

LMMatters eLearning Survey Results

May 2009

LMMatters
Leadership & Management

In conjunction with TrainingZone

training
zone.co.uk

Summary and Key Findings

During May 2009 LMMatters undertook a short training survey in conjunction with TrainingZone.co.uk. The survey aimed to provide an insight into allocation of training budgets – during last year and this year, and the usage of eLearning in terms of the drivers behind eLearning and which subject areas eLearning is mostly used for. In addition, the survey looked at what impact the downturn in economy has had on the use of eLearning.

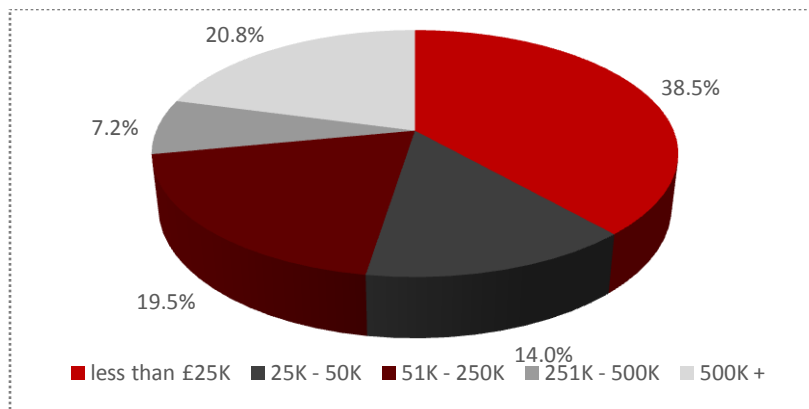
Key Findings that resulted from the survey include:

- The majority of respondents stated that their training budget has been significantly reduced as a result of the downturn in economy.
- 43.9% of respondents stated that the economic downturn has had **no impact** on the use of eLearning as part of their Training and Development programmes.
- 47% of respondents who have seen their budget significantly reduced have increased their use of eLearning.
- The most popular driving factor behind the respondents' continued/increased use of eLearning was TIME (the business has less time for traditional training methods.).
- This was closely followed by FINANCIAL and the need to get more out of allocated budgets.
- Interestingly, 42.9% of respondents that have seen an increased use of eLearning due the economic downturn, indicated the main factor behind the increase was FINANCIAL.
- Last year, 39% of respondents used 1-10% of their training budget on eLearning. This year, 53.3% of these people have allocated 11-20% of their budget on eLearning, 13.3% have allocated 21-30% of their budget and 26.7% of allocated 41-50% of their current budget on eLearning.
- The highest percentage of training budget was spent on Face to face training (internally delivered) last year. This will continue to be the case this year also.
- When the respondents were asked how they will be using eLearning this coming year, the most popular answers were to 'promote more self-directed learning' and 'greater use of blended learning.'
- More than half the respondents stated that they use eLearning for IT Skills training and just under half stated Management and Leadership training.
- Only 2.4% of respondents expect the use of eLearning to decrease as the business climate improves. All other respondents expect the use to remain the same or increase.

Training Budget Allocation

Respondents were initially asked what their annual training budget is – this was then followed by three questions to gauge the allocation of budget on various training methods both this year compared with last year. Respondents were also asked if they perceive that the current economic downturn has had an effect on their training budget or not.

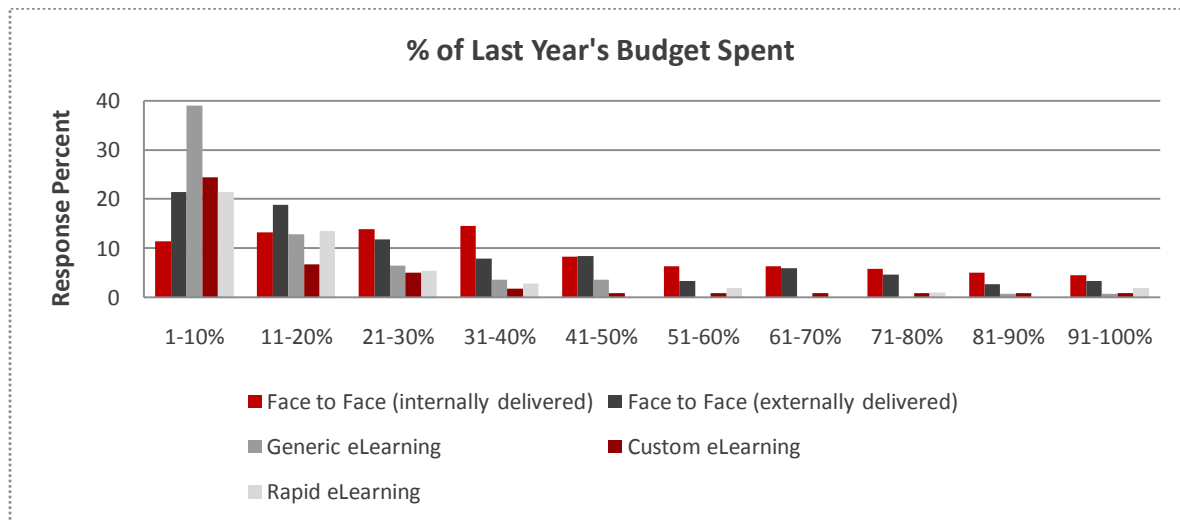
Figure 1: Annual Training Budget



38.5% of respondents that answered the survey have less than £25K annual training budget. At the other end of the scale, 20.8% respondents stated they have more than £500K to spend on training initiatives throughout the year.

For many years there has been evidence to show that Face to face training is often the most popular method of learning and delivers high effectiveness. But with advancement in technology and tighter budgets, has there been a shift in where budgets are placed? In reply to this, respondents were asked what percentage of their budget they allocated last year to a number of different training initiatives and what percentage they have allocated this year. Figure 2 shows the percentage of budget spent on Face to Face training and eLearning initiatives.

Figure 2: Percentage of budget spent last year on Face to Face training and eLearning



From Figure 2, last year we can see that the majority of respondents spent a smaller proportion of their budget on eLearning. Equally, the majority of respondents spent more of their budget on Face to Face training; just over half of the respondents spent 31% or more of their budget on internally delivered Face to Face training compared with only 8.5% of respondents spending 31% or more of their budget on generic eLearning.

But has there been a shift when looking at budget allocation this year? Figure 3 shows the percentage of budget allocated to Face to Face and eLearning initiatives this year.

Figure 3: Percentage of budget spent this year of Face to Face training and eLearning

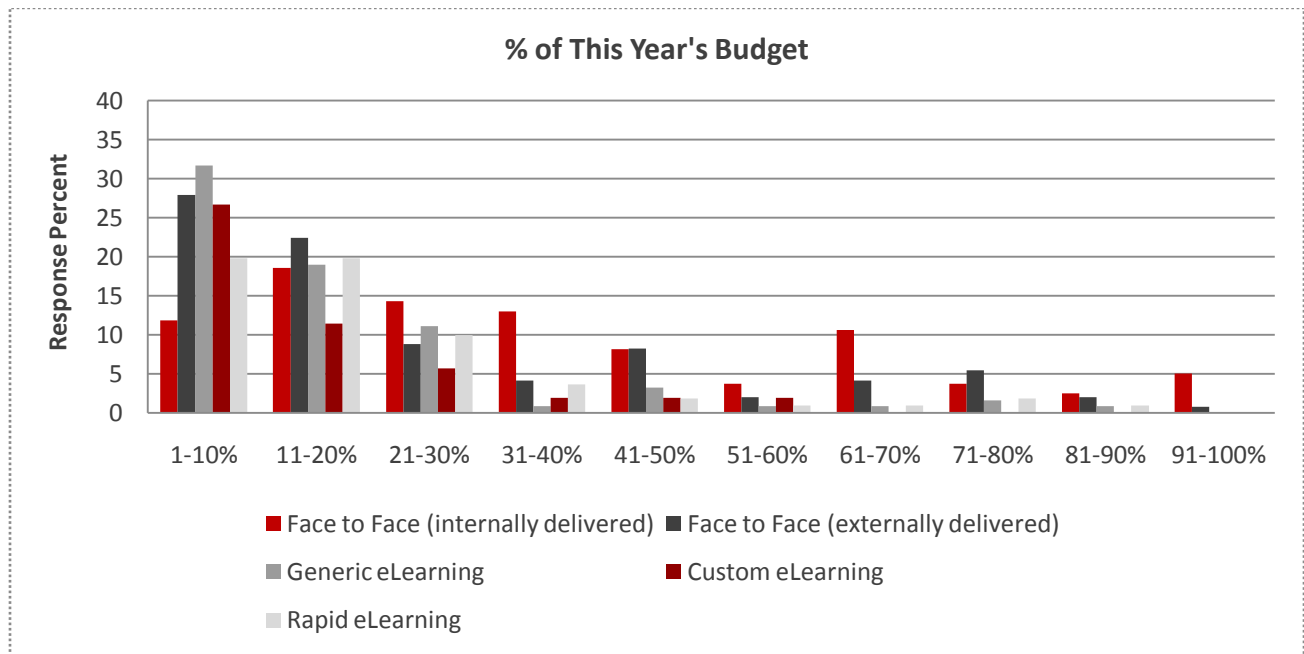


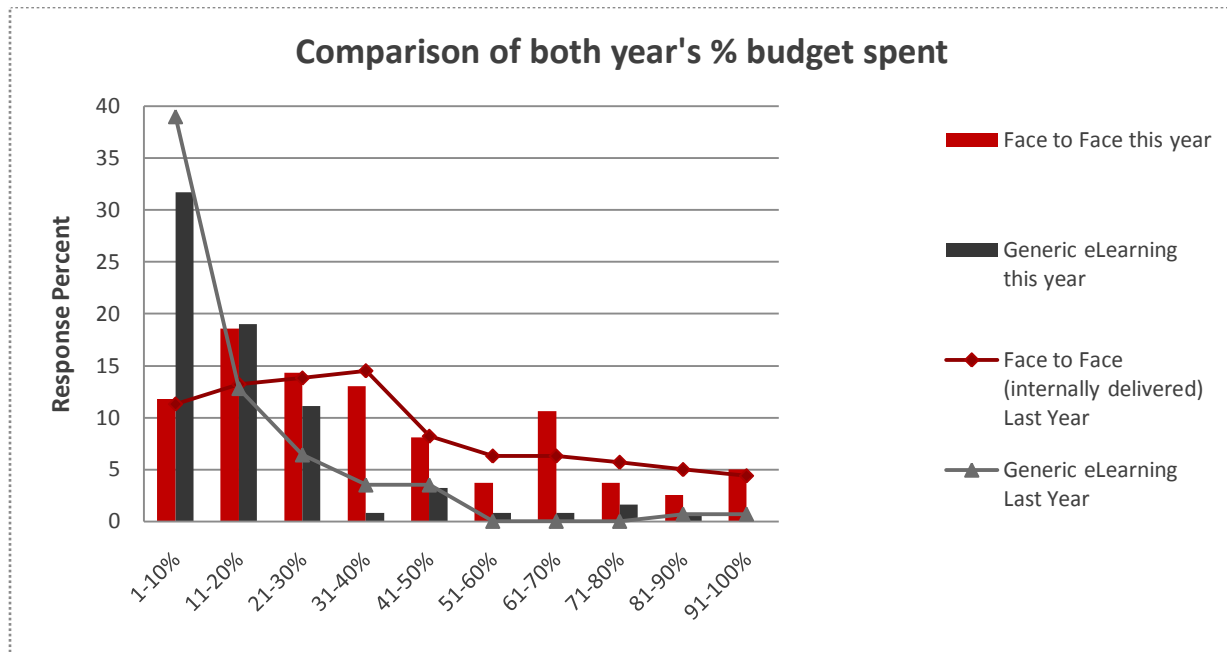
Figure 3 shows us that there has definitely been a shift in budget allocation this year. 39.0% of respondents used 1-10% of training budget on eLearning last year. Of these respondents, over half of them will be spending 11-20% of their budget on eLearning this year, 13.3% have allocated 21-30% of the budget and 26.7% have allocated 41-50% of their budget on eLearning this year. This shows that more organisations are spending more on eLearning than last year – this could be as a result of the downturn in economic, as more organisations are looking for more cost effective ways of providing learning opportunities to staff. Figure 6 highlights Finance as being the second most popular reason for respondents using eLearning.

If we cross reference respondents who spent 1-10% of their budget last year on eLearning and are spending more budget this year, 55% of these respondents have had their budget significantly reduced as a result of the economic climate and 26.3% said that the main driver behind the increased use of eLearning was 'Financial' (and 21.1% stated 'Time').

The highest percentage (14.5%) of respondents spent 31-40% of budget Face to Face (internally delivered) training last year. When comparing this to this year, the highest majority of respondents (18.6%) plan to spend 11-20% of budget on Face to Face training. Those planning to spend 31-40% of budget decreased only slightly to 13%.

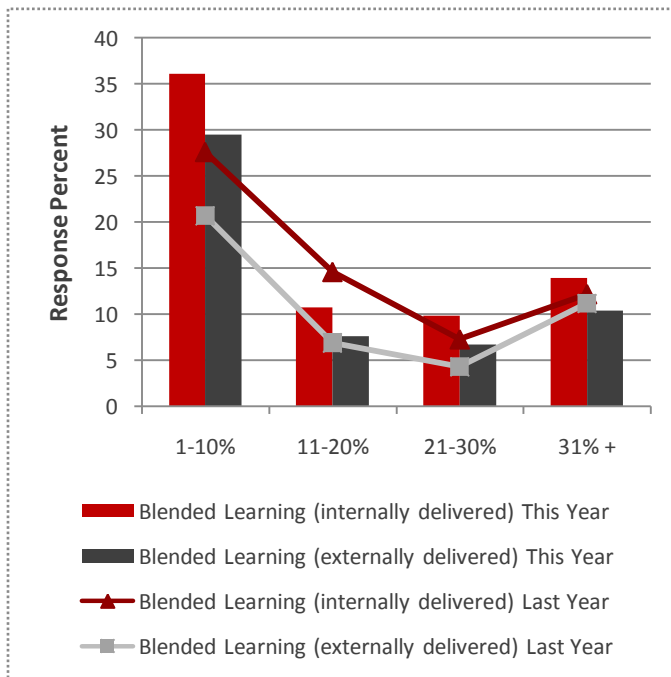
Figure 4 highlights the shift in spend on Face to Face training and eLearning when comparing this year and last.

Figure 4: Comparison of Face to Face and eLearning spend



In February 2009 Towards Maturity published their Learning Technologies Benchmark Report to which similar results were found. Twenty nine percent spent less than 5% of their overall training budget on eLearning. Thirteen percent of respondents spent more than 30%.

Figure 5: Comparison of Blended Learning Spend



In this survey, we can report that last year 39% spent between 1-10% of their budget, however as stated previously and as Figure 4 shows, this year more respondents are likely to spend more on eLearning.

But what about other training methods? Respondents were also asked what percentage of their budget was spent on Web conferencing and Blended Learning.

23.6% of respondents stated that between 1-10% of their budget this year will be spent on Web conferencing/webinars (internally delivered) with a fractionally higher 26.5% spending between 1-10% of budget on externally delivered webinars. Less than 14% of respondents spend more than 21% of their budget on delivering internal webinars.

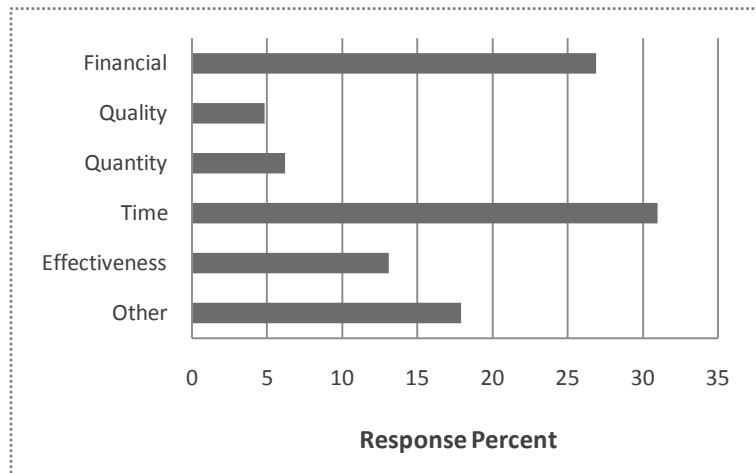
Finally, respondents were asked what their spend on blended learning was last year and this year. A summary of which can be found in Figure 5.

The current use of eLearning

Respondents were asked about the impact the economic downturn has had on their use of eLearning – the results of which can be found in the Impact of the Economic Climate on eLearning section. All respondents that answered they do not use eLearning did not answer the following questions. 88.3% of respondents were asked four questions about their use of eLearning – the results of which are highlighted below.

Figure 6: Driving factors behind continued/increased use of eLearning

Respondents were asked to state the **single** most important driving factor behind their continued or increased use of eLearning. The least popular answer was **QUALITY**; instead the main driving factors were **TIME** (the business has less time for traditional training methods), with 31% of respondents selecting this answer and **FINANCE** (the need to get more out of the budget), with 26.9% stating this answer.



This data could show that when training professionals are faced with balancing the financial and time pressures they are currently under, with implications for quality of the training, they are currently putting an emphasis on the former rather than the quality. Whilst the data does not imply that financial and time-saving benefits are an acceptable trade-off for poor quality eLearning, the results could also support the opinion that the content will be no better/no worse than with other training methods.

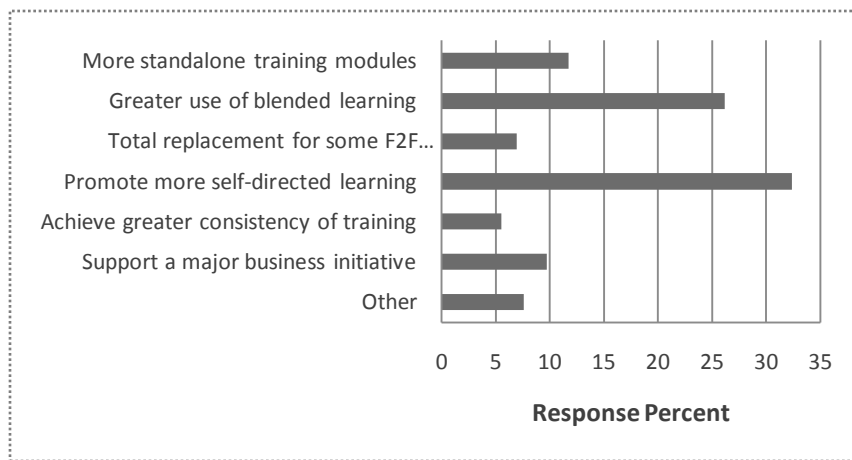
‘Other’ responses included:

- A partnership agreement with blended learning supplier
- Saves administration time as users enrol and pay online
- Convenience
- Appropriateness to the know and skills needing development
- Primarily used for Compliance training and therefore plays a significant role in the Risk Management Framework
- Scalable to worldwide organisation
- Value for money – more people, across many geographies for less cost
- Wider reach across the group (global)
- We use eLearning when it’s appropriate to do so
- Specific focus on IT skills building and getting everyone to a given level – eLearning is the most cost effective way and we have no IT Trainer for MS Office
- We want to provide a wider opportunity for people to access learning and to be able to access it at a time and place that suits them, and on more than one occasion if necessary

Respondents were also asked how they will be using eLearning over the coming year. 32.4% of respondents stated they would be 'Promoting more self-directed learning' followed by a 'Greater use of Blended Learning' with 26.2% stating this. The 'Greater use of Blended Learning' was also highlighted in Figure 5 when we compared budget spent on Blended Learning last year, compared with what is allocated this year.

6.9% stated they would use eLearning as a total replacement for some Face to Face training. Of these respondents, 40% stated TIME is the driving factor behind their use of eLearning. This could suggest that because eLearning offers flexibility in how and when it can be accessed, employees need to spend less time in a workshop/classroom environment and can learn at a time and place convenient to them and the organisation.

Figure 7: How eLearning will be used throughout the coming year



Other responses included:

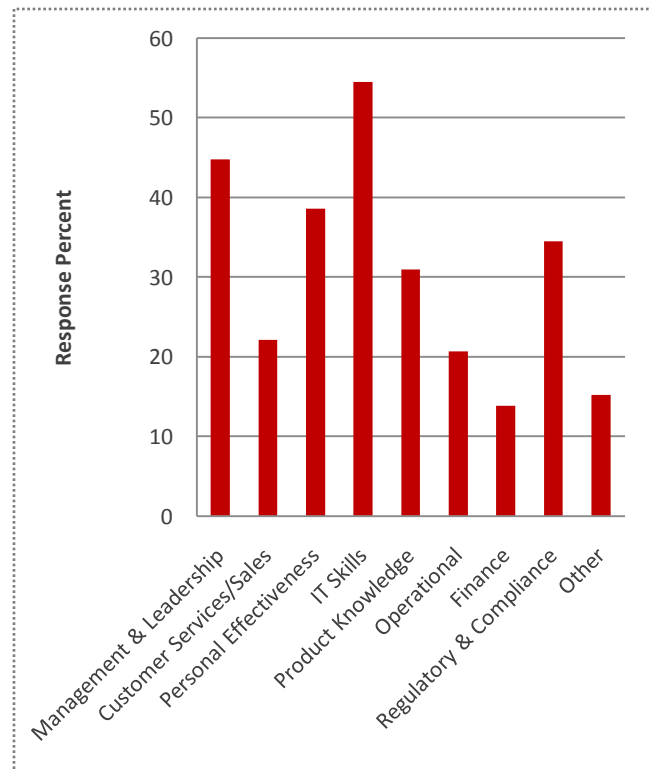
- Deployment of more just-in-time training
- Provide theory prior to 1-2-1 coaching
- All of the above
- Limited use in IT Training
- Informal learning

Figure 8: Subject areas eLearning is used for

Respondents were also asked to indicate which subject areas they are currently using eLearning for. The most popular response was IT Skills with 54.5% of responses. Management and Leadership was the next most answered subject with 44.8% followed by Interpersonal Skills/Personal Effectiveness at 38.6%.

Other responses included:

- Induction
- Security
- Marketing
- Corporate Orientation
- Drug awareness and counselling
- Language
- Literacy and Numeracy
- Child Care
- Project Management
- Commercial Knowledge, news, current affairs
- Health and Safety



Finally in the section, respondents were asked to rate eLearning in terms of Value for money, Learning Effectiveness, Learner Popularity, Flexibility of Use and Overall Quality. Table 1 highlights the responses.

Table 1: How eLearning was rated on a scale from "very poor" to "very good".

	Very Poor	Poor	Average	Good	Very Good
Value for Money	2.1%	4.9%	33.6%	43.4%	16.1%
Learning Effectiveness	4.2%	11.9%	42.7%	38.5%	2.8%
Learner Popularity	3.5%	23.6%	50.7%	19.4%	2.8%
Flexibility of use	2.1%	4.2%	20.8%	44.4%	28.5%
Overall Quality	2.8%	5.6%	40.6%	45.5%	5.6%

If we cross reference respondents that answered 'Flexibility of Use' was *Average*, *Good* or *Very Good* we can see that the majority of respondents at 32.6% state 'Time' as their main driving factor behind their use of eLearning. 32.6% of these respondents will also be using eLearning to 'Promote more self-directed learning.' Over half of these respondents also expect their use of eLearning to increase when the business climate improves.

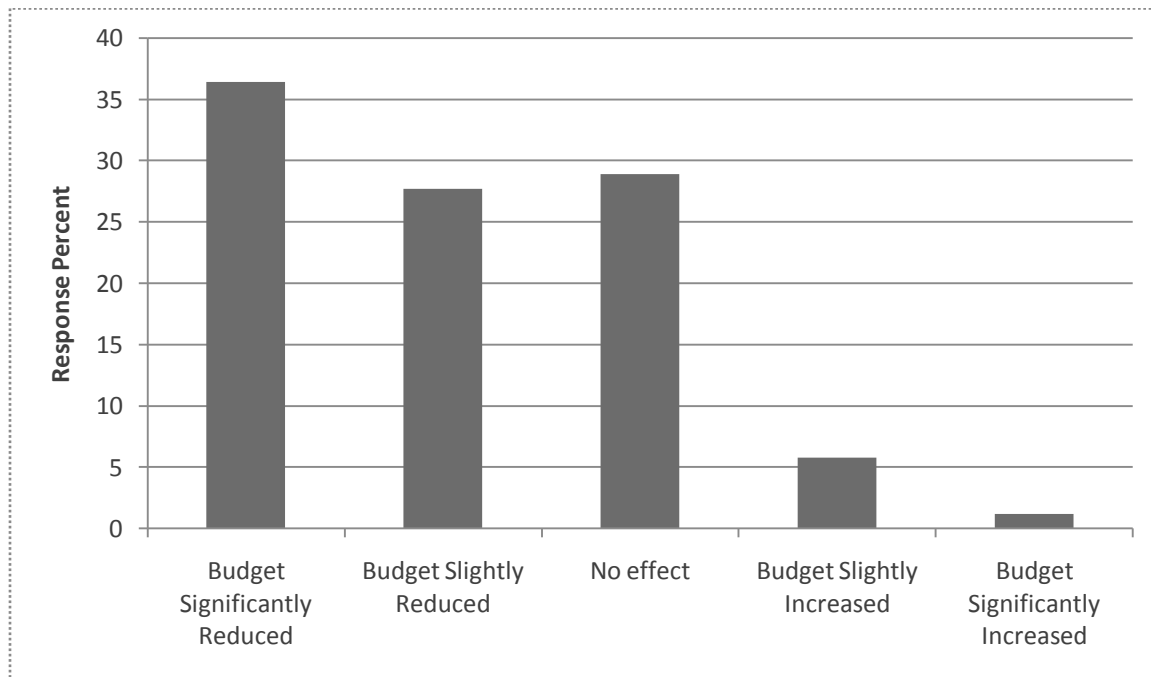
Similarly if we look at respondents that stated the 'Learning Effectiveness' of eLearning is *Good* or *Very Good*, the outcome shows that 59.3% of respondents have increased their use of eLearning as a result of the economic downturn. The main driving factor behind the use of eLearning was not so clear-cut – 27.1% stated 'Time', 25.4% 'Financial' and 22% 'Effectiveness'. Again, the majority of these respondents will be using eLearning to Promote more self-directed learning' and 67.8% expect their use of eLearning to increase.

Finally, if we look at the opposite end of responses and cross reference respondents who thought the 'Learning Effectiveness' of eLearning was *Very Poor* or *Poor*, we can see that the economic downturn has had no impact on 69.6% of these respondents and the majority of these respondents use eLearning due to the business having less time available for traditional training methods. Only 26.1% of these respondents expect their use of eLearning to increase as the business climate improves.

The impact of the economic climate on eLearning

This section takes a closer look at the impact the downturn in economy has had on eLearning. Respondents were asked three questions: How has the economic downturn had an effect on your training budget? What impact has the economic downturn had on the use of eLearning as part of your training and development strategy? When the business climate improves and if your budget were to increase in the future, how do you expect your use of eLearning to continue?

Figure 9 What impact the economic downturn has had on training budgets



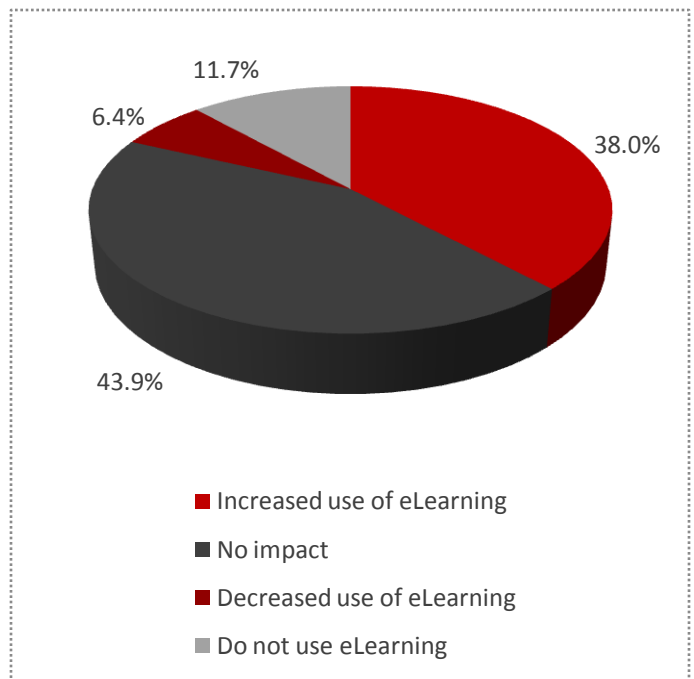
36.4% of respondents indicated that they have had their training budget 'significantly reduced'. Only 1.2% has had their budget 'significantly increased', which is not surprising in this climate. These responses fall under Finance and Health industries.

Of the 34.6% that indicated the significant reduction in training budget, 49.2% (the majority) stated an increase use of eLearning due to the economic climate, 42.3% stated 'Financial' as the main driving factor behind the use of eLearning and 68.6% stated the 'Value for Money' of eLearning was *Good* or *Very Good*. In addition 55.9% of these respondents expect their use of eLearning to increase when the business climate improves.

The majority of respondents stated that the economic downturn has had *No Impact* on the use of eLearning as part of their Training and Development strategy. This was closely followed by the increased use of eLearning.

Of those respondents that *do not use* eLearning 45% have allocated 31% or higher of their budget to Face to Face (internally delivered).

Figure 10: Impact economic climate has had on eLearning

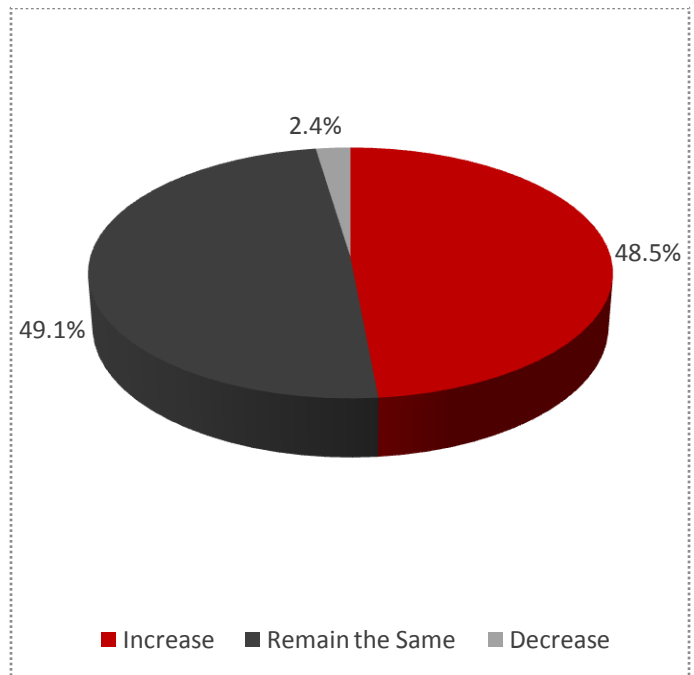


Finally, respondents were asked how they expect their use of eLearning to continue when the business climate improves and if their budget was to increase in the future. The responses were very evenly split between 'Remain the Same' and 'Increase'.

If look at these results compared with the previously mentioned Towards Maturity Learning Technologies Benchmark Report we can again see some similar trends.

Towards Maturity reported on the expected change of budget allocated to eLearning over 2009/10. The report states "Using data collected during September, October and November 2008 approximately 50% of respondents expected their training budget to stay more or less the same, a quarter expected it to decrease and a quarter expected it to increase. However 64% expected the proportion spent on e-learning to increase.

Figure 11: How the use of eLearning is expected to continue



Respondent Profiles

This survey was completed by 165 individuals across a wide range of industries including Finance, Local Government, Manufacturing and Retail. A full breakdown of industry, training budget and employee size can be found below.

Table 2: Industry responses for all individuals started survey

Industry	Respondents %
Construction/Engineering/Industrial	4.8
Education	14.0
Finance/Insurance/Legal	10.6
Central Government	2.4
Hospital/Health	2.4
IT/Telecoms	7.2
Manufacturing	3.9
Pharmaceutical/Chemical	1.9
Retail	1.4
Transport/Travel	1.0
Distribution/Logistics	1.9
Utilities/Fuel	1.9
Local Government	6.3
Other Public Sector Services	3.4
Voluntary/Not-for-profit	10.1
Leisure/Hospitality	1.4
Publishing/Media/Advertising	2.9
Other	22.2

Other industries included:

- Training Consultancy
- FMCG
- Distilling/Brewing
- Social Care
- Contact Centre
- Sporting Goods Commerce

Table 3: Training Budget responses for all individuals started survey

Annual Training Budget	Respondents %
Less than £25,000	38.5
£25,001 - £50,000	14.0
£50,001 - £250,000	19.5
£250,001 - £500,000	7.2
£500,000 +	20.8

Table 4: Employee Size for all individuals started survey

Number of Employees	Respondents %
Less than 50	29.8
51 – 250	10.2
251 – 500	11.5
501 -1,000	8.9
1,001 – 2,500	10.2
2,501 – 5,000	9.4
5,001 – 10,000	6.8
10,001 – 25,000	6.4
25,000 – 50,000	3.4
50,000 +	3.4