



TRANSFORMING HUMAN PERFORMANCE

# Developing an adaptable and productive workforce for the future

The trends and challenges facing senior leadership teams in 2024



---

# Contents

<b>Where are L&amp;D leaders investing - and why?</b>	<b>3</b>
<b>The most in-demand skills for 2024</b>	<b>5</b>
AI is the most in-demand skill for 2024	7
Sustainable development is the second most in-demand skill	10
Cloud is the third most in-demand skill	11
<b>The functions with the highest demand for L&amp;D in 2024</b>	<b>12</b>
IT has the highest demand for L&D in 2024	13
Product Development has the second highest demand for L&D	15
Marketing and Sales has the third highest demand for L&D	18
The top three priorities for Operations, Finance and R&D in 2024	20
<b>Professional skills</b>	<b>21</b>
Why are organisations focusing more on professional skills in 2024?	23
<b>What's driving the demand for L&amp;D?</b>	<b>24</b>
Key challenges for organisations in 2024	25
The cost-of-living crisis and other related issues	26
Finding new talent and filling skills gaps	27
Increased competition from digital natives	30
Maintaining customer relationships	31
<b>Key organisational L&amp;D priorities for 2024</b>	<b>36</b>
Supporting employees with key challenges in 2024	38
<b>How will organisations use L&amp;D to build the skills they need?</b>	<b>39</b>
Approaches to L&D	40
<b>What's the best way to develop skills?</b>	<b>42</b>

---

# Where are L&D leaders investing - and why?

What are the trends impacting learning and development (L&D) in 2024? What are the most in-demand skills? And how should organisations plan to build the skills they need?

We surveyed 250 business, HR and senior leaders from organisations with over 500 employees to discover the key challenges, priorities and opportunities facing their organisations when developing a flexible workforce in 2024 and beyond.

## Key findings:

Some of the key findings from our research this year include:

- Increasing **efficiencies**, improving **productivity** and reducing **costs** is the **#1 priority** for organisations
- **76%** of organisations say **keeping up with technology developments** is a key challenge this year
- **Artificial Intelligence (AI)** is the most in demand skill within **77%** of organisations
- **79%** of organisations need to **accelerate their L&D programmes** to upskill, reskill and cross-skill their employees to use AI effectively
- **Meeting sustainability goals** is a key challenge for **70%** of organisations
- **IT** is the **#1 function with the highest demand** for a third year in a row
- **97%** of organisations say **developing professional skills** is somewhat or significantly valuable
- **81%** of organisations say the speed in which **AI is evolving** is challenging
- **Skills shortages** is the **#1 driver** for L&D demand this year





## What this means for you

The pace at which our world is changing technologically, socially and environmentally has meant that both senior leadership teams and workforces are struggling to keep up.

Skills gaps are growing wider, and the need for a more flexible and agile workforce is greater than ever.

At the same time, AI is evolving fast. And, while AI skills are the number-one most in-demand skill for 2024, simply learning AI is not enough to keep up in a changing technological landscape. Instead, organisations need to help their workforces build skills that enable them to adapt easily to new innovations, as and when they arise.

The world of work has also changed. And with such a new range of jobs emerging, traditional learning programmes are often now no longer viable.

Learning solutions should therefore be flexible, personalised and accessible via different delivery methods and devices. This enables employees to complete training in ways that supports their preferred learning styles. And helps them to apply learnings and solve problems faster, effectively, and in real time.

Furthermore, organisations need to ensure that they're offering their teams the opportunity to learn professional skills, also known as soft skills. These are valuable as they're highly transferable, support many different roles and activities, and will help employees learn faster and adapt to change more easily.

This is why L&D is a critical component in helping senior leadership teams ensure their workforce can meet the needs of the increasingly fast paced, volatile, uncertain and unpredictable world in which their organisation operates.

If you'd like to discuss this research further, then please get in touch with us using the button below.

**SPEAK TO THE ILX TEAM**

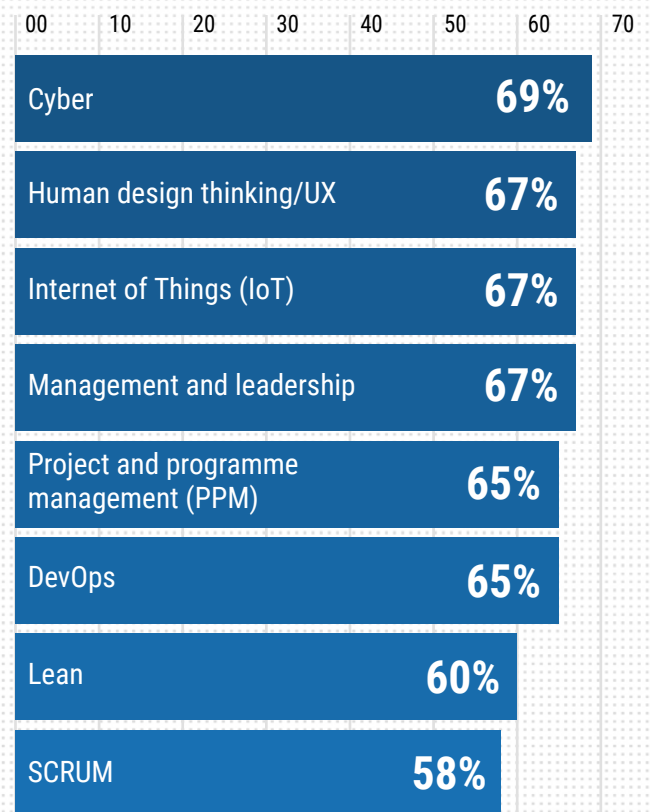
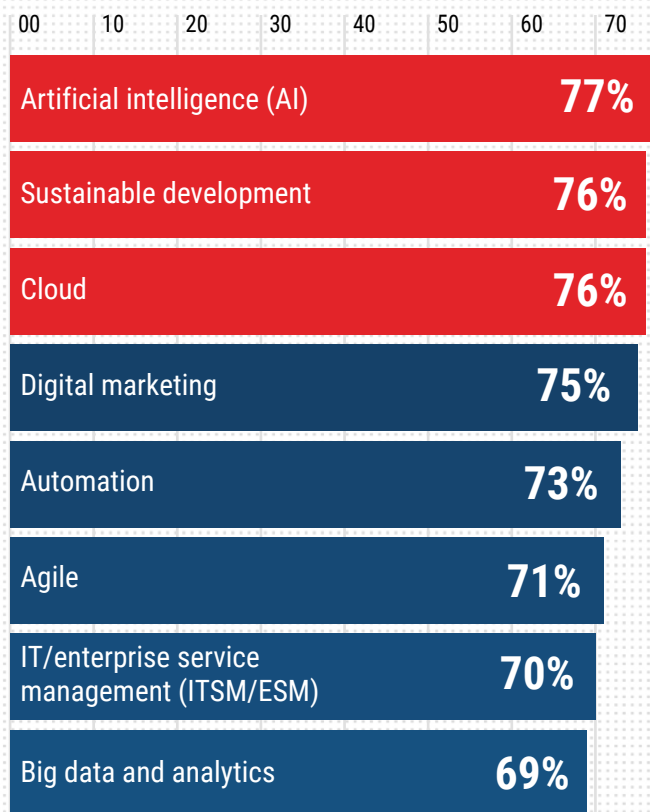
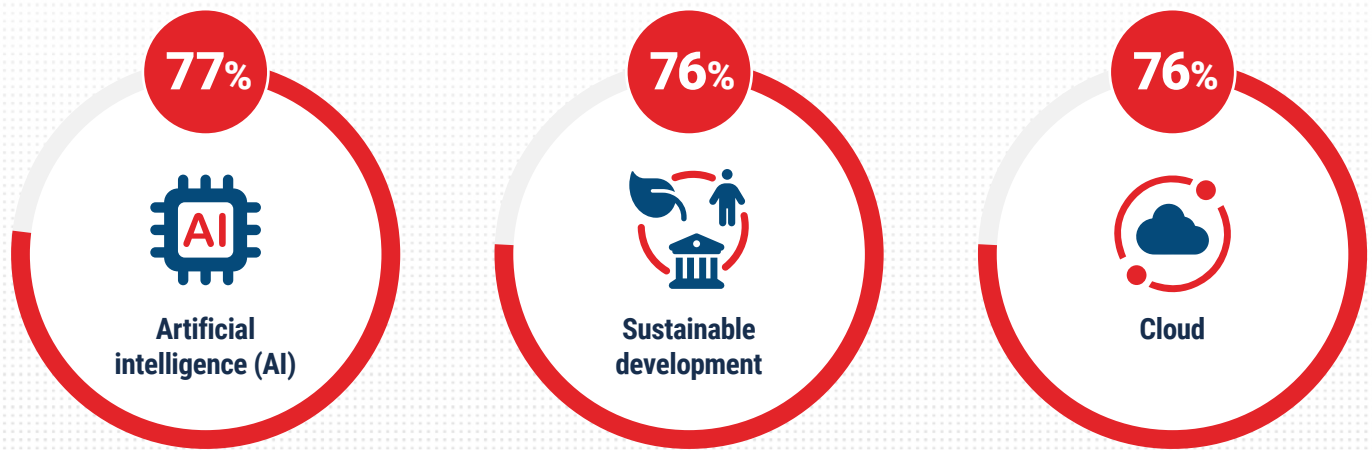


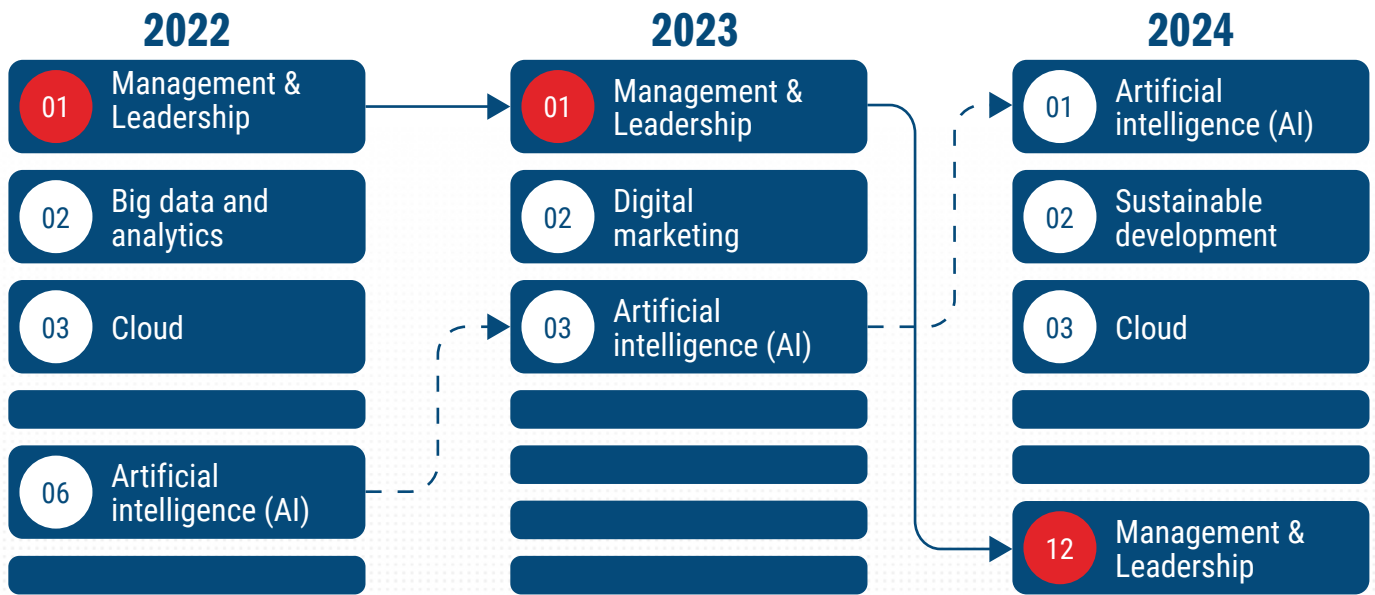
01270 611600

# The most in-demand skills for 2024

Strong, high-impact skills are essential for driving your organisation forward in 2024, and beyond. But which specific skills do L&D decision-makers plan to invest in over the next year?

Here's where L&D leaders plan to focus their budgets in 2024:





## Artificial intelligence is the number-one most in-demand skill for 2024.

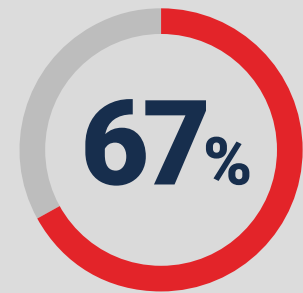
How does this compare to previous years? And what's causing the key changes we're seeing?

Management and leadership were the number-one skills in 2022 and 2023. But this year, they've dropped eight places. However, this isn't to say that these skills aren't still a priority in 2024. In fact, 67% of organisations this year say they're in demand, which is the same percentage as last year.

The difference likely is that organisations have been focusing on developing effective management and leadership programmes over the past two years, which has led to more of a business-as-usual (BAU) approach this year.

Technology has also advanced considerably over the past year alone. This has created technological skills gaps that need to be filled much faster in 2024 and a greater focus on skills relating to new technology.

AI, being the fastest evolving, is the main focus, as it can yield significant benefits for businesses by enabling better decision-making, increasing efficiencies, improving quality, boosting productivity, personalising experiences and more. However, organisations need teams with skills in technologies such as automation and cloud to help facilitate these benefits.



**67%** of organisations this year say management and leadership skills are still in demand, which is the same percentage as last year



# AI is the most in-demand skill for 2024

**77% of L&D leaders plan to invest in building artificial intelligence skills over the next year, making it the number-one most in-demand skill for 2024.**

Which is unsurprising, considering the widespread global adoption of AI over the past year. This is alongside the prevalence of easily accessible and free-to-use generative AI platforms such as ChatGPT, which are demonstrating the value of AI first-hand to organisations.

AI adoption will only continue to grow over the coming years, with generative AI set to become a \$1.3 trillion market by 2032, from a market size of just \$40 billion in 2022, according to [Bloomberg Intelligence](#). And businesses will increasingly need the right AI skills in place to navigate this seismic shift in the way we work.

## Adapting to technological advances

However, 81% of organisations say that the speed at which AI is evolving is challenging. While 36% say that maintaining customer relationships is being impacted, as they are unable to innovate fast enough and adopt technology, including generative AI.

AI skills are thus becoming even more essential for ensuring organisations remain innovative and competitive to stay ahead of the curve.

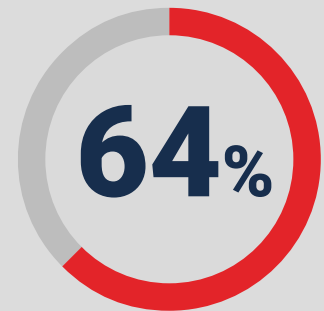
## Upskilling employees

84% of organisations say employees will have access to more AI tools to be effective within their role. Although, to use them in the most efficient and effective way, they'll need the right skills development and training programmes.

As such, 79% of organisations say they need to accelerate employee L&D programmes to upskill, reskill and cross-skill their employees to use AI effectively.



**1 in 4 organisations** say adopting generative AI is a top priority in 2024



**64% of organisations** say their employees have started fearing they'll lose their jobs or be replaced by AI

## Safety and privacy

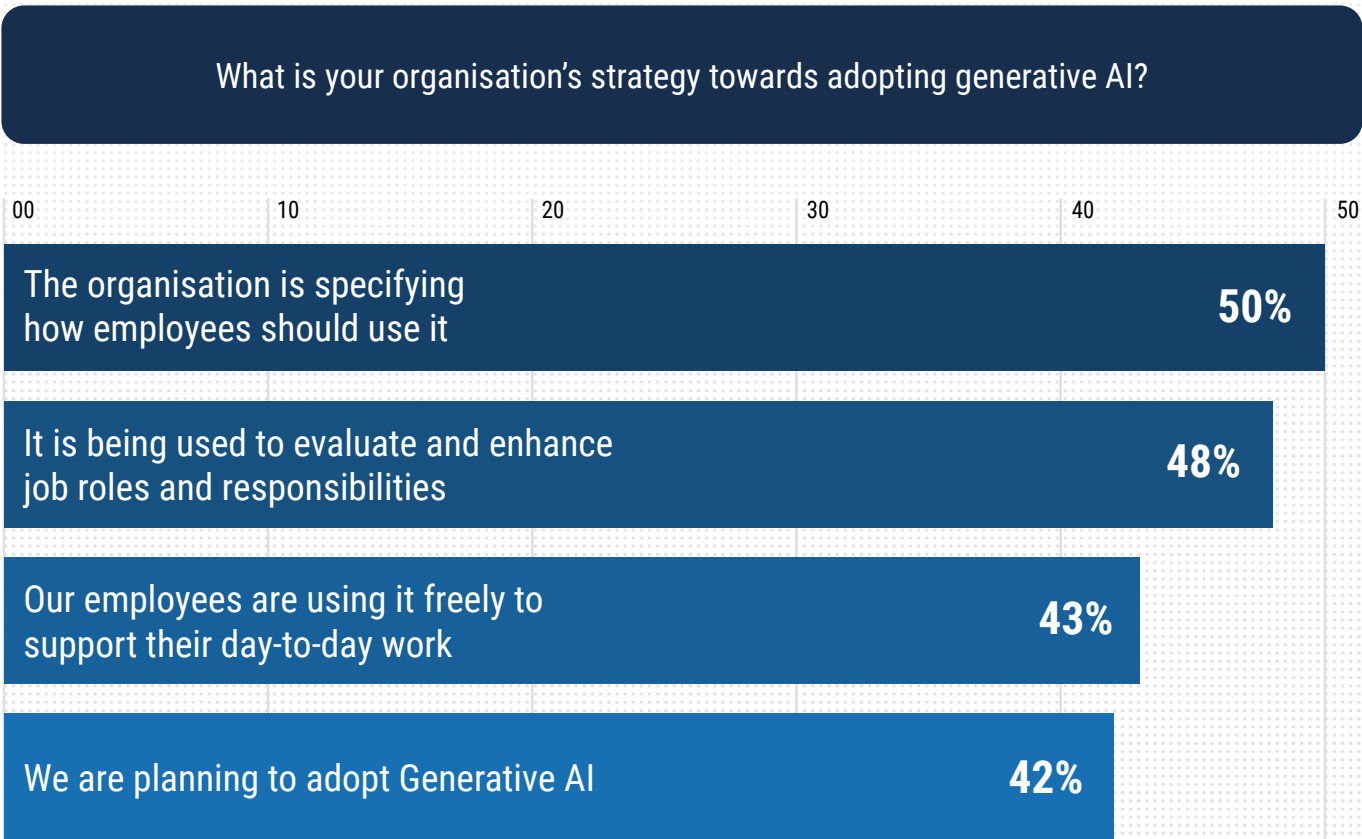
**75% of organisations say there's a concern about using AI due to a lack of regulation and control.**

AI is evolving quickly, which makes it difficult for regulators to keep up with their potential risks and how to mitigate them.

Concerns for public health, personal safety and privacy, bias and discrimination, and human rights are among the most commonly cited risks for the technology. And the longer AI is used without regulation, the more significant these risks become.

While the European Union (EU) has recently become the first in the world to [provisionally agree on comprehensive laws to regulate the use of AI](#), countries across the world are still working on establishing how they can protect the public from these potential risks that AI poses.

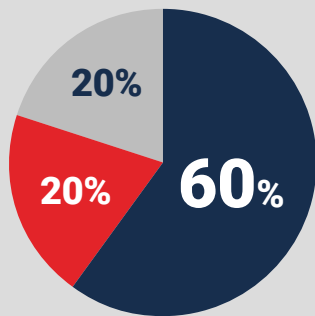
As laws are passed and regulations are created, organisations will need the right knowledge and understanding to ensure the AI solutions they use, adopt and implement have the right governance controls and policies in place, so employees can use them ethically and without risk.





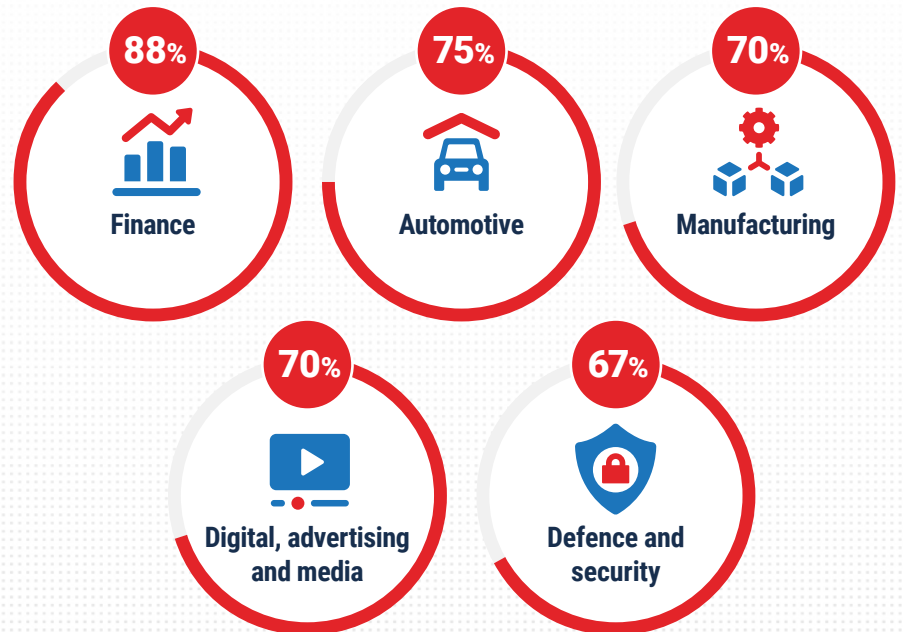
## Do organisations feel ready for AI?

“Our industry is not ready for AI yet”



- Agree 60%
- Neither agree nor disagree 20%
- Disagree 20%

## The top 5 industries that believe their industry isn't ready for AI yet:



---

## Sustainable development is the second most in-demand skill

**Sustainable development is the second most in-demand skill in 2024, with 76% of organisations planning to invest in it throughout the year.**

The [COP28 conference in December 2023 highlighted](#) that the planet is severely off track to lowering greenhouse gas emissions, limiting the global temperature and meeting the goals of the Paris Agreement.

Organisations are under increasing pressure to accelerate their progress to Net Zero and implement actionable plans to help them get there.

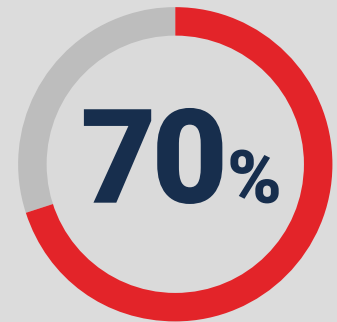
We're also seeing higher importance placed on implementing and developing actionable Environmental, Social and Governance (ESG) policies.

Strong ESG policies give businesses a competitive advantage, build customer loyalty and attract potential investors. This is because customers and investors alike are increasingly interested in dealing with organisations that are sustainable and can demonstrate values that align with their own.

ESG policies also help improve overall financial performance. Firstly, organisations with more loyal customers and investors are more profitable. And, secondly, energy efficiency facilitates cost savings. More sustainable businesses are also at a lower risk of receiving large fines for non-compliance with sustainability initiatives.

To achieve this, organisations need employees with the right skills and knowledge to put these policies, plans and pledges into action and oversee their progress.

In turn, the real driving force behind sustainability initiatives must come from the top. Senior leadership teams need to fully embrace and actively establish and implement sustainability initiatives. To do this, they'll need the right skills to create a sustainability-focused culture and craft long-term solutions and plans.



Meeting sustainability goals is the second most common challenge for organisations in 2024 – with **70% agreeing** it's a key challenge



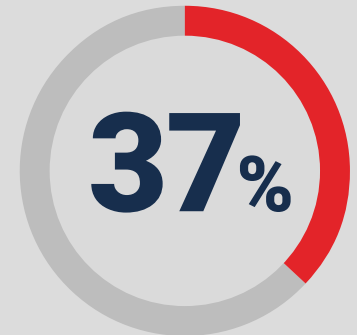
## Cloud is the third most in-demand skill

**Last year cloud had dropped from the third most in demand skill in 2022 to eighth. But in 2024, it has regained third position.**

This is because cloud is essential for helping organisations leverage and modernise their IT infrastructure, applications and business processes.

Being highly flexible and scalable, cloud supports organisations to keep up with the pace of change, helping them innovate, test new features and develop products faster, amongst other benefits. Organisations that struggle to keep up with the pace of change are far more likely to experience talent shortages and skills gaps and fall behind their competitors.

To remain productive, innovative, and competitive, organisations need the ability to leverage the cloud. But to do that, they'll need to work on building and developing the specialist and cloud-specific skills they need.



**37% of organisations** say they're seeing a lack of employees in certain areas because they're struggling to keep up with the pace of digital change





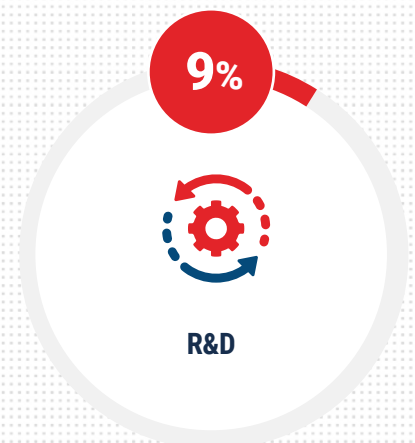
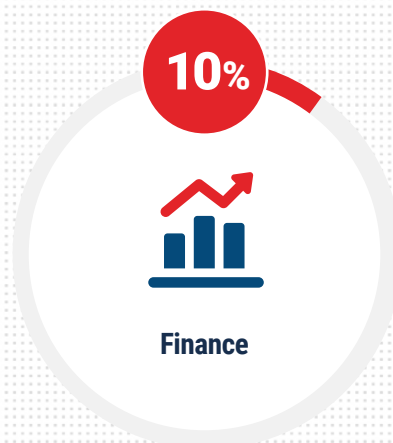
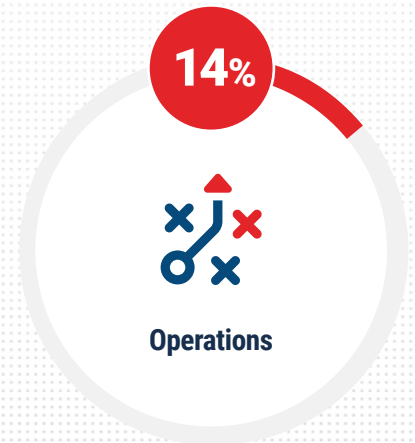
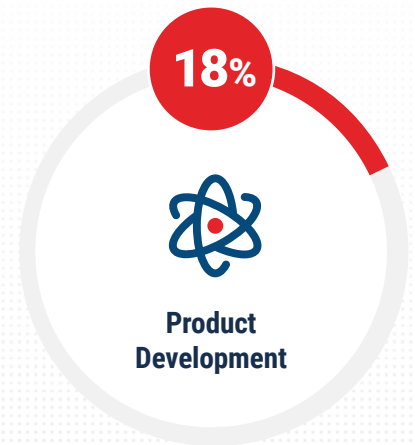
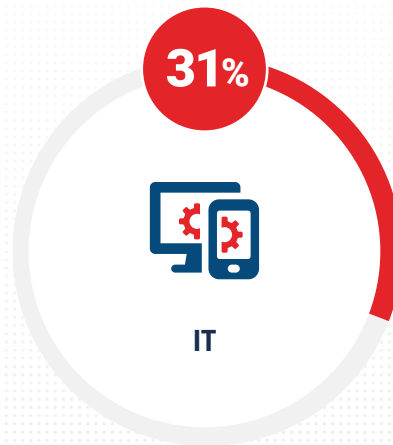
# The functions with the highest demand for L&D in 2024

Within which function do you see the most demand for learning and development in your organisation?



'22 '23 '24

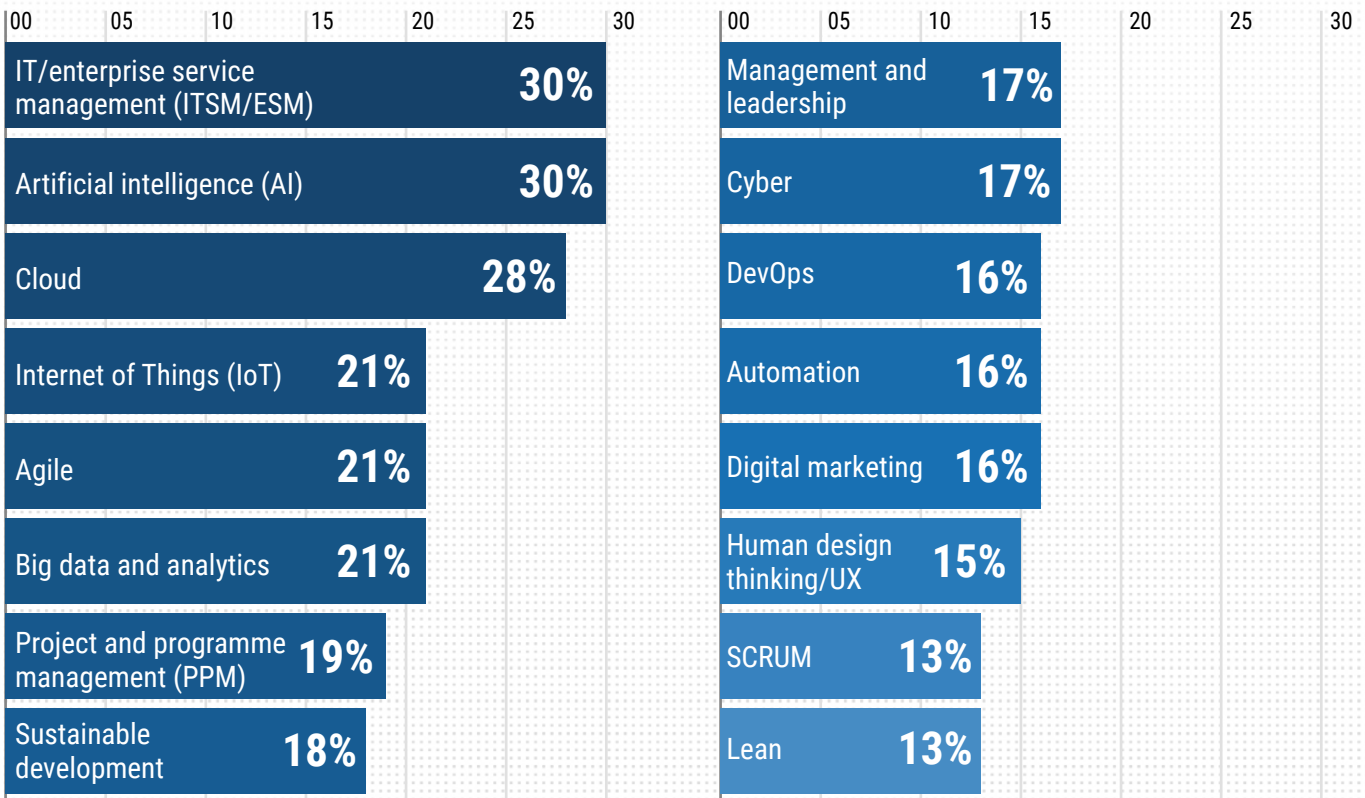
IT retains its number-one spot as the department with the highest demand for L&D for the **third year running**.



# IT has the highest demand for L&D in 2024

The demand for L&D in the IT department for 2024 is almost double that of the Marketing and Sales, Product Development and Operations departments, and triple that of Finance and R&D functions.

## The most in-demand skills for the IT department in 2024



### Implementing and managing complex IT infrastructures

With the prevalence of the cloud and other new productivity-enabling technologies, IT teams must increasingly rely on complex IT infrastructures to support their organisation's operations, while also providing services to both internal employees and external customers and stakeholders.



## The challenge is, they need the right skills and knowledge to manage and optimise these for maximum efficiency.

This could be why the demand for IT service management/enterprise service management (ITSM/ESM) has climbed from the sixth most in-demand skill for the IT department in 2023 to number one in 2024.

As it showcases the importance and value of being able to optimise, streamline and standardise operations, adapt to change, manage risks and deliver a high-quality service this year.

### Tool and tech adoption

Organisations need the ability to leverage the latest tools and technologies to increase efficiency, drive innovation and remain competitive.

This is evidenced by the rise we've seen this year in the use of AI and automation technologies. And the significant shift in the demand for IoT (Internet of Things) skills, which jumped to fourth in 2024 from 15th in 2023. IoT offers many benefits for organisations, such as improving business agility and customer experience, providing new data insights, and optimising asset use and monitoring. Furthermore, it is predicted that there will be over '207 billion devices connected to the worldwide network of tools, toys, devices and appliances that make up the Internet of Things (IoT)', [according to this Forbes article](#).

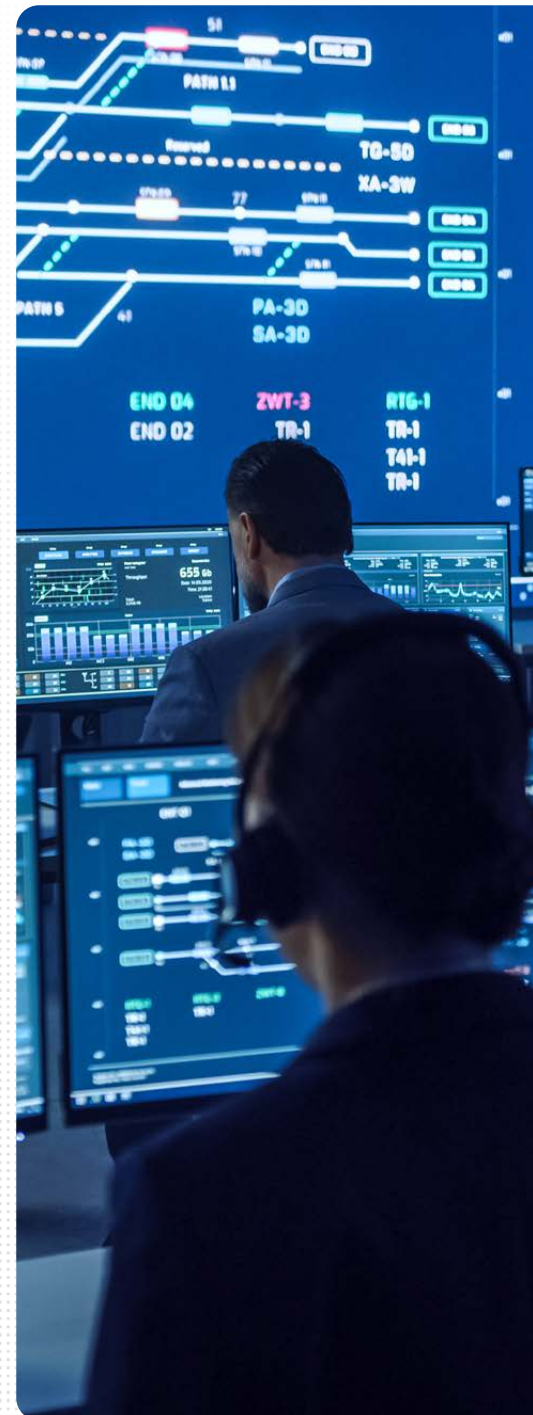
Interestingly, cloud has dropped from the number-one most in-demand skill in the IT department in 2023 to the third most in-demand skill in 2024. This suggests that although cloud adoption remains a priority for organisations, leveraging AI, streamlining operations and improving ITSM/ESM are more of a priority.

### Increasing efficiency

As budgets are tightened and stretched, organisations are under increasing pressure to do more with less.

That means fulfilling more strategic activities and initiatives with fewer or existing employees, developing and producing more products with lower budgets and making resources stretch further.

Agile methodologies and project and programme management (PPM) skills are essential in supporting organisations to work more efficiently and do more with less. In fact, 46% of organisations surveyed said they're either currently using, transitioning to, or considering transitioning to a hybrid approach of Agile and traditional methodologies.

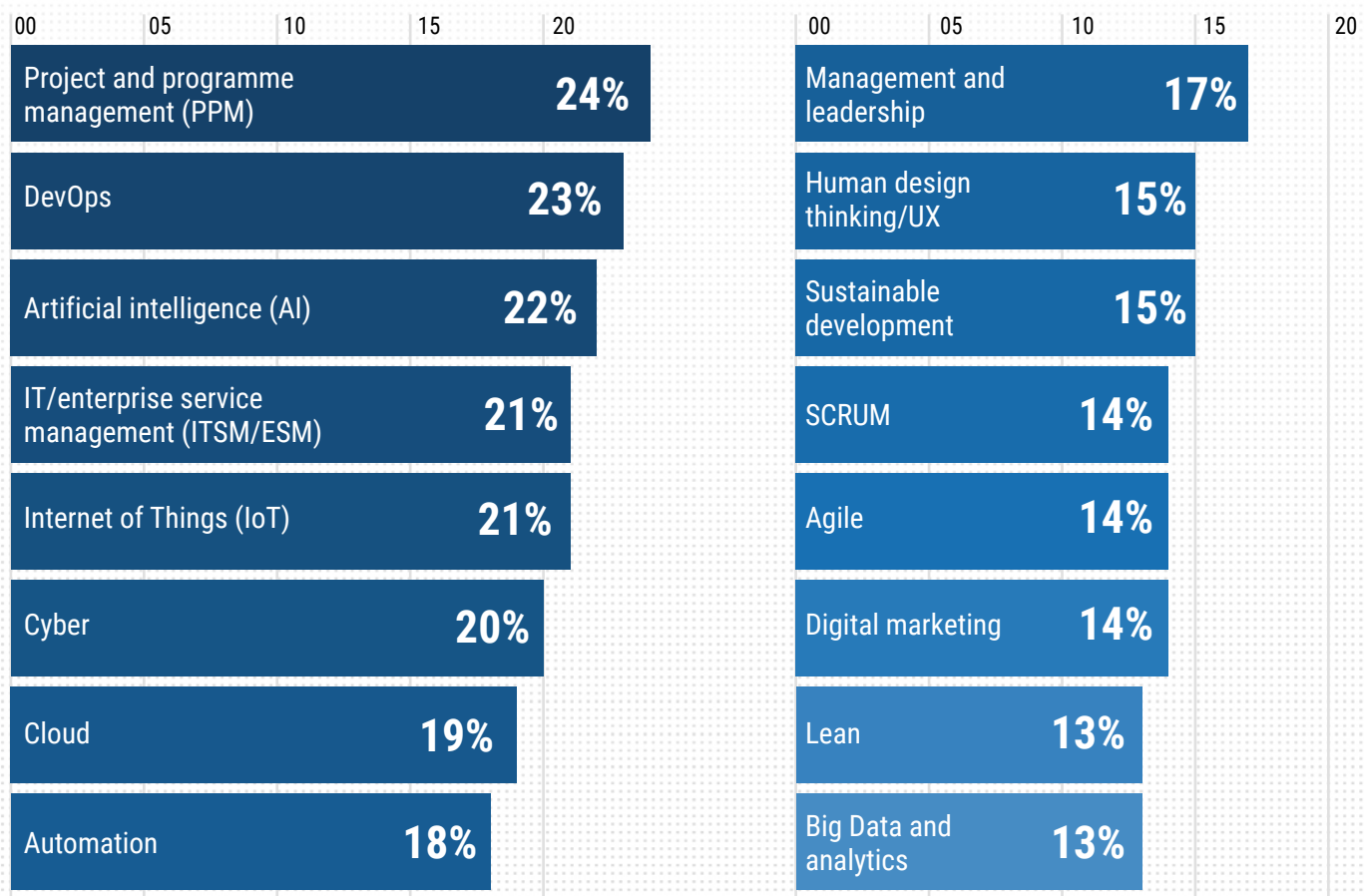




# Product Development has the second highest demand for L&D

Product Development had the fourth highest demand for L&D in 2023 but has climbed back to second this year.

## The most in-demand skills for Product Development in 2024



### Doing more with less

In 2023, we saw organisations working with increasingly constrained budgets as a result of high inflation, economic instability and the impacts of the cost-of-living crisis.

And although inflation has decreased this year, there are other macro and micro environmental factors affecting organisations.

Enhancing and developing new products and services is a key way in which organisations can alleviate some of these pressures and remain competitive. But working with constrained resources, Product Development departments have had to master the art of doing more with less and being more productive.

Which could be why our research has found that project and programme management (PPM) is the number-one most in-demand skill this year within this department.

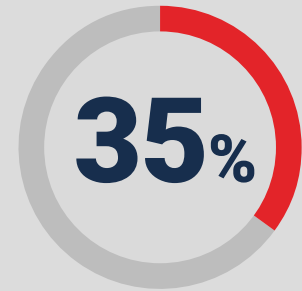
PPM skills are essential for helping Product Development teams manage time, budgets and resources. All of which are vital for both improving existing products and services and creating high-quality, fit-for-purpose products and services that meet organisational objectives and are valuable for external stakeholders.

### **Improving efficiency**

Efficiency-boosting approaches are an invaluable part of modern product development. Which is why we're seeing a transition towards using frameworks and methodologies such as DevOps and Agile.

In fact, our research shows that 35% of organisations are currently either actively using, transitioning to, or planning to transition to adopting Agile frameworks. While a further 46% are either actively using, transitioning to, or planning to transition to using a hybrid approach of Agile and traditional methodologies

DevOps and Agile concepts and practices are not limited to IT. They can be used by other teams and within other industries to help facilitate faster feature delivery and time to market, enhance efficiency, and boost product and service quality.



**35%** of organisations are currently either actively using, transitioning to, or planning to transition to adopting Agile frameworks



They do this by improving communication and collaboration within teams, automating testing and integration and accelerating development cycles.

However, to reap these benefits, organisations need to educate their teams so they understand how to implement, use and maintain new tools, frameworks, and development methodologies.

## Leveraging new technologies

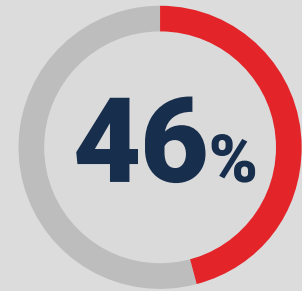
New technologies like AI and automation are transforming the ways Product Development can innovate and work.

AI, for example, is helping product development teams not only optimise their product development strategies with more informed, data-driven decisions, AI-powered analysis and automation of repetitive tasks, but also create and iterate new innovative design concepts.

But with each emerging technology comes a learning curve that product development teams need to overcome.

These teams need first to quickly and effectively understand new technologies so they can use them effectively. At the same time, they need the ability to quickly adopt new technologies like generative AI to remain competitive and differentiate their brand offerings in the marketplace.

This is why we're seeing technologies like AI and automation in high demand for Product Development.



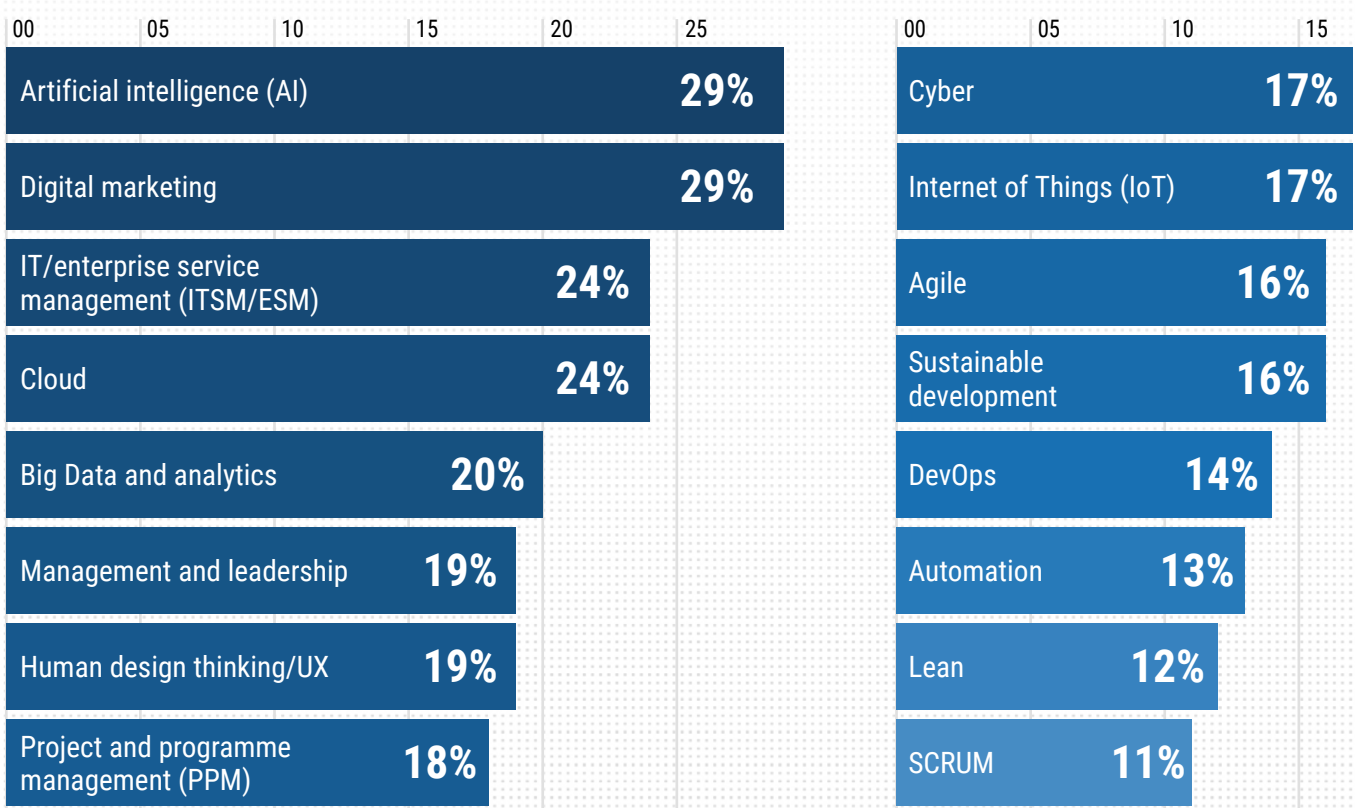
**46%** are either actively using, transitioning to, or planning to transition to using a hybrid approach of Agile and traditional methodologies



## Marketing and Sales has the third highest demand for L&D

Marketing and Sales has the third highest demand for L&D in 2024. This remains unchanged from the previous year.

Here are the most in-demand skills for Marketing and Sales in 2024:



### AI and automation

Throughout 2023, AI tools changed the way Sales and Marketing could engage with customers, drive growth and reveal new insights.

As we saw tools like conversational and generative AI, AI-powered analytics and automation platforms take front and centre stage, teams needed to quickly adapt to use and optimise these extremely powerful and often complex platforms.

This is a trend we expect to continue into 2024 and beyond, with AI jumping to the number-one most in-demand skill for Marketing and Sales this year, up from sixth in 2023.

## Crowded marketplace

As markets continue to grow ever more saturated with competing products and services, standing out with exceptional digital marketing becomes more important than ever.

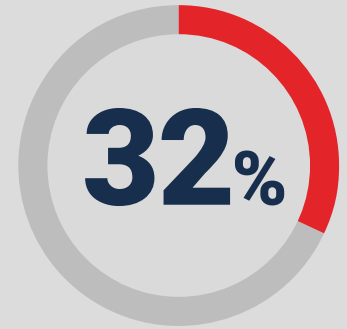
In fact, 32% of organisations say that their inability to differentiate their brand or offerings from their competitors will be a key challenge with regard to maintaining customer relationships in 2024.

Differentiating their offerings through strong digital marketing will be a top priority for Sales and Marketing in 2024, but they'll need to build teams with the right skills to make it happen.

## Service delivery and quality

While organisations need to offer more high-quality, streamlined and seamless services to stand out from the crowd, this can be a challenge in an economy where budgets and resources are stretched and competition is higher than ever.

For example, managing price increases and the impact on customers is the number-one challenge organisations will face with regard to maintaining customer relationships in 2024, with 42% of organisations agreeing. As a result, Sales and Marketing teams are increasingly focusing on how they can strategically support their organisations to overcome this challenge.



**32%** of organisations say that their inability to differentiate their brand or offerings from their competitors will be a key challenge with regard to maintaining customer relationships in 2024.





# The top three priorities for Operations, Finance and R&D in 2024



## Operations

1. Artificial intelligence - 25%
2. Management and leadership - 23%
3. Big data and analytics - 23%



## Finance

1. Management and leadership - 23%
2. ITSM/ESM - 23%
3. Big data and analytics - 23%



## R&D

1. ITSM/ESM - 22%
2. Artificial intelligence - 20%
3. Automation 20%

---

# Professional skills

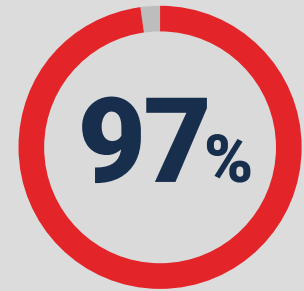
**78% of organisations say that professional skills are a top focus in 2024. While 97% of organisations are placing either some or significant value on developing professional skills this year.**

Professional skills, also known as soft skills, are non-technical, highly transferable skills that are based on personal qualities and behaviours and can be used across many different roles.

They're different from technical skills, also known as hard skills, because technical skills are specific to performing specific tasks or roles. For example, technical skills include AI, cloud and DevOps. Professional skills, on the other hand, include communication, problem-solving and teamwork.

But while technical skills give employees the capability to carry out a specific task, professional skills support and enhance that capability. For example, Java skills enable employees to develop intricate software solutions, write complex algorithms, and troubleshoot coding issues. Good communication skills will help them collaborate with team members, present project updates and convey their ideas effectively.

Equipping employees with strong technical and professional skills is essential for succeeding in an ever-evolving, interconnected world.



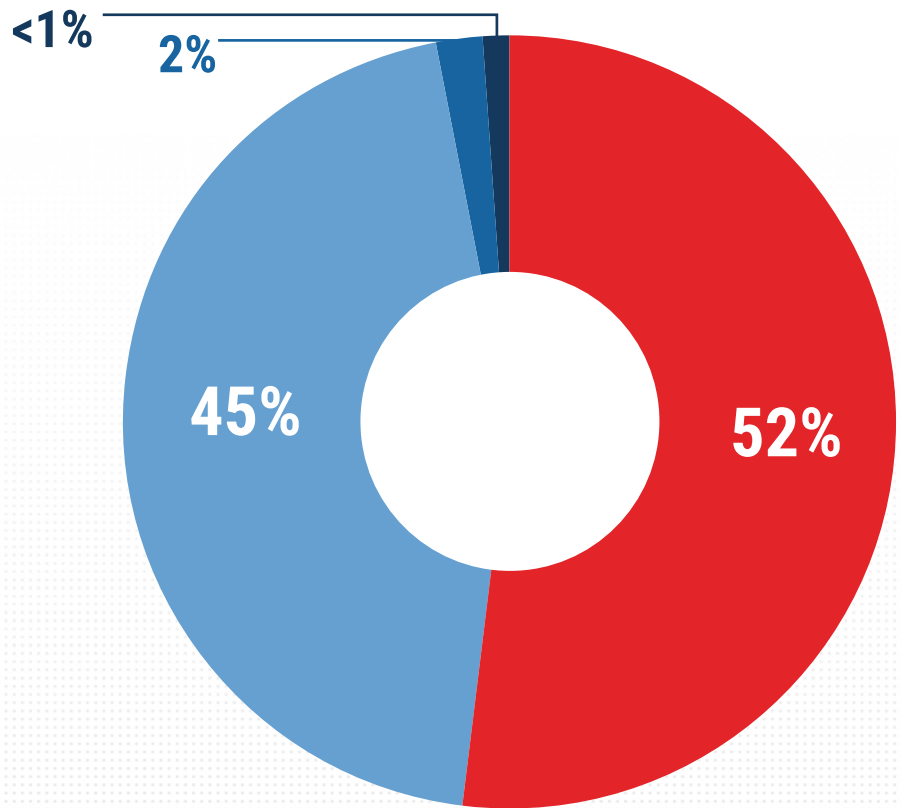
**97%** of organisations are placing either some or significant value on developing professional skills this year



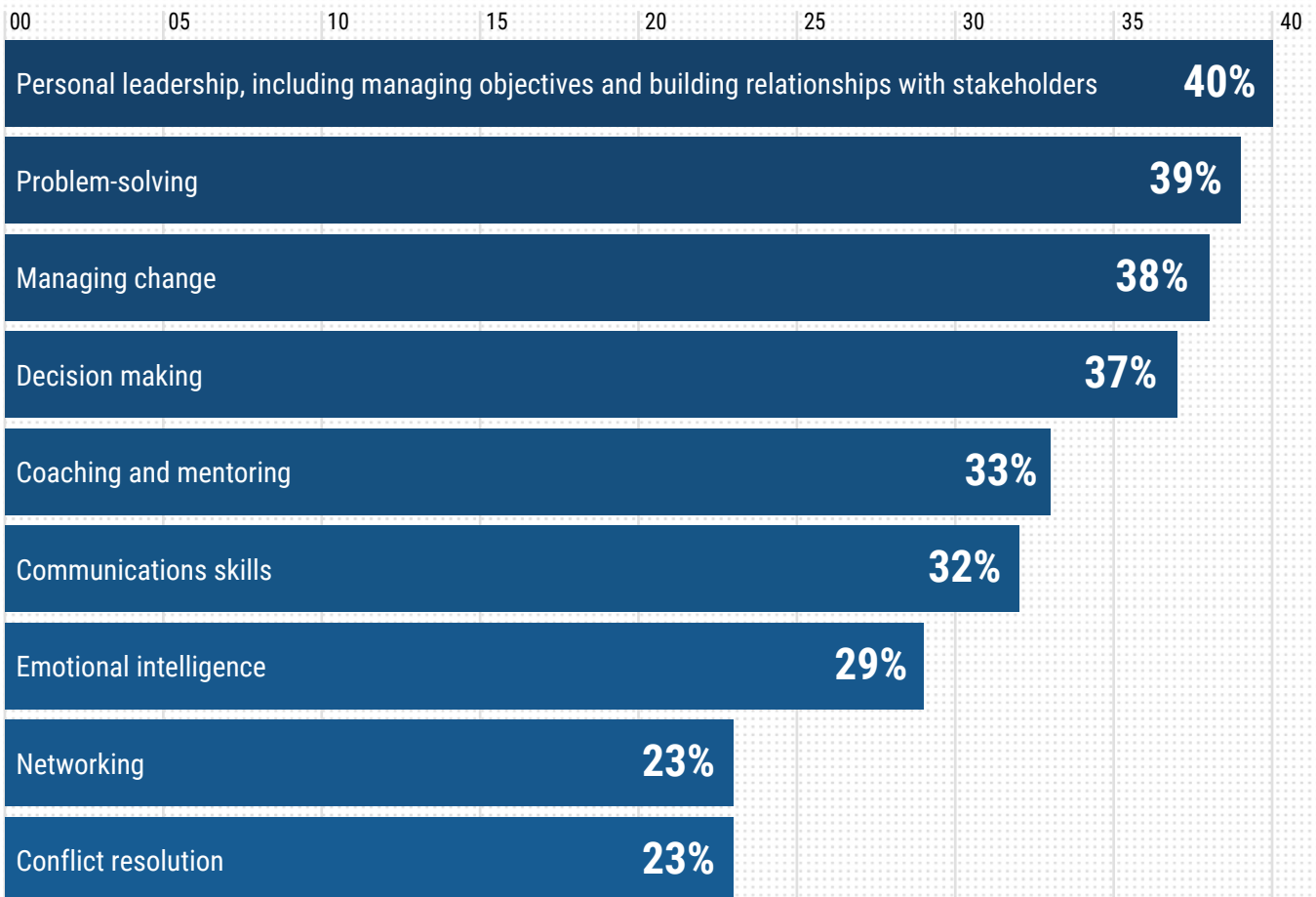


How much value do organisations place on developing professional skills L&D?

- Significant value
- Some value
- Not much value
- No value at all



The top professional skills for 2024:



---

# Why are organisations focusing more on professional skills in 2024?

## Doing more with less

Professional skills help organisations navigate challenges, adapt to changes and maximise the impact of their resources.

Skills like managing objectives and change, problem-solving and decision-making are essential for helping organisations to be more productive with fewer resources.

## Cross-skilling

Unlike technical or hard skills, which are specific to a particular role or industry, professional skills are applicable across various roles and industries.

Skills like communication, problem-solving and conflict resolution make it much easier for employees to take on new roles and challenges and start cross-skilling.

## Adapting to change

Professional skills contribute to creating an adaptable workforce that can more smoothly navigate change and capitalise on opportunities that arise in the process.

Building professional skills like leadership, managing change, problem-solving and communication help employees more easily adapt and remain resilient to social and technological changes.

**“Technical skills give employees the capability to carry out specific tasks, while professional skills enhance those capabilities.”**

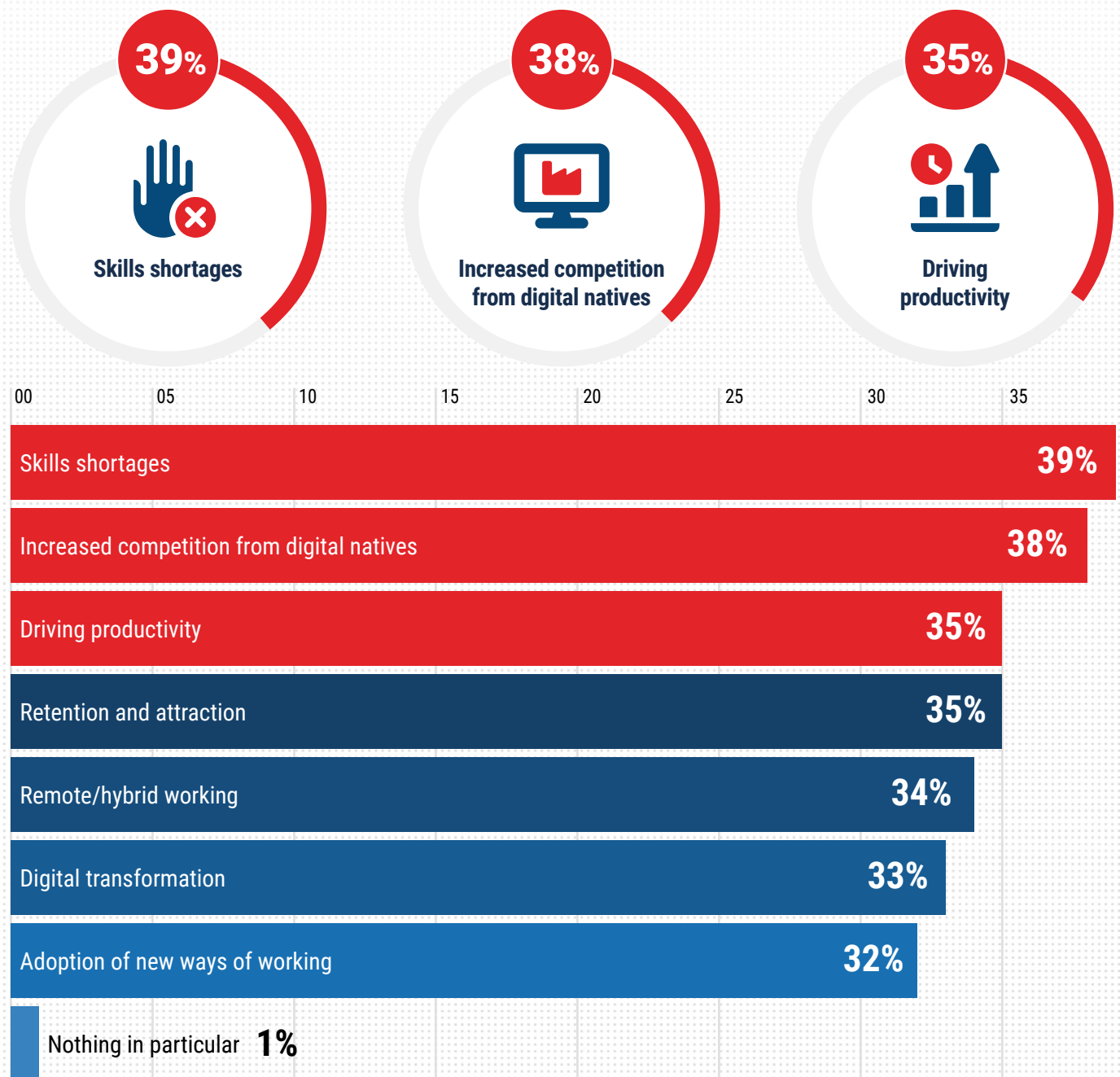




# What's driving the demand for L&D?

The top drivers for L&D this year are skills shortages, increased competition from digital natives and driving productivity.

What, if anything, is driving the demand for learning and development in your organisation?



# Key challenges for organisations in 2024

How challenging are the following in your organisation, if at all?





## The cost-of-living crisis and other related issues

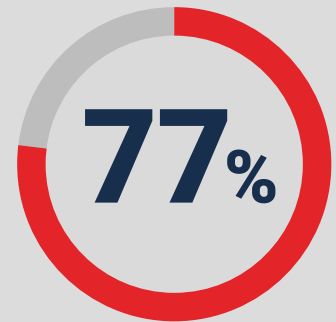
As with last year, the number-one challenge organisations face in 2024 is navigating the impacts of the cost-of-living crisis and other related issues (i.e., inflation, economic instability), with 77% agreeing that this is a key challenge.

This is because organisations are still being impacted by increased operating costs and labour market pressures to supply chain disruptions, decreased consumer spending and economic uncertainty.

This squeezes budgets and can make L&D more difficult to justify to senior stakeholders and the C-suite.

However, investing in L&D to upskill, reskill and cross-skill existing teams offers a range of benefits for senior leadership teams and organisations.

For example, it empowers teams and individuals to be more effective and productive, take on a wider range of tasks, and gain the knowledge and skills they need to adopt frameworks that support specific organisational goals. It also negates the need for organisations to hire externally, while improving both employee experience and retention.



**77%** of organisations agree that the cost-of-living crisis is a key challenge



## Finding new talent and filling skills gaps

Skills shortages are the number-one factor driving L&D in 2024, with three-quarters of all organisations saying it's a key challenge they'll face this year.

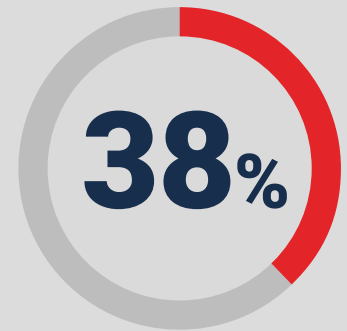
However, the war for talent has made it near impossible to fill these skills gaps through hiring. In fact, most organisations find hiring new talent extremely challenging, with 77% describing it as one of their biggest challenges this year.

### Skills gaps

38% of organisations say that changing business needs are causing them to see a lack of employees in certain areas.

As technologies continue to advance, employees lack the skills needed to use them and take on new roles within the business.

This leaves organisations with gaping skills gaps that they struggle to fill.

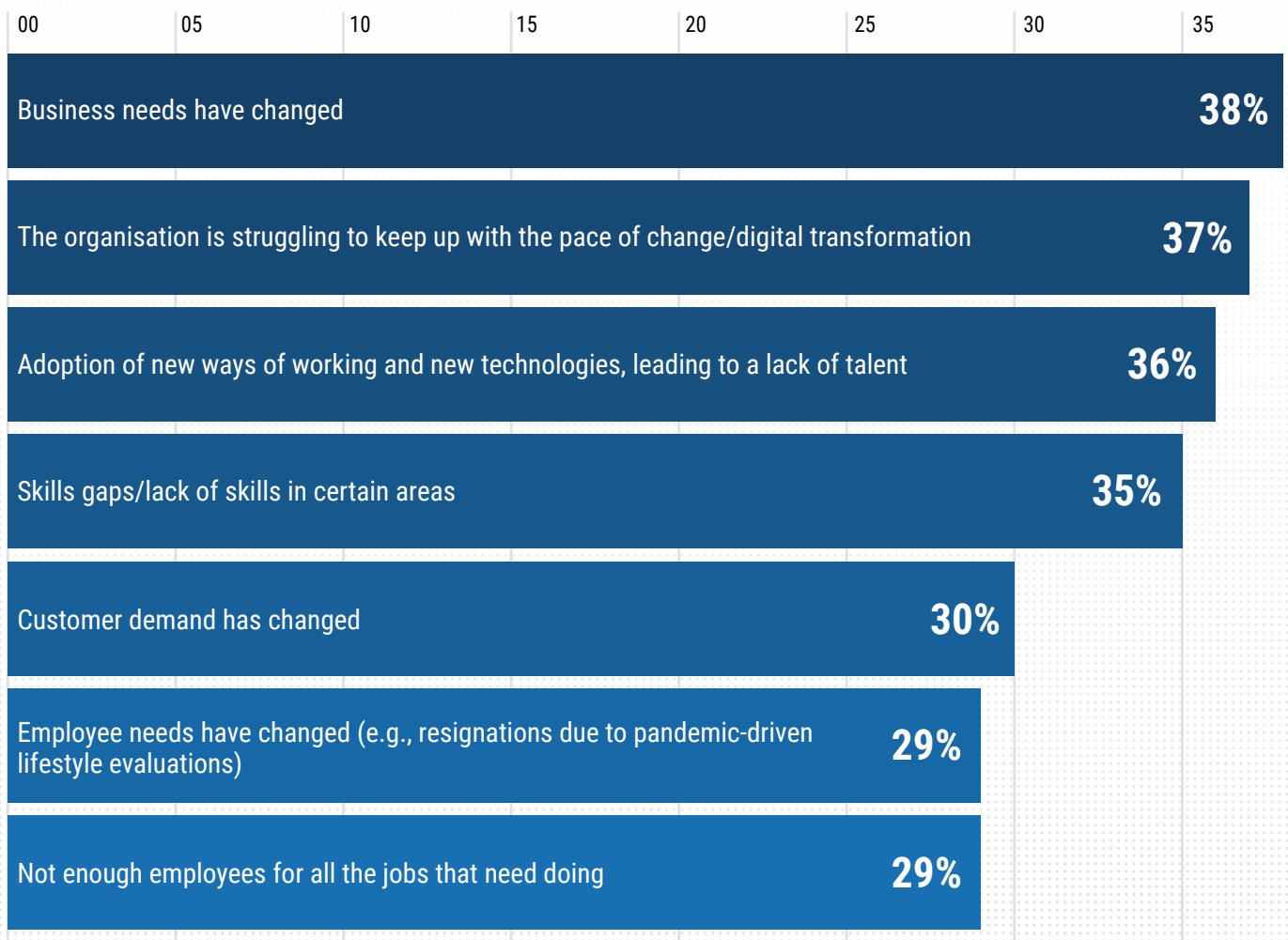


**38%** of organisations say that changing business needs are causing them to see a lack of employees in certain areas.





## Why are organisations seeing a lack of employees in certain areas?



The number-one factor contributing to a lack of employees in certain areas is that business needs have changed.

The sudden prevalence of technologies like generative AI and automation is causing a shift in business priorities, as organisations look to adopt the latest and most innovative technologies. As technologies are constantly evolving, there are few available candidates that have the right skills to optimise them and maximise their benefits.

We're also seeing business priorities shift towards sustainability and sustainable development, as a result of the climate change crisis. However, the demand for employees with green skills is currently outpacing the growth in employees who have those skills, [according to a recent report by LinkedIn](#). This leaves organisations with gaping gaps that they're struggling to fill.

## The war for talent

The war for talent has made it significantly more difficult to attract skilled candidates.

And while [candidate availability did start to increase towards the end of 2023](#), organisations are still struggling to attract the specialised talent they really need.

As a result, organisations are finding it difficult to close the skills gap through recruitment and need to seek alternative ways to build the skills they need.

## Upskilling vs. recruitment

The impact of both the skills gap and the war for talent has caused organisations to re-evaluate the way they access specialised skills and talent.

Many are beginning to recognise that providing in-house employees with high-quality L&D is a valuable tool to build the skills they need.

In fact, in most cases, organisations are finding that in-house upskilling is actually a much more efficient and cost-effective way of building specialised skills than recruitment.

For example, research found that organisations in the financial services industry [can save £49,100 per employee](#) if they choose to upskill over hiring new talent.

This is a trend we expect to see much more of throughout 2024 and beyond, as more organisations realise the benefits that upskilling has to offer, from increased cost savings to higher employee retention rates.

**“Hiring new talent is extremely challenging, with 77% describing it as one of their biggest challenges in 2024.”**





---

## Increased competition from digital natives

**Skills shortages might be the number-one factor driving L&D in 2024. But increased competition from digital natives is a close second, with 38% of organisations agreeing. Which is a significant change this year, compared to the last two years, after jumping five places from seventh.**

This suggests the threat that more traditional organisations are facing from digital natives grew significantly throughout 2023 as a result of new technologies and tools, and that they've become acutely aware of what they need to do to remain competitive.

Unlike traditional companies that have quickly had to adapt to digital technologies and undergo a significant digital transformation over the past few years, digital native organisations are built from the ground up using digital technologies and practices.

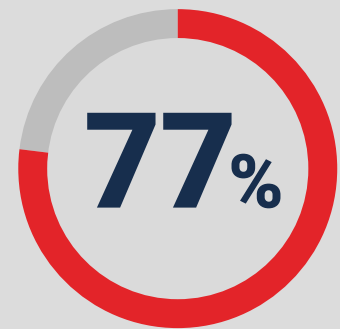
Therefore, they tend to be more flexible, innovative and much better equipped to use and become early adopters of new technologies like cloud computing, big data analytics and AI.

While more traditional organisations are under much more pressure to be more Agile, adapt to new technologies and stay ahead of the curve so they can retain their competitive advantage over their digital-native counterparts.

Yet they struggle to put that into action in real terms. For example, our research found that keeping up with new technology developments is the third most common challenge for organisations in 2024, with 77% agreeing.

Digital native organisations are often also more attractive to digital native consumers who expect a seamless digital experience. These chiefly consist of those that fall into the Gen Z age range.

**Research also predicts** that, by 2025, Gen Z will surpass Gen X in its number of digital buyers. So, it's imperative for organisations to be able to appeal to these ever more digital-savvy buyers both now and in the future.



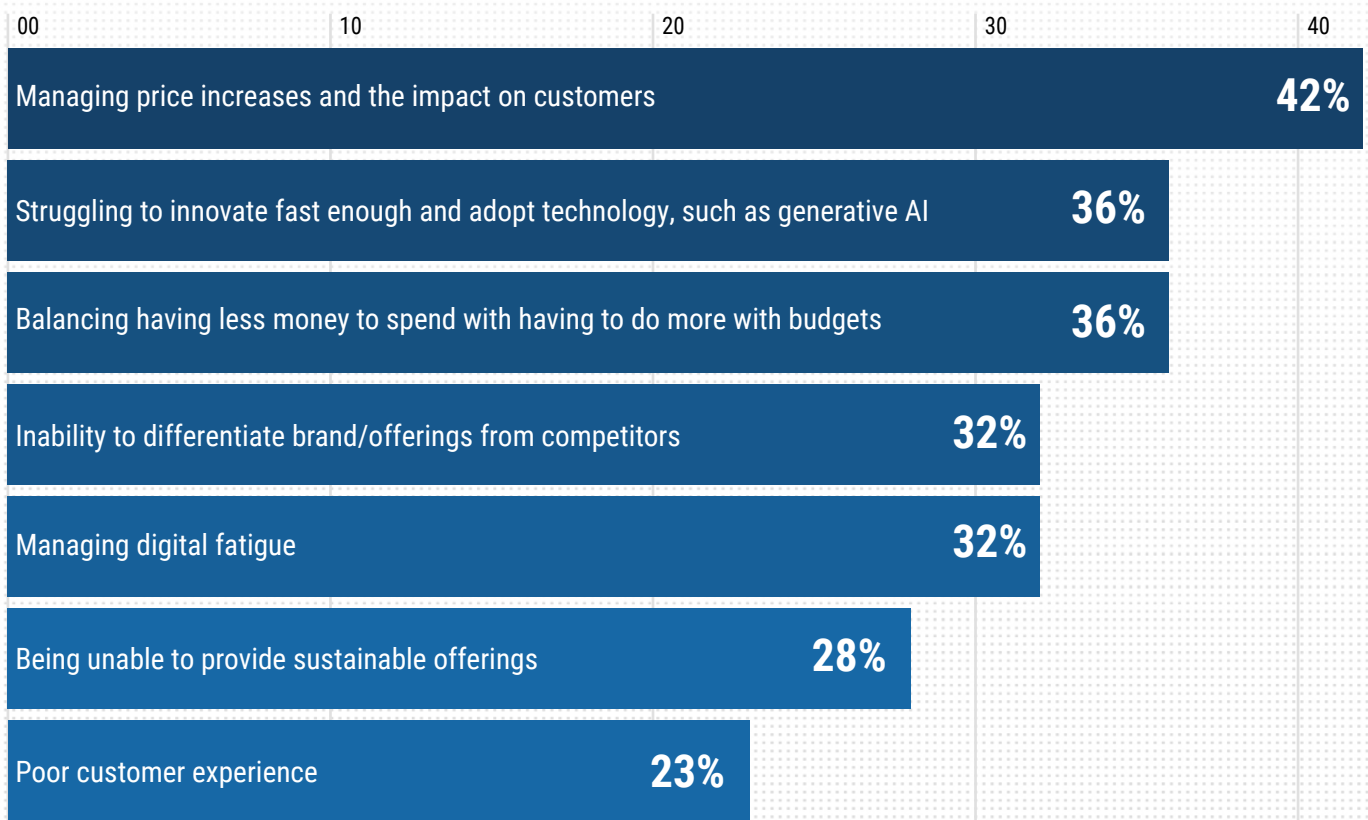
Keeping up with new technology developments is the third most common challenge for organisations in 2024, with **77%** agreeing

# Maintaining customer relationships

**Maintaining strong customer relationships is essential for the longevity and success of any organisation.**

We asked our respondents which challenges they anticipate facing with regard to maintaining customer relationships in 2024. Here's what they said.

What challenges, if any, do you anticipate facing with regard to maintaining customer relationships in 2024?



The number-one challenge organisations anticipate they'll face is managing price increases and the impact on customers.

Although inflation is falling, prices for goods, materials and services have remained significantly high. A key challenge for organisations in 2024 will be balancing how they offset additional costs on their end with increasing prices for their customers at a time when they have less disposable income.



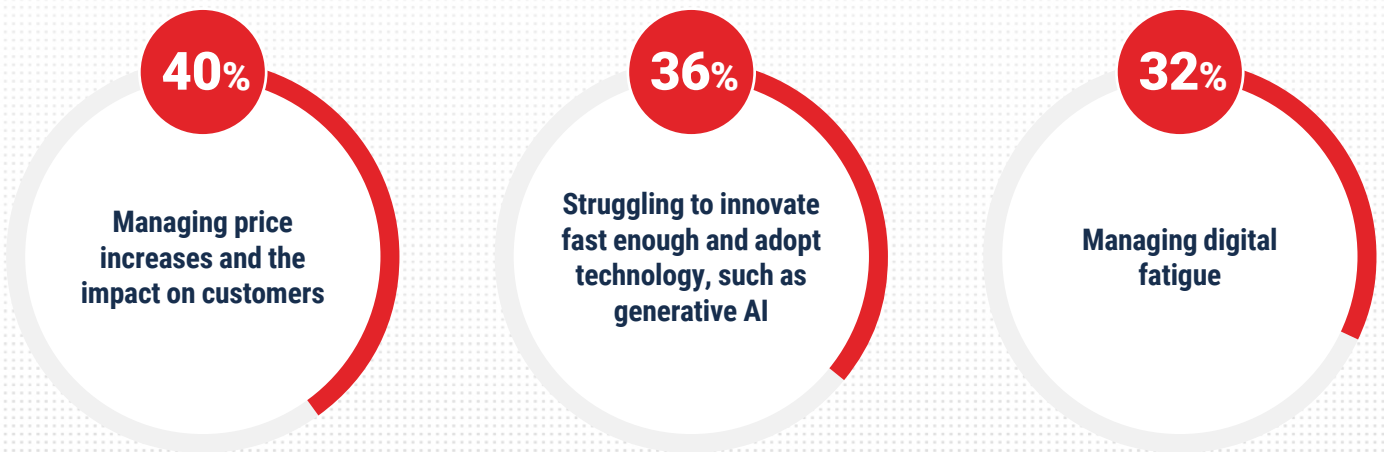
The second most significant challenge is that, while customers expect higher levels of innovation and adoption of new digital technologies, many organisations lack the right skills and might not be in a position to deliver on that.

Third, organisations need the right approach to not only do more with fewer resources but also create strategies to maintain profitability and operations. Skills development is therefore an essential component in achieving this.

## B2B vs. B2C

Here's how results vary across business-to-business (B2B) versus business-to-consumer (B2C) organisations

### Top 3 challenges for B2B organisations:



### Top 3 challenges B2C organisations:



Both B2B and B2C organisations are feeling the pressure to manage price increases and the impact on customers.

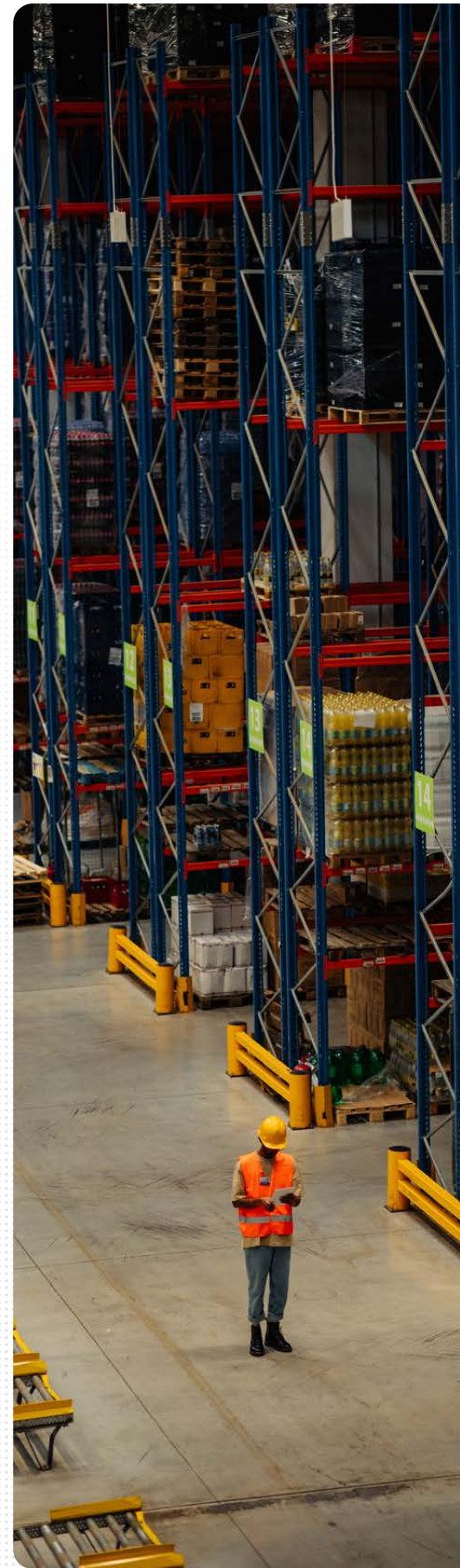
But, interestingly, other top challenges for B2B organisations centre around innovation, technology and digital adoption, while the key challenges for B2C are much more focused on budgets and market differentiation.

This suggests that the B2B sector struggles more with adopting new technologies than B2C.

This could be due to the B2B sector's more complex decision-making processes, its requirements for customisations, the difficulty that comes with integrating new tech with existing legacy systems, and the overall complex nature of how these organisations operate. A B2B company will be part of an ecosystem that is working alongside other organisations to generate results. While a B2C organisation, on the other hand, will be more transactional.

For B2C, differentiation plays a big part in company success. B2B often deals with fewer, but higher-value, transactions with a smaller pool of business clients. While B2C organisations might need to appeal to larger audiences, where loyalty is much harder to obtain. Creating a unique value proposition that resonates with a broad consumer base is therefore essential for success.

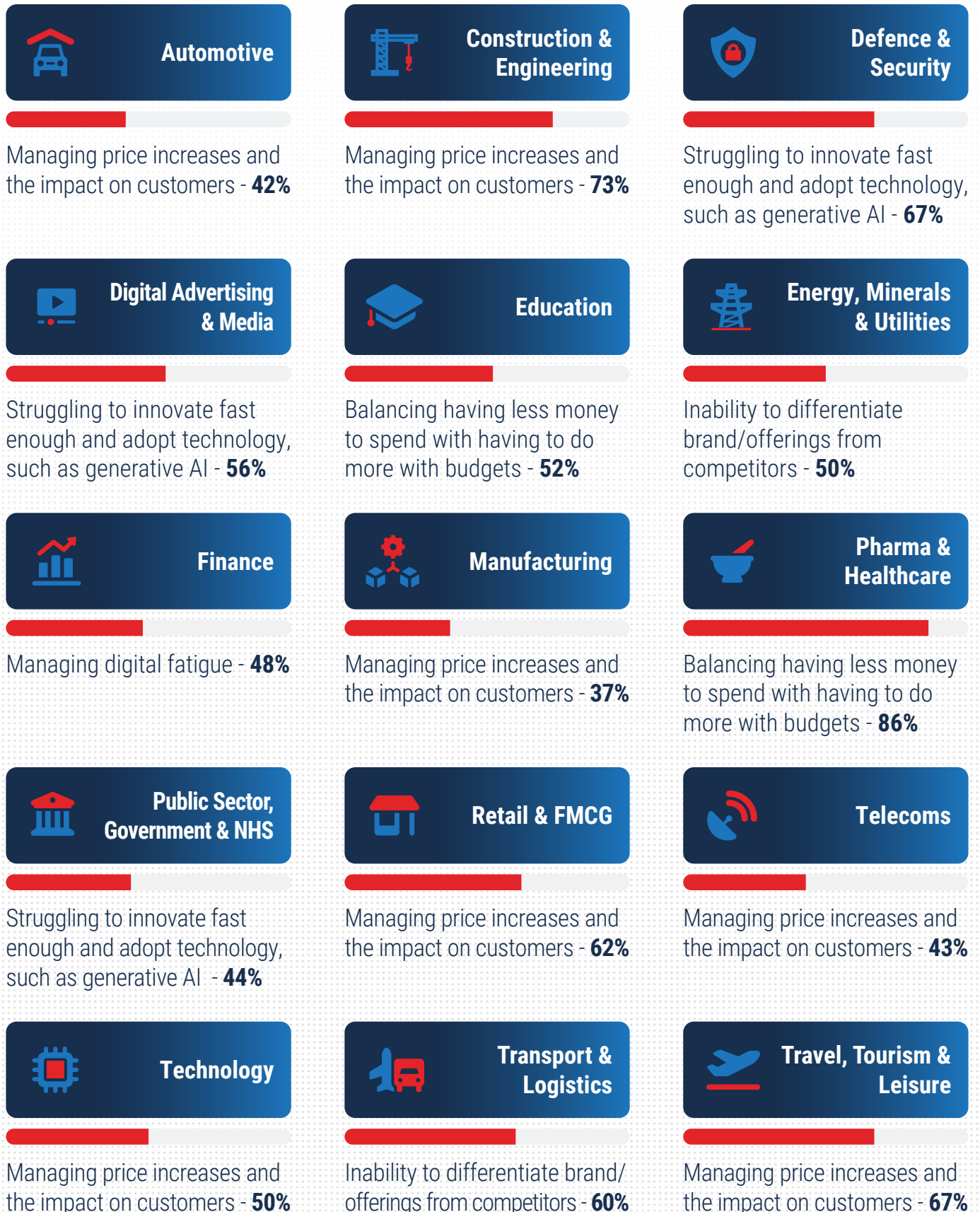
**“Although inflation is falling, prices for goods, materials and services have remained significantly high.”**





## How results vary across industries

The number-one challenge for each industry with regard to maintaining customer relationships:

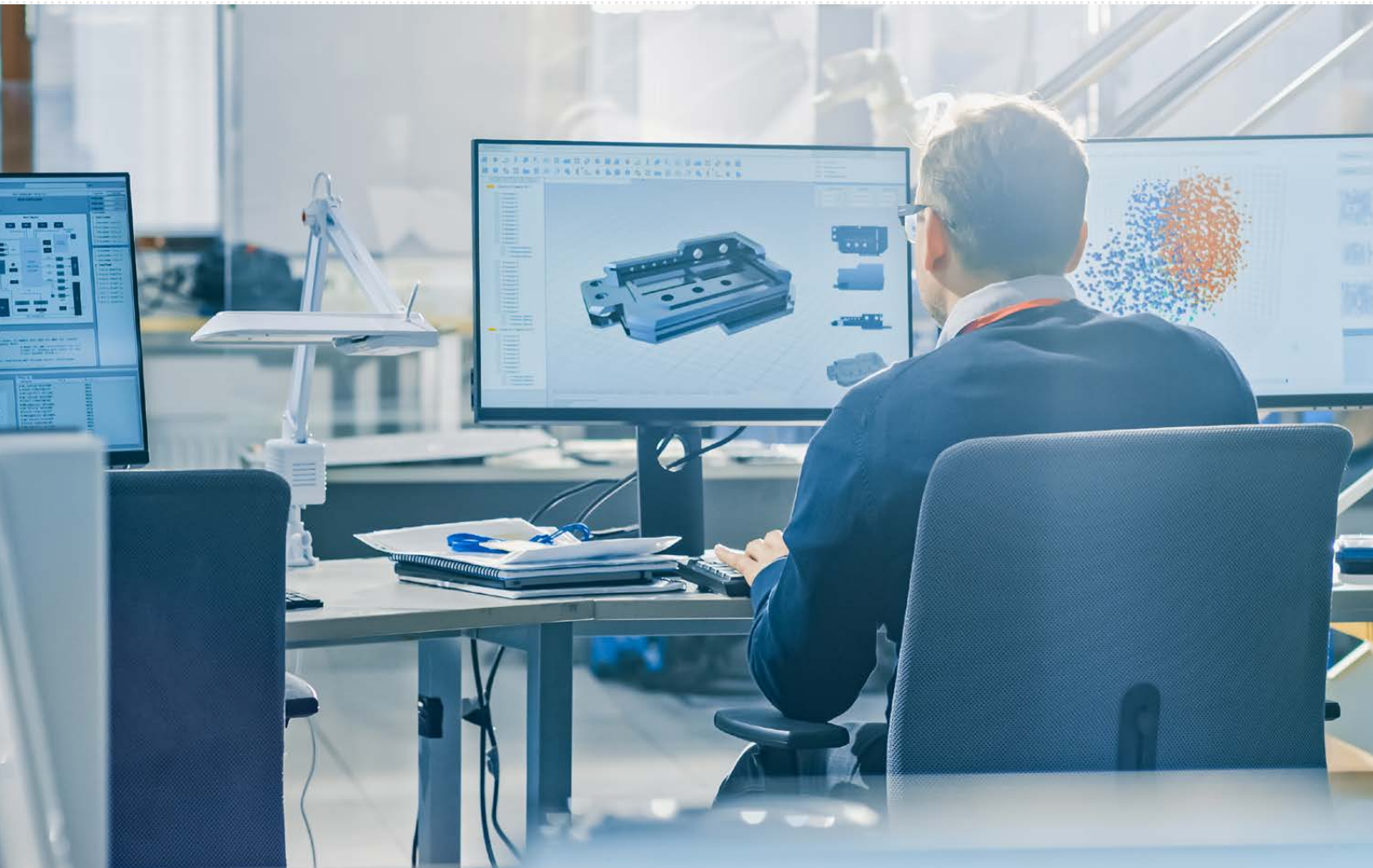


Interestingly, managing price increases and the impact on customers is the number-one challenge for industries such as Automotive, Construction & Engineering, Manufacturing, Retail & FMCG and Technology.

These are industries where price increases for raw materials, goods and supplies are evidently taking their toll. And we expect to see more of this throughout 2024 as the world continues to face economic uncertainty.

Balancing having less money to spend with having to do more with budgets is a top challenge for Education and Pharma & Healthcare. A key priority for these industries in 2024 will be developing strong project and programme management skills to help them work more efficiently and effectively and do more with less.

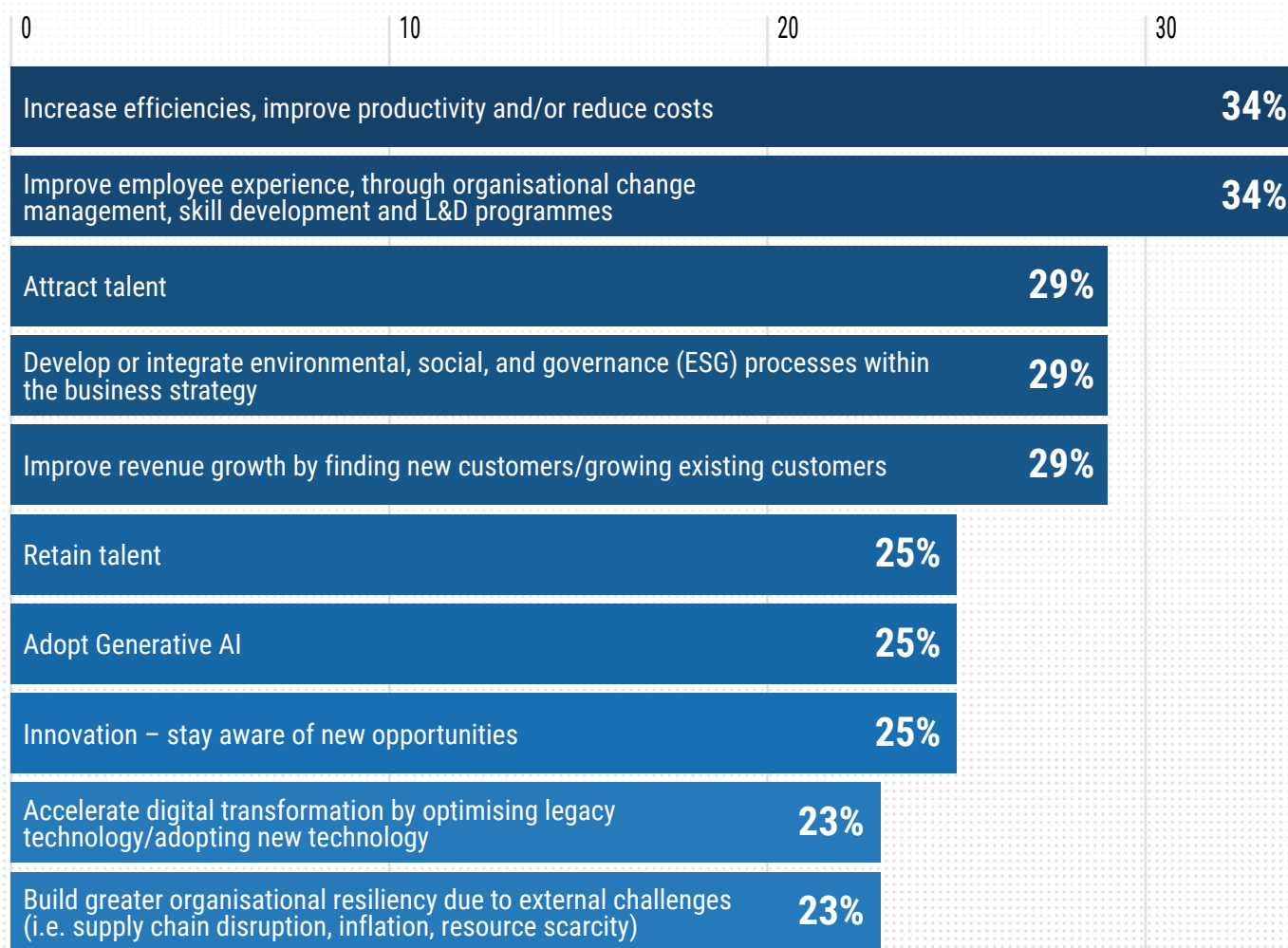
**“The number-one challenge organisations anticipate they’ll face is managing price increases and the impact on customers.”**





# Key organisational L&D priorities for 2024

What are your organisation's top priorities in 2024?



**The number-one priority for organisations in 2024 is to increase efficiencies, closely followed by improving the employee experience and attracting new talent.**

Interestingly, these top three priorities remain unchanged from the previous year. This evidences that not only do organisations anticipate that they'll need to work more efficiently to get more done with less over the next year, but they also foresee talent shortages and challenges with retention to continue.

So, by ensuring they improve employee experience, not only will organisations keep their existing employees happy, but it'll also help them to recruit new talent.

## Why is your organisation increasing its L&D budget in 2024?



**“75% of organisations agree doing more with less requires a skilled workforce that can manage projects, programmes and portfolios effectively, with agility and efficiency.”**





## Supporting employees with key challenges in 2024

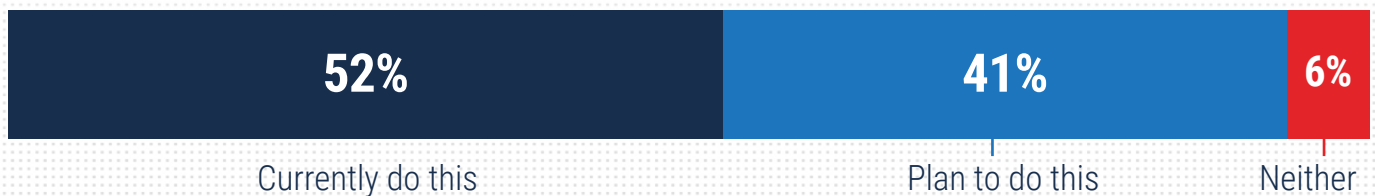
In 2024, employees expect support from their employers in dealing with key social, economic and wellbeing challenges, including diversity and inclusion, health and mental wellbeing, the cost-of-living crisis and neurodiversity.

This year, we asked our respondents exactly how they're supporting employees with these challenges. Here's what they said.

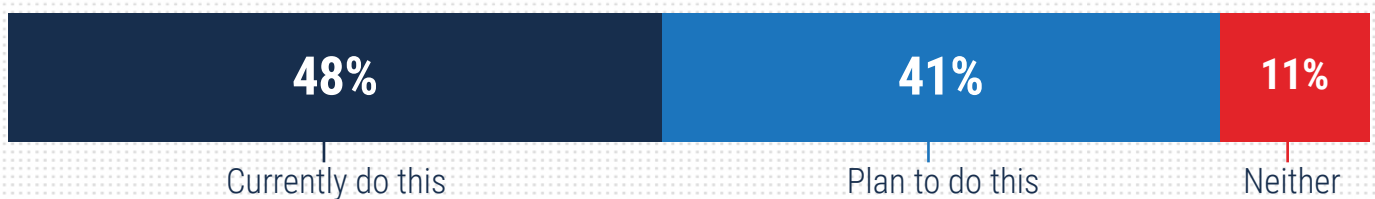
### Reviewing L&D programmes to ensure they are accessible for neurodiverse employees



### Providing training to managers to support neurodiverse employees



### Working with training organisations that offer training for neurodiverse employees

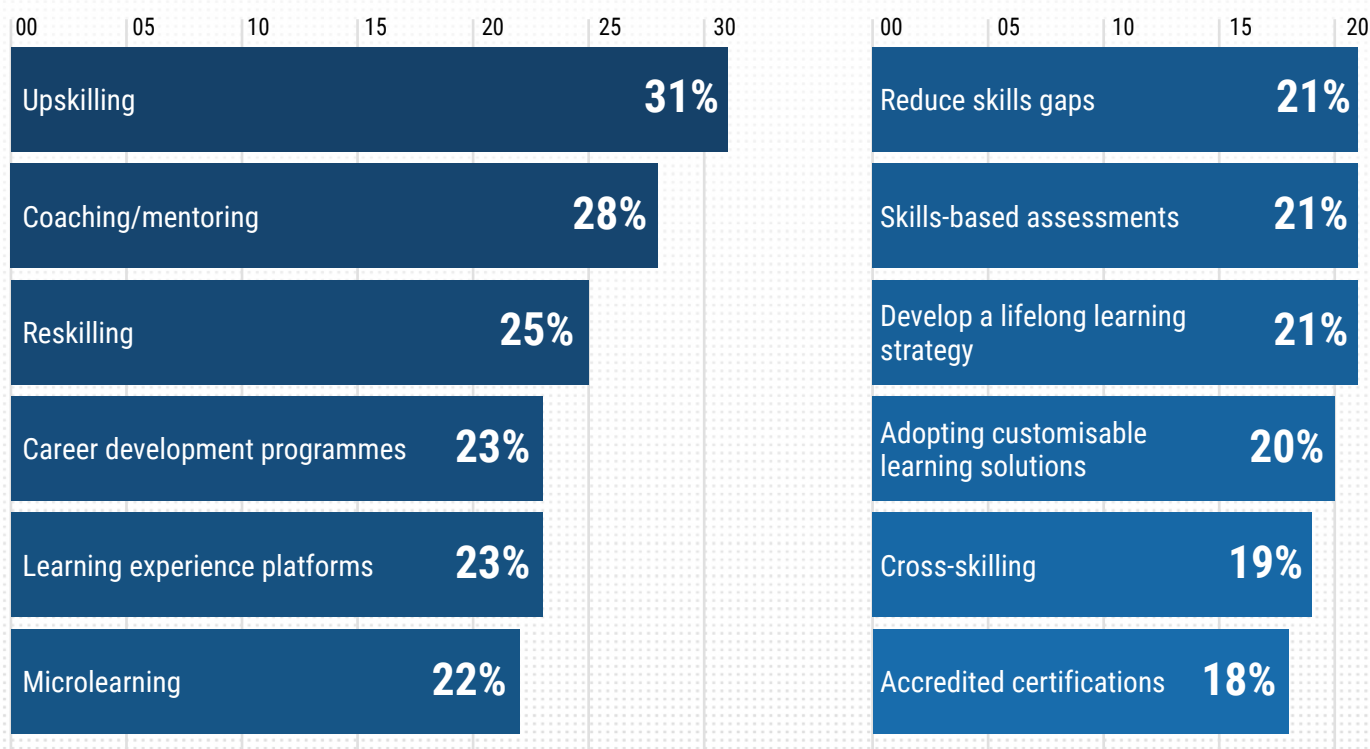


### Gain an understanding of how to support neurodiverse employees



# How will organisations use L&D to build the skills they need?

How will organisations use L&D to build the skills they need in 2024?



**Unchanged from last year, upskilling remains the number-one way for organisations to build the skills they need.**

Proven to be one of the most efficient and cost-effective methods of accessing specialised skills, upskilling also helps engage and retain ambitious employees for longer by promoting them to more specialised roles, while attracting high-quality talent that wants to progress in their role.

Coaching/mentoring has climbed from third place in 2023 to second place in 2024, reflecting the value that organisations are seeing from providing direct, one-on-one support to encourage development.

And most interestingly, reskilling has climbed from near the bottom of the list at number nine in 2023 to number three this year. This directly mirrors the impact of the talent shortage and the skills gap and the value that organisations are seeing in reskilling their existing employees.

In addition, reskilling helps organisations retain valuable internal knowledge and provides opportunities for employees to develop their careers and learn new skills, at a time when roles are evolving due to technological advancements.



## Approaches to L&D

In 2024, what approach is your organisation taking to deliver L&D?

**43%**

We're looking to combine a variety of delivery methods (e-learning, blended, classroom and virtual)

**4%**

We're investing in instructor-led online learning only (virtual)

**25%**

We're investing in face-to-face instructor-led training only (classroom)

**18%**

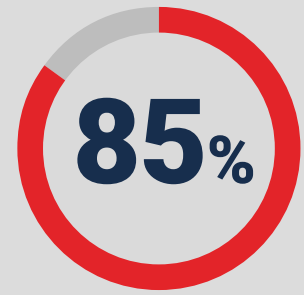
We're investing in self-paced online learning only (e-learning)

Organisations plan to focus on building more personalised L&D programmes in 2024 that meet the needs of all employees, including the unique and specific ways they learn best. That's why we're seeing one in ten organisations planning to combine a variety of delivery methods again this year.

However, we're seeing a significant shift in organisations that plan to invest in face-to-face instructor-led training only. In 2023, 16% of organisations said they planned on investing in classroom training. However, this has more than doubled to 38% in 2024.

In previous years, the COVID-19 pandemic pushed learning from the classroom into the virtual space, as remote working requirements were put into place. However, as employees are making their return to the office or are working in a hybrid manner, we're seeing an increase in classroom-based training, most likely due to this delivery method becoming a more available option again.

**“One in ten organisations are planning to combine a variety of delivery methods again this year.”**



**85%** of organisations agree that their strategy is to adopt a combination of skill development and accredited training in support of lifelong learning





---

# What's the best way to develop skills?

**ILX Group have been delivering value for corporate and consumer customers worldwide for over 30 years.**

We have a proven track record of delivering quality and effective consulting and training solutions for organisations of all sizes and across many different industries.

If you'd like to explore this research further, including its relevance to the challenges you face as an individual or organisation in 2024, then please get in touch using the button below:

**SPEAK TO THE ILX TEAM**

We can also offer bespoke benchmarking assessments that analyse your team's capabilities and your organisational maturity for your projects, programmes and portfolios.

**GET YOUR FREE BENCHMARK ASSESSMENT**



01270 611600



**Our full breadth of accredited certifications and non-accredited training solutions will cater for all learning styles. We offer a mix of e-learning, classroom, in-house, virtual, and blended learning, which are scalable and customisable to suit an organisation's specific objectives and its global or local market needs.**

The research was conducted by Censurwide, with 250 respondents responsible for L&D, including L&D professionals, HR professionals and business professionals, within companies with 500+ employees in the UK between 22.11.2023 – 04.12.2023. Censurwide abide by and employ members of the Market Research Society which is based on the ESOMAR principles.