MindTools®
FOR BUSINESS

Megatrends Reshaping the Future:

The Crucial Role of L&D in Business Transformation

20TH ANNIVERSARY EDITION

Annual L&D Benchmark Report 2023: **Part Three of Three**

Perform. Manage. Lead with Mind Tools

Contents

We have been collecting data about what works in learning and development for over two decades. In that time, we have spoken to more than 11,000 organizations, 67,000 employees, and 1,300 senior executives, and have published 70+ research reports. Because our data collection spans 83 countries, 22 industries, and represents small, medium, large, and multinational organizations, we possess one of the largest independent learning and development data pools in the world. **Underpinning our research is our ambition and goal of a multilevel understanding of organizational learning that leads to positive business impact.**

Insights Team
Mind Tools for Business

(1)

Foreword

The **Learning Performance Benchmark** was created in 2003, driven by curiosity about why some L&D teams were having success with digital technology and others were not. Over several years it emerged that just six key practices were the foundations of success in L&D. These practices have stood the test of time, and remain at the core of the current Organizational Learning Index (see Chapter 3 for an overview). Now referred to as meta-practices, they continue to differentiate top-performing L&D teams from the rest.

I discovered the Learning Performance Benchmark in 2014 when I was an L&D Leader at Coca-Cola Amatil. It was an invaluable source of practical insight as I worked with my team to increase the impact of our work.

In 2019 something extraordinary happened to increase the value of this research to L&D practitioners. As Donald H. Taylor put it in the foreword to the Annual L&D Benchmark Report, *The Transformation Curve*:[1]

"The longevity of the research and experience in the industry has allowed the [researchers] to do something very difficult and brave for any research team. They have refused to revisit this year's data in the light of last year's; instead they have created something which I believe will be invaluable to the L&D profession – a model of maturity."

The Transformation Curve described the four stages of maturity, and provided guidance for how to navigate the journey from first to fourth. Critically, it identified not only what to embrace, but also what to let go of in order to move from one stage to another.

Today Mind Tools for Business continues to offer L&D leaders and teams the opportunity to take part in the Learning Performance Benchmark, and share insights from the data in annual reports. They also hit another critical point in this invaluable body of research this year, as mentioned in Part Two of the 20th anniversary report series. Using network analysis to explore relationships between L&D behaviors helped to identify how these six meta-practices are linked, and how the connections vary at each stage of maturity. At the highest level of maturity, where the top-performing L&D teams are found, there is a clear focal point: strategic and business alignment.

This is at the beating heart of everything these L&D teams do, the pathway connecting the six key practices.

This report, Part Three of the 20th anniversary series, takes another brave stance. It offers predictions for the future of L&D in the context of three significant megatrends. Provocatively, this report also asks the question "Is stage 4 the only place to be?" – a place where L&D leaders and teams purposefully combine the six meta-practices, keeping strategic and business alignment at the center of all that they do.

I continue to use the Learning Performance Benchmark, now as a consultant helping L&D teams to raise the impact of their work and play a central role in organizational success. This benchmark and the resulting insights, that Mind Tools continue to share so generously with the profession, are an important source of evidence helping L&D teams to create high-impact organizational learning strategies.

I commend and thank Mind Tools for Business, and the trailblazers before them, for their contribution to the profession through this body of work. I encourage all L&D professionals to draw upon it to improve their practice and impact.

Michelle Ockers
Chief Learning Strategist
Learning Uncut

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[1] Towards Maturity (2019) *Annual L&D Benchmark Report: The Transformation Journey,* Available at **https://mindtoolsbusiness.com/research-and-reports/the-transformation-journey** (Accessed 30 October 2023)

(2)

Introduction

The importance of L&D's role in the future of work is growing as quickly as workplaces are changing. For many organizations, L&D has taken a more central role in recent years. But only for the top-performing few organizations has L&D evolved to focus less on training and more on transforming businesses through learning. For all other organizations, there's still a significant amount of work to do.

Today, it is essential for organizations to develop learning strategies that adapt to the needs of the business. The reality of this is challenging. Business leaders have dynamic priorities, and L&D is conditioned to address organizational goals with operational plans, rather than flexible strategies. Instead of concentrating on the finer details (including specific skills to develop and technologies to roll out), the key is to nurture the practices that mark learning maturity.

The future is full of opportunities for L&D. New technologies and new ways of working are emerging. New generations are entering the workforce. These factors all ensure that workplaces are better connected, learning cultures foster innovation, and organizations can leverage diversity to future-proof the business. To succeed, organizations need L&D professionals who are digitally intelligent, willing to experiment, and prepared to evolve.

This report

This community-driven research initiative started in 2003. Over the years, we have published research reports summarizing learning trends and the perceptions of stakeholders in L&D. In that time, we've seen L&D leaders make inaccurate predictions about the future of learning in organizations. For example their expectation that blended learning would increase in importance, when in fact the proportion of organizations learning via a blend of solutions hasn't changed much since 2016.[2]

The task of predicting L&D's future is challenging but not impossible. So far in this three-part report series, we've reflected on the journey L&D teams have shared over the last 20 years. We've identified practices that define top-performing organizations and consulted data collected from learning leaders, business leaders and employees to establish key areas that organizations should prioritize today (such as strategic and business alignment). Armed with this knowledge, this report will concentrate on the evolving landscape of workplace learning to identify how L&D teams can prepare to meet the changing needs of the business.

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[2] See Figure 9 in Mind Tools for Business (2023) *Annual L&D Benchmark Report: Part One*, Available at **https://mindtoolsbusiness.com/research-and-reports/l-d-in-organizations-20-years-of-research** (Accessed 10 July 2023)

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L&D is evolving

In Parts One and Two of this report series, we discussed the six meta-practices that make up our Organizational Learning Index (OLI, see **Figure 1**).

The OLI is the score assigned to each organization that takes part in the Learning Performance Benchmark. It measures the learning maturity of these organizations and correlates with how much impact L&D is having on the business.[3] In Part Two, we showed how learning maturity evolves from L&D teams having the least impact (i.e., those in stage 1 of our maturity model) to those having the most impact (i.e., those in stage 4). We discovered that top performers are the ones building meaningful connections between activities that make up the six meta-practices we track. It is the purposeful combination of behaviors across practices that marks maturity – a pivotal development in the research that will define the next stage of our study.

Figure 1. The six meta-practices of the Organizational Learning Index (OLI)

> It is the purposeful combination of behaviors across practices that marks maturity

Is stage 4 the only place to be?

All L&D teams should aspire to be top performing, but we might have reached a point where "top performing" is the only place for L&D teams to be. Today, business leaders want L&D to play a more strategic role than they have done in the past, but they also have dynamic priorities that they expect L&D teams to keep up with.[4] Considering the position this puts L&D in, it is essential that learning initiatives are designed to evolve and adapt – a characteristic that has defined top-performing teams for as long as we've been studying them.

As shown in **Figure 2**, L&D teams in stage 4 of our maturity model are very good at bending with the business. They care about organizational goals and ensure that their efforts and skills support them. They include managers and learners in key conversations about learning solutions and approaches, and they aren't precious about learning content that's no longer fit for purpose.

A concern, though, is that most L&D teams in 2023 (51%) are stuck in stage 1 of our maturity model. For them, only 12% of L&D leaders work with business leaders to agree organizational metrics and KPIs, just one-third say that they "understand the strategic goals of the business", and even fewer align their activities with these goals.

L&D teams can only adapt to the goals of the business if they know what they are. And so, identifying that L&D teams in 2023 need to be as flexible as those in stage 4 of our model isn't going to help much. First, organizations must address some of their bigger challenges. These include the observed lack of strategic alignment between L&D and business leaders, which restrict them from mimicking the behaviors of higher-performing teams (like those shown in Figure 2) and observing the same results.

In Part Two of this report series, we explored strategic and business alignment in detail.[5] That decision was motivated by our recent discovery that top-performing L&D teams place alignment at the center of everything they do, and that alignment-related activities have the greatest impact on the business. In the report, we identified some of the improvements organizations have made in the last 12

months. We also highlighted the gap between alignment-related activities L&D teams can directly control, and those that they need to work with other stakeholders to achieve. For years, L&D leaders have told us that the attitudes and capabilities of employees, managers and business leaders act as barriers to them. Today, for the fifth year in a row, a "reluctance by managers to make time for learning" is the number one concern L&D leaders share. But perhaps it's time to consider the attitudes and capabilities of L&D professionals, as well, in the context of what they'll need to succeed in the future.

TOP THREE CHALLENGES FOR L&D TEAMS IN 2023

01

Reluctance by managers to make time for learning

02

Being overwhelmed and under-equipped

03

Many in the organizations not seeing learning as a priority

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[4] Mind Tools for Business (2023) *Leadership report: Turning pressures into opportunities*, Available at **https://mindtoolsbusiness.com/research-and-reports/turning-pressures-into-opportunities** (Accessed 4 July 2023) [5] Mind Tools for Business (2023) *Annual L&D Benchmark Report: Part Two*, Available at **https://mindtoolsbusiness.com/research-and-reports/unlocking-excellence** (Accessed 30 October 2023)

Figure 2. Behaviors that allow L&D teams to bend with the business

■ Stage 1　■ Stage 2　■ Stage 3
■ Stage 4 (top performers)

Learners are involved in the design of the most appropriate learning approach

- 7%
- 23%
- 38%
- 84%

Local champions are identified and trained to act as agents for change

- 10%
- 22%
- 51%
- 77%

Managers are involved in the design of the most appropriate solutions

- 10%
- 30%
- 54%
- 77%

The skills of L&D staff are audited against those required

- 10%
- 16%
- 38%
- 71%

Content is removed if it is no longer relevant

- 17%
- 31%
- 47%
- 87%

Programs are regularly reviewed to check that they support organizational goals

- 23%
- 58%
- 80%
- 97%

Learning strategies are developed to allow for changing business priorities

- 34%
- 71%
- 88%
- 100%

Note: Percentages refer to the number of L&D leaders who reported a score of 7, 8, or 9 from a scale of 1–9, with 1 being "we don't do this at all" to 9 being "we do this all the time".
Chart: Mind Tools for Business Insight • Source: Learning Performance Benchmark 2023

The modern L&D role

As a function in the business, L&D is evolving. Today, L&D teams that are achieving the most are not just "delivering training" but transforming businesses through learning. The role is an important one that can't be properly fulfilled by professionals with traditional attitudes and capabilities. The industry needs L&D specialists who are courageous, empathetic and willing to share with others, to establish learning cultures that are innovative, connected, and self-directed.

Later in this report, we'll talk about confidence in the context of research. Spoiler alert: failing can be just as valuable as succeeding, so L&D teams shouldn't be afraid to take risks and try out new ideas. But confidence requires psychological safety – the freedom to speak up, share ideas and ask questions without feeling humiliated or punished. In the academic literature, research shows that psychological safety is positively associated with innovation and business performance (measured by things like the number of goals achieved and return on assets).[6] In our own research, we found that 90% of top-performing organizations are described as having "safe environments for individuals to share ideas and work out loud", compared with just 26% of organizations in stage 1 of our model.

L&D professionals also need to be effective at working with other functions in the business. They need to develop the ability to see things from other people's perspectives. And they can only achieve this when they listen, explore and work with them. This is a practice we monitor as part of the OLI, and is an important marker of maturity. Compared with organizations in stage 1 of our model, this year we found that L&D teams in stage 4 are 22 times more likely to gather feedback from learners and managers and 9 times more likely to involve them in the design of learning approaches and solutions.

Identifying opportunities to partner with others in the business is also important, so that the responsibility for learning is shared. It's not necessary for L&D teams to "do it all", but an entrenched belief that "L&D must prove itself" has left many teams feeling like they have no other option. In **Figure 3**, we list some of the activities that foster more productive relationships between L&D and the wider organization. Here, we see that top-performing L&D teams are two to four times more likely to work with others in the business, compared with L&D teams at the lower stages of our maturity model.

90%
of top-performing organizations...

have safe environments for individuals to share ideas and work out loud

80%
involve learners/managers in the design of learning approaches and solutions

66%
gather feedback from learners/managers

[6] Newman, A., Donohue, R., and Eva, N. (2017) 'Psychological safety: A systematic review of the literature', *Human Resource Management Review*, 27(3), pp. 521-535. **https://doi.org/10.1016/j.hrmr.2017.01.001**

Figure 3. Behaviors that foster productive relationships between L&D and the wider organization

■ Stage 1   ■ Stage 2   ■ Stage 3
■ Stage 4 (top performers)

Internal business expertise is drawn upon by L&D to support learning

- 10%
- 30%
- 54%
- 77%

Relationships are actively built between L&D and stakeholders/learners

- 10%
- 16%
- 38%
- 71%

Colleagues across the business know how to work together to productively connect and share knowledge

- 10%
- 18%
- 38%
- 90%

Stakeholders are brought together to support new learning initiatives

- 17%
- 41%
- 49%
- 83%

Learning spaces are designed to ensure that people can collaborate

- 23%
- 27%
- 58%
- 97%

Note: Percentages refer to the number of L&D leaders who reported a score of 7, 8 or 9 from a scale of 1–9, with 1 being "we don't do this at all" to 9 being "we do this all the time".
Chart: Mind Tools for Business Insight • Source: Learning Performance Benchmark 2023

"One thing that has been enlightening for me is that, although linear, the distance between stages varies greatly in length of time and effort needed to move forward in maturity. Despite what it looks like, the jump from stage 1 to stage 2 feels a bigger achievement than moving from stage 3 to stage 4.

I previously worked at a company that progressed from stage 3 to stage 4 during my time. At that stage you already have strong relationships across the business, you know and understand data and have a well-skilled and engaged L&D team. These strong foundations mean that you have the influence to gain investment in new technology, pilot new ideas, and are respected as a true partner – all things that are vital in the move to creating a high impact learning culture.

I've since moved to a company at the very start of their journey to maturity. In fact, the foundations needed to be built to even begin that journey. Those first few steps to engage the business can often feel like two steps forward and one step back. It's taken 18 months of hard work and enthusiasm to cross the line from stage 1 to stage 2, and whilst we're being realistic that we still have a long way to go to maturity, we're celebrating each step along the journey to achieving a true learning culture."

Rachel Taylor
Digital Learning Manager
Bupa Insurance

Megatrends: where does L&D fit in?

In this chapter, we have talked about the evolving role of L&D. Through our data, we've identified a need for L&D to be more flexible and aligned to the business. Practitioners need to be confident to experiment with new ideas, and proactive in their approach to building effective relationships with members of other functions in the organization. In a report that promises to outline the future for L&D, it is also essential to address what role L&D will play in some of the megatrends changing the trajectory for businesses. We call these factors "megatrends" because they affect organizations on a global scale.

In the following chapters of this report, we'll focus on three megatrends:

■ **Digitalization**

■ **Climate change**

■ **Demographic shifts**

At the end of those chapters, we'll reflect on the research we've presented, summarize a list of predictions based on our findings, and identify ways that L&D teams can position themselves ahead of the curve.

(4) Digitalization: leveraging digital technologies to transform workplace learning

In 2022, Mind Tools for Business published a report about the pace of rapid digitalization and its impact on organizational learning cultures.[7] In the report, we argued that "technology enables outcomes rather than produces them". That's because we think that employees are the best resources organizations have to enable transformation. We continue to stand by that today.

[7] Mind Tools for Business (2022) *Annual L&D Benchmark Report: Is your learning culture keeping pace with rapid digitalization?*, Available at **https://mindtoolsbusiness.com/research-and-reports/keeping-pace-with-digitalization** (Accessed 10 September 2023)

However, in Part One of this report series, we showed that L&D has struggled to keep up with significant advances in technology.[8] We believe that part of the reason is because of organization-wide attitudes towards digital learning. For the last 20 years, we've found that L&D teams have been battling stakeholders who are "reluctant" to adopt new technologies or to make time for learning. L&D teams are also operating with outdated capabilities, making them well-equipped to manage and support traditional learning methods (such as in-person, classroom-based activities) but lacking in areas related to data, research and collaborative learning.

Learning and Development Strategist Ross Stevenson argues that "modern L&D professionals need to accept that **digital intelligence** (the discipline of understanding how to use the latest technologies) is an essential part of [their] craft".[9] In this chapter and throughout the rest of this report, we'll explore digital intelligence in more detail. The sum of our findings has led us to predict that it is one of the most necessary capabilities L&D teams need right now, because it allows them to leverage technologies successfully in their quest to transform workplace learning.

To explore how L&D capabilities have changed in recent years, please use the links below (or QR codes, if using mobile) to interact with the data we've collected from L&D leaders since 2017.

Each link categorizes the data based on one of three types of skills L&D need to lead with purpose, facilitate and embed learning into the organization's culture, and deliver learning to the business.

1. Lead with purpose:	**2. Facilitate and embed learning into the organization's culture:**	**3. Deliver learning to the business:**
SCAN ME	SCAN ME	SCAN ME
VISIT URL	VISIT URL	VISIT URL

[8] Mind Tools for Business (2023) *Annual L&D Benchmark Report: Part One*, Available at **https://mindtoolsbusiness.com/research-and-reports/l-d-in-organizations-20-years-of-research** (Accessed 10 July 2023) [9] Ibid.

How technology can benefit L&D

Not all technologies are equal, nor should organizations chase them all. Top-performing L&D teams are the ones making smarter and better-informed decisions about how to use technology to support practices that work. In Part One of this report series, we talked about some of the "markers of maturity" that we've discovered over the last 20 years, including coaching and collaborative learning. These can be well facilitated by some of the technologies available to organizations today.[10] Later in this chapter, we'll talk more about how technology supports L&D teams in establishing and fostering learning approaches like coaching and collaborative learning.

In 2020, Forbes predicted that artificial intelligence (AI), the Internet of Things (IoT), smart devices, and "wearables" were among the top 25 technologies that will "define the next decade".[11] So far, they're not wrong. In November 2022, ChatGPT was released to the public. It's become one of the most popular AI tools available in the market today. In the first two months after launch, it racked up an impressive 100 million users. Since then, its creator, OpenAI, has launched a business version of the tool that promises "enterprise-grade security and privacy", "higher speed" and "advanced data analytic capabilities".[12]

In a review of the available research related to AI and L&D, researchers Bhatt and Muduli found that AI has far-reaching potential for learning in organizations.[13] They highlight the benefits of AI relative to certain key areas, including:

- Collecting, measuring and analyzing data about learning, to improve L&D practices and inform strategic decision making

- Understanding learner behavior and defining learning needs

- Supporting learners to get the most out of learning with personalized, real-time feedback (e.g., by identifying mistakes and suggesting corrections)

- Making learning more accessible (e.g., for learners who need voice support or text-to-speech translations)

- Automating the learning process, making it cheaper, faster and more accurate for L&D leaders to manage

However, their research also found that an organization's "competency" to use AI is a critical factor mediating its effectiveness for learning. Not only do managers and employees need the right skills to get the most out of AI products, but L&D professionals need the "digital intelligence" to identify which of these products are good fits for their businesses.

[10] Ibid. [11] Forbes (2020) *These 25 technology trends will define the next decade*, Available at: **https://www.forbes.com/sites/bernardmarr/2020/04/20/these-25-technology-trends-will-define-the-next-decade/** (Accessed 28 September 2023) [12] OpenAI (2023) *Introducing ChatGPT Enterprise*, Available at: **https://openai.com/blog/introducing-chatgpt-enterprise** (Accessed 28 August 2023) [13] Bhatt, P. and Muduli, A. (2022) 'Artificial intelligence in learning and development: a systematic literature review', *European Journal of Training and Development*, 47(7/8), pp. 677-694. **https://doi.org/10.1108/EJTD-09-2021-0143**

Measuring the impact of AI on learning: a practical example

According to Bhatt and Muduli, one of the benefits of AI technologies for L&D is related to data. In 2023, just 25% of L&D leaders reported that they had data analytic skills in their L&D teams, and even fewer (23%) reported that they had research skills. It's a pattern that hasn't changed much over the years. Without these capabilities, though, L&D teams are struggling to measure the impact of learning in their organizations.
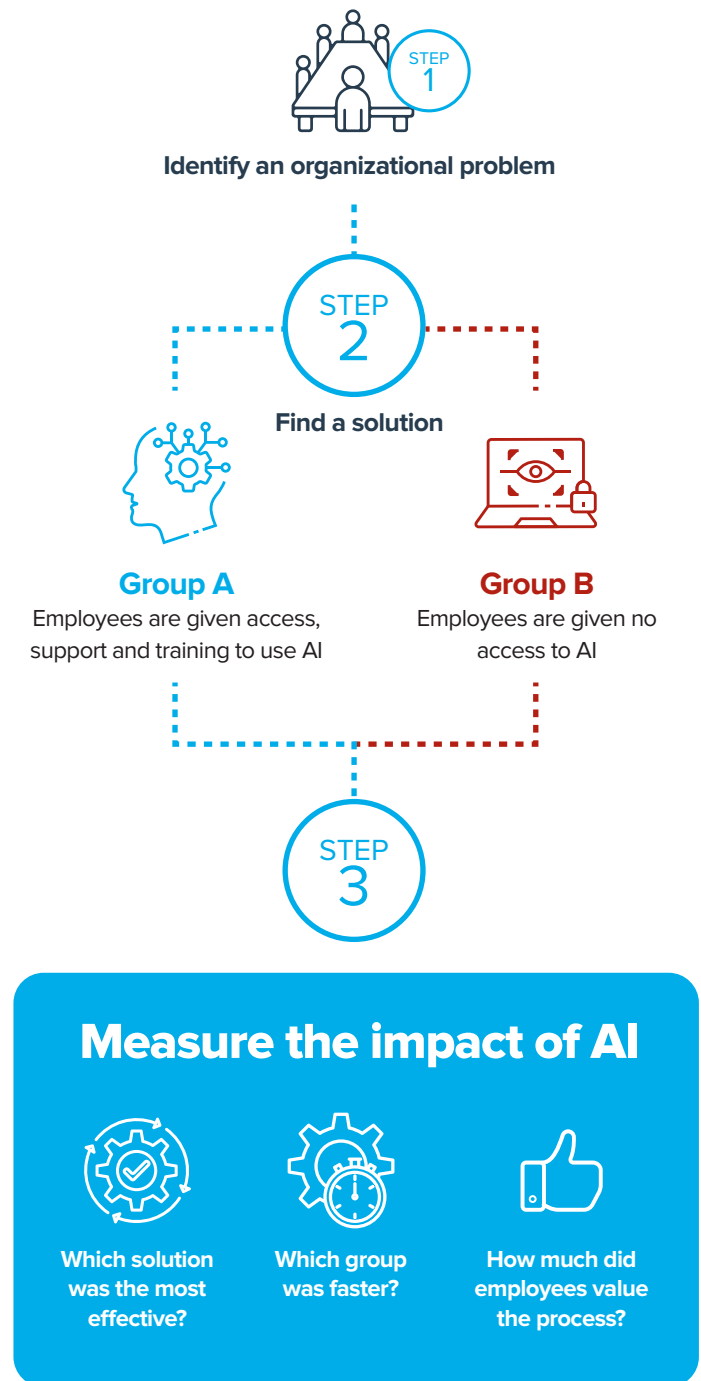
Being a "researcher" doesn't just require technical know-how. Mostly it's about having the confidence to try out new ideas, and being open to learning something even if those attempts fail.

Consider online journals, for example. For a long time, academic research has been an inaccessible resource for many workplace learners. Research articles are typically complex, lengthy and written with the assumption that readers already have a high level of knowledge about a given subject. For that reason, 74% of L&D teams do not currently engage with online journals as a resource to support learners. But as academic research continues to become more freely available, AI-powered tools like ChatGPT and Dante AI provide learners with the opportunity to interpret academic content. For example, by asking AI to summarize research papers (e.g., in fewer than 100 words) or to explain abstract concepts in layman's terms, learners are given instant access to peer-reviewed research in a format that works for them.

Before tech-enabled initiatives like this can be rolled out, though, L&D teams first need to identify what the business's goals are. This is an essential step to ensure that initiatives are properly aligned to the business strategy, and that efforts and resources are not wasted on implementing technologies just because they're new or popular. L&D teams have to become more familiar with asking questions about business outcomes, so that they know what success looks like. Only then can L&D teams accurately measure the impact of developments like AI on learning. In **Figure 4**, we have provided a simple worked example of how L&D teams could achieve this.

Figure 4. Measuring the impact of AI for learning

One of the simplest ways to measure the impact of initiatives, like AI, on learning is to use an independent measures design. Here we show what that could look like and have considered some of the ways «impact» can be measured based on effectiveness, speed and value.

STEP 1
Identify an organizational problem

STEP 2
Find a solution

Group A
Employees are given access, support and training to use AI

Group B
Employees are given no access to AI

STEP 3

Measure the impact of AI

Which solution was the most effective?

Which group was faster?

How much did employees value the process?

Using technology to support learning in the flow of work

Earlier in this chapter we introduced two learning approaches that have consistently been associated with organizational success: coaching and collaborative learning. We took a deep dive into these areas in Part One of our 2023 Annual Benchmark Report, where we showed that 82% of top-performing L&D teams had coaching skills in house in 2023 (compared with a global benchmark of 43%), and that these teams were twice as likely to have collaborative learning skills as everybody else.[14] In this report, we want to talk more about coaching and collaborative approaches, but this time from the perspective of how L&D teams can take advantage of technology to facilitate them.

Over the last 20 years, one of the most stable patterns to emerge from our research is that employees prefer accessing learning resources at the point of need.[15] Our research predicts that this isn't going to change anytime soon. The youngest people entering the workforce today are described as being "self-sufficient" learners. They appear to rely more on instant-access tools (such as social media) to acquire new information, compared with the generation that preceded them (we explore this and its wider impact on L&D in more detail in Chapter 6 of this report).

As workforces evolve to require more on-demand solutions, L&D has no choice but to evolve with them. But making content more available isn't the only way for aspiring L&D leaders to help develop cultures that support learning in the flow of work. Coaching and collaboration need to happen there as well.

There are already technologies available in the market that support coaching and collaborative learning in the workplace. Mobile apps (including AI-powered chatbots) and wearable smart devices have the potential to transform learning for employees who are physically disconnected from a workplace, or who prefer accessing information at the point at which they need it. These portable devices provide employees with real-time information and feedback as they learn on the job. They also facilitate knowledge sharing by keeping employees constantly connected, and provide employees with direct lines to remote experts and coaches. Unlike mobile apps, wearable technologies haven't yet taken off for most organizations that care about learning (see **Figure 5**), but we are seeing an increase in the number of articles acknowledging their impact on businesses, including in areas like employee well-being[16,17] and engagement.[18]
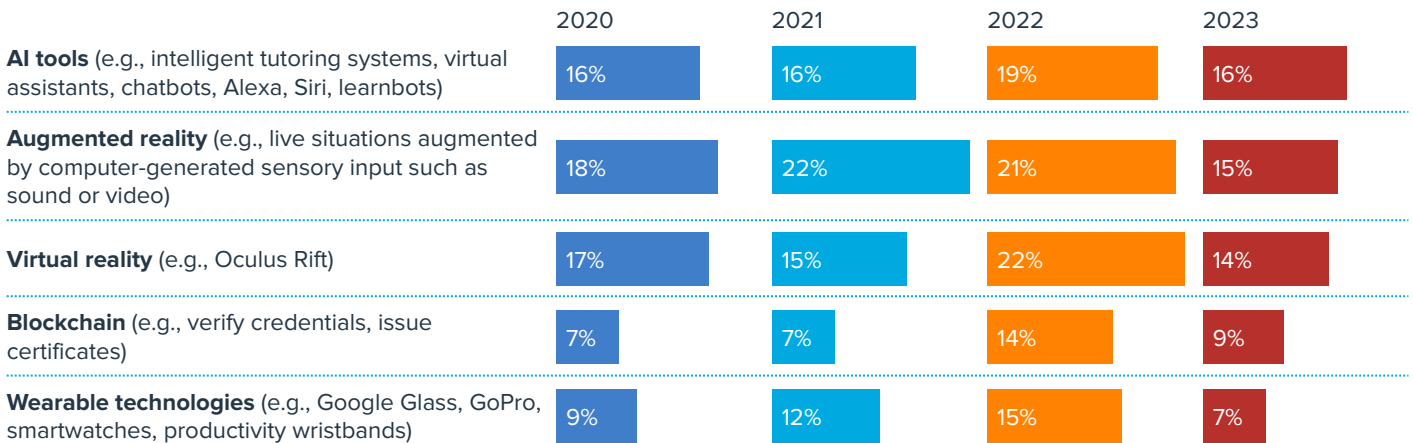
> *Learning in the flow of work has been a misused buzzword across the industry until now. With the advancement of new AI tools, we can finally unlock that true learning in flow in the digital space. This has always been hard to replicate as well as in the physical domain but the data increasingly shows these two are about to meet. It will be imperative for L&D teams to strike an intelligent balance to best support workforces.*

Ross Stevenson
Learning and Performance Strategist at Steal These Thoughts

[14] Mind Tools for Business (2023) *Annual L&D Benchmark Report: Part One*, Available at **https://mindtoolsbusiness.com/research-and-reports/l-d-in-organizations-20-years-of-research** (Accessed 10 July 2023) [15] Mind Tools for Business (2022) *Learner Intelligence Report: Engaging with learning in the reimagined workplace*, Available at **https://mindtoolsbusiness.com/research-and-reports/learner-intelligence-report-2022** (Accessed 28 March 2023) [16] CIPD (2023) *Technology use in employee wellbeing*, Available at: **https://www.cipd.org/uk/knowledge/guides/technology-use-in-employee-wellbeing/** (Accessed 25 October 2023) [17] McKinsey (2021) *Using digital tech to support employees' mental health and resilience*, Available at: **https://www.mckinsey.com/industries/life-sciences/our-insights/using-digital-tech-to-support-employees-mental-health-and-resilience** [18] Maltseva, K. (2020) 'Wearables in the workplace: The brave new world of employee engagement', *Business Horizons*, 63(4), pp. 493-505. **https://doi.org/10.1016/j.bushor.2020.03.007**

Figure 5. Trending technologies that haven't taken off for L&D (yet)

	2020	2021	2022	2023
AI tools (e.g., intelligent tutoring systems, virtual assistants, chatbots, Alexa, Siri, learnbots)	16%	16%	19%	16%
Augmented reality (e.g., live situations augmented by computer-generated sensory input such as sound or video)	18%	22%	21%	15%
Virtual reality (e.g., Oculus Rift)	17%	15%	22%	14%
Blockchain (e.g., verify credentials, issue certificates)	7%	7%	14%	9%
Wearable technologies (e.g., Google Glass, GoPro, smartwatches, productivity wristbands)	9%	12%	15%	7%

Note: The percentages refer to the number of L&D leaders reporting that they are using or experimenting with the above technologies.
Chart: Mind Tools for Business Insight • Source: Learning Performance Benchmark 2020–2023

It might be a while yet before some digital technologies, like wearables, are mainstream in the workplace, but the time to redefine coaching and collaborative learning has arrived already. In the last couple of years, the number of employees working remotely at least some of the time has risen sharply, and not only because of mandatory working-from-home policies enforced during the COVID-19 pandemic. According to the U.K. Office for National Statistics, employees who worked remotely during the pandemic plan to continue to do so. Data shows that in 2021 and 2022, the number of employees intending to work from home more than at their usual place of work increased by 12% in the UK.[19] Millennial and Gen Z employees have also been shown to expect a better work-life balance, valuing remote working and flexible working hours more highly than generations before them.[20]

[19] Office for National Statistics (2022) *Is hybrid working here to stay?*,
Available at: **https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/ishybridworkingheretostay/2022-05-23** (Accessed 13 September 2023)
[20] Waworuntu, E., Kainde, S., and Mandagi, D. (2022) 'Work-Life Balance, Job Satisfaction and Performance Among Millennial and Gen Z Employees: A Systematic Review', *Society*, 10(2), pp. 384-398.
https://doi.org/10.33019/society.v10i2.464

What have we learned?

In this chapter, we've explored some of the ways in which organizations could take advantage of technology to support business goals through learning. Although we've considered a few of the newer technologies available in the market today, including AI and wearables, the key message is one we've been reinforcing since we started this research study in 2003: technology is a powerful facilitator of learning, but it's not the solution.

In the context of developing continuous learning cultures, technology can support vital learning approaches including coaching and collaboration. But L&D professionals first need to develop the digital intelligence to identify which technologies are the right fit for their organizations, and how to interact with them in meaningful ways.

" *Technology is a powerful facilitator of learning, but it's not the solution.*

5

# Climate change: unstable weather leading to unstable workforces

In the previous chapter, we explored how L&D teams can use technology to support the evolving workplace learner and develop stronger cultures of continuous learning. But to serve the future needs of the business and secure its sustainability, organizations must also develop cultures that are innovative.

One of the most significant events threatening business sustainability is climate change. Its current and potential impact is far reaching. In one study, Gasbarro, Iraldo and Daddi summarized some of the long-term risks for organizations caused by physical, environmental changes, such as rising temperatures and sea levels.[21] As carbon taxes and limits on air pollution increase in response to these changes, supply chains are at risk of disruption, and operational costs could soar. But beyond the practical and economic challenges faced by organizations, Gasbarro and colleagues found that climate change also impacts consumer behaviors, including their demands for new products and services, and brand reputation.

It appears that climate change is not yet a serious concern for most organizations. This year, just 15% of business leaders included "transition to a low-carbon economy" as a top five priority for the year.[22] Leaders prioritizing climate change the most came from industries including IT and telecoms, construction, and hospitality and leisure (see **Figure 6**).

It makes sense that the effects of global warming will be more critical for some industries than others, particularly in the immediate future. The manufacture of materials like steel and cement, for example, account for around 14% of global CO_2 emissions.[23] Extreme weather events pose risks to infrastructure assets (like telecom nodes)[24] and natural tourist attractions.[25] But the impact of climate-related challenges will eventually be felt by most organizations and, importantly, by every arm of them. L&D is not immune.

Figure 6. Number of business leaders prioritizing the transition to a low-carbon economy in 2023
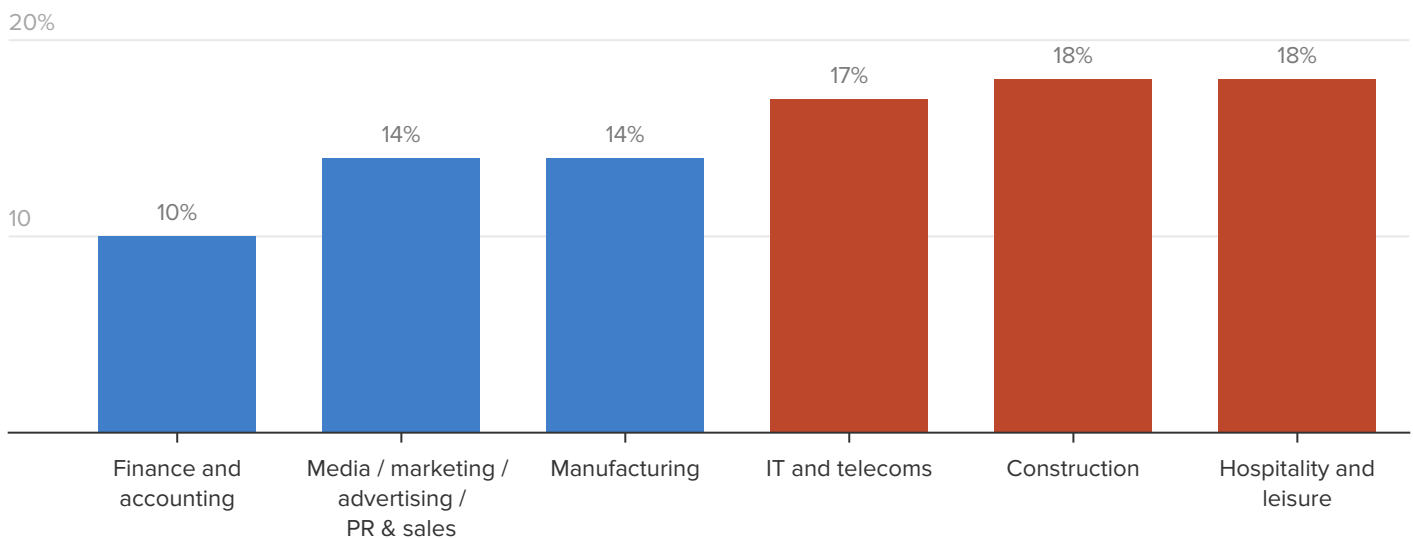
Note: We asked 557 business leaders across 12 different industries about their priorities for 2023. 15% included "transition to a low-carbon economy/infrastructure" in their top five goals for the year. In the graph we show the number of business leaders prioritizing this goal in each industry. Only those industries with 50 business leaders or more are included. The average number of business leaders prioritizing this goal for all other industries in our sample was 14%.
Chart: Mind Tools for Business Insights • Source: Mind Tools and YouGov 2023

[21] Gasbarro, F., Iraldo, F., and Daddi, T. (2017) 'The drivers of multinational enterprises' climate change strategies: A quantitative study on climate-related risks and opportunities', *Journal of Cleaner Production*, 160, pp. 8-26. **https://doi.org/10.1016/j.jclepro.2017.03.018** [22] Mind Tools for Business (2023) *Leadership report: Turning pressures into opportunities*, Available at **https://mindtoolsbusiness. com/research-and-reports/turning-pressures-into-opportunities** (Accessed 4 July 2023) [23] Industrial Analytics Platform (2022) *Steel and cement can drive the decade of action on climate change. This is how*, Available at **https://iap.unido.org/articles/steel-and-cement-can-drive-decade-action-climate-change-how** (Accessed 30 October 2023) [24] UK Climate Risk (2021) *Telecoms and ICT briefing: Findings from the third UK Climate Change Risk Assessment (CCRA3) Evidence Report 2023*, Available at **https://www.ukclimaterisk.org/wp-content/uploads/2021/06/CCRA3-Briefing-Telecoms-and-ICT.pdf** (Accessed 16 August 2023) [25] University of Cambridge (2014) *Climate change: Implications for tourism*, Available at **https://www.cisl.cam.ac.uk/system/files/documents/ipcc-ar5-implications-for-tourism-briefing-prin.pdf** (Accessed 16 August 2023)

The impact on employment

In 2018, the Intergovernmental Panel on Climate Change predicted that the world would need to be fully carbon-neutral by 2050 to keep global warming to no more than 1.5 degrees Celsius.[26]

The transition from a high- to low-carbon economy is expected to have a profound effect on employment. Research predicts that in the short term, organizations will be forced to reduce roles in carbon-intensive industries and to consider ways to repurpose existing talent. In the long term, organizations will need to become more innovative to carve themselves out a place in a carbon-neutral world, leading to possible increases in growth and job opportunities.[27]

Workforces are set to change, but the expectations of employees are already changing. Although transitioning to a low-carbon economy isn't on the agenda for most business leaders in 2023, a high number of employees already care about it. In a recent UK survey, PLAY found that 68% of employees felt that "it's important they work for a company that has committed to acting sustainably". In the US, research shows that a similar number of job seekers (69%) pay attention to an organization's environmental record, and that around 25% consider it to be a "major factor" in the decision to accept a job position.[28]

L&D's role in this area is an important one. Learning leaders will need to support the business to make evidence-informed decisions about organizational capability and to identify opportunities for reskilling. They'll also need to develop innovative learning cultures to help employees focus more on sustainable business practices.

Skill building rather than building skills

In Part Two of this report series, we discovered that one-third of organizations with a learning strategy have had the same strategy in place for more than two years. In that report, we discussed this finding in the context of business leaders' priorities for L&D, which we've seen change quickly and dramatically in that time.[29] The concern is that many organizations are operating with outdated strategies, and that those strategies aren't designed to adapt to the changing needs of the business.

Many of the goals business leaders shared for L&D in 2023 were long-term objectives, such as "improve talent strategies to keep the best people" and "improve employee engagement and motivation". More than 75% of leaders agreed that L&D has a role to play in the achievement of these goals, and more than seven in ten of those believed that that role is a moderate or significant one. Just a couple of years ago, though, business leaders wanted L&D to focus on other, also long-term goals like improving "organizational performance" and "business transformation and growth". These shifting expectations are challenging for L&D teams with "strategies" that perform more like operational plans. And they possibly explain why 30% of organizations currently function without a learning strategy at all.

The priorities of business leaders shift in response to changing business environments.[30] L&D teams can't prevent that. What they can do is create strategies that allow them to shift as well. They need to focus less on building specific skills to address organizational priorities and more on developing practices that facilitate skill building – whatever those skills might be – so that when goalposts move, L&D is prepared to adapt.

[26] Intergovernmental Panel on Climate Change (2018) *Special report: Global warming of 1.5°C*, Available at **https://www.ipcc.ch/sr15/** (Accessed 30 October 2023) [27] Fankhaeser, S., Sehlleier, F., and Stern, N. (2011) 'Climate change, innovation and jobs', *Climate policy*, 8(4), pp. 421-429. **https://doi.org/10.3763/cpol.2008.0513** [28] Gallup (2021) *Environmental record a factor for most U.S. job seekers*, Available at **https://news.gallup.com/poll/346619/environmental-record-factor-job-seekers.aspx** (Accessed 30 October 2023) [29] Mind Tools for Business (2023) *Annual L&D Benchmark Report: Part One*, Available at **https://mindtoolsbusiness.com/research-and-reports/l-d-in-organizations-20-years-of-research** (Accessed 10 July 2023) [30] Mind Tools for Business (2023) *Leadership report: Turning pressures into opportunities*, Available at **https://mindtoolsbusiness.com/research-and-reports/turning-pressures-into-opportunities** (Accessed 4 July 2023)

Developing more innovative learning cultures

In Chapter 3 of this report, we talked about the importance of L&D teams having the psychological safety to share ideas, and the courage to try them out. These qualities should extend to the rest of the business as well.

Fostering environments where people feel comfortable collaborating is essential for strong learning cultures. Recent research has found that knowledge sharing has a significant, positive effect on innovation and is strongly correlated with an organization's sustainable competitive advantage.[31] In our own research, we have found that knowledge sharing also correlates with learning maturity. This year, the most mature organizations were four times more likely to report that "people know how to work together to productively connect and share knowledge" in their businesses than all other organizations. The difference between those in stage 1 of our maturity model and those in stage 4 was staggering.

Each year and on average, only 18% of L&D leaders report that they have "increased innovation" in their businesses. This has been a challenge for L&D teams for as long as we have been tracking innovation as an organizational goal. But innovation can be strengthened in multiple ways. On a practical level, organizations can design spaces that make it easier for colleagues to work together, create activities that encourage individuals to test ideas, and reward people for thinking outside the box. On a deeper level, though, organizations should develop learning strategies that are nimble enough to adjust as the organization evolves, and foster connection and knowledge sharing as approaches to learning and working. Innovation is all about change, development and transformation. L&D cannot support it with rigid structures that are built around inflexible frameworks.

PEOPLE KNOW HOW TO WORK TOGETHER

TO PRODUCTIVELY CONNECT AND SHARE KNOWLEDGE

STAGE 1 (10%)

STAGE 2 (18%)

STAGE 3 (38%)

STAGE 4 (90%)

TOP-PERFORMING ORGANIZATIONS
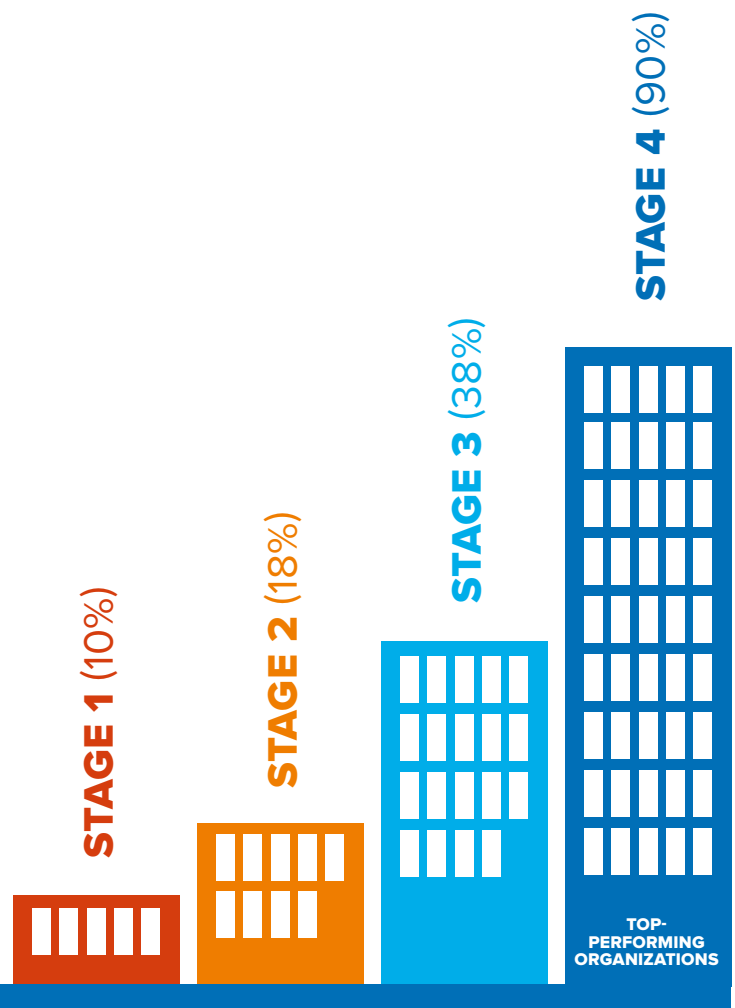
[31] Arsawan, I.W.E., Koval, V., Rajiani, I., Rustiarini, N.W., Supartha, W.G., and Suryantini, N.P.S. (2022) 'Leveraging knowledge sharing and innovation culture into SMEs sustainable competitive advantage', *International Journal of Productivity and Performance Management*, 71(2), pp. 405-428. https://doi.org/10.1108/IJPPM-04-2020-0192

What have we learned?

In October 2023, Statista reported that climate change is "probably the most important global megatrend today and in the future".[32] In this chapter, we have identified the development of innovative learning cultures as being one of the ways L&D teams can support business sustainability. The time to develop these cultures is now. A large number of employees already care about climate change, and we believe it's only a matter of time before business leaders prioritize it. In the past, we have seen the expectations of business leaders for L&D shift abruptly in response to changing business environments.[33] In Part Two of this report series, we concluded that L&D teams can prepare for these shifts by developing their own business acumen, so that they can meet the needs of the business without having to be asked. This is an opportunity for L&D teams to do that.

[32] Statista (2023) *Global megatrends – Statistics & facts*, Available at **https://www.statista.com/topics/3512/global-megatrends/#topicOverview** (Accessed 30 October 2023) [33] Mind Tools for Business (2023) *Leadership report: Turning pressures into opportunities*, Available at **https://mindtoolsbusiness.com/research-and-reports/turning-pressures-into-opportunities** (Accessed 4 July 2023)

6

Demographic shifts: do we really need to prepare for a new learner?

Earlier, we discussed examples of where "generation gaps" have emerged in the workplace. Today, it is just about possible for organizations to consist of up to five generations, each with their own values, opinions, skills, and attitudes based on the social, political and economic events they've experienced at around the same point in their development. This theory is well documented in the academic literature. But there are also other factors (such as age and maturity within generational cohorts) that explain some of the "generational differences" researchers have observed.[34]
There are also strong counterarguments that generations are really not that different at all.[35]

[34] Sicotests (2016) *Generational cohort theory*, Available at **https://www.sicotests.com/newpsyarticle/Generational-cohort-theory** (Accessed 30 October 2023) [35] Quinn, C. N. (2018) *Millennials, Goldfish & Other Training Misconceptions: Debunking Learning Myths and Superstitions*. ATD Press.

Comparing generations globally is challenging because countries have their own unique histories. But the number of shared experiences of people across countries is thought to have increased in recent years (including those related to technology and climate change), which has helped to establish consistency in the research.[36]

In one study, D'Amato and Herzfeldt explored some of the workplace learning-related differences across generations in Europe.[37] In their research, they focused on two generational cohorts: Baby Boomers (born between the mid 1940s and the early 1960s) and Generation Xers (born between the mid 1960s and the early 1980s). They reviewed some of the key events that took place in the lifetimes of Baby Boomers and Gen Xers and identified those that had the potential to impact work-related values (such as significant changes to the labor market). They argued that the "job-for-life" model (where employees exchanged loyalty for job security) that existed for many Baby Boomers had eroded by the time Gen Xers entered the workforce. They believe that this led to employees taking more responsibility for their own career development and seeing more value in lifelong learning as a result. The researchers talk about "valuing lifelong learning" as being a characteristic of somebody who approaches tasks intending to learn something new. They are "learning goal oriented". The researchers found that Gen Xers were more learning goal oriented than Baby Boomers. They also found that this orientation increased with age, such that late Xers were more learning goal oriented than early Xers.
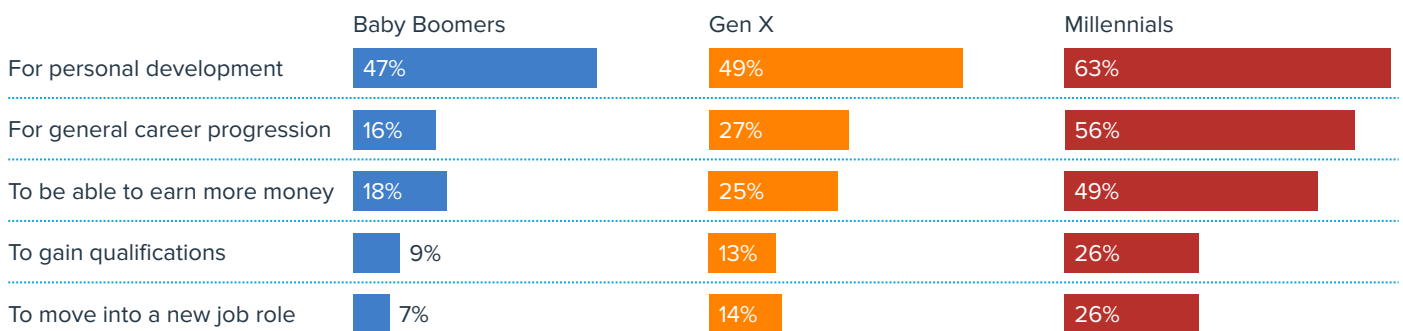
In our own research, we have observed similar work-related differences across Baby Boomers, Gen Xers and Millennials (born between the early 1980s and the mid 1990s) and found that younger generations reported being more motivated to learn at work for personal development and career progression than older generations (see **Figure 7**). However, it's likely that these differences are better explained by career stage than they are by age or generation.

In our research, we have also explored attitudes about the usefulness of different learning-related tools, resources, and approaches (see Figure 8). The differences across generations were subtle and, in many cases, didn't exist at all. When approaching challenges at work, we found that all employees, regardless of age or generation, valued their colleagues more than anything else. Where there were differences, we found that members of younger generations relied more on podcasts, blogs and social media than members of older generations, who tended still to value more traditional methods of learning, such as classroom courses, internal company documents and newsletters.

These findings indicate that younger generations are used to working differently than older generations, but that they're also consuming information differently. Researchers argue that Generation Zers (the youngest generation entering the workforce today) are more self-sufficient in sourcing new information than generations before them.[38] Gen Z (born between 1997 and 2021) is a generation that hasn't lived without internet access – and it shows. Gen Zers are independent, constantly connected, and tech-savvy (but not necessarily digitally intelligent; see the next section of this chapter: 'Leveraging diversity in the workplace').

Figure 7. Motivations to learn at work

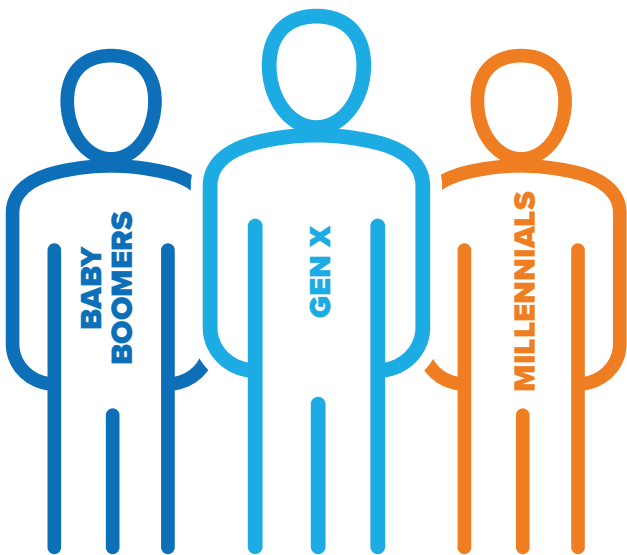|	Baby Boomers	Gen X	Millennials
For personal development	47%	49%	63%
For general career progression	16%	27%	56%
To be able to earn more money	18%	25%	49%
To gain qualifications	9%	13%	26%
To move into a new job role	7%	14%	26%

% relates to respondents that have ticked the option. Respondents could select multiple options. *n*= 2,044 (2021)
Chart: Mind Tools for Business Insights • Source: Mind Tools and YouGov

[36] D'Amato, A. and Herzfeldt, R. (2008) 'Learning orientation, organizational commitment and talent retention across generations: A study of European managers', *Journal of Managerial Psychology*, 23(8), pp. 929-953. **https://doi.org/10.1108/02683940810904402** [37] Ibid. [38] Budac, A. (2015) 'Next generation of consumers – challenges and opportunities for brands', *Bulletin of Taras Shevchenko National University of Kyiv. Economics*, 6(171), pp. 6-10. **https://doi.org/10.17721/1728-2667.2015/171-6/1**
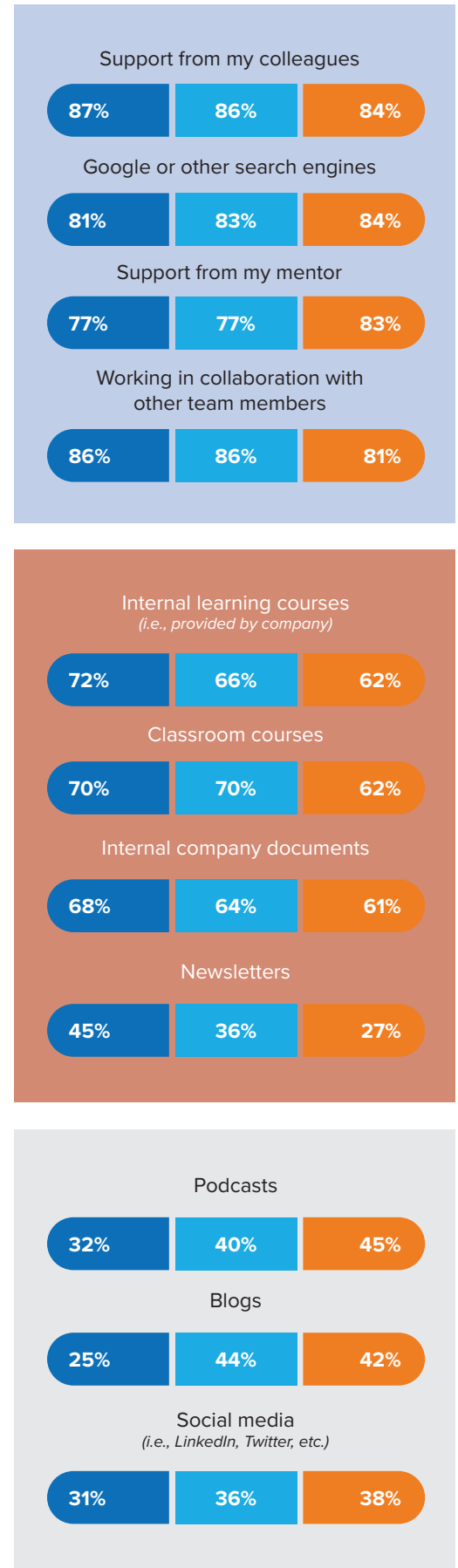
Figure 8.

The usefulness of learning-related tools, resources and approaches

What's the most useful?

BABY BOOMERS **GEN X** **MILLENNIALS**

In 2022, we asked 2044 employees to think about challenges they have worked on as part of their job role and how useful they found different learning-related tools, resources and approaches. Here we show the number of employees from each generation cohort that rated these tools, resources and approaches as being either "useful", "very useful" or "essential".

Support from my colleagues
| 87% | 86% | 84% |

Google or other search engines
| 81% | 83% | 84% |

Support from my mentor
| 77% | 77% | 83% |

Working in collaboration with other team members
| 86% | 86% | 81% |

Internal learning courses (i.e., provided by company)
| 72% | 66% | 62% |

Classroom courses
| 70% | 70% | 62% |

Internal company documents
| 68% | 64% | 61% |

Newsletters
| 45% | 36% | 27% |

Podcasts
| 32% | 40% | 45% |

Blogs
| 25% | 44% | 42% |

Social media (i.e., LinkedIn, Twitter, etc.)
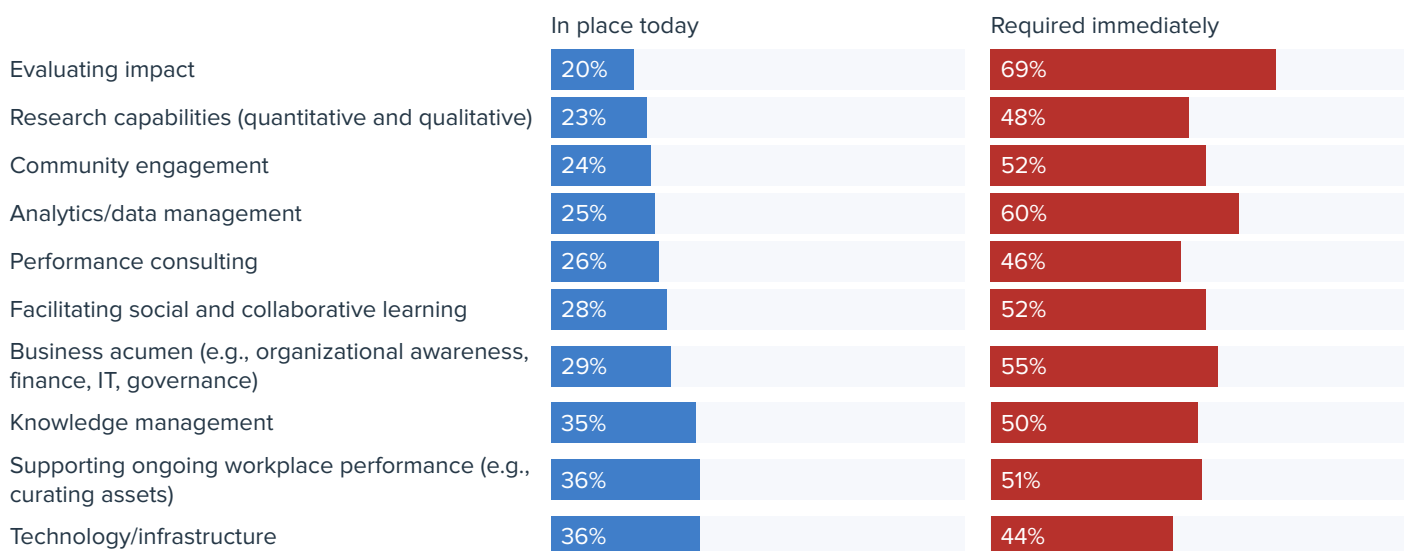| 31% | 36% | 38% |

Leveraging diversity in the workplace

L&D teams need to monitor shifts such as those displayed in **Figure 8**, so that they can make predictions about the learning preferences of future generations at work. But they also need to pay attention to them so that their organizations can leverage the diversity that exists in the workplace, fostering environments where employees work and learn cross-generationally.

Each generation brings a different set of skills to the workplace. In many ways, this can facilitate a positive and natural transition for businesses. In 2023, for example, many of the capabilities L&D teams lacked the most were related to technology (see **Figure 9**), and it's reasonable to assume that younger generations might help to plug some of those gaps. But organizations shouldn't rely on that assumption. Being proficient in the use of technology (or "tech-savvy", as we've described Gen Zers earlier in this report) is distinct from being "digitally intelligent". Digital intelligence is about applying knowledge and skills to interact with technology in meaningful ways. It's a very important capability.

One concern is that as skills shift in the workplace, organizations will be left with capability gaps they weren't prepared for. This year, industry reports suggest that teamwork, time management, problem solving, and critical thinking are among the top 10 in-demand soft skills that organizations require right now. But it's communication that consistently takes the top spot.[39,40] However a growing body of academic research is finding that life behind a screen is having a profound effect on the development of soft skills. In one study with late Millennial students (born between 1990 and 1995), Brown found that increases in technology use, and preferences for online rather than face-to-face communication, negatively affected social skills and social anxiety.[41] Other research with young Gen Zers shows similar patterns – three or more hours of technology use per day was enough to negatively impact the development of interpersonal skills in children. These include conflict resolution and problem solving.

Figure 9. Capabilities that L&D teams lack the most in 2023

	In place today	Required immediately
Evaluating impact	20%	69%
Research capabilities (quantitative and qualitative)	23%	48%
Community engagement	24%	52%
Analytics/data management	25%	60%
Performance consulting	26%	46%
Facilitating social and collaborative learning	28%	52%
Business acumen (e.g., organizational awareness, finance, IT, governance)	29%	55%
Knowledge management	35%	50%
Supporting ongoing workplace performance (e.g., curating assets)	36%	51%
Technology/infrastructure	36%	44%

Note: The total number of respondents was 912. The variables shown are 10 of 25 L&D capabilities we monitor as part of our data collection. On the left, percentages show the number of L&D leaders reporting that they have the capability in-house. On the right, percentages show the number of L&D leaders reporting that they need the capability immediately.
Chart: Mind Tools for Business Insights • Source: Learning Performance Benchmark, 2023

[39] Forbes (2023) *11 essential soft skills in 2023 (with examples)*, Available at: **https://www.forbes.com/advisor/business/soft-skills-examples/** (Accessed 28 September 2023) [40] LinkedIn Learning (2023) *Top 10 in-demand soft skills to grown your career in 2023*, Available at: **https://www.linkedin.com/pulse/top-10-in-demand-soft-skills-grow-your-career-2023-emeka-ebeniro/** (Accessed 28 September 2023) [41] Brown, C. (2013) 'Are we becoming more socially awkward? An analysis of the relationship between technological communication use and social skills in college students', *Psychology Honors Papers*, 40. **https://digitalcommons.conncoll.edu/psychhp/40**

Capability gaps like these, though, will only emerge if organizations fail to embrace and leverage the diversity that exists within their workforces. How can the coming together of multiple generations be used as a resource for learning?

In Part One of this report series, we identified **coaching** and **collaborative learning** as two important and consistent markers of maturity over the last twenty years. In that report, we found that top-performing organizations prioritized these learning approaches more than all other organizations. They also combined them to develop initiatives like peer coaching, which has been shown to improve the proactivity and well-being of participating employees.[42]

In the context of leveraging diversity, we argue that coaching and collaborative learning are especially important. Earlier we identified that employees across all generations value working with each other – which means that L&D teams don't have to convince people that it's a good idea. The challenge for L&D teams is to identify practical and enduring ways of bringing people together, facilitated by spaces and technologies that allow them to coach (and, importantly, reverse coach) their peers in a psychologically safe environment.

Quite rightly, many L&D professionals care about how they can prepare for new generations of learners entering the workforce in the future. But during that preparation, it is important that organizations do not forget about their learners at the other end of the cycle. As workforces evolve, knowledge is at risk of being lost if it's not properly captured and harnessed. In Chapter 4, we discuss some of the ways newer technologies can be used to connect employees across the business and provide them with direct lines to coaches and mentors. There is an opportunity for organizations to keep hold of subject matter experts in a similar way – regarding them more as long-term resources rather than knowledge sources that expire at the end of their tenure. They could do this by continuing relationships with employees even after they've exited the business, and by encouraging them to act as sounding boards or specialists who coach existing employees remotely.

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[42] Fey, N., Nordbäck, E., Ehrnrooth, M., and Mikkonen, K. (2022) 'How peer coaching fosters employee proactivity and well-being within a self-managing Finnish digital engineering company', *Organizational Dynamics*, 51(3), pp. 1-13. **https://doi.org/10.1016/j.orgdyn.2021.100864**

What have we learned?

Differences that exist between learners in the workplace are well documented but not always clearly defined. Exploring the preferences employees have for learning-related tools, for example, tells us that learners can have as many similarities as they do differences. Nearly all employees say that they value working in collaboration with colleagues. L&D teams should not lose sight of this. But where there are differences, the cause is often unclear. Whether differences are the result of generation, age, career stage, or something else, it's important that organizations see them as opportunities to grab rather than challenges to avoid.

It may sound counterintuitive, but focusing on the future of workplace learning can hinder organizations that only consider how they'll meet the needs of a new generation. The diversity that exists in workplaces today makes them ripe places for cross-generational learning. Embracing this diversity and identifying opportunities to leverage it is how L&D teams can safeguard their businesses against skills shortages and knowledge losses in the future.

With all of the opportunities digital technology brings, it's easy to ignore unintended consequences. Our most human skills are evidently suffering. Social, critical and emotional thinking skills are cornerstones of what makes each of us unique as humans. L&D teams will face new challenges in upskilling new talent to build and leverage these skills vs. digital skills. An interesting new paradigm, but one, especially in the age of AI, that we need to meet with speed.

Ross Stevenson
Learning and Performance Strategist at Steal These Thoughts

7

Predictions for learning and development

In this report, we've explored the impact of three megatrends – digitalization, climate change and demographic shifts – on learning and development in organizations. The key messages presented in these chapters are generally positive, should L&D teams be prepared to embrace change and ensure that learning evolves with it. Whilst the purpose of this report is to consider what the future looks like for L&D, these trends are unfolding right now, so the work starts today. Below we have summarized a handful of predictions about L&D based on our primary data and the research we have consulted in this chapter.

Predictions for L&D

Digital Intelligence

"Digital intelligence" will become an essential capability for L&D teams.

Digital intelligence is the ability to understand the potential of technologies for learning, and to identify which are the right fit for the business and its goals. It's already an important part of digital transformation. Without this skill, L&D teams are at risk of failing to serve the needs of their businesses and their employees. This capability will be added to our list of L&D capabilities to track in the future.

Workforces

Workforces will evolve to require more on demand solutions, and appetites for remote and flexible working will increase.

L&D teams need to consider how technology can be used creatively to support important learning approaches, like coaching and collaboration in environments that are physically disconnected.

Business Leaders

Business leaders will be forced to prioritize climate change.

When they do, their expectations for L&D could shift... sharply. To remain agile, L&D teams should focus less on the specific skills they'll need to build, and more on developing practices that make skill building easier.

Coaching

Coaching will continue to mark maturity.

L&D teams shouldn't focus so much on the needs of a new workplace learner that they neglect their knowledge sources at the other end of the cycle. Coaching works both ways, and older and younger generations have something to teach each other.

Future Jobs

Future job seekers will care more about working for organizations that are committed to acting sustainably.

The implications for employment are profound – not taking climate change seriously could be the difference between securing future talent and struggling to find suitable candidates. L&D teams can stay ahead of the curve by building activities into their current learning strategies that develop more innovative learning cultures and encourage employees to focus more on sustainable business practices.

Diversity

Diversity in workforces will increase.

Organizations need to consider how they can develop cultures where employees work and learn cross-generationally. Members of all generations say that they value working in collaboration with their colleagues. L&D professionals would be wise to remember that.

⑧

General Summary

L&D's role in business is changing. For organizations to transform through learning, L&D professionals need to be strategic thinkers who are comfortable experimenting with ideas and willing to work with others in the business. For as long as we have been tracking the learning maturity of organizations through our Learning Performance Benchmark,[43] we have found that top-performing L&D teams are the ones aligning themselves most closely with the business and its goals. We identified strategic alignment as an essential practice in 2023,[44] which means that we might have reached a point where L&D teams must be "top-performing" to survive.

Considering some of the trends that will impact L&D in the future – including digitalization, climate change and demographic shifts – we found that many are upon us already. Navigating these challenges involves acknowledging a few key lessons:

Future problems need addressing today

Despite not being on the agenda for business leaders in 2023, the impact of climate change on business sustainability is significant. Organizations are already competing for talented individuals who care more about an organization's environmental record than they have done in the past. Business transformation, including in terms of sustainability, requires innovation. L&D has a significant part to play in developing practices that facilitate skill building and developing more innovative learning cultures. This will not only attract and keep hold of talented employees, but help to carve out a place for their businesses in a carbon-neutral world.

Effective use of technology requires digital intelligence

Recent and significant advances in technology make it possible for learning to be more collaborative, and to support L&D's mission to embed learning in the flow of work. But the temptation to look to technology as a solution to workplace learning challenges must be addressed. Technologies shouldn't be rolled out because of an obligation to keep up. Technologies should be rolled out if they support the strategic goals of the business. What organizations urgently need are L&D professionals with the digital intelligence to interact with technology in meaningful ways, and the confidence to decipher which technologies offer the right fit for the business.

A multi-generational workforce is a learning asset

As workforces evolve, there's always a risk that organizations will lose critical capabilities and knowledge. L&D teams can expect that younger generations entering the workforce will have different needs, skills and attitudes to those already in place. But instead of trying to iron out these differences, organizations should be looking for ways to leverage the diversity. In a multi-generational workforce people can learn from each other. It is the responsibility of L&D teams to identify ways to bring these learners together and to support them to get the most out of these connections.

[43] To find out more about the Learning Performance Benchmark, or to take part, visit: **https://mindtoolsbusiness.com/solutions/learning-performance-benchmark** [44] Mind Tools for Business (2023) *Annual L&D Benchmark Report: Part Two*, Available at **https://mindtoolsbusiness.com/research-and-reports/unlocking-excellence** (Accessed 30 October 2023)

9

Methodology

This report is the third and final instalment of our 2023 Annual L&D Benchmark Report series. Where research has been cited, we've included full references in the footnotes with accompanying links to each source. In all of our earlier reports, many of which we talk about in this report, you'll find a breakdown of the relevant data (i.e., number of participants, percentage of participants from different industries, regions, etc.) in a Methodology section similar to this one.

Most of the data featured in this report was collected online from learning leaders who have taken part in the Learning Performance Benchmark.[45] The Learning Performance Benchmark is a free resource that helps L&D professionals to reflect on their learning strategies, think about and prepare for the future, and compare their learning maturity against other organizations. Thanks to the many organizations that have taken part in the Benchmark over the last 20 years, today we have a growing dataset of responses from more than 11,000 L&D leaders. The Learning Performance Benchmark data for 2023 was collected from 912 learning leaders across 19 different industries between December 2021 and December 2022 (the second report in this series provides a full breakdown of the demographics).[46]

The data in this report is mostly summarized as percentages but in our previous reports we have also performed several advanced statistical tests to understand the relationships, differences and patterns we have observed. The claims and predictions we make in our reports are based on statistical significance, for which we use a p-value of .05 as our cut-off. This means that there is less than a 5% probability that the results we observe are random (and, therefore, a 95% probability that we've stumbled on something pretty important!). Some of the statistical tests we have used in our research include:

▸ **Cronbach's alpha**

▸ **Correlation**

▸ **Linear and multiple regression**

▸ **t-test**

▸ **Network analysis**

To perform these tests, we have used two statistical software packages: R and STATA. If you have any questions or would like to know more about how we have analyzed our data, please contact us directly.

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[45] To find out more about the Learning Performance Benchmark, or to take part, visit: **https://mindtoolsbusiness.com/solutions/learning-performance-benchmark** [46] Our data is collected in December-December waves, so that we can create benchmarks each year using data from the previous year.

Our future

We have been tracking macro-level changes in the L&D sector for two decades. Now is the time for us to focus on the micro-foundations of L&D success in organizations. We'll be doing this by exploring how managers — through their role, approach, development, and empowerment — influence organizational productivity, performance, profitability, and long-term survival.

We hope you'll join us on that journey.

Insights Team
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