

**blue eskimo**

**L&D Barometer**

**2023**

**Q3**

**July to Sept 2023**



# Introduction



Welcome to the third edition of The Blue Eskimo L&D Barometer for Q3 2023. As the leading recruiter in L&D we are always being asked “what is it like out there?” so with the L&D Barometer we aim to answer that question and provide a snapshot every quarter that shows the health of the industry along with current insights and trends.

The L&D barometer measures change over time, and we will benchmark each quarter. Alongside our annual Workplace and Salary survey, the L&D Barometer is designed to highlight the relevant and insightful hiring trends that are happening in L&D right now - we hope you enjoy it.

# 1. What's it like out there?

## In a word, uncertain.

In the L&D sector the continuing pattern of a reduction in L&D vacancies is reflected in some recent research by Fosway Group, which found that L&D budgets are feeling the biggest pinch since their survey began in 2016. In addition, compared with last year the number of L&D teams who expect to see their overall budgets decrease has risen from 8% to 22%. There has been an overall slowdown in recruitment with a recent survey by Totaljobs showing that job postings relating to HR/L&D disciplines are down 32% year on year.

Despite the slowdown in vacancies there are still areas particularly within technology and development where recruitment remains very competitive and companies continue to have to work hard on their employer brand to stand out and attract the best talent.

According to the Bank of England Q3 report the easing in recruitment was still concentrated at the lower end of the skills range, but there were signs that it is becoming more general. Some contacts said that retention had improved as staff seemed more reluctant to leave jobs because they were worried about being 'last in, first out'. However, recruitment remains very difficult for businesses in sectors with persistent skill shortages, such as IT, engineering and finance.



The rise in salaries post Covid has slowed, particularly in the higher income brackets as businesses grapple with higher interest rates and an uncertain future. The Bank of England reports that demand for recruitment services has reduced in recent months, in line with the reduction in businesses' employment intentions. The outlook for growth in business services continued to weaken. More contacts reported that the pipeline of activity was lower than in the first half of this year, which was making it more difficult for them to increase fees. Higher funding costs meant many businesses were becoming less willing to spend on services.

### Other trends in the wider environment have also gained pace during Q3:

- There has been a move towards more formal hybrid working and a move away from fully remote work - with many companies actively encouraging more time in the office in an attempt to bolster team morale and improve productivity.
- The need for improved employee wellbeing is at the fore. According to a CIPD report employee absenteeism hit a 10 year high at the end of September as the long-term impact of Covid on mental and physical health becomes apparent.
- There is a move to skills-based hiring. In a competitive market where value is key, hiring is an area where companies really need to get it right first time, especially when facing rising costs.
- AI continues apace and seems to offer both opportunity around potential for employee engagement and retention, but also poses the threat of automation of some jobs.
- Rishi Sunak hit the headlines with his apparent U-turn or at least softening on Net Zero, however this remains a concern for many companies as they strive to become more sustainable.



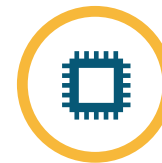
Companies focusing on wellbeing



Hybrid working on the rise



Skills based hiring on the rise



AI use increased to promote employee engagement



UK to reach net zero by 2050

# At Blue Eskimo, during the **third quarter** of 2023 we experienced:



## A more cautious approach to hiring decisions.

Continued uncertainty in the market continues to manifest itself in a more cautious approach to hiring decisions. Thus far 2023 represents somewhat of a contrast to 2022, when there was a distinct sense of urgency and speed to hiring decisions.

# -15%

A large red '-15%' with a small downward-pointing arrow icon below the percentage sign, indicating a decrease.

## A 15% decrease in new vacancies

The barometer only measures new vacancies i.e. those that are posted within any quarter. We don't include unfilled vacancies from previous quarters and put them in this number. Permanent vacancies in Q3 declined by 15% in comparison to Q2 and as a whole 2023 is looking more like a return to 'normal' pre-pandemic levels, as the vacancy rates in 2022 were much higher than average.



## Demand for Learning Content Development design and Learning Technologies vacancies reversed.

The demand for digital learning designers and content developers has reversed this quarter, although this can be attributed partly to seasonal considerations.

## 2. The Barometer

The Barometer is based on the increase/decrease in vacancies combined with increase/decrease in applications and combined with our own insights. It is designed to show a 'health check' on the industry as a whole.



Current state:

# Fair/Moderate

### The current market for our new vacancies within L&D is **moderate**.

When taken in the context of the full years of 2021 and 2022, it is no surprise that supply of new Learning and Development roles has slowed - and this is reflected in our Q3 representative data.

We have experienced an overall drop in vacancies of 15% in Q3 compared to Q2 with the biggest month on month drops being during the seasonal dip of the summer months of July and August. The summer months have traditionally been quieter periods for talent acquisition and although 2021 and 2022 reversed this trend, it is no surprise that the summer months of 2023 have been comparatively more muted.

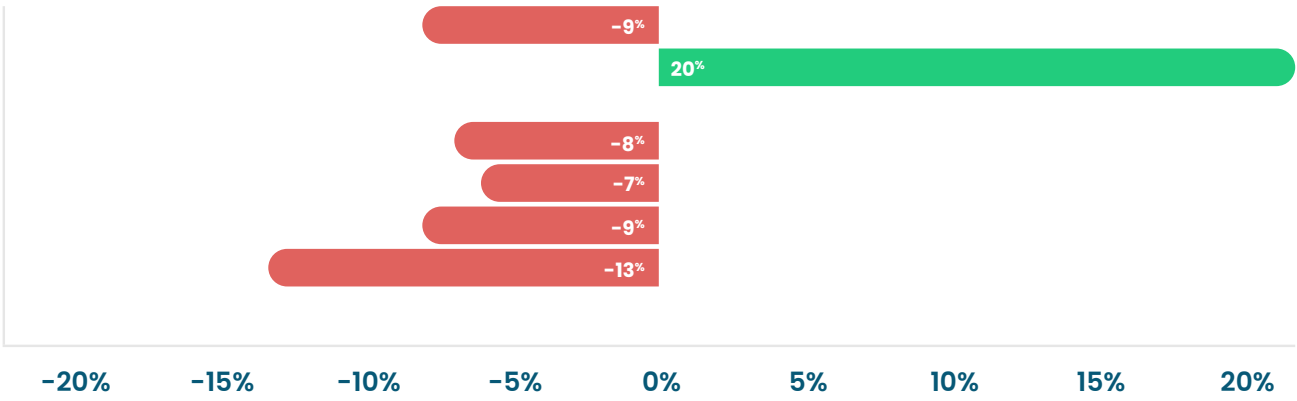
The wider macro-economic conditions continue to effect project investment, resulting in the stalling of hiring decisions and occasional postponements. Learning and Development and related positions are often linked to transformational change programmes and the slow down for such commitments can be seen in the representative figures for Q3 2023.

# 4. Changes in Job Roles / Vacancies

By category

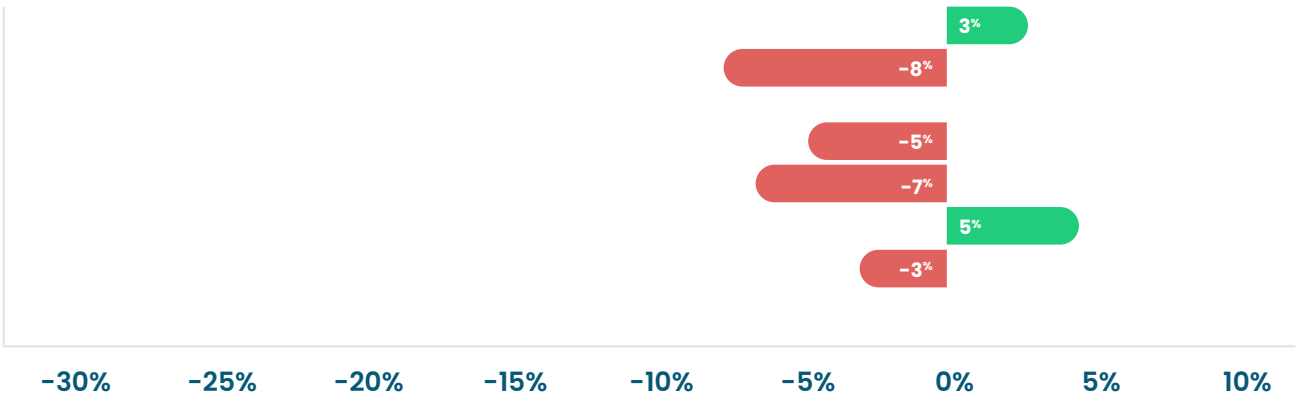
Q2

- L&D Consulting and Management
- Learning Content Dev Design and Learning technologies
- Learning Delivery
- Project/Product Mgmt
- Sales And Marketing
- Senior



Q3

- L&D Consulting and Management
- Learning Content Dev Design and Learning technologies
- Learning Delivery
- Project/Product Mgmt
- Sales And Marketing
- Senior



## 4. Changes in Job Roles / Vacancies



### Insight

**When we break job roles down by category, we can clearly see how the overall -15% downturn in new vacancies created is comprised. Unlike last quarter (Q2) the decline is made up in smaller decreases in all categories - with the exception of Sales and Marketing orientated positions which saw an increase of 5%. This can be explained by the consistent and sustained demand for roles which affect revenue generation. More than ever, in a challenging market L&D vendors need people with strong skills and experience in these areas.**

We also see an increase of L&D Management and Consulting roles. Typically these roles have started to materialise toward the end of the

summer period, a trend seen in many previous years. Most likely this is primarily due to natural attrition and planning for hires to be in place before the end of the year.

Redundancy levels continue to be higher than in 2022 but when compared with data as far back as 2019 and 2018, again they are more closely in line with 'normal' trading conditions.

Whilst the overall picture suggests a slowing of demand, we have seen decreases in proactive candidate jobhunting which suggests that wider economic considerations are creating a more cautious approach to the market from both hiring organisations and candidates alike.



# Conclusion

**The demand for digital learning designers and content developers has reversed this quarter, although this can be attributed partly to seasonal considerations, however continued uncertainty in the market continues to manifest itself in a more cautious approach to hiring decisions across L&D.**

After the significant increases in L&D salaries in 2022, wages appear to be holding firm in 2023, although there was a 5% drop in roles paying above £70,000. The L&D related redundancies seen in Q1 have levelled off in Q3, but anecdotal evidence suggests

that continued pressures on cost-cutting projects could result in higher levels of redundancies in the future.

So far this year (January to September) about 50% of all new vacancies have offered a salary between £45,000 and £55,000, in line with 2022 - with just 11% of roles offering salaries in excess of £70K per annum.

Overall, the current situation in L&D mirrors the wider economic slowdown however there is still demand within the sector - particularly for highly skilled and experienced candidates. We expect demand for revenue generating roles in sales and marketing to continue to grow.



# References



<https://blog.ons.gov.uk/2020/10/14/prosperity-postponed-how-businesses-have-cut-investment-through-the-pandemic/>

<https://www.bankofengland.co.uk/agents-summary/2023/2023-q3>

<https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/economic-conditions-outlook-2023>

<https://www.mckinsey.com/industries/private-equity-and-principal-investors/our-insights/hybrid-work-urban-ecosystems-and-the-future-of-real-estate>

<https://www2.deloitte.com/us/en/insights/industry/technology/tech-talent-gap-and-skills-shortage-make-recruitment-difficult.html>

<https://www2.deloitte.com/us/en/insights/industry/public-sector/strategic-workforce-development-ecosystem.html>

<https://www2.deloitte.com/us/en/insights/topics/talent/workplace-well-being-research.html>

[The Blue Eskimo Workplace and Salary Survey 2022/23](#)

<https://www.businessinsider.com/employees-back-to-the-office-what-the-data-really-says-2023-9?r=US&IR=T>

<https://www.theguardian.com/money/2023/sep/26/number-of-workers-taking-sick-leave-hits-10-year-high>

<https://www.fosway.com/>

<https://www.gov.uk/government/speeches/pm-speech-on-net-zero-20-september-2023>