

CAPITA

LEARNING & DEVELOPMENT

Learning to change: Executive Research Summary



Introduction: The L&D Lag

The global downturn and its aftermath have subjected UK Plc to an intense period of strategic change.

Recession and faltering recovery have placed business transformation high on the boardroom agenda, and continuing uncertainty looks set keep it there for the foreseeable future.

Strategic change brings with it the need to evolve business operations and processes. Inevitably, the greatest barrier to change is people.

Successful business transformation depends on the workforce's ability to modify actions and behaviours in line with the developing objectives of a business.

Staff must be supported with the requisite skills, abilities and attitudes to deliver cost-cutting strategies, cope with expanding remits during times of falling headcounts, and adopt a growth mentality as the business environment improves.

A firm's Learning & Development (L&D) function therefore has a critical role to play. It is L&D's responsibility to deliver the training and development that will support changing strategic objectives and business needs.

With this in mind, Capita Learning & Development asked senior business leaders at the UK's largest firms to share their experiences of how L&D has contributed to their firm's ability to perform during challenging times.

Our research exposes an alarming gap between business strategy and the learning and development services being delivered to the UK workforce.

L&D's failure to support rapidly evolving business strategies is evident in a serious productivity shortfall, in employees' struggle to cope with expanded remits and in the fear that half of all current workforce skills are at risk of becoming outdated.

Ultimately, this 'L&D lag' threatens to damage UK Plc's response to economic recovery.

Welcome to Learning To Change. This executive summary of our research explores the full extent of the lack of alignment between L&D and business strategy, examines the reasons for it and exposes the threat it poses to economic recovery in the UK.

Learning To Change?

Our research reveals the worrying impact of a lack of alignment between corporate strategy and L&D delivery, and the ramifications this holds for the UK economy as a whole.

70%

Over two thirds of business leaders identify inadequate staff skills as the greatest threat to their firms' ability to capitalise on economic recovery.

40%

Two fifths estimate that at least half of employee skills risk becoming obsolete as the economy moves into upturn.

55%

A majority of senior managers fear that their firm is failing to deliver the necessary training for the recovery,

46%

While almost half cast doubt on their L&D department's ability to provide this.

36%

As a result, over a third of executives lack confidence that their employees have the skills required to deliver the firm's upturn strategy.

18%

Less than a fifth of business leaders agree that L&D strategy and delivery is completely aligned with their company's operational strategy.

The clear message is that L&D is failing to adapt to the changing needs of UK Plc.

“Faltering recovery has placed business transformation high on the boardroom agenda, and continuing uncertainty looks set keep it there for the foreseeable future”.



The £36 Billion Productivity Gap

An unstrategic approach to L&D is also costing the UK economy billions in lost productivity.

Business leaders estimate that their workforce could be 21% more productive on average – the equivalent of a day's work per employee each week – given more effective support from their L&D functions.

In financial terms, a productivity shortfall of 21% equates to lost output of some £35.7bn annually for the UK's largest firms.

The L&D Mindset

The inescapable conclusion is that L&D has been stuck in a 'business as usual' mindset through changing economic conditions – a problem recognised by almost two fifths of senior managers.

This strategic L&D lag threatens to damage the recovery. UK Plc risks being at a competitive disadvantage come the upturn, hampered by outdated skills, a damaging productivity shortfall and a workforce struggling in the aftermath of job cuts.

Yet an effective L&D function will not only improve the quality of training delivered, but reduce cost, improve control over spend and ensure that staff development is flexible and responsive enough to meet a rapidly changing business environment.

UK Plc urgently needs to adopt a strategic approach to people development, one tightly aligned with overall business strategy and designed to equip the workforce with the skills, capabilities and behaviours needed to support firms during uncertain times, and to ultimately deliver growth objectives.

The Big Stretch

In the post-recession environment, firms and their employees are being asked to produce more with reduced resources – both financial and human. At the same time, budgets for development are being cut, and staff are being asked to take on expanding job remits in the wake of large-scale redundancy programmes.

These conflicting pressures are reflected in the results of our research. Two thirds of senior managers express concern that their employees are struggling to cope with expanded remits following job cuts. More than half criticise their L&D function for being slow to respond to changing business requirements during economic turbulence.

Worryingly, there is little sign of improvement. Approaching half of senior executives (43%) expect no significant change to L&D delivery over the next two to three years.

About Learning To Change

Learning To Change is the result of independent opinion research among senior decision makers at 100 of the UK's largest 500 firms by turnover.

The research was conducted by independent market research provider Coleman Parkes during Spring 2010.

About Capita Learning & Development

Capita Learning & Development is the UK's leading provider of integrated learning solutions, from full outsourcing of employee training needs to single places on specific courses and conferences, including world-wide training from RIPA International.

As part of Capita Group, Capita Learning & Development specialises in transforming learning services so that they are aligned to business priorities, responsive to changing needs, and balance high quality with value for money.

Services include learning design, training delivery, e-learning development, training administration services, supplier management and learning evaluation.

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