

# HIGHLIGHTS Q3 2010

- The confidence of learning executives (LXs) stabilized in the third quarter of 2010, after reaching its highest value on record last quarter.
- The overall LXCI for Q3 2010 was 59.6. This demonstrates that collectively LXs expect their learning functions to improve slightly over the next six months.
- Expectations for outsourcing on external services that aid in the learning function showed minor changes in Q3, with an increasing number of LXs foreseeing a continuation of the status quo or an increase in outsourcing.
- Close to eight in ten LXs anticipated WLP funding to increase or remain the same in the next six months, a slight increase from Q2.
- 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 Q2 2012 onwards.

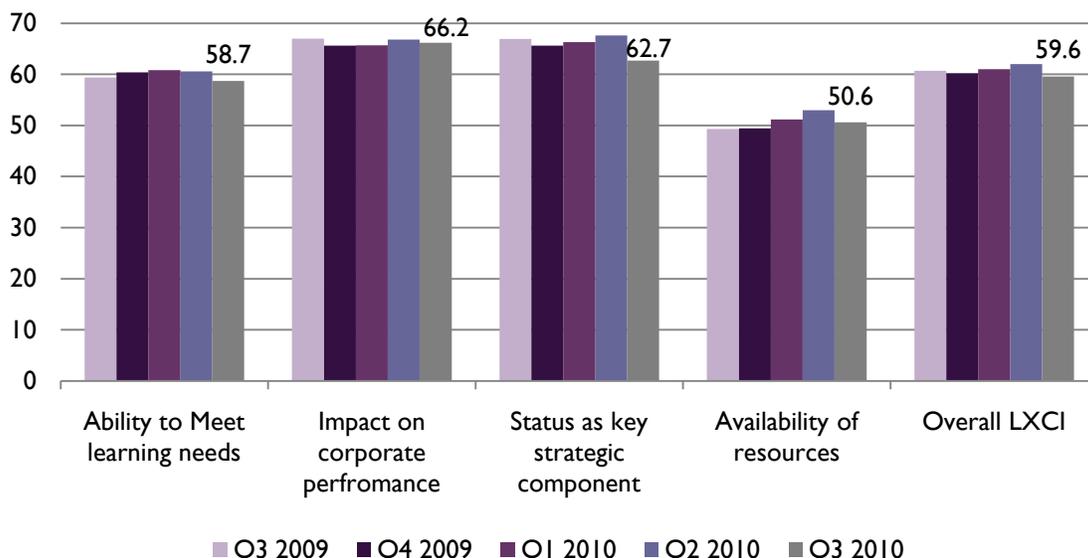


## Learning Executives Confidence Index

Learning executives (LXs) revealed stabilized scores in key indices in the third quarter, suggesting a continued sense of optimism in most key areas. After significant drops at the end of 2008, executive confidence began to improve throughout 2009, continuing into the first and second quarters of 2010. The third quarter saw some slight drops which are likely due to LXs confidence stabilizing, after reaching its highest value on record. The overall Learning Executives Confidence Index (LXCI) decreased 2.4 points in Q3 2010, from 62.0 in Q2 to 59.6. Outsourcing appears to be on the rise, with 30.5% of LXs reporting that their utilization of external providers would increase, compared to 29.0% 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. More LXs foresee the current economy encouraging a greater shift in using e-learning/virtual delivery, greater reliance on informal learning, and greater use of Web 2.0 technologies. However, more than one in ten LXs indicated the economy will have no impact on the learning function in the next six months.

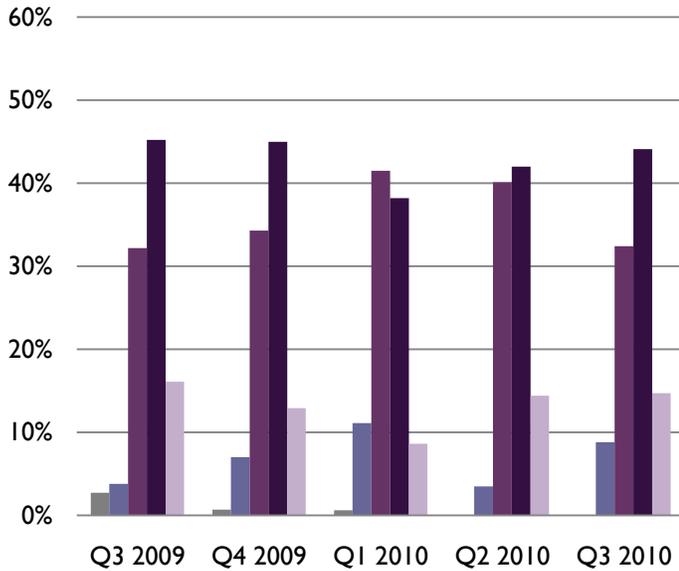
**The ASTD LXCI for Q3 2010 was 59.6**, compared to 62.0 in Q2 2010, based on responses from 238 LXs to an online invitation-only survey, demonstrating that collectively LXs expect their learning functions to remain the same or marginally improve over the next six months. (For those unfamiliar with the LXCI, a detailed explanation appears at the end of this report). The outlook for LXs organizational performance remained positive in Q3 2010, with 83.2% reporting their industry will remain the same or improve over the next six months, a slight decrease from 85.6% in Q2. LXs also reported confidence in their organizations' profit expectations, with 82.0% of LXs anticipating that their organizational profit will remain the same or improve.

### Learning Executive Expectations for the Next Six Months

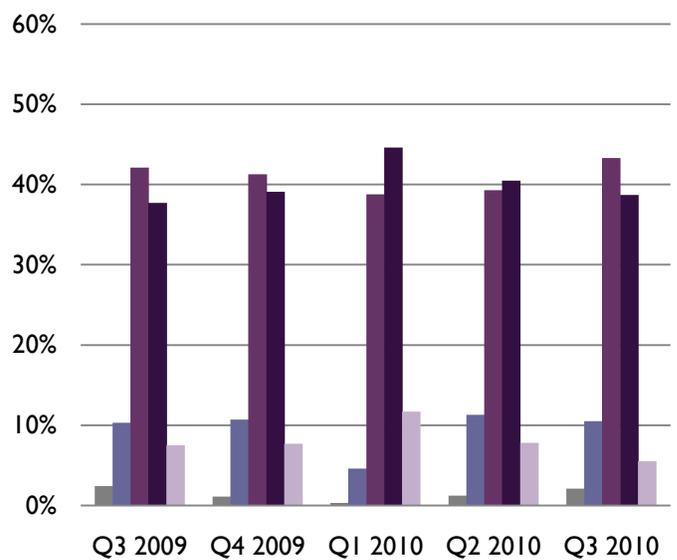




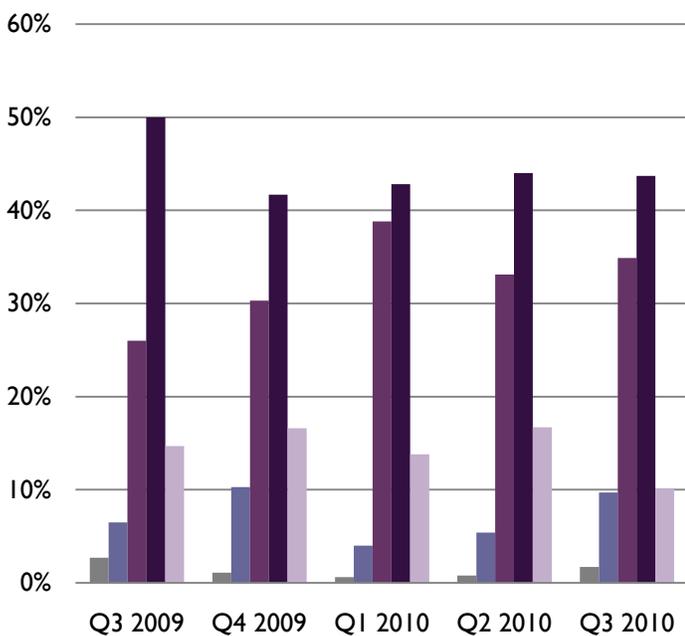
**LX Expectations on Impact on Corporate Performance For Next Six Months**



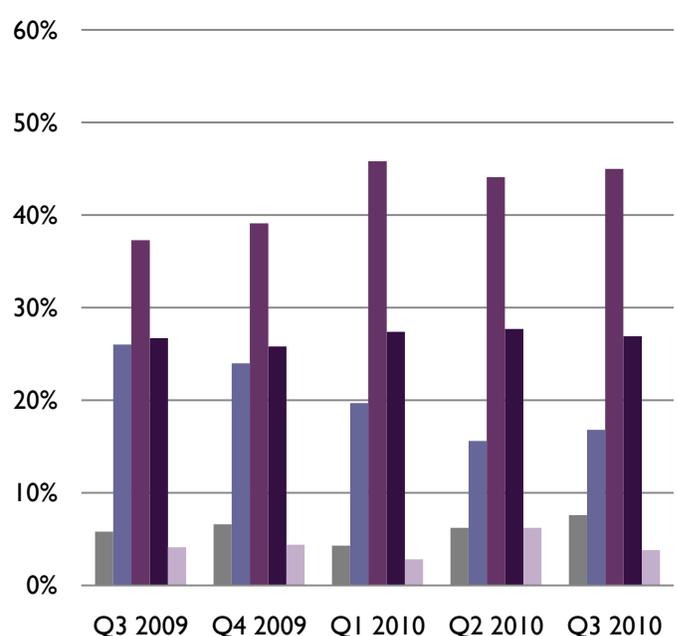
**LX Expectations on Ability to Meet Learning Needs For Next Six Months**



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



**LX Expectations on Availability of Resources for Next Six Months**

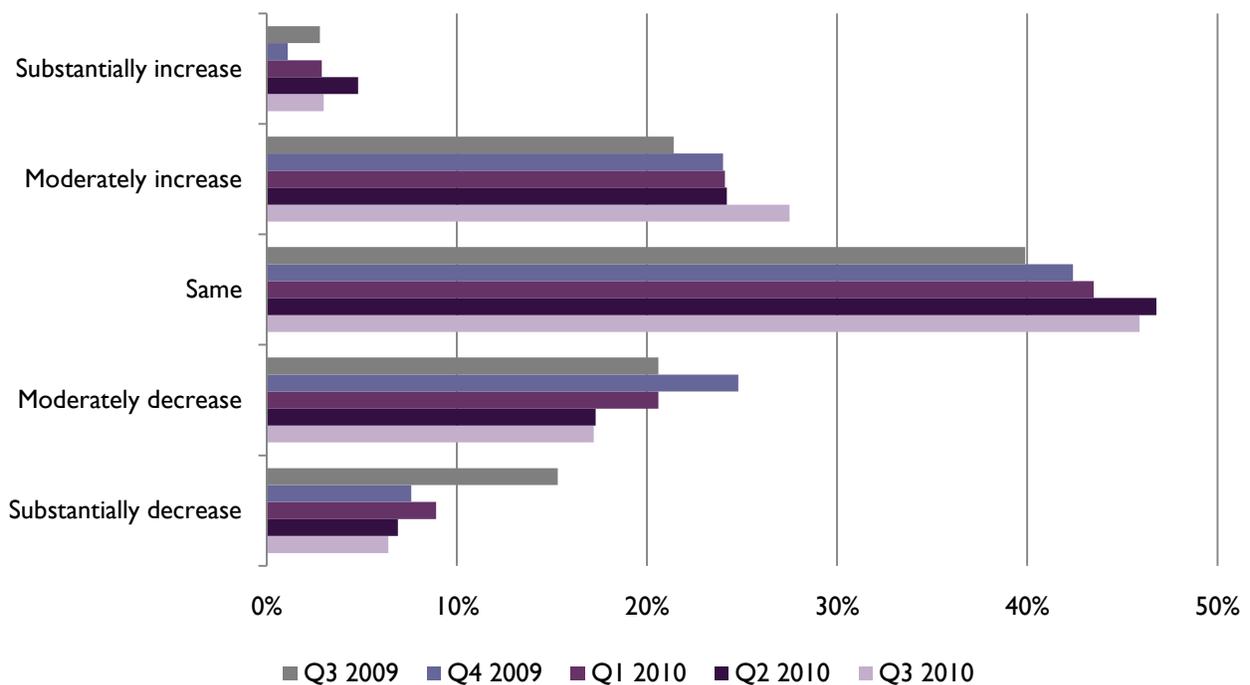




## Learning Executive's Expectation of Outsourcing

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 also evident. There is a small but steady increase in the number of LXs who anticipate greater financial support for the use of outsourcing or external services to aid the learning function. This was exemplified with 30.5% of LXs in Q3 expecting outsourcing expenditure to increase in the next six months, compared with 29.0% in Q2 and 27.0% in Q1 2010. Conversely, a declining proportion of LXs foresee a reduction in the amount of money being spent on outsourcing. In Q3 2010 it fell to 23.6%, while a year ago the proportion was significantly higher, at 35.9%. This quarter, 45.9% of LXs expect a similar amount to be spent on outsourcing, a 0.9% decrease from Q2. 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 the Next Six Months

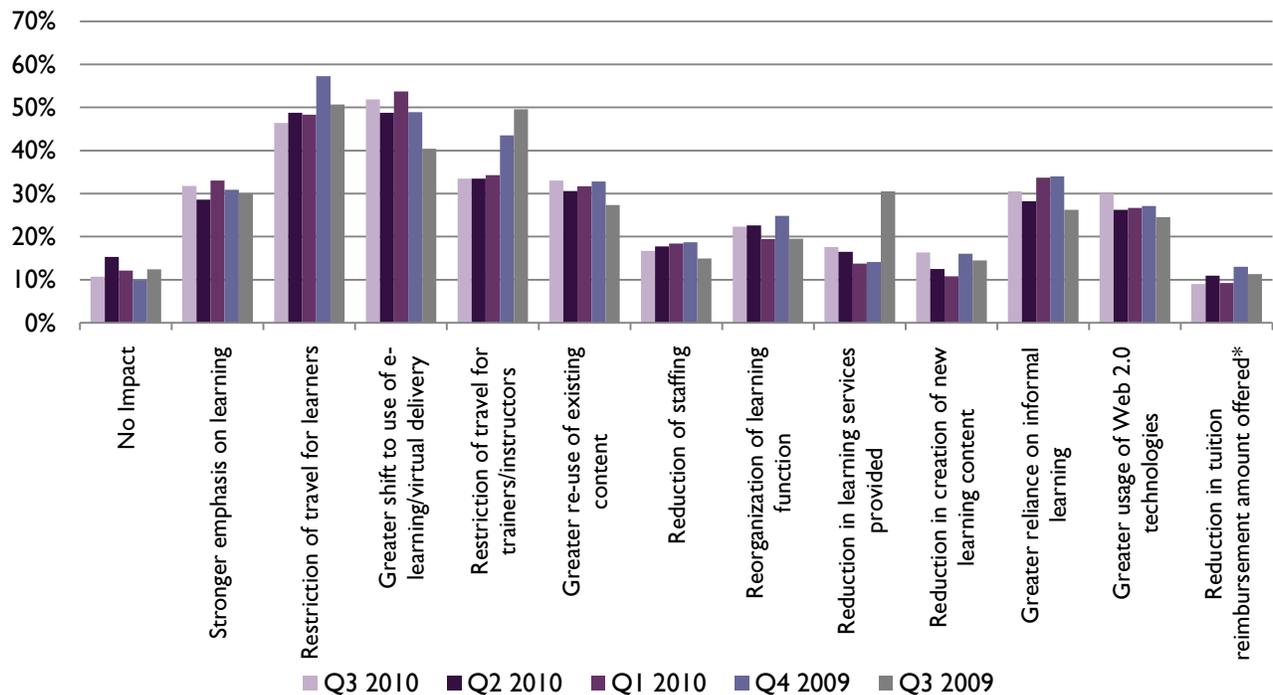




## Learning Executives' Expectation of Impact of Economy on Learning

In Q3, 10.7% of 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. Nevertheless, many LXs still anticipate that their learning function will continue to feel the impact of the current economy. Restriction of travel for both learners (46.4%) and trainers/instructors (33.5%) continues to be leading ways in which learning functions will feel the impact; with only subtle changes from the last quarter. This quarter, more LXs foresee the current economy encouraging a greater shift in using e-learning/virtual delivery (51.9%), greater reliance on informal learning (30.5%), and greater use of Web 2.0 technologies (30.0%). Additionally, a third of the LXs forecast greater re-use of existing content. More than three in ten LXs anticipate the current economic situation will lead to a stronger emphasis on learning, a 3.2% increase from Q2.

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



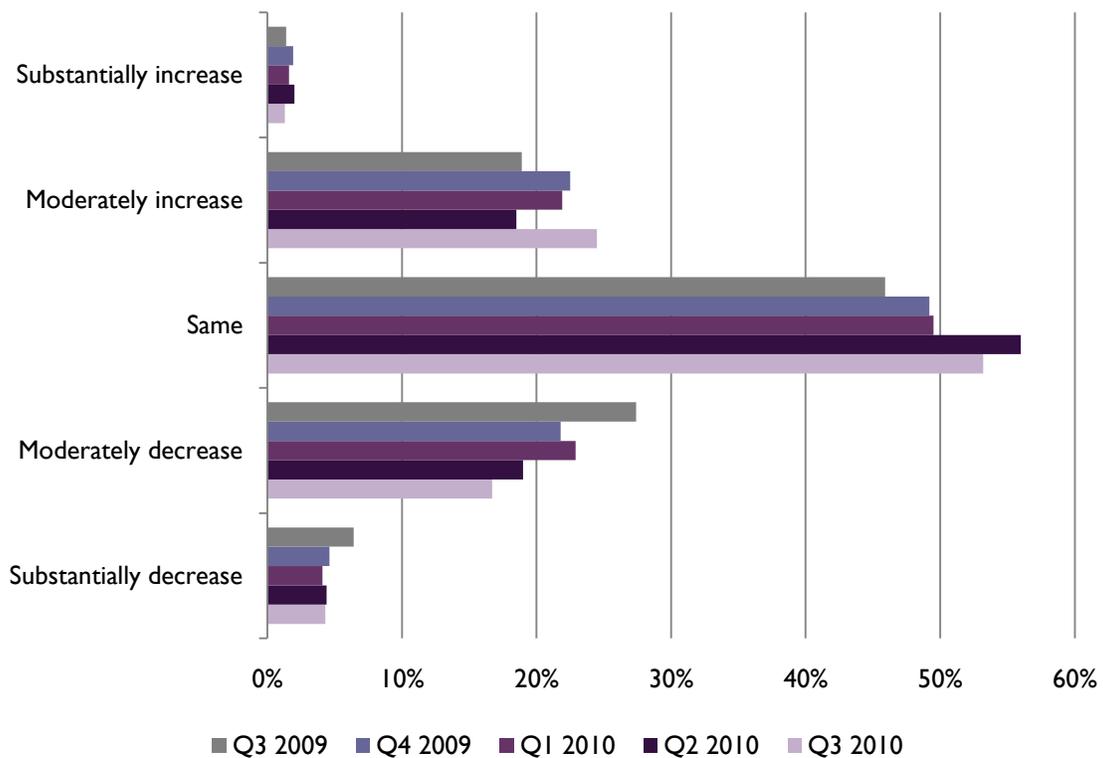
\* Option not included until Q3 2009



## Expectation 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 (53.2%). The percentage of LXs in Q3 who anticipated either increased or decreased funding rose slightly from Q2. In the current quarter, 21.0% expected funding decreases, a 2.4% decline from the previous quarter; while 25.8% anticipated funding increases, 5.3% rise from Q2.

## Expectations of Workplace Learning & Performance Expenditure over the Next Six Months



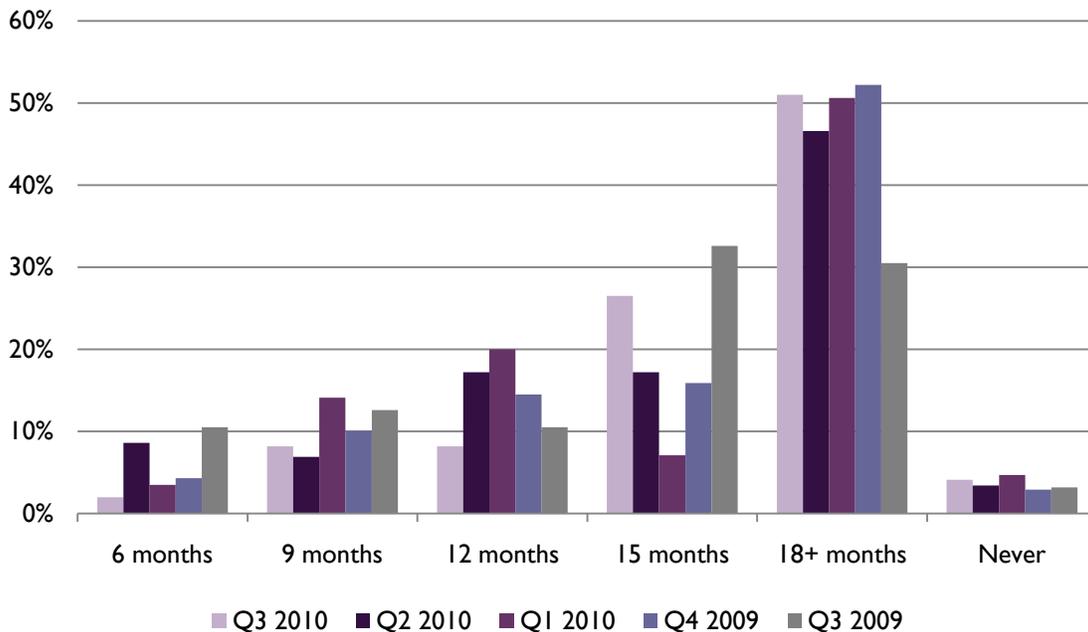


## Potential Rebounding of Workplace Learning & Performance Expenditures

(Follow-up question for participants reporting current decreases)

The 21% 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 (51.0%) predicted that their learning expenditures will improve from Q2 2012 onwards. LXs also appear to have continued confidence that their learning expenditures will improve within the next 15 months, suggesting that a mid-term rebound could be in store for 44.5% of the organizations. This is a slight decrease in LXs who anticipated WLP expenditure to improve in the next 15 months, compared to the last quarter.

### When Do You Expect Your Organizational WLP Expenditure to Improve?





## 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 the *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 executives with lower scores (0 to 49 on the scale) anticipate that in six months those aspects of their learning function 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 are 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](http://www.astd.org/content/research).

## About ASTD

ASTD (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's members work in organizations of all sizes, in the private and public sectors, as independent consultants, and as suppliers. Members connect locally in 130 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](http://www.astd.org)