

blue eskimo

2023
Q1

January to March 2023



Introduction



Welcome to the first edition of The Blue Eskimo L&D Barometer. 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?

With the UK economy narrowly avoiding recession last quarter the most recent OPR forecast is that the UK economy will now avoid recession in 2023, although it is still predicted to contract by 0.6%. Traditionally, learning and development gets cut during an economic slowdown.

Will that happen this year or is L&D in a better position than perhaps it has been in the past?

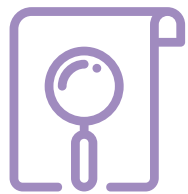
In the wider employment market, unemployment figures across Europe remain at historically low levels, although there are early warning signs that the number of vacancies is slowing down, and this is something we have recorded in our own data. However, L&D is still very much a growth sector with the current slowdown coming after accelerated growth during the pandemic which is now readjusting to previous levels.

We recently contributed to a panel discussing The Economy and Learning & Development in 2023.

<https://learningnews.com/news/learning-news/2023/the-economy-and-learning-and-development>



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



A significant increase in candidates 'actively looking' for their next role

Not surprisingly this is coinciding with an upturn in redundancies, which is particularly marked within the larger learning technology vendors but is also noticeable within the 'Corporate' arena, as more companies are reducing their internal L&D headcount...



... however, the L&D jobs market is still healthy

so the majority of people are securing new roles relatively quickly, within a few weeks and not months.



A shift in candidate salary expectations

These are becoming more modest in line with economic conditions, with more people now happy to match their current salaries, even if they are still in employment. Over the last year a significant majority of candidates moving have been seeking and have achieved pay rises, as highlighted in our most recent Workplace and Salary Survey

2. The Barometer

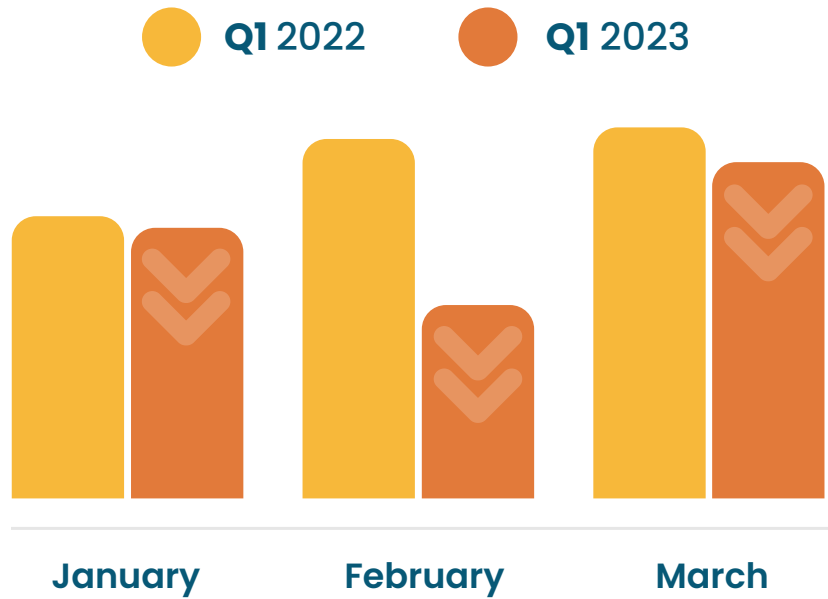
The Barometer is based on the increase/decrease in vacancies combined with increase/decrease in applications and combined with our own insights and is designed to show a 'health check' on the industry as a whole.




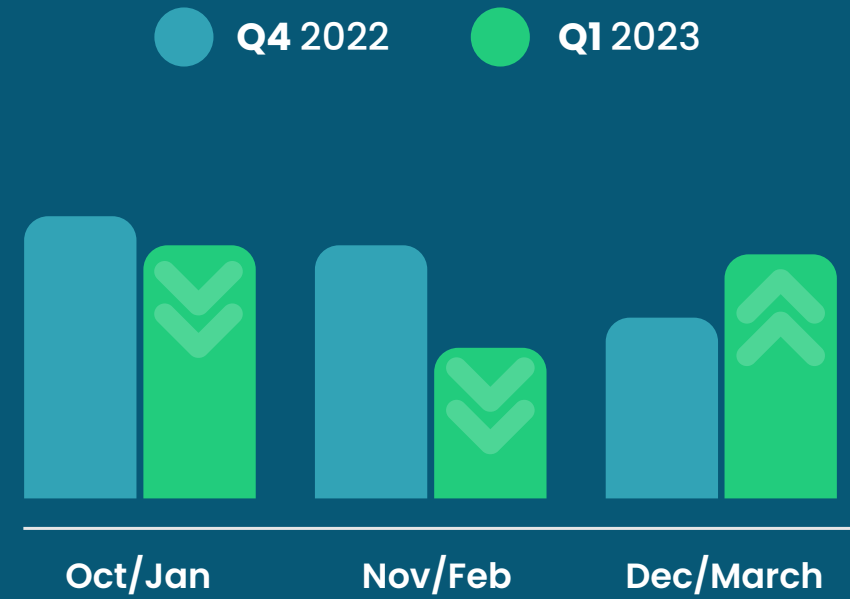
Insight

The current state of the market for L&D is good. We have seen a slowdown in vacancies and an increase in the level of redundancies, but this has been somewhat offset by continued growth within the Digital Learning and Technology market and we find that candidates are finding new roles quickly as demand is still strong within the market. Overall economic slowdown will of course effect L&D but it remains a growth sector and faring relatively well so far in 2023.

3. Comparison Data



21% Overall 21% Decrease in Vacancies 



10% Overall 10% Decrease in Vacancies 

3. Comparison Data

Insight

The slowdown in vacancies is most apparent when we compare year on year data, looking at Q1 2023 compared to Q1 2022 we can see an overall decrease of 21% in vacancies.

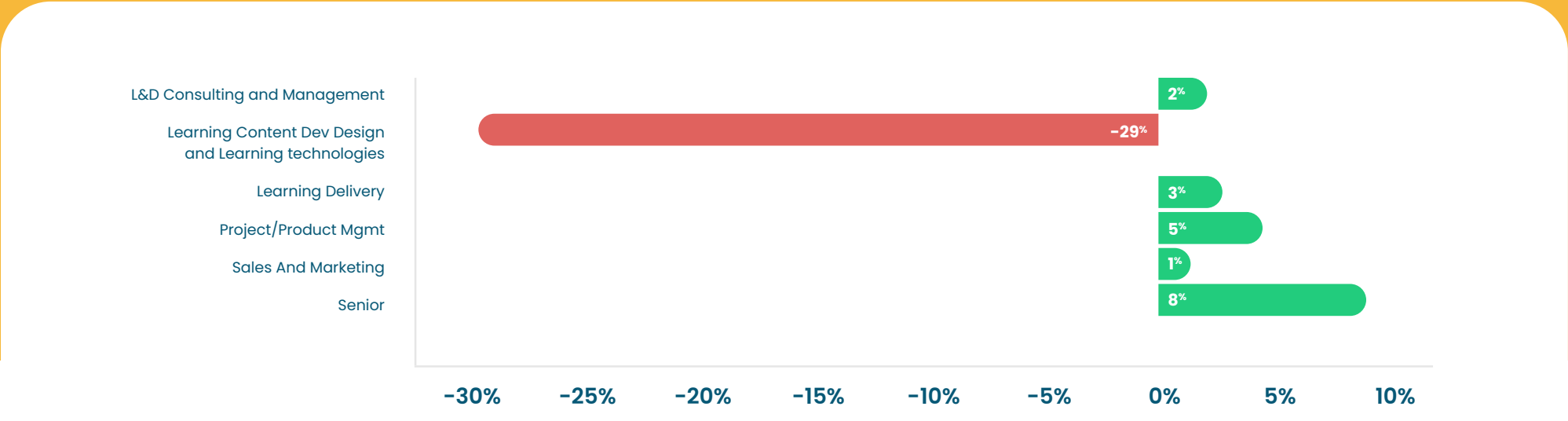
Whilst this is a significant drop it represents more of a return to the pre-pandemic levels, compared to the last two years where we have experienced record-breaking volumes of vacancies.

We also expect that as in previous downturns demand for the type of vacancies coming through will change with a shift towards contract and flexible roles. As budgets and permanent headcount decrease people tend to look for more agility when hiring for new roles.

When we compare quarter on quarter data looking at Q1 2023 compared to Q4 2022 the difference in the level of vacancies is not so marked with an overall drop of 10% and this is not evenly spread month by month. We did see a sharp drop in February of this year compared to November of last year, but we can see the level of vacancies in March rise again and go above the comparison month of December last year, which is a positive way to end this quarter and shows a healthier position going into Q2.

4. Changes in Job Roles /Vacancies

By category



Insight

When we break vacancies into job role categories we can clearly see how the overall -10% downturn is made up and it changes the narrative. Rather than an overall downturn in L&D we can now see that the downturn is predominantly in Learning Content, Development Design and Learning Technology roles and that other areas have actually grown. In particular we have seen growth in Project Management and more senior leadership roles. As we do go into a downturn companies are seeking to get more value from L&D for the business and also require strong leadership to navigate a more challenging economic environment which may explain the growth in senior leadership/PM roles. The decline in

Learning Content, Development Design and Learning Technologies is partly as a readjustment following boom level of hiring during the pandemic, in fact the wider "tech crunch" is partly a result of the pandemic "tech boom" and over hiring. We have also seen a slight increase in redundancy levels particularly amongst large Learning Technology vendors and we are seeing generally a more cautious hiring approach in the market.

Conclusion

As we go into an economic slowdown L&D, like other disciplines, is experiencing an increase in redundancies and a reduction in vacancies. However, the impact has been less in L&D than many other areas so far, as it remains a growth sector and the current contraction is more of a readjustment after unprecedented growth during the pandemic years.

As we reach the end of Q1 we can see vacancies start to grow again and we are finishing the first quarter of 2023 in a more positive and stable

position than we were at the start of the year. We predict that a more cautious approach to hiring will continue as firms navigate the changing economic environment, but that demand will remain relatively healthy.

After the huge scaling up in the last two years we are seeing that the L&D market is now returning to a slower rate of growth and a period of more maturity. Many businesses are requiring structural changes following the focus on growth over the last two years and therefore senior leaders are expecting L&D to demonstrate increased efficiency and value.

References

[The Economy and Learning & Development in 2023.](#)
[The Blue Eskimo Workplace and Salary Survey 2022/23](#)
[Tech layoffs: The hefty price of overgrowing during the pandemic](#)

