

HR:PULSE



AHRI PULSE SURVEY LEARNING AND DEVELOPMENT

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A number of the findings in this research report indicate some progressive thinking has taken place in the area of learning and development since AHRI published a similar study in 2010 in association with the Australian Institute of Learning and Development (AITD) and Learning Seat <http://ahri.clients.squiz.net/resources/reports-and-white-papers/?a=7564>

The survey on which the present findings are based was conducted using only the AHRI database.

It is particularly pleasing to note that more than eight out of 10 respondents in this study report that learning and development activities in their organisation are linked (31 per cent) somewhat linked (40 per cent) or completely linked (13 per cent), to business strategy. The comparable finding in 2010 revealed a similar link between the two.

Another pleasing result in the findings is the prevalence of inducting new staff and leadership training as the two most effective learning and development activities with respect to return on investment, as both types of activity have a strong focus on strengthening organisational cultures. It is not surprising that the least effective learning and development activities are seen as compliance training in response to new legislation, in which the focus is likely to be more on keeping the enterprise out of trouble than building positive strategies.

Nearly seven out of ten respondents (68 per cent) report that the proportion of revenue their organisation spends on learning and development accounts for less than 5 per cent, which is in line with the rule-of-thumb figure of around 3 per cent. That said, 20 per cent report a more generous spend of between 6-10 per cent of revenue, and the remaining 12 per cent report spending in excess of 11 per cent of revenue. There would seem to be enough in these results to indicate that, despite cost-cutting times, many organisations are investing enough in their people to avoid being left behind when the economic cycle rallies.

A handwritten signature in black ink that reads "Peter Wilson".

Peter Wilson AM
Chairman
Australian Human Resources Institute



This report is based on a wide ranging survey that asked questions of the AHRI database on HR working hours and staff turnover, in addition to learning and development. This report is focused on the learning and development findings.

The findings can be compared to those of a similar survey AHRI conducted in 2010, just after the global financial crisis. The results of this survey two years later are not markedly different from the 2010 results.

The findings are sufficiently interesting, nevertheless, to offer a persuasive case for taking a watching brief on this subject more regularly. Your feedback on that would be welcome.

Please write to research@ahri.com.au

A handwritten signature in black ink that reads "Angelina Pillai". The signature is written in a cursive, flowing style.

Angelina Pillai
National Manager, Professional Development
Australian Human Resources Institute

Acknowledgements

Project Sponsor: Peter Wilson
Project Director: Angelina Pillai
Research Coordinator: Anne-Marie Dolan
Report author: Paul Begley

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KEY FINDINGS AT A GLANCE

- The majority of respondents (79%) report that the learning and development function either sits within HR or operates both internally and externally with respect to HR. Only 12% report learning and development as a stand-alone function in the organisation.
- Nearly eight out of 10 respondents report the HR function consists of fewer than five staff, with 41% reporting a HR department of only one staff member.
- In-house training and induction are the two most common learning and development activities mentioned by respondents, though there is a wide spread of other activities that include formal education courses, leadership development and payment for employees' professional development activities.
- More than half the respondents report that learning and development budgets are set by the executive team, 35% in consultation with HR and the remaining 18% without HR consultation. Learning and development set the budget in 18% of cases in consultation with line managers, and a small proportion are set by line managers alone.
- On the question of what proportion of revenue the organisation spends on learning and development, 68 per cent of respondents report that it accounts for less than 5 per cent, and 32 per cent report it accounts for more than 6 per cent of revenue.
- More than half the respondents cite performance, skill and compliance requirements as the main ways in which learning and development activities are determined, with 19% nominating performance reviews, 15% compliance requirements, 12% core skills for the role and 9% core organisational skills.
- Around eight out of 10 respondents report learning and development activities are linked to wider business strategy, though only 13% report a strong link. Nearly one in five (16%) report no link or a weak link to strategy.
- Nearly eight out of 10 respondents report learning and development activities are effective or somewhat effective, though only 8% report they are very effective. Around 13% report they are not effective or not very effective.
- One in five respondents (20%) report that their organisation does not measure learning and development for return on investment and another 13% do not know how ROI is measured. Of those that do, participant self-assessment is the most common method (17%), followed by assessment of participant performance or productivity (15%), and assessment of changes in organisational performance, productivity or profitability (11%).
- Induction of new staff and leadership training are viewed by respondents as the most effective learning and development activities for achieving ROI. Team building and compliance training for new legislation are viewed as the least effective.

SURVEY OVERVIEW

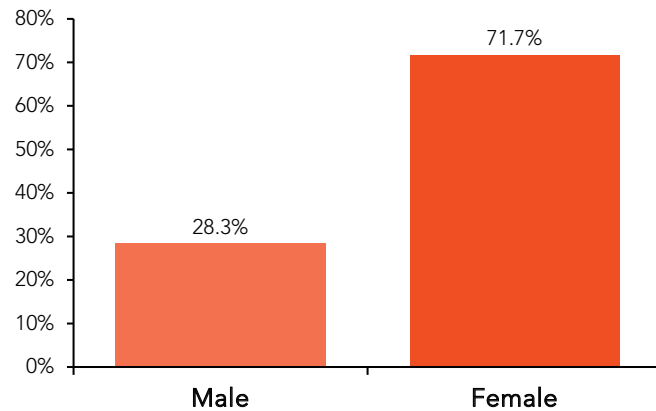
The survey that resulted in these findings was conducted online during November 2012, and communicated by email to a sample of the member database of the Australian Human Resources Institute

A total of 561 respondents returned answers to the survey. Responses were treated anonymously.



DEMOGRAPHICS

FIGURE 1. GENDER
561 RESPONSES



Nearly three quarters of the respondents (71.66%) were female and 28.34% were male, as indicated in Figure 1.

FIGURE 2. SIZE OF ORGANISATION
561 RESPONSES

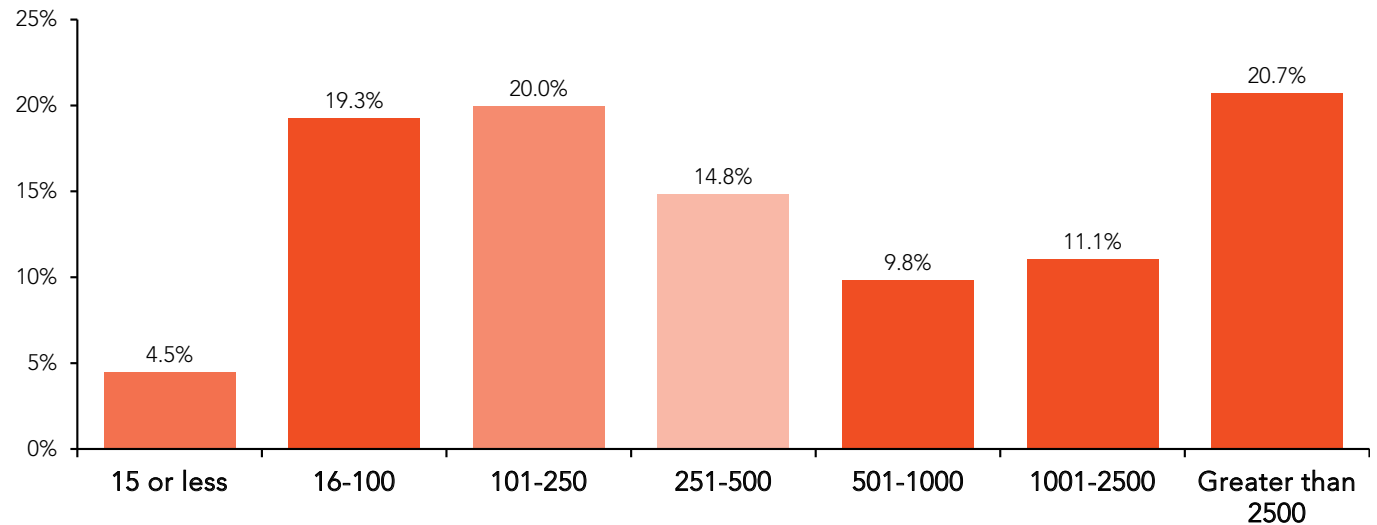


Figure 2 shows that more than half the respondents (56.33%) work for organisations consisting of 250 or more employees, including 20.68% with organisations of more than 2500 employees. Around 40% work for organisations of between 15-250 employees, with 4% employed by organisations with fewer than 15 employees.

DEMOGRAPHICS

FIGURE 3. SECTOR OF ORGANISATION
559 RESPONSES

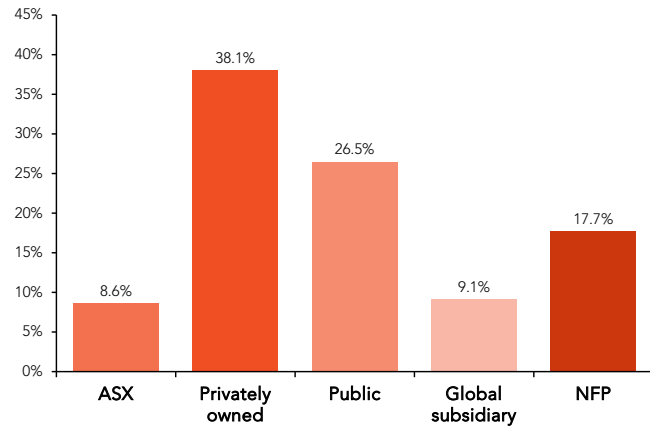
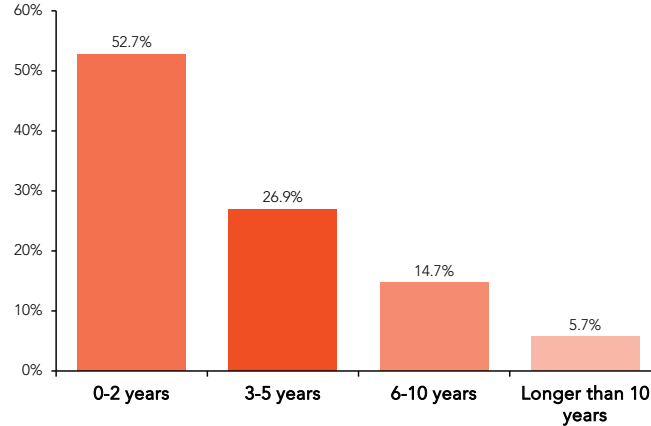


Figure 3 indicates that more than half the respondents (55.81%) work in the private sector, including approximately 9% in ASX listed companies, 9% in global subsidiaries and 38% in privately owned businesses. Around a quarter are from the public sector (26.48%) and approximately 18% from not-for-profit organisations.

FIGURE 4. TENURE OF RESPONDENTS
558 RESPONSES



According to figure 4, slightly more than half the respondents (52.69%) reported being in their current position for less than two years. Around a quarter (26.88%) reported between 3-5 years, 14.7% from 6-10 years and a mere 5.73% longer than 10 years.

DEMOGRAPHICS

TABLE 1. SALARY RANGE OF RESPONDENTS
555 RESPONSES

ANSWER	COUNT	PERCENTAGE
\$0 - \$40 000	5	0.90%
\$40 001 - \$60 000	41	7.39%
\$60 001 - \$80 000	89	16.04%
\$80 001 - \$100 000	132	23.78%
\$100 001 - \$120 000	90	16.22%
\$120 001 - \$140 000	87	15.68%
\$140 001 - \$160 000	36	6.49%
\$160 001 - \$180 000	22	3.96%
\$180 001 - \$200 000	17	3.06%
\$200 001 - \$240 000	25	4.50%
\$240 001 - \$280 000	6	1.08%
\$280 001 - \$320 000	1	0.18%
\$320 001 - \$360 000	2	0.36%
\$400 001 +	2	0.36%

According to Table 1, almost a half of respondents are on salaries of less than \$100K per annum, including around a quarter (23.78%) on salaries between \$80 and \$100K. Nearly a third (31.9%) are on salaries between \$100k and \$140K, with nearly one in five (19.09%) on salaries ranging between \$140K and \$280K. Fewer than 1% of respondents are on salaries greater than \$280K.

DETAILED FINDINGS

FIGURE 5. WHAT IS YOUR INVOLVEMENT IN LEARNING AND DEVELOPMENT ACTIVITIES IN YOUR ORGANISATION?
557 RESPONSES

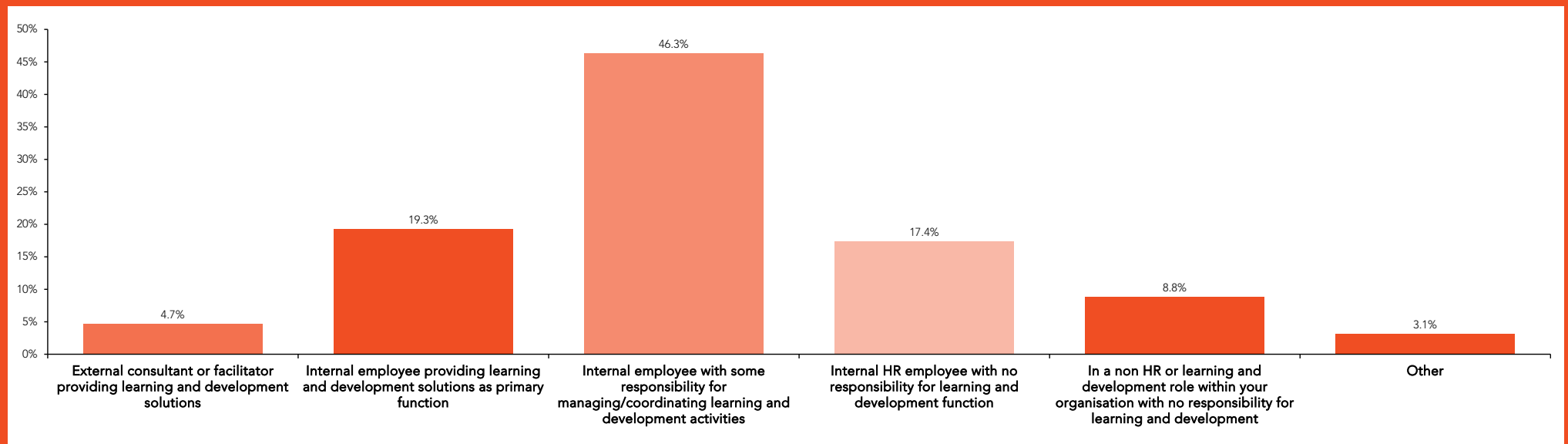


Figure 5 shows that nearly half the respondents (46.32%) are internal employees with some responsibility for managing learning and development activities, one in five (19.75%) are internal employees providing learning and development solutions as their main function, nearly one in five (17.41%) are internal HR employees with no learning development function, nearly one in ten (8.8%) are in a non-HR or learning and development role and only a small proportion (4.67%) are external consultants providing learning and development solutions.

DETAILED FINDINGS

FIGURE 6. WHERE DOES RESPONSIBILITY FOR LEARNING AND DEVELOPMENT SIT WITHIN YOUR ORGANISATION?

557 RESPONSES

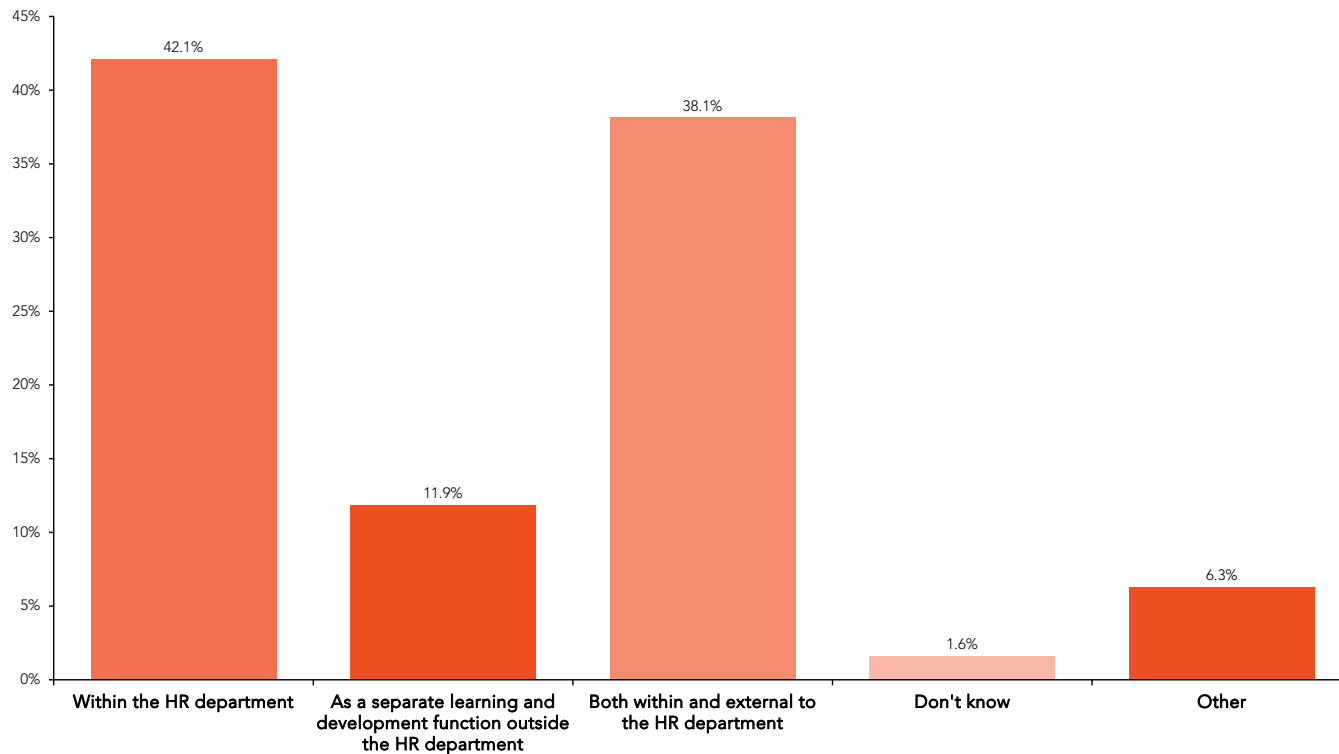


Figure 6 shows that nearly half the respondents (42.09%) report that responsibility for learning and development activities sit within the HR department, and another large minority (38.13%) report it is held both within and outside the HR department, with a small minority reporting the responsibility is held by a separate learning and development function outside the HR department.

FIGURE 7. WHAT SIZE IS THE LEARNING AND DEVELOPMENT FUNCTION WITHIN YOUR ORGANISATION?

524 RESPONSES

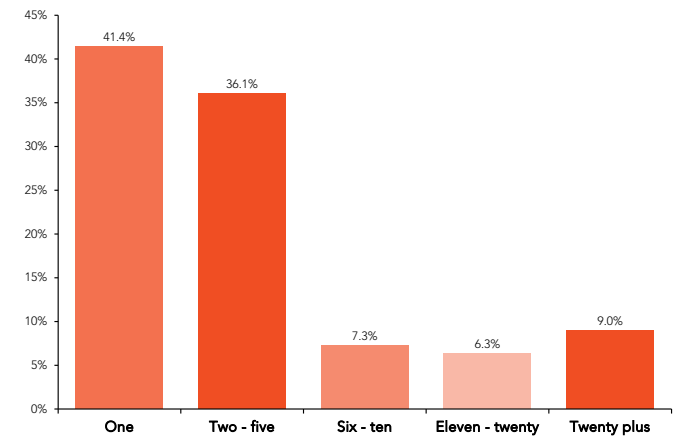


Figure 7 shows that nearly half the respondents (41.41%) report that the learning and development department consists of one full-time employee, and another large minority (36.07%) report between two and five full-time employees, accounting between them for more than three quarter of the sample. A much smaller minority (7.25%) report a learning and development function of between six and 10 employees and a smaller one still of between 11-20 employees (6.3%) while nearly one in ten (8.9%) report more than 20 employees in learning and development.

DETAILED FINDINGS

TABLE 2. WHAT IS THE CURRENT MIX OF LEARNING AND DEVELOPMENT ACTIVITIES WITHIN YOUR ORGANISATION?

530 RESPONSES										
	0-10%	11-20%	21-30%	31-40%	41-50%	51-60%	61-70%	71-80%	81-90%	91-100%
INTERNAL	8.6%	8.2%	9.5%	8%	13.7%	7.6%	12.7%	15.2%	13.5%	3%
EXTERNAL	14.1%	17.6%	16.4%	8.6%	12.5%	8.8%	6.9%	7.2%	5.3%	2.5%

525 RESPONSES										
	0-10%	11-20%	21-30%	31-40%	41-50%	51-60%	61-70%	71-80%	81-90%	91-100%
INFORMAL	6.6%	12.7%	14.6%	9.7%	14.8%	9%	11.7%	12.3%	5.6%	3.1%
FORMAL	8.6%	10.6%	12.3%	8.2%	16.8%	9.6%	9.8%	13.7%	7.2%	3.1%

512 RESPONSES										
	0-10%	11-20%	21-30%	31-40%	41-50%	51-60%	61-70%	71-80%	81-90%	91-100%
PUBLIC	15.3%	14.6%	13%	6%	14.9%	8.7%	5.4%	8.3%	8.7%	5.4%
CUSTOMISED	12.7%	11.5%	10.3%	5.8%	12.5%	7%	7.8%	14.2%	11.9%	6.4%

515 RESPONSES										
	0-10%	11-20%	21-30%	31-40%	41-50%	51-60%	61-70%	71-80%	81-90%	91-100%
FACE TO FACE	5.3%	4.1%	4.7%	4.3%	8.5%	8.3%	10.2%	15.1%	22.6%	16.9%
ONLINE/REMOTE	27.7%	24.5%	13.7%	9.7%	8.4%	4.1%	4.7%	2.4%	2.8%	2.2%

513 RESPONSES										
	0-10%	11-20%	21-30%	31-40%	41-50%	51-60%	61-70%	71-80%	81-90%	91-100%
COMPLIANCE	7.9%	11.8%	11%	9.3%	14.4%	8.3%	8.5%	14%	11.4%	3.5%
DISCRETIONARY	8.8%	13.8%	10.7%	7.8%	17%	9%	11.1%	12.3%	7%	2.5%

Table 2 shows that respondents report a majority of learning and development activities are internal, informal and customised while a larger majority are face to face. The mix of discretionary and compliance training is roughly even.

DETAILED FINDINGS

TABLE 3. WHICH TYPES OF LEARNING AND DEVELOPMENT ACTIVITIES ARE PROVIDED BY YOUR ORGANISATION?

559 RESPONSES

ANSWER	COUNT	PERCENTAGE
Funding of formal education	394	10.16%
Mentoring	256	6.60%
Coaching	257	6.63%
In-house training	486	12.53%
E-learning	319	8.22%
Membership of professional associations	325	8.38%
Leadership development	335	8.64%
Traineeships	233	6.01%
Apprenticeships	140	3.61%
Induction	460	11.86%
Individual development/career planning	271	6.99%
Secondment opportunities	212	5.47%
Graduate programs	176	4.54%
Other	15	0.39%

Table 3 shows that in-house training (12.59%) and induction (11.86%) are reported as accounting between them for nearly a quarter of the learning and development activities provided by respondent organisations, with another 10.16% of respondents reporting that the organisation provides funding for formal education. Leadership development comes next (8.64%) followed by payment of employees' professional association memberships (8.38%) and e-learning (8.38%). Coaching, mentoring, career planning, secondment opportunities and graduate programs are mentioned by fewer respondents.

DETAILED FINDINGS

TABLE 4. HOW ARE LEARNING AND DEVELOPMENT ACTIVITIES DETERMINED FOR AN EMPLOYEE?
555 RESPONSES

ANSWER	COUNT	PERCENTAGE
Performance review process	466	19.40%
Induction process	174	7.24%
Compliance requirements	361	15.03%
Organisational equipment/IT/process requirements	171	7.12%
Employee initiated	366	15.24%
Gap analysis	163	6.79%
Business and divisional strategy derived	148	6.16%
Core skills required for the organisation	225	9.37%
Core skills required for the role	295	12.28%
Assessment centres	14	0.58%
Don't know	9	0.37%
Other	10	0.42%

Table 4 shows that nearly one in five respondents (19.4%) nominates the performance review process as the way in which learning and development activities are determined. A smaller minority (15.24%) are reported as employee initiated, with a similar proportion (15.03%) arising directly from compliance requirements. More than one in 10 respondents (12.28%) nominate core organisational skills as a determinant and nearly one in 10 (9.37%) nominate core organisational skills, while fewer report the induction process, IT requirements, gap analyses and business strategy as determinants.

DETAILED FINDINGS

FIGURE 8. HOW IS RESPONSIBILITY FOR THE LEARNING AND DEVELOPMENT FUNCTION ALLOCATED WITHIN YOUR ORGANISATION? (CEO, HR, L&D LINE)
531 RESPONSES

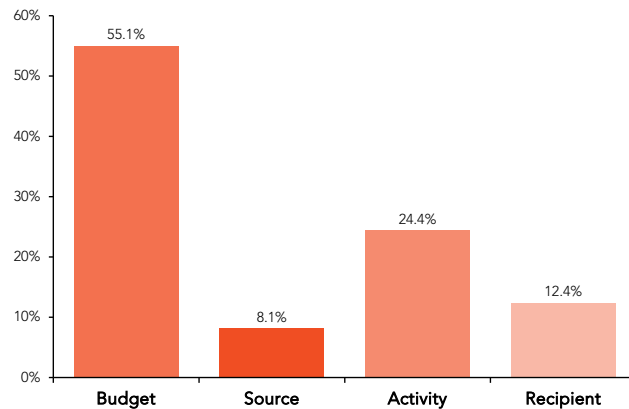


Figure 8 shows that more than half the respondents (55.06%) report that responsibility for allocation of the learning and development function is budget related, a quarter (24.39%) is related to the activity, and 12.41% to the recipient.

FIGURE 9. HOW ARE LEARNING AND DEVELOPMENT BUDGETS SET IN YOUR ORGANISATION?
555 RESPONSES

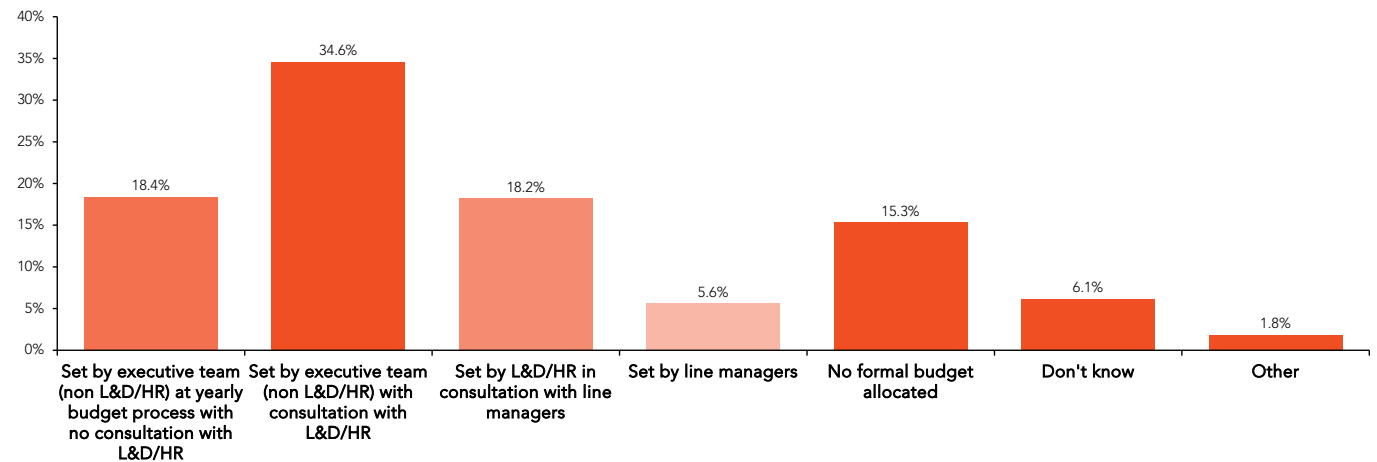


Figure 9 shows that more than a third of respondents (34.59%) report that the learning and development budget is set by the executive team (non learning and development/HR) with consultation with learning and development/HR, nearly one fifth (18.38%) by the executive team (non learning and development/HR) at yearly budget process with no consultation with learning and development/HR, and the same proportion (18.38%) by learning and development/HR in consultation with line managers. A smaller minority (15.3%) report no formal budget allocation and an even smaller minority (5.59%) report it is set by line managers.

DETAILED FINDINGS

FIGURE 10. WHAT IS THE LEARNING AND DEVELOPMENT BUDGET AS A % OF ORGANISATION REVENUE?
497 RESPONSES

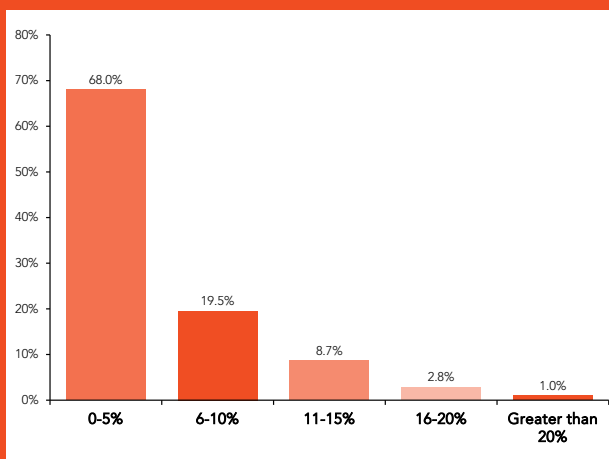


Figure 10 indicates that more than two-thirds of respondents (68 per cent) report that the proportion of revenue their organisation spends on learning and development accounts for less than 5 per cent with 19.5 per cent reporting a more generous spend of between 6-10 per cent of revenue. The remaining 12.5 per cent report spending in excess of 11 per cent of revenue.

FIGURE 11. WHAT PROPORTION OF EMPLOYEES IN YOUR ORGANISATION TAKE UP LEARNING AND DEVELOPMENT OPPORTUNITIES?
526 RESPONSES

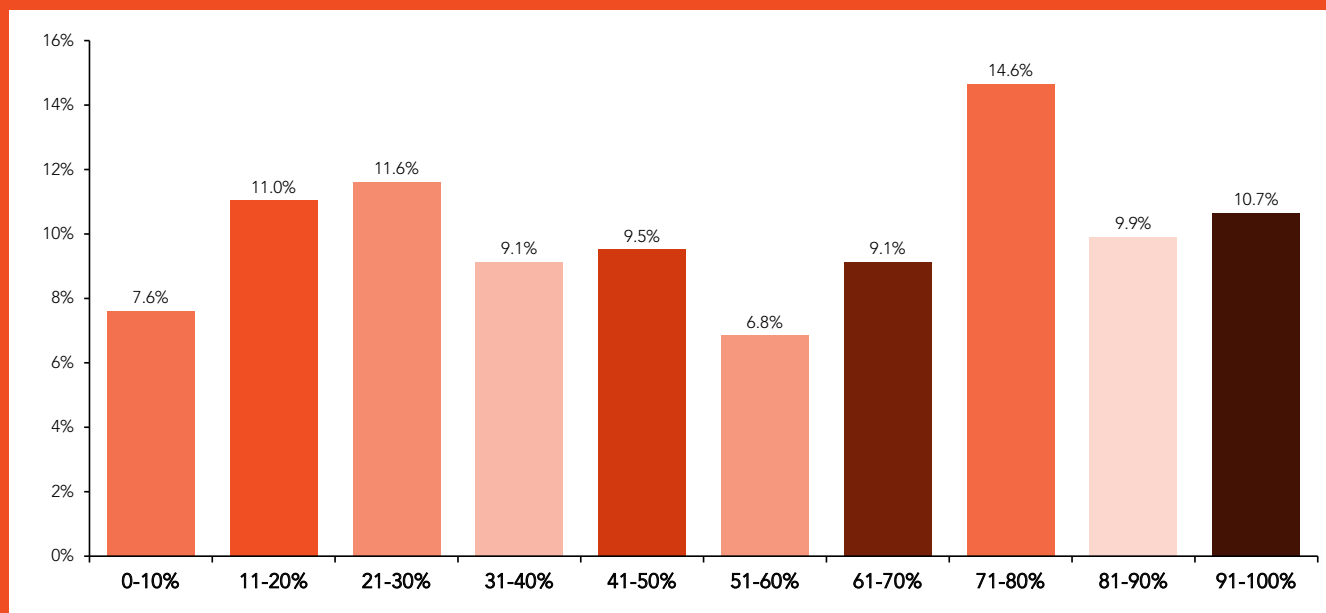


Figure 11 reveals that the answer to this question was greatly varied. More than a third of respondents report that 70 per cent or more employees take up the learning and development opportunities, while a little less than a third report that fewer than 30 per cent take up learning and development opportunities, with the remainder evenly spread.

DETAILED FINDINGS

FIGURE 12. TO WHAT EXTENT ARE LEARNING AND DEVELOPMENT ACTIVITIES LINKED TO BUSINESS STRATEGY?
554 RESPONSES

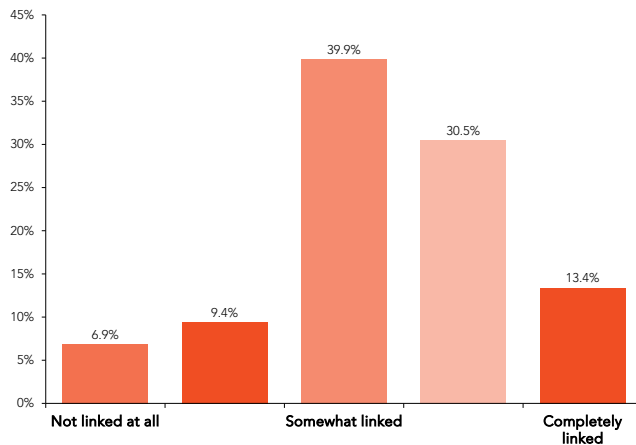


Figure 12 reveals that a significant majority of around eight out of ten respondents report that learning and development activities are either linked (30.51%), somewhat linked (39.89%) or completely linked (13.4%) to business strategy. At the other end of the spectrum, 16.26% of respondents report no link at all (6.86%) or a weak link (9.39%).

FIGURE 13. HOW EFFECTIVE ARE LEARNING AND DEVELOPMENT ACTIVITIES IN YOUR ORGANISATION AT BUILDING CAPABILITY IN EMPLOYEES?
549 RESPONSES

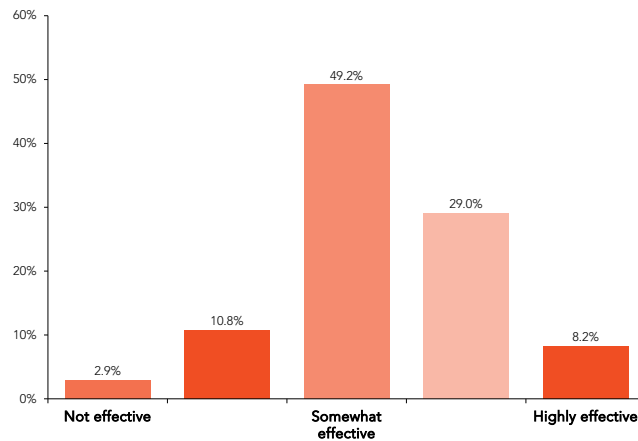


Figure 13 shows that a significant majority of around eight out of ten respondents report that learning and development activities are either somewhat effective (49.18%) or effective (28.96%) in building capability in employees, though only 8.2% report they are highly effective. At the other end of the spectrum, 13.66% of respondents report they are not effective (2.91%) or not very effective (10.75%).

DETAILED FINDINGS

FIGURE 14. HOW IS EMPLOYEE SATISFACTION WITH LEARNING AND DEVELOPMENT ACTIVITIES MEASURED?
552 RESPONSES

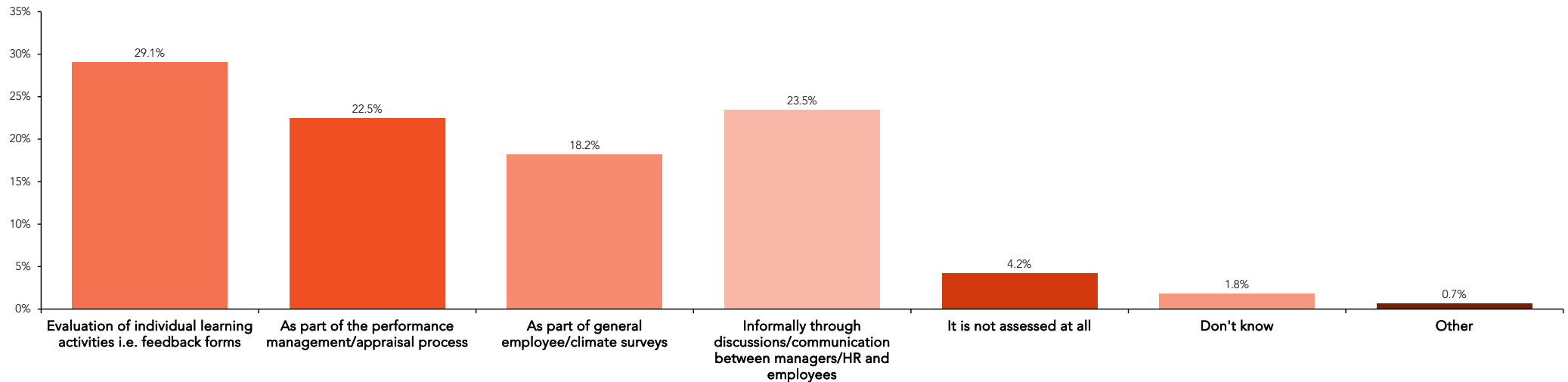


Figure 14 shows that the most common methods for reporting employee satisfaction with learning and development activities are evaluation via feedback forms (29.09%), informal discussion with manager (23.49%), a part of performance management process (22.48%), and as part of a general climate survey (18.24%). A very small proportion conduct no employee satisfaction assessments (4.24%).

DETAILED FINDINGS

FIGURE 15. HOW IS RETURN ON INVESTMENT MEASURED ON LEARNING AND DEVELOPMENT ACTIVITIES?

548 RESPONSES

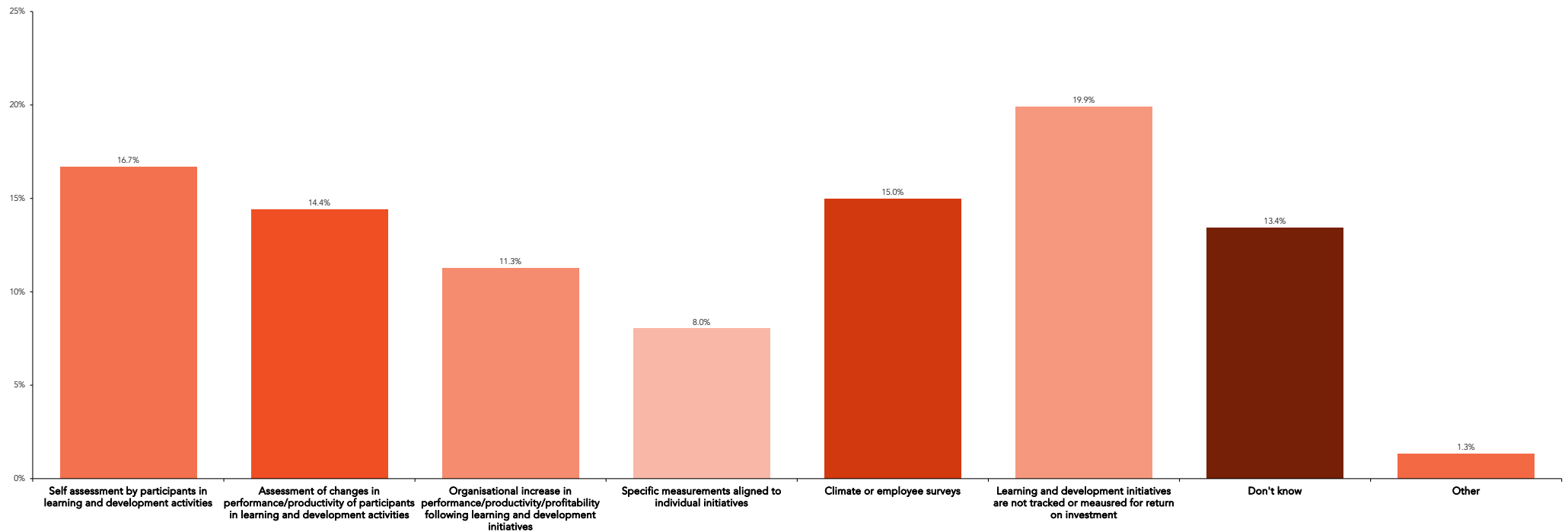


Figure 15 shows that while nearly one in five respondents (19.9%) report that learning and development is not measured for return on investment, 16.67% report that they are measured by participant self-assessment, 14.99% report they are measured by assessments of changes in participant performance or productivity, and 11.27% report they are measured by assessments of changes in organisation performance, productivity or profitability. A small number measure ROI aligned to individual initiatives (8.03%) and 14.99% use employee climate surveys. A significant minority (13.43%) report not knowing how it's measured.

DETAILED FINDINGS

TABLE 5. WHAT LEARNING AND DEVELOPMENT ACTIVITIES DO YOU BELIEVE ARE *MOST* EFFECTIVE FOR RETURN ON INVESTMENT?

551 RESPONSES

ANSWER	COUNT	PERCENTAGE
Leadership training	354	16.85%
Customer service training	178	8.47%
In-house operations training	223	10.61%
Workplace safety training	205	9.76%
Team building activities	173	8.23%
Induction of new staff	364	17.33%
Compliance training for new legislation	207	9.85%
Soft skills training	195	9.28%
Hard skills training	156	7.43%
Don't know	38	1.81%
Other	8	0.38%

Table 5 shows that the most common responses on the most effective learning and development activities for ROI are induction of new staff (17.33%), leadership training (16.85%) and in-house operations training (10.61%). There is support also for compliance training for new legislation (9.85%) workplace safety training (9.76%), soft skills training (9.28%), customer service training (8.47%), team building (8.23%) and hard skills training (7.43%).

DETAILED FINDINGS

TABLE 6. WHAT LEARNING AND DEVELOPMENT ACTIVITIES DO YOU BELIEVE ARE *LEAST* EFFECTIVE FOR RETURN ON INVESTMENT?

520 RESPONSES

ANSWER	COUNT	PERCENTAGE
Leadership training	55	7.62%
Customer service training	45	6.23%
In-house operations training	32	4.43%
Workplace safety training	51	7.06%
Team building activities	118	16.34%
Induction of new staff	36	4.99%
Compliance training for new legislation	82	11.36%
Soft skills training	74	10.25%
Hard skills training	52	7.20%
Don't know	162	22.44%
Other	15	2.08%

Table 6 shows that the most common responses on the least effective learning and development activities for ROI are team building (16.34%), compliance training for new legislation (11.36%), and soft skills training (10.25%), leadership training (7.62%), hard skills training (7.2%), workplace safety training (7.06%) and customer service training (6.23%). Induction of new staff is thought least effective by only 4.99% of respondents and in-house operations training by 4.43%. A large minority of 22.44% report not knowing which activities are least effective, though only 1.8% report not knowing which learning and development activities are most effective.



AUSTRALIAN HUMAN RESOURCES INSTITUTE LIMITED

ABN 44 120 687 149

Level 13, 565 Bourke Street

Melbourne Victoria 3000

T (+613) 9918 9200

F (+613) 9918 9201

WWW.AHRI.COM.AU

EDUCATION@AHRI.COM.AU

STAY CONNECTED WITH AHRI