and services provide a comprehensive range of work-relevant qualifications, assessment, training and learning support services.

Contact us

**Agriculture House | Oasis Park |
Stanton Harcourt Road | Eynsham |
Oxford | OX29 4TP**

enquiries@oxford-group.com

+44 (0)845 250 8448

www.oxford-group.com