

blue eskimo

2023

Q2

April to June 2023



Introduction



Welcome to the second edition of The Blue Eskimo L&D Barometer for Q2 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 will measure 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 trends that are happening in L&D right now and we hope you enjoy it.

1. What's it like out there?

What is it like out there - in a word, cautious.

Recent interest rates have put additional pressure on businesses and we are seeing a reassessment of finances. As the era of cheap lending seems to be firmly coming to a close, businesses are prioritising the projects they need to spend on now, and assessing which can wait or scale at a slower pace. The pandemic forced a boom in investment in digital which benefitted L&D greatly, but was sometimes to the detriment of other areas like capital and transport, and equipment. However, many of these fast-tracked digital projects are now finished or coming to a close. When we compare

this quarter to previous quarters in during the pandemic the slowdown can appear stark, but what we are actually seeing is a readjustment to business as normal.

This is borne out by the bank of England report on business services for Q2 which surveys 700 UK business Recruitment contacts reported fairly flat volume levels though higher salary levels supported revenue growth. Companies said recruitment is still more difficult than normal for less-skilled positions and it remains particularly tough for specific skills (IT, engineering and finance). Vacancies have continued to fall back from a high level given improved worker availability and higher retention levels. Labour shortages continued to constrain output in some firms



At Blue Eskimo during this second quarter of 2023, we have experienced:

32% 

A significant (32%) increase in the volume of new flexible “contract” opportunities created.

This could in part be attributed to the previous quarter’s downturn in permanent hiring within ‘digital learning, content development and learning technologies’ segment and a more cautious approach by businesses overall.

Typically contracting roles are relatively short term, tactical in nature and often support ongoing projects (e.g. content development, platform implementation) with immediately available resource. This factor was referenced in our Q1 barometer and is borne out in the numbers reported for Q2.

Contracting and the supply of flexible resource is also desirable when projects require support for fixed periods or specific deliverables. Some factors such as the introduction of IR35 regulatory change in the private sector (April 2021) have had a bearing on the type and nature of such engagements.

-13% 

A 13% decrease in new vacancies

We measure current vacancies only, those that are posted within any quarter we don’t ‘hold on’ to unfilled vacancies from previous quarters and put them in this number. Typically our vacancies fill quickly anyway, but it is important to know that this figure does not include historic vacancies.

20% 

Demand for Learning Content Development design and Learning Technologies still strong, up 20%

Against a background of small decreases in vacancies across categories, the exception is Learning Content Development Design and Learning Technologies, which has seen an increase of approximately 20%.

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 and is designed to show a 'health check' on the industry as a whole.



Current state:

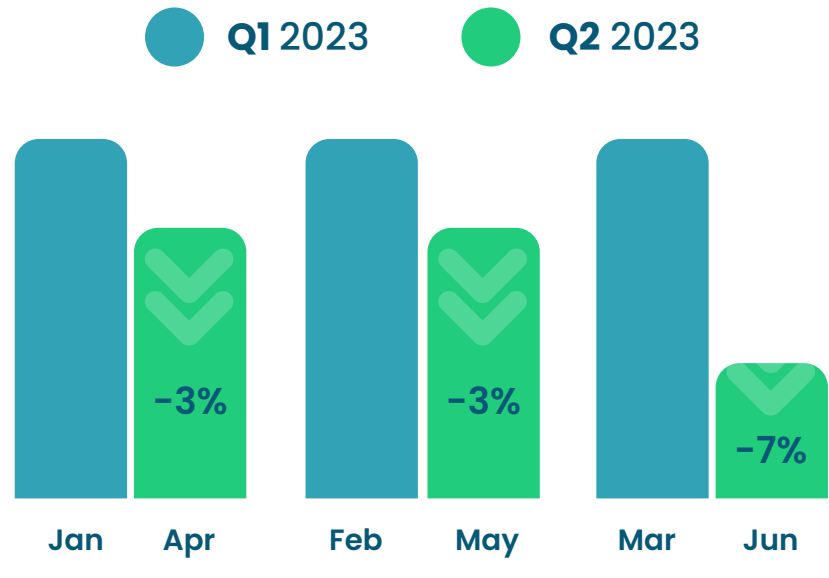
Fair/Moderate



Insight

The current market for our new vacancies within L&D is moderate. The wider macroeconomic conditions, specifically interest rate rises affecting investment decisions and the drive to manage costs, has started to adversely affect demand. This reduction has to be taken in the context of 2022 and the surge in new job openings created in that period. The effect on prospective candidates is also being felt, as many of those in employment value stability over the risk of taking on a new role at this point in time. This combined with a reduction in new digital and other transformation projects that require skilled professionals, means that demand in 2023 so far remains muted.

3. Comparison Data



-13% Overall 13% Decrease in Vacancies



Insight

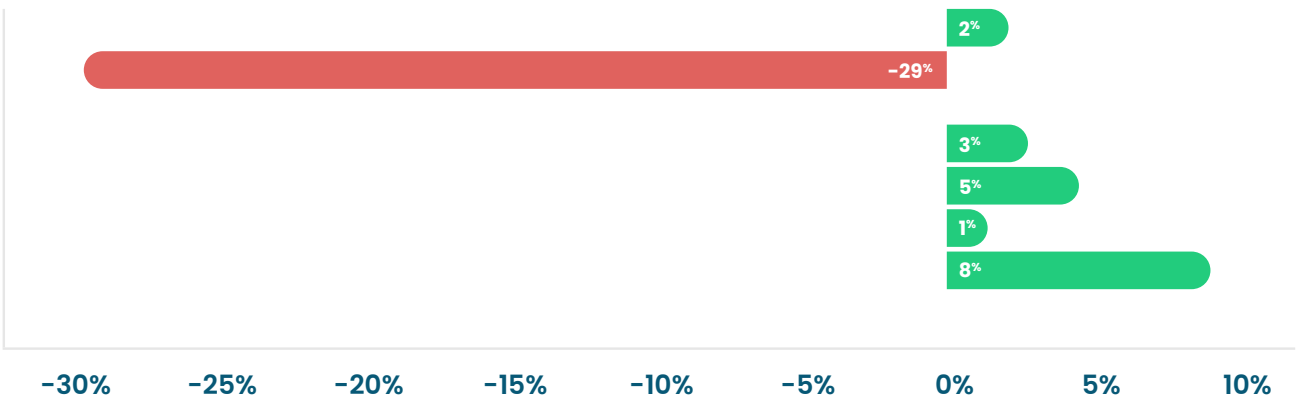
A 13% decrease in new vacancies. As noted earlier measure current vacancies only so those that are posted within any quarter we don't 'hold on' to unfilled vacancies from previous quarters and put them in this number. This decrease is made up of small decreases in vacancies in all roles with the exception of Learning design and development roles which are actually up 20%. We saw the biggest month on month fall in vacancies in June compared to March -7% but part of this is due to theseasonal slowdown as we come into the quieter summer period.

4. Changes in Job Roles / Vacancies

By category

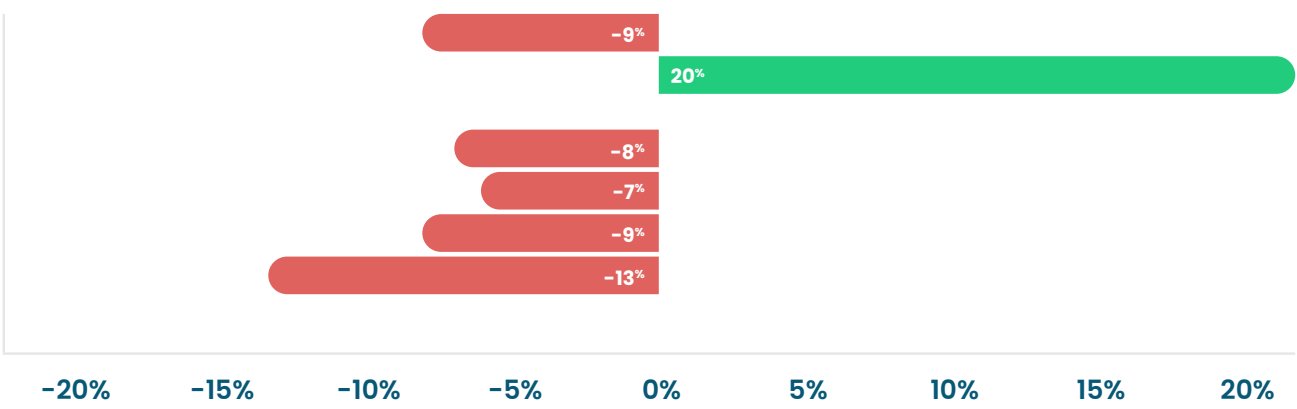
Q1

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



Q2

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

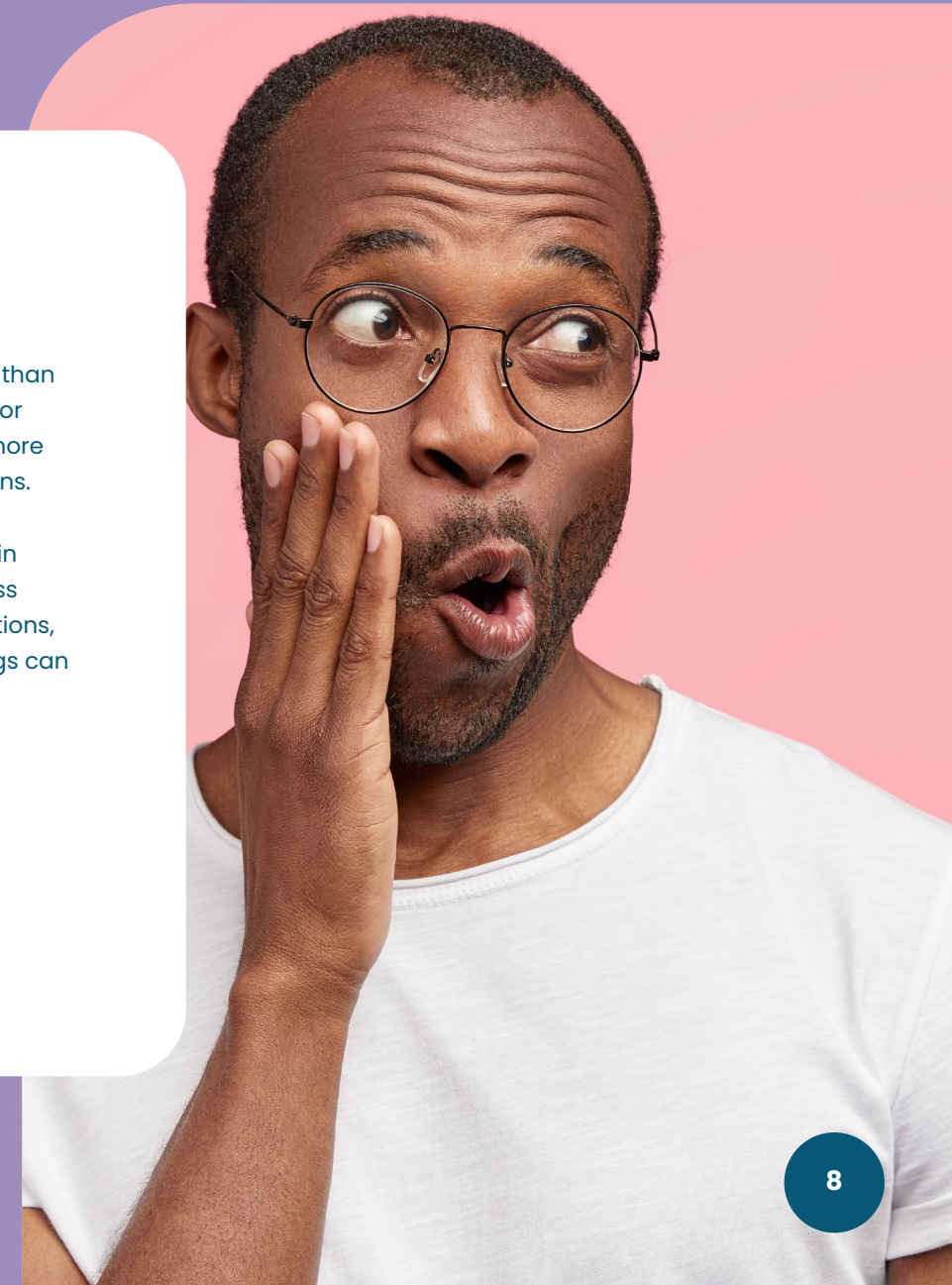


4. Changes in Job Roles /Vacancies

Insight

When we break job roles down by category, we can clearly see how the overall -13% downturn in new vacancies created is made up. Unlike last quarter the decline is made up in smaller decreases in all categories with the exception of Learning Content Development Design and Learning Technologies, which has seen an increase of approximately 20%. However this was against a decrease in this role in Q1 of -29% so it could be that the steep drop in this category last quarter may have been an immediate reaction to projects being slowed or cancelled at the turn of the year and the increase in Q2 seen as projects start to tentatively come back on stream.

The gains in other roles we saw in Q1 have slowed and redundancy levels are higher than in 2022 but when compared with data as far back as 2019 and 2018, they are perhaps more closely in line with normal trading conditions. New roles that have a direct impact on revenue generation or project outcomes (in all disciplines) are more consistent and less subject to variability than contributor positions, or roles in larger teams where cost savings can affect hiring decisions.



Conclusion

The demand for digital learning designers and content developers has bounced back. However, vacancy volumes remain significantly lower than throughout 2022.

There is an element of uncertainty in the market, resulting in an increase in companies offering jobs to people and then putting them on hold, leaving candidates in difficult positions. Following the marked increase in L&D related redundancies that we saw in Q1, we have seen a levelling off in Q2 – but this still representing higher levels than in 2022. After the big 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. So far this year (January-June) about 50% of all new vacancies have offered a salary between £45,000 and £55,000, in line with 2022.

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-q2>

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

