

ASTD Learning Executives Confidence Index (LXCI)

Q4 2009 Report

Highlights

- The confidence of learning executives (LXs) stabilized in the fourth quarter of 2009, after rebounding earlier in the year.
- The overall LXCI for Q4 2009 was 60.2, essentially even with Q3 (60.7), demonstrating that collectively LXs expect their learning functions to remain the same over the next six months.
- Two of the four major indices (impact on corporate performance and status as a key strategic component) decreased slightly in Q4, while the other two (ability to meet learning needs and availability of resources) registered only minor increases. This pattern highlights that expectations are stabilizing after reaching their highest on record in Q3.
- Expectations for outsourcing on external services that aid in the learning function showed minor changes in Q4, with an increasing number of LXs foreseeing a continuation of the status quo or an increase in outsourcing.
- Nearly three-quarters of LXs anticipated WLP funding to increase or remain the same in the next six months, an increase from Q3.
- A majority of LXs who anticipated a decrease in their learning expenditures over the next six months predicted an improvement in their organization's WLP expenditure from Q3 2011 onwards.



Learning Executives Confidence Index

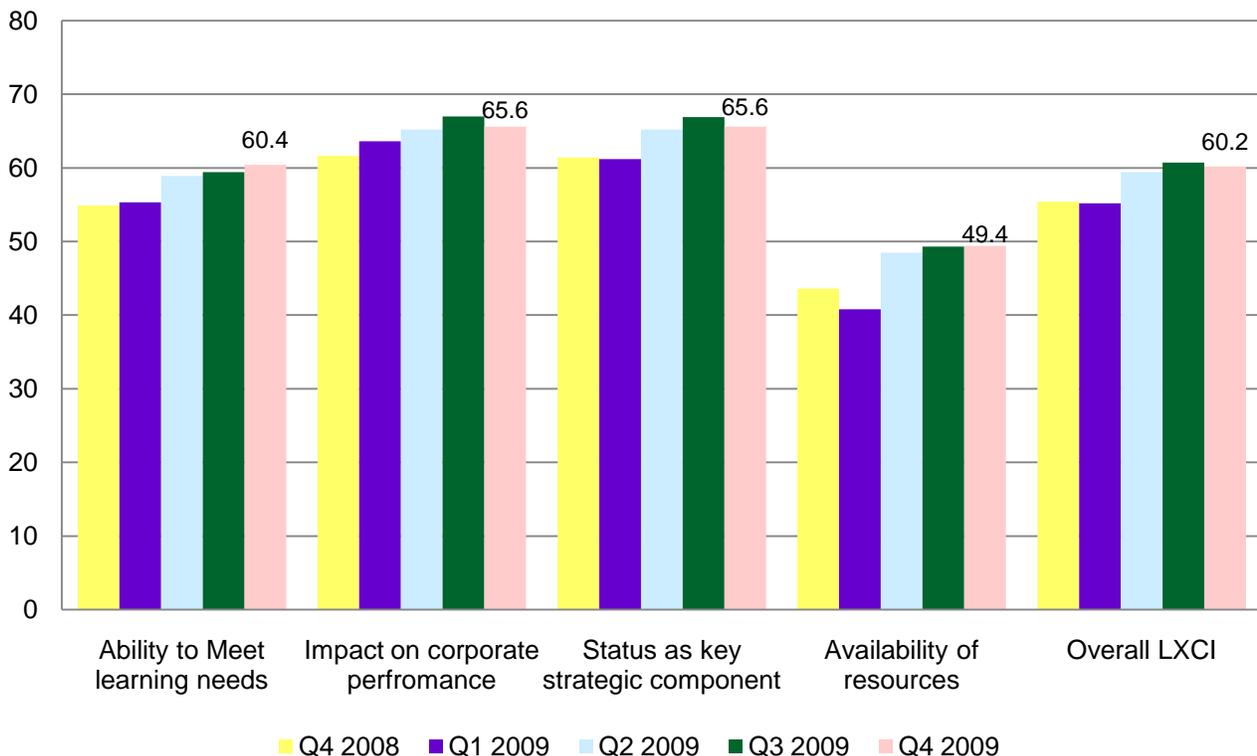
Q4 2009

01/14/2010

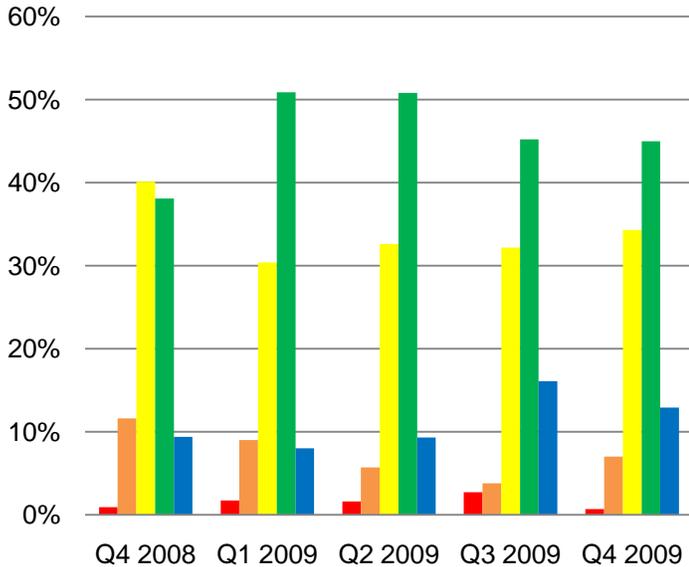
Learning executives (LXs) revealed plateauing scores in key indices in the fourth quarter, suggesting a continued sense of optimism in most key areas. After the drops at the end of 2008, executive confidence began to stabilize in Q1 2009, with increases being seen across the board in Q2 and Q3. In the latest quarter, the positive outlook on the performance of the learning function stabilized after confidence levels reached their highest on record in Q3. The overall Learning Executives Confidence Index (LXCI) decreased only 0.5 points in Q4, from 60.7 to 60.2. Outsourcing is anticipated to increase, with 25.1% of LXs reporting that their utilization of external providers would increase, compared to 24.2% in Q3 and 17.0% in Q2. The effects of the economy continue to be evident among LXs, as a significant majority indicates the current economic conditions will impact the learning function. Conversely, only a small proportion (9.9%) of LXs indicates it will have no impact on the learning function in the next six months.

The ASTD LXCI for Q4 2009 was 60.2, compared to 60.7 in Q3 2009, based on responses from 271 LXs to an online invitation-only survey, demonstrating that collectively LXs expect their learning functions to remain the same or marginally improve over the next six months. (For those unfamiliar with the LXCI, a detailed explanation appears at the end of this report). The outlook for LXs organizational performance improved in Q4 2009, with 87.5% reporting their industry will remain the same or improve over the next six months, up from 81.8% in Q3. LXs' also reported more confidence in their organizations' profit expectations, with 84.6% of LXs anticipating that their organizational profit will remain the same or improve, up from 77.3% in Q3.

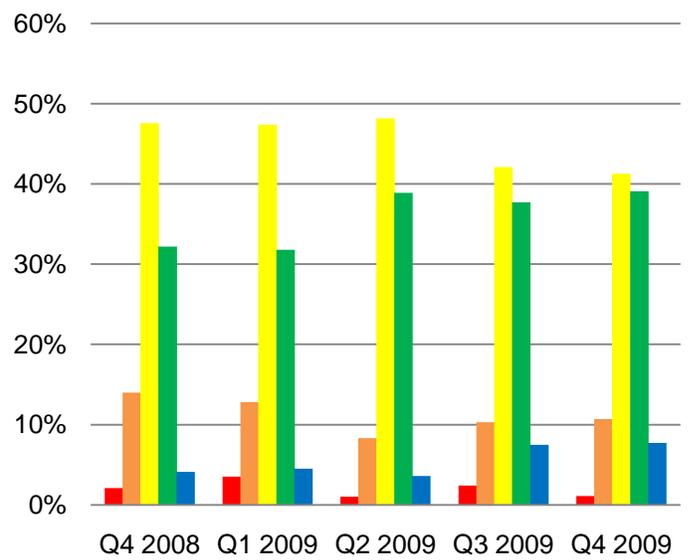
Learning Executive Expectations For Next Six Months



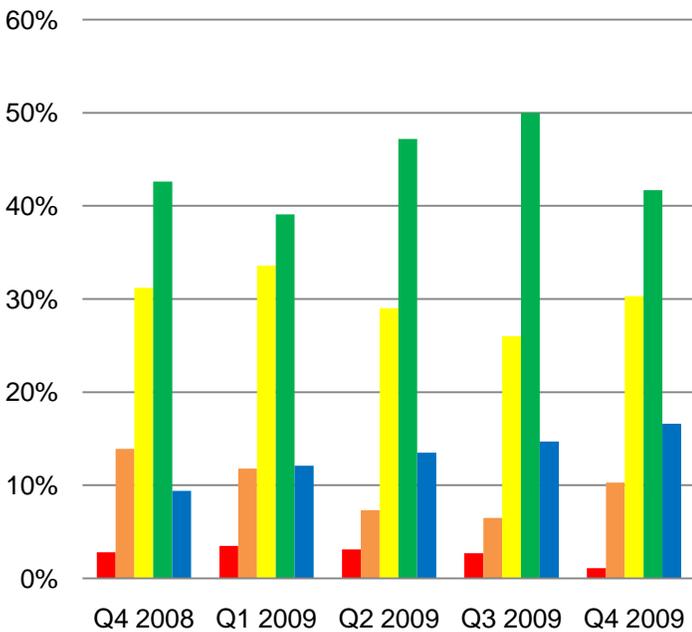
LX Expectations on Impact on Corporate Performance For Next Six Months



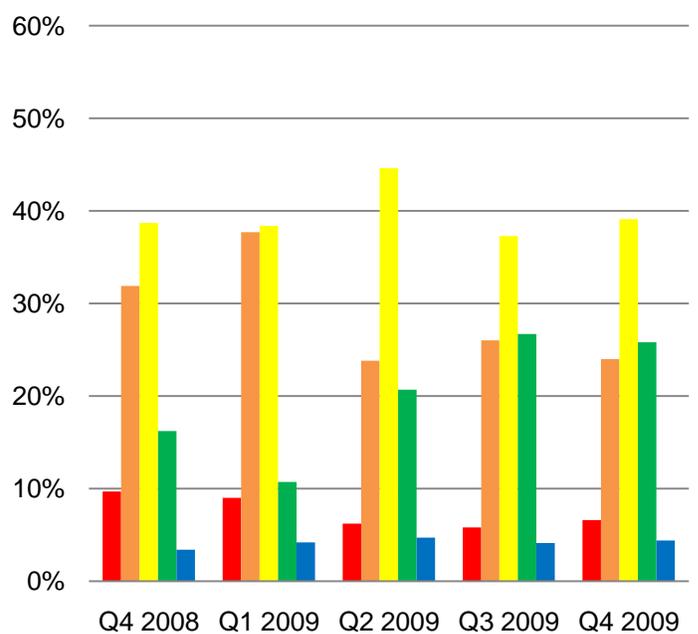
LX Expectations on Ability to Meet Learning Needs For Next Six Months



LX Expectations on Status as a Key Strategic Component Over the Next Six Months



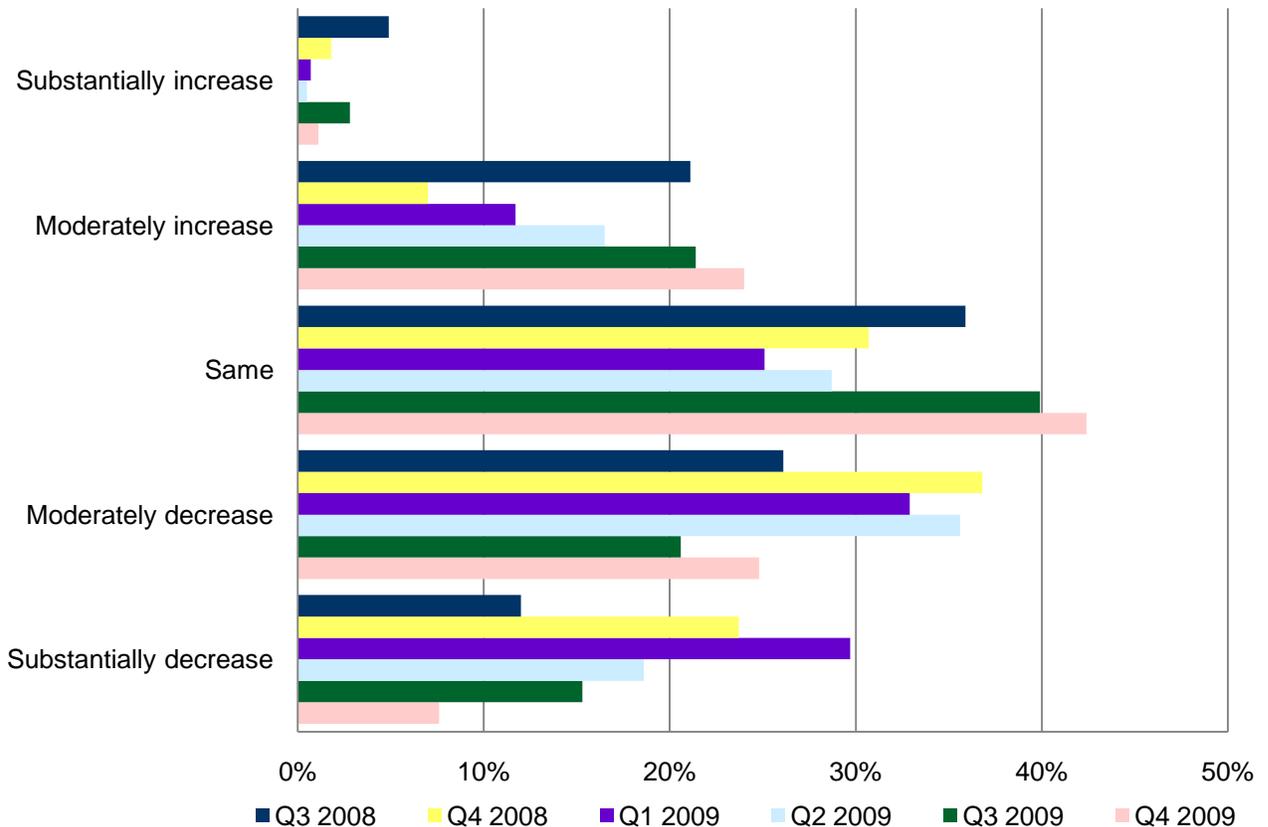
LX Expectations on Availability of Resources for Next Six Months



Learning Executives' Expectation of Outsourcing

Most LXs anticipate a similar amount of reliance on outsourced or external services to aid in the learning function compared to the previous quarter; however, an expectation of some increases was evident. In Q4, 42.4% of LXs expect a similar amount to be spent on outsourcing, a 2.5% increase from Q3. Slightly more LXs also anticipate greater financial support for the use of outsourcing or external services to aid the learning function. This was exemplified with 25.1% of LXs in Q4 expecting outsourcing expenditure to increase in the next six months, compared with 24.2% in Q3 and 17.0% in Q2. Conversely, a declining proportion of LXs foresee reductions in the amount of money being spent on outsourcing. In Q4 2009, it reached 32.4%, while at the beginning of the year the proportion was much larger at 62.6%. Outsourced or external services include such expenses as consultation services, content development, content and software licenses, and workshops and training programs delivered by external providers.

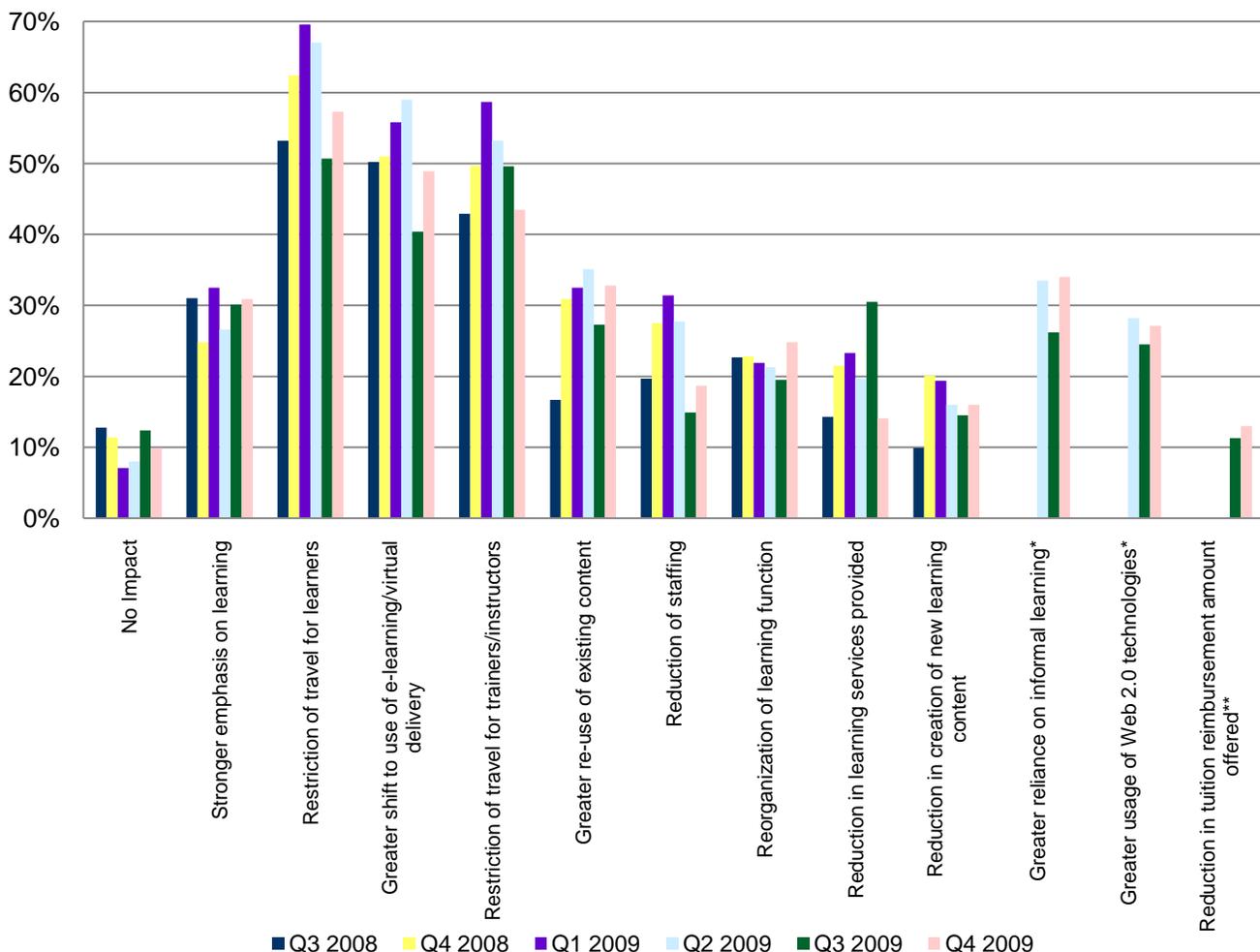
Outsourcing Expectations For Next Six Months



Learning Executives' Expectation of Impact of Economy on Learning

In Q4, approximately one in ten LXs reported that the current economic conditions will have no impact on the learning function in the next six months, a slight decrease from the previous quarter. A majority of LXs, 57.3%, foresee the current economic conditions leading to restrictions of travel for learners, a 6.6% increase from last quarter. However, in Q4, 43.5% of LXs thought restrictions of travel for trainers/instructors would be impacted, a 6.1% decrease from last quarter. More than three out of ten LXs foresee the current economic conditions leading to a stronger emphasis on learning in their organization, with 30.9% reporting a greater emphasis in Q4 2009. Additionally, 14.1% of LXs predicted a reduction in learning services provided due to the current economic conditions. This was a substantial reduction compared to Q3, where 30.5% of LXs forecasted reductions in learning services provided. Many responding organizations will also continue to rely on an increased usage of e-learning and virtual delivery (48.9%) as well as a greater reliance on informal learning (34.0%).

LX Expected Impact of Current Economy on Learning Function in Next Six Months



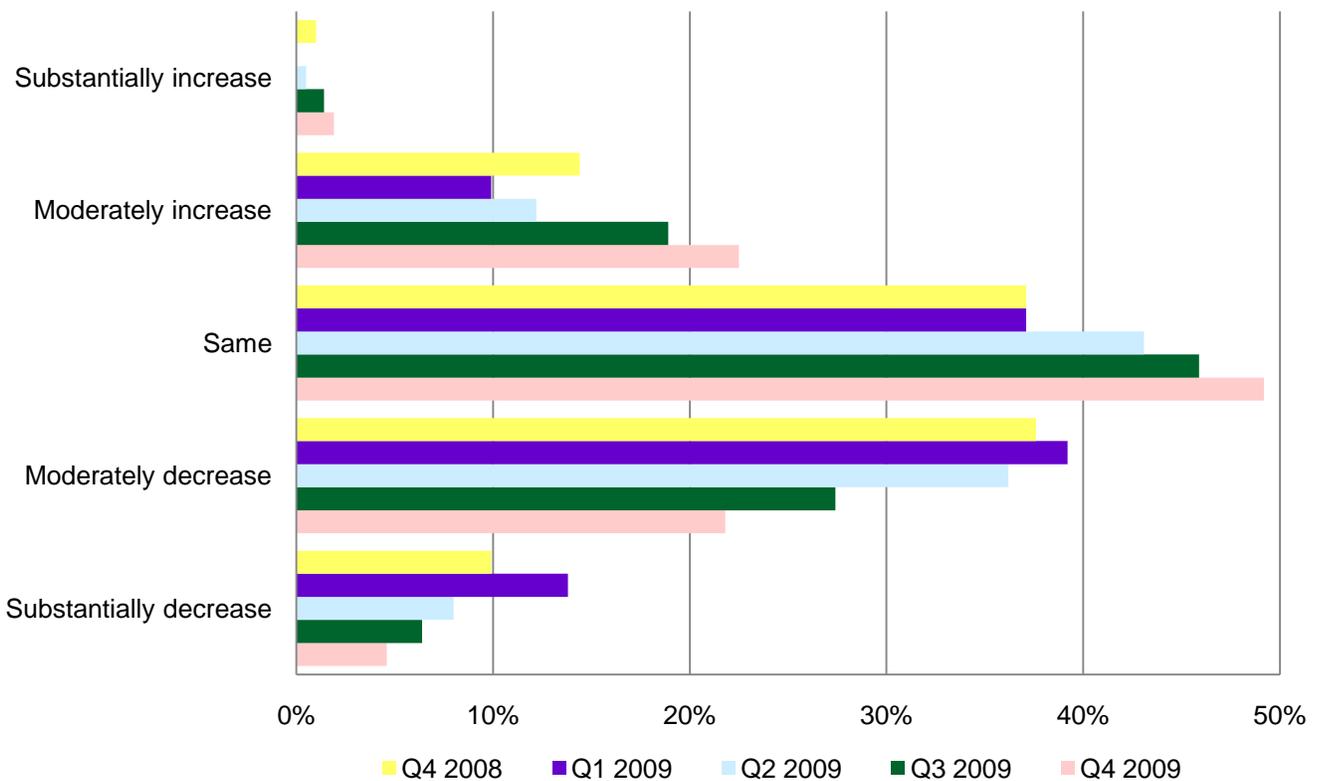
*Option not included until Q2 2009.

**Option not included until Q3 2009.

Expectations of Workplace Learning & Performance Expenditures

When asked about availability of funds for learning in the next six months, the most popular response from LXs was an expectation that WLP expenditures would stay the same in their organization (49.2%). The percentage of LXs who anticipated decreased funding fell from 33.8% in Q3 2009 to 26.4% in Q4. Conversely, slightly more LXs are expecting funding increases in Q4 (24.4%) than in Q3 (20.3%).

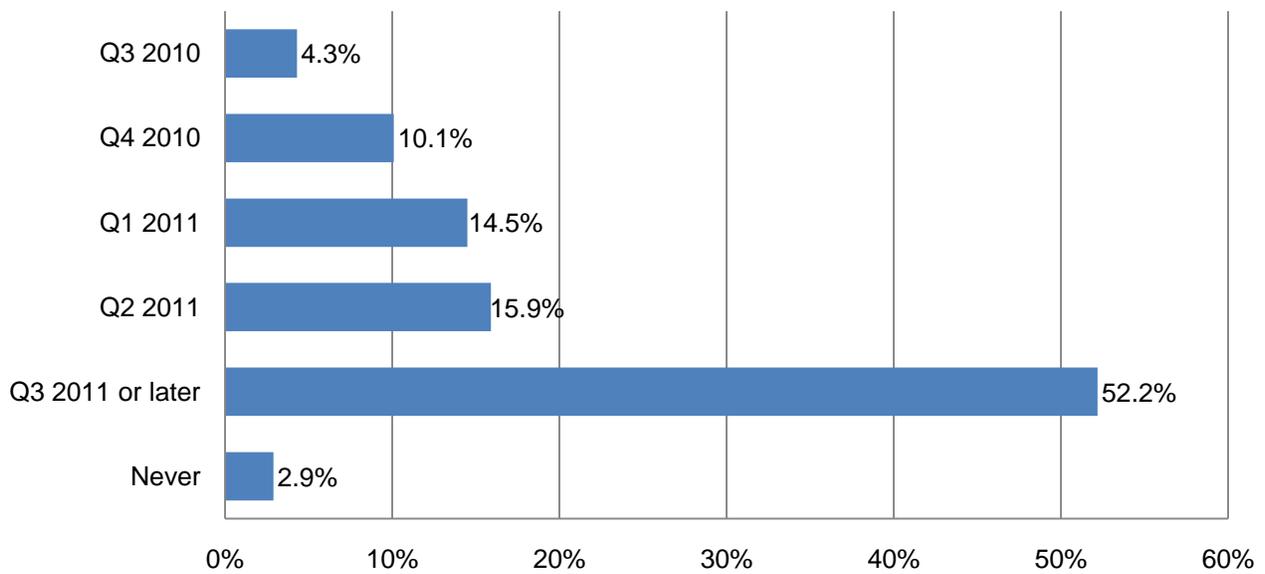
Expectations of Workplace Learning & Performance Expenditures over the Next 6 Months



**Potential Rebounding of Workplace Learning & Performance Expenditures
(Follow-up question for participants reporting current decreases)**

The 26% of LXs who expected a moderate to substantial decrease in workplace learning and performance expenditures were also asked when they thought their funding status would improve. The majority (52.2%) predicted that their learning expenditures will improve from Q3 2011 onwards.

When do you expect your organizational WLP expenditure to improve?





Learning Executives Confidence Index

Q4 2009

01/14/2010

What is the LXCI?

ASTD has created the ASTD Learning Executive Confidence Index (LXCI) to assess the outlooks and expectations of learning executives for the next six months on a 100-point scale, modeled on the CEO Confidence Indices reported by *Chief Executive Magazine* and The Conference Board. It provides a snapshot of LX confidence in the future and factors in expectations of their learning function's ability to meet learning needs and to impact corporate productivity, the status of learning as a key strategic component within their organization, and the availability of resources for learning. Those learning executives with lower scores (0 to 49 on the scale) anticipate that in six months those aspects of their learning functions to be moderately or substantially worse than they are today. Those with higher scores (51 to 100 on the scale) expect those aspects of their learning function to be moderately or substantially better. The LXCI has recently shifted from a monthly survey to a quarterly survey, to better encompass the trends of the current market. The quarterly *Learning Executive Confidence Index* is a composite score for all LXs included in the survey and reflects the expectations these senior executives have for learning over the next six months. Higher indices (above 50) reflect a more positive outlook and lower indices a more negative. The ASTD Learning Executive Confidence Index was launched in August 2008 and will be assessed and tracked on a quarterly basis to get a continual and evolving picture of how learning executives anticipate the near future for learning in their organizations.

For more information, visit www.astd.org/content/research.

About ASTD

ASTD (the American Society for Training & Development) is the world's largest professional association dedicated to the training and development field. In more than 100 countries, ASTD members work in organizations of all sizes, in the private and public sectors, as independent consultants, and as suppliers. Members connect locally in 133 U.S. chapters and with 30 international partners. ASTD started in 1943 and in recent years has widened the profession's focus to align learning and performance to organizational results, and is a sought-after voice on critical public policy issues. For more information, visit www.astd.org.