

Executive School of Management,
Technology and Law



University of St.Gallen

***"From insight
to impact"*** 

The St. Gallen Executive Education Report 2016

Linking Strategy to Executive Learning
and Development Effectiveness

Preface



In 2016, executive learning and development (L&D) is at a crossroads. Resources are often scarce and expectations are shifting. Executives are no longer excited to sit in a traditional classroom and listen. New technology-based learning formats have emerged, yet many companies are struggling to use these opportunities effectively.

With the St.Gallen Executive Education Report (SEER) 2016 we are revealing what firms can do in order to increase the effectiveness of their executive L&D. We conducted a comprehensive survey capturing more than 110 variables. 350 executives and managers from 13 countries participated in our survey, which helped us to identify what separates executive L&D champions from challengers and novices.

We find that strategy is key to increasing executive L&D effectiveness. Executive L&D crucially depends on C-level commitment. C-level commitment has a bigger positive effect on executive L&D effectiveness than any other factor, incl. technology-based learning formats. We show how top management team involvement and the engagement of a professionalised learning steward significantly increase executive L&D effectiveness.

Successful firms understand that executive L&D requires strategic attention from the very top of the organisation. Executive L&D should not be managed like an administrative function. With our evidence-based report we hope to contribute to many C-suite and boardroom discussions on how to create impact with executive L&D.

I hope you will enjoy reading the St.Gallen Executive Education Report 2016 and that you will find many useful insights which will support strengthening executive L&D in your organisation.

Professor Winfried Ruigrok

A handwritten signature in black ink that reads "W. M. Ruigrok". The signature is written in a cursive style with a long horizontal stroke at the end.

**Dean, Executive School of Management, Technology and Law,
University of St. Gallen**

Executive Summary

The St. Gallen Executive Education Report (SEER) 2016 identifies the strategies, structures and processes of executive learning and development (L&D) champions.

The main conclusions are:

- 1. Executive L&D is important yet ineffective at most firms:** Companies rank executive L&D among the most critical success factors for long-term success. The majority seek to increase their operating efficiency and innovative capacity but are held back by resource constraints and a myopic focus on short-term business goals. Overall, respondents are dissatisfied and consider executive L&D to be ineffective in their firms.
- 2. C-level commitment is the most important driver for executive L&D effectiveness:** C-level commitment refers to the extent to which executive L&D is understood and appreciated as a strategic management challenge. This factor is the most important predictor for executive L&D effectiveness. Without C-level commitment the chances of becoming an executive L&D champion are slim. Firms that aspire to excel in executive L&D should involve their top management team and empower a dedicated learning steward (e.g. Chief Learning Officer) among their ranks.
- 3. C-level commitment trumps new technology-based learning formats:** Once firms have achieved high C-level commitment and formulated their executive L&D strategy, they benefit most from initially developing more traditional, face-to-face learning formats. Technology-based learning formats only become effective after companies have secured top-level strategic ownership and implemented traditional learning formats.
- 4. Return on executive L&D cannot be measured financially:** Firms are unable to quantify financially the return on executive L&D. It is not possible to predict the detailed effects of executive L&D. Executives and board members should not insist on financial metrics but instead seek to be directly involved in shaping and supporting executive L&D programmes.
- 5. Executive L&D will become even more strategic and expectations will expand further:** By 2019, firms expect to pursue a greater scope of executive L&D activities, including new formats and instruments. At the same time, individual L&D activities will have to generate a higher marginal impact by strengthening the link between the overall strategy and the executive L&D strategy.

Executive L&D in 2016

In this chapter:

- *Firms rank executive L&D among the top priorities for their long-term success.*
- *Firms seek to increase operating efficiency and innovative capacity but also face substantial challenges, above all resource limitations.*
- *Respondents are dissatisfied and consider executive L&D to be ineffective in their firms.*

Respondents consider executive L&D first priority for long-term success

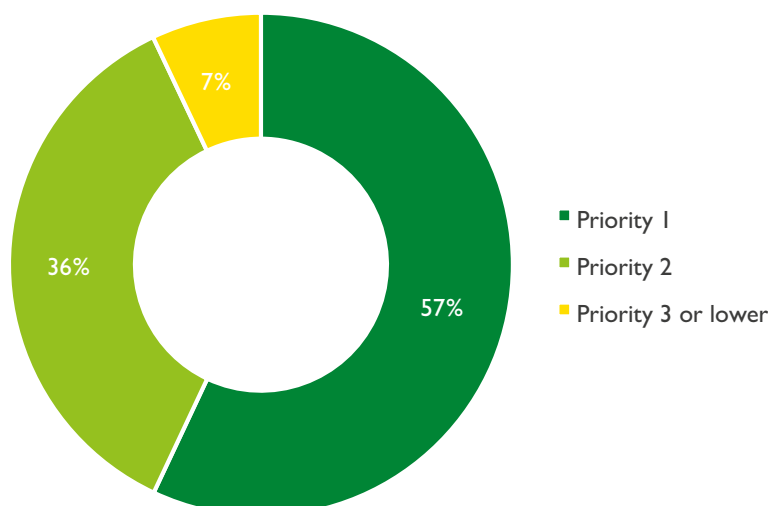
The vast majority of firms recognise that executive learning and development (L&D) is an invaluable asset in generating and defending competitive advantage. An astonishing 57 percent claim that executive L&D has the first priority for ensuring the long-term success of the company, with another 36 percent indicating that it has the second highest priority in their companies. Only 7 percent consider executive L&D its third or lower priority for the long-term organisational success (Fig. 1). There are no differences in terms of company size, industry,

country or the respondent's management level. (For methodological details please see the section "About this Study" at the end of the report.)

Executive L&D refers to all formal and informal activities provided to senior managers who are prepared for taking up or extending executive responsibilities.

The results indicate that managers have become acutely aware that their organisations' future competitiveness will depend on their ability to promote a shared strategic and cultural mind set plus the associated leadership competencies. Through executive L&D companies are seeking simultaneously to develop firm-wide strategic thinking, organisational capabilities, and individual top managers.

Figure 1: Priority of executive L&D



Question: In your assessment, what priority does executive L&D have for the long-term success of your organisation?

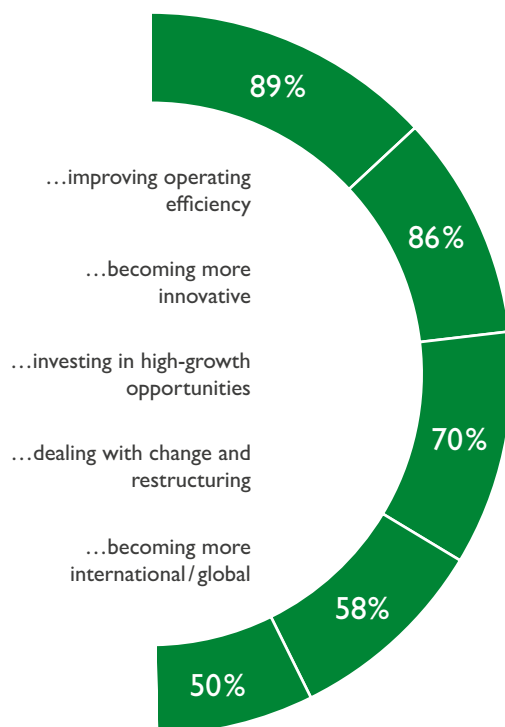
Executive L&D not short of ambitions but facing real challenges

The respondents of our survey indicate that their primary objective with executive L&D is to improve efficiency (89 percent) and to become more innovative (86 percent). However, firms face a plethora of challenges, most frequently resource constraints (77 percent, Fig. 2). This may refer to insufficient time, manpower or expertise, or other challenges due to limited financial resources.

Both the main objectives and major challenges are remarkably similar across firms of different size and industry. Although L&D directors in larger firms may have more resources at their disposal than smaller firms, they also face more complex conditions and additional challenges. For instance, larger companies report significantly more often than smaller companies that they struggle with the fact that internal talents are globally spread, and that this hampers coordinating and implementing L&D initiatives.

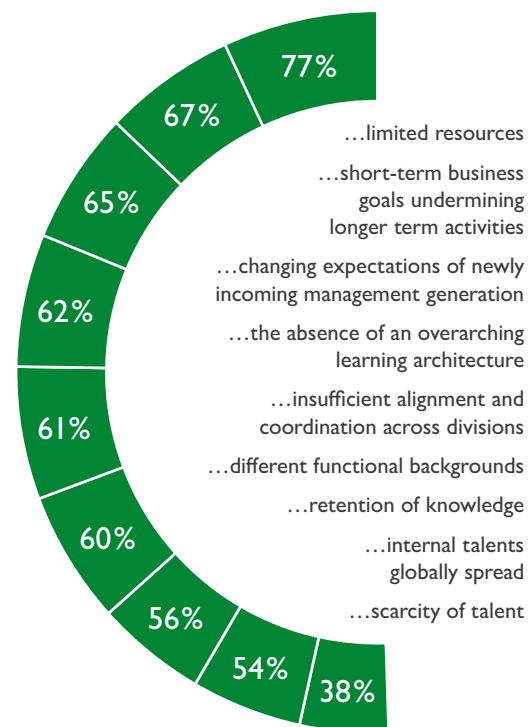
Figure 2: Objectives and challenges of executive L&D

Objectives



Question: Which are the most important business objectives for your organisation's executive L&D?

Challenges



Question: To what extent do you agree with the following statement: In my organisation, executive L&D has to cope with...?

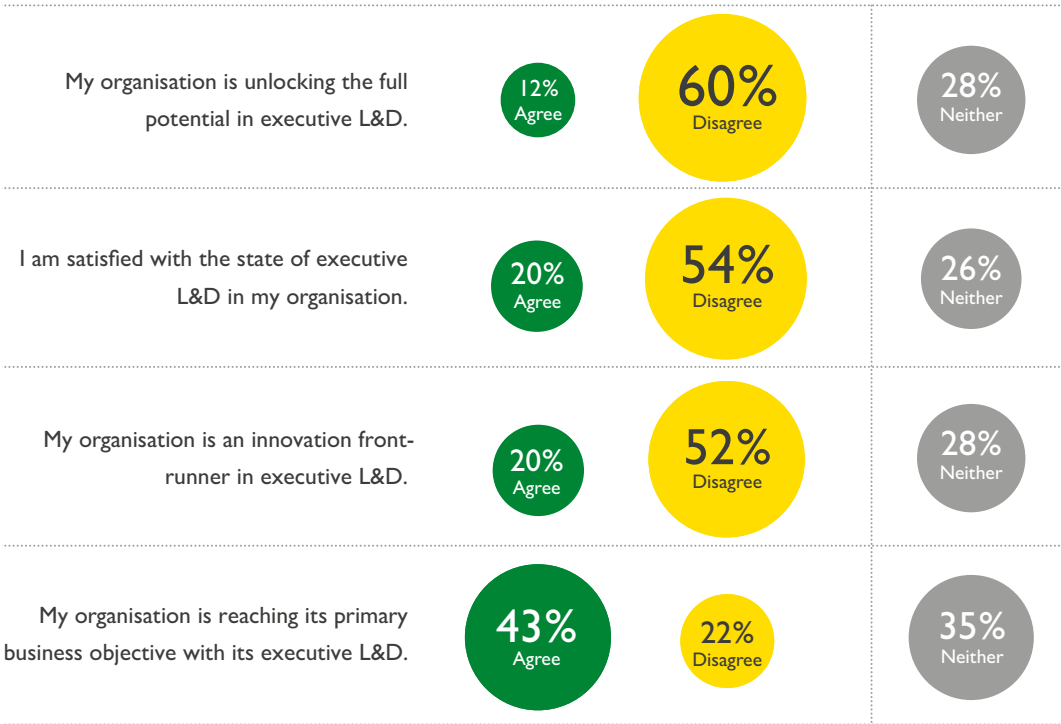
Executive L&D considered ineffective at most firms

Overall, the clear majority of respondents deliver a sobering indictment of the state of executive L&D in their firms. In order to quantify the effectiveness of executive L&D we asked respondents to assess four different criteria (Fig. 3): Only one in five respondents is satisfied with the state of executive L&D in their firm. This finding holds across all companies in our sample, irrespective of firm size, industry or location.

“Our biggest challenge is the poor standardisation and calibration of global talent management combined with the lack of resources to effectively manage the end-to-end development process.”

Survey respondent | Firm-wide executive L&D decider, large services company

Figure 3: Criteria for executive L&D effectiveness

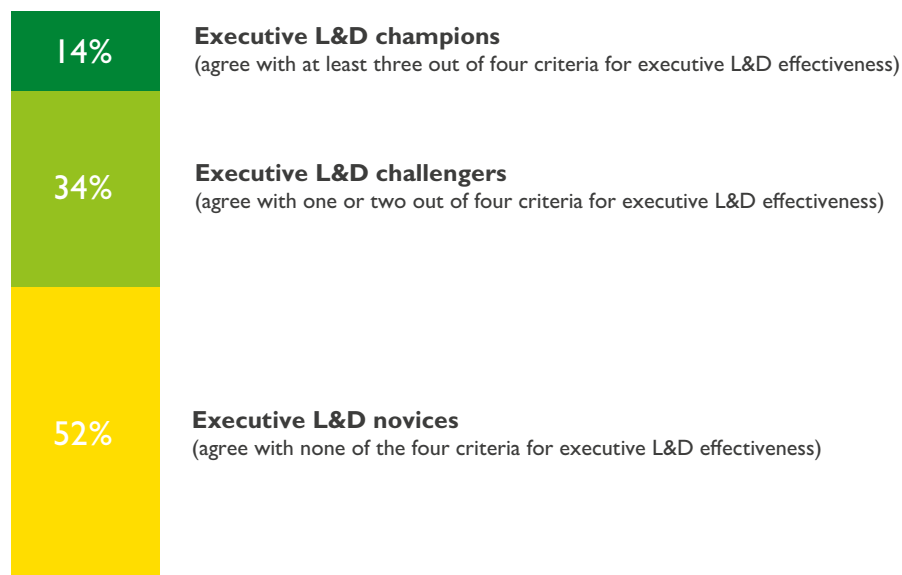


Question: To what extent do you agree or disagree with the following statements referring to executive L&D in your organisation?

Based on the four criteria illustrated in Figure 3 we identified three categories of firms. 14 percent of firms can be considered as executive L&D champions (Fig. 4). These companies agree with three or four of the statements on executive L&D effectiveness. About one-third of firms (34 percent) are executive L&D challengers which agree to one or two out of the four statements. Finally, over half of the firms in our sample (52 percent) are executive L&D novices, meaning they did not agree with any of the four statements on executive L&D effectiveness.

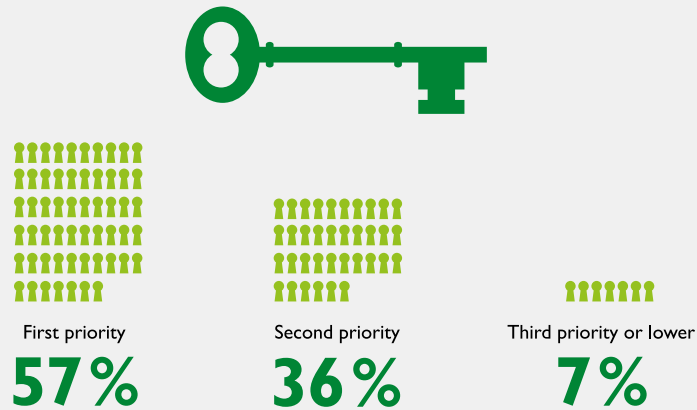
Other studies, including the first edition of the St. Gallen Executive Education Report published in 2014, also found that the majority of managers do not believe their companies' executive L&D is effective. In the next chapters we analyse the factors that differentiate executive L&D champions from challengers and novices, and identify what steps firms may take in order to increase the effectiveness of their executive L&D.

Figure 4: Executive L&D champions, challengers and novices



STATE OF EXECUTIVE LEARNING AND DEVELOPMENT

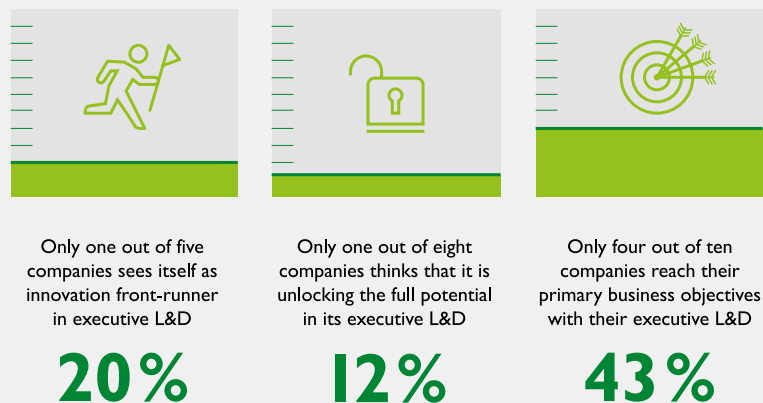
Priority of executive learning and development for long-term success



Top 3 challenges of executive learning and development



Effectiveness of executive learning and development



The Role of C-level Commitment

In this chapter:

- *C-level commitment is the most important predictor for executive L&D effectiveness.*
- *Without high C-level commitment the chances of becoming an executive L&D champion are slim.*

C-level commitment: A novel perspective on executive L&D effectiveness

In our study we captured a wide range of variables around the topic of executive L&D – yielding detailed data on executive L&D strategies, structures and processes as well as L&D policies, learning formats, technologies and instruments. We statistically analysed the impact of all these variables with regard to their effect on executive L&D effectiveness.

We find that the single strongest predictor for effective executive L&D is C-level commitment. **C-level commitment is the extent to which executive L&D is understood and appreciated as a strategic management challenge.**

There are two dimensions of C-level commitment. First, C-level commitment refers to the extent to which the top management team is involved in designing and facilitating executive L&D. Second, C-level commitment is shown by appointing a dedicated, high-ranking learning steward, e.g. a Chief Learning Officer (CLO) and, crucially, by equipping the CLO not just with operational but also with executive responsibilities. We provide more details below and explain why and how C-level commitment is crucial for the success and effectiveness of executive L&D.

C-level commitment: The role of the top management team

We distinguish between four important aspects of top management team involvement (Fig. 5). Each additional item presents a tougher test of top management involvement. Thus, in 86 percent of the surveyed companies the top management team is aware of executive L&D activities that are in place, while in less than half of all companies (48 percent) top management is involved in designing specific executive L&D formats and instruments.

Figure 5: Criteria for top management team involvement



Question: To what extent do you agree or disagree with the following statements referring to the role of your organisation's top management team for executive L&D?

At first sight, Figure 5 shows an encouraging picture. Judging by the extent to which respondents agree with the individual statements, the top management team in many organisations appears quite involved with executive L&D. However, a closer look reveals a more nuanced story. First, many respondents only ticked some of the items, suggesting gaps in top management team involvement. Second, note that the four items become increasingly selective. For instance, if a respondent indicates that the top management team is aware of specific executive L&D instruments this does not necessarily mean that the top management team actively supports executive L&D activities or that it is concerned with aligning the design of executive L&D instruments to overall business goals. These distinctions are important because the latter items reflect strategic involvement on the part of the top management team.

C-level commitment: The role of the Chief Learning Officer

The second dimension of C-level commitment looks at the existence and role of a CLO. Only a small number of companies in our survey report having a CLO (17 percent). We used the broadest possible definition of any designated position which combines comprehensive responsibilities and authority regarding executive L&D questions.

Our survey shows that the vast majority of CLOs perform operational instead of executive tasks. Three-quarters of CLOs primarily evaluate external L&D providers or coordinate existing L&D initiatives. We label such officers as “operational CLOs” since they conduct primarily administrative tasks. In the remaining firms, the CLO had more wide-ranging strategic or executive responsibilities, such as budget authority and/or the power to launch strategic L&D initiatives.

Different approaches to achieving C-level commitment

How can firms promote C-level commitment? We identify three groups of companies.

The first group of firms (32 percent) displays **low C-level commitment**. Those companies have a top management team which is not strongly involved in driving executive L&D (i.e. they score maximum two of the criteria for top management team involvement) and do not have a CLO.

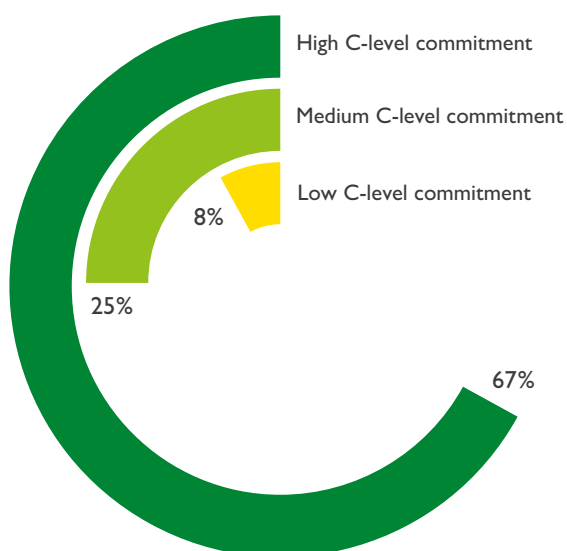
We classify the second group of companies (31 percent) as firms with **medium C-level commitment**. Most companies in this category fall into one of two categories: either (1) such firms have no CLO yet some degree of top management team involvement (i.e. they score three of the criteria for top management team involvement), or (2) such firms have a less involved top management team but a CLO with operational responsibilities. A CLO with operational responsibilities is typically not a member of the top management team. However, such an officer may have a direct reporting line to a top executive and thus influence executive L&D decision-making processes at the top level.

The remaining 37 percent of firms display **high C-level commitment** which means that either (1) they have an executive CLO plus at least some degree of top management team involvement (i.e. they score at least two of the criteria for top management team involvement), or (2) these firms report extensive top management involvement (i.e. they score all of the criteria for top management team involvement) and may or may not be supported by an operational CLO.

Strong, positive impact of C-level commitment on executive L&D effectiveness

As Figure 6 shows, firms with a high C-level commitment have a significantly better chance than others to become an executive L&D champion, i.e. they are better able to maximise the effectiveness of their executive L&D. High C-level commitment is the strongest predictor for a firm to become an executive L&D champion. A genuinely strategic focus on executive L&D trumps any operational decision about for instance learning formats or instruments (discussed in the next chapter). This effect holds across all companies, irrespective of size, industry or competitive environment.

Figure 6: Chance of becoming an executive L&D champion



Our results show that executive L&D champions appreciate that executive L&D can only generate impact when it gets the attention and support of the top echelon. Principal executives in L&D champions are much more likely to support their L&D directors and get actively involved in driving executive L&D activities. In doing so, they signal the importance of L&D to all employees in the organisation. The most successful firms consider executive L&D as too important to delegate.

C-level commitment facilitates professionalising executive L&D

Our analyses also show that higher C-level commitment is associated with greater analytical and predictive capabilities related to executive L&D (Fig. 7). For example, our data show that over three-quarters of firms with high C-level commitment (76 percent) have a clear understanding of the collective capabilities that their future leaders need to possess (i.e. capabilities that are required of leaders when acting together) which is the case in less than half of companies with low C-level commitment (46 percent).

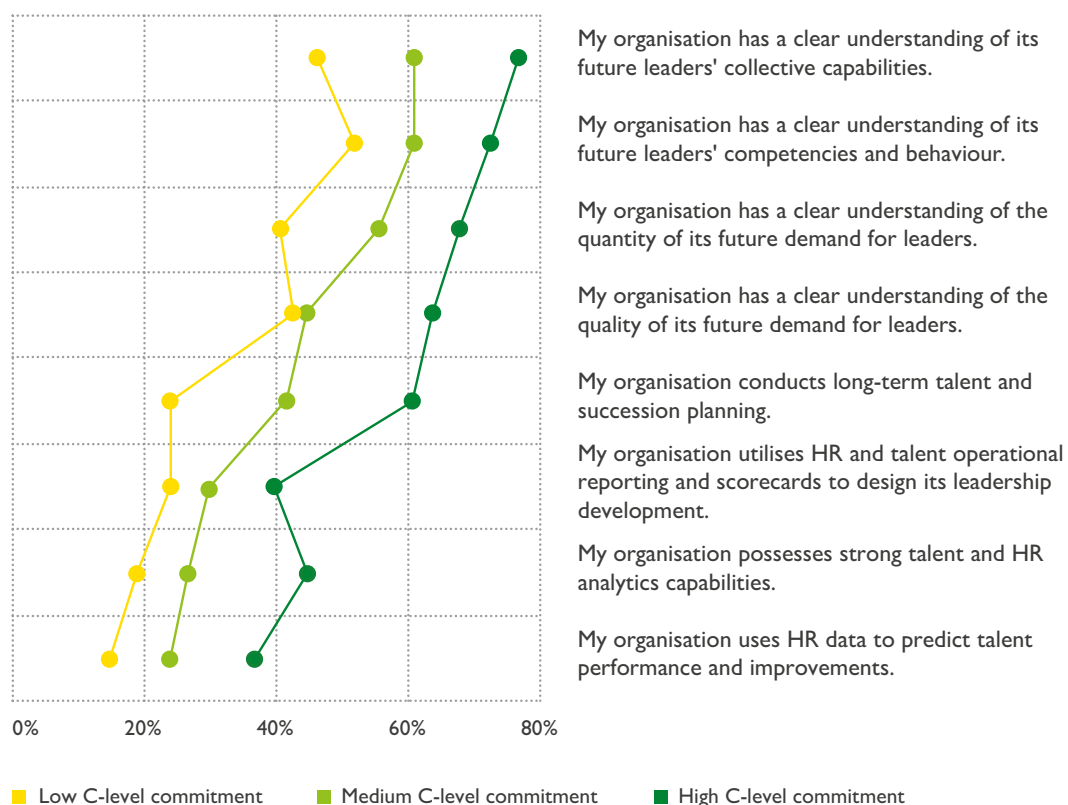
On average, firms with high C-level commitment have a much better understanding of the quantity of future leaders (i.e. when, where and at what level leaders will be needed) and the qualities future leaders have to meet (i.e. specific attributes of future leaders). The availability of more and better information benefits executive L&D planning and allows to tailor activities to specific L&D needs.

This tendency also holds for more advanced information processing capabilities: Although information ubiquity prompts many companies' interest in processing big data, many firms in our sample do not appear well-versed in exploiting such data. However, companies with higher C-level commitment are more likely to reap the benefits of using predictive data and advanced analytics in executive L&D, e.g. in identifying a future executive and in predicting individual career trajectories. Such knowledge helps these organisations to set L&D priorities and allocate limited L&D resources more efficiently.

“Without top management involvement, executive L&D is ad-hoc, circumstantial, short-sighted and reactive. Without proper development, senior leaders are unable to lead people and deal with business challenges simultaneously.”

Survey respondent | Executive L&D expert contributor;
large financial company

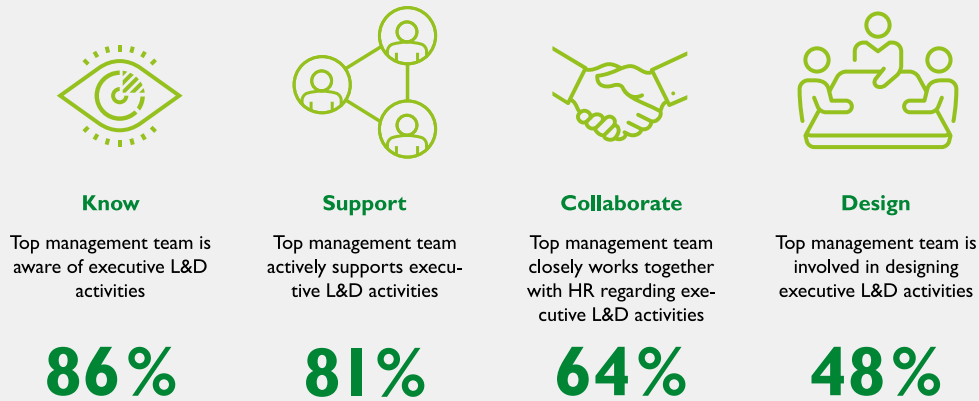
Figure 7: Executive L&D analytics and prediction



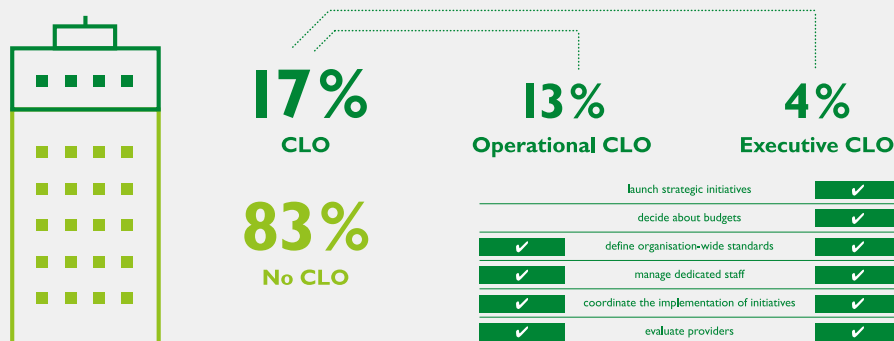
Question: To what extent do you agree with the following statements referring to executive L&D analytical and predictive capabilities in your organisation?

C-LEVEL COMMITMENT IN EXECUTIVE LEARNING AND DEVELOPMENT

Top management team involvement



The Chief Learning Officer (CLO)



The CLO refers to a dedicated, high-ranking learning steward who combines specific responsibilities and decision-making authorities for executive L&D.

Impact of high top management team involvement plus having a CLO



Top management team involvement and the existence of a CLO are the building blocks of C-level commitment. C-level commitment leads to higher executive L&D effectiveness.

Traditional vs. Technology-based Learning

In this chapter:

- *Firms with high C-level commitment are likely to strengthen executive L&D effectiveness by increasing the scope of traditional learning formats.*
- *Only after having built traditional learning formats, firms will be able to benefit from technology-based learning formats.*

Technology-based learning has huge potential yet no immediate performance effect

The notion of technology-based learning has dominated recent debates about learning formats. Buzzwords such as “blended learning” or “socially connected learning” have made their way to the HR and L&D departments of many companies. According to such notions, modern technologies allow firms to blend online and offline learning elements when delivering executive L&D activities.

The promise of blended learning is enticing. Adding technology-based, online learning components to the mix of executive L&D activities allows L&D departments to reach and develop executives faster and more flexibly compared to the mere use of traditional face-to-face solutions. This can be a crucial advantage for notoriously time-constrained executives and for firms with geographically dispersed operations.

Moreover, technology-based learning allows L&D departments to structure content modularly and respond to the specific needs of the target audience, while at the same time reducing transaction time. This greater flexibility makes it possible to personalise L&D activities and tailor them to the specific challenges facing executives. Enriching executive L&D activities with technology-based learning facilitates the transfer and application of learning content, making it easier to tackle urgent managerial problems and increase executive L&D's business impact.

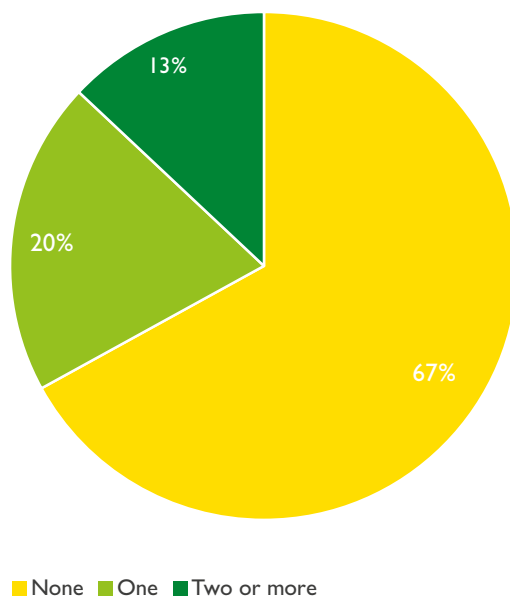
In view of these potential advantages, one would expect there is a significant relationship between the choice of a specific learning format and executive L&D effectiveness. However, we do not find such a relationship. Although the most effective firms do embrace a broader scope of learning formats, technology-based learning per se is not the silver bullet in executive L&D.

Does this mean technology does not matter in increasing executive L&D effectiveness? No, this is certainly not what we find. Technology does matter but needs to be employed in the right sequence and in the right way.

Traditional learning still the rule, technology-based learning the exception

The majority of companies (67 percent) do not use any form of technology-based learning frequently as part of their executive L&D (Fig. 8). 20 percent use one form of technology-based learning frequently while only 13 percent employ two or more forms of technology-based learning. These results suggest that most companies are still in the early days of digital transformation and only few can be seen as digital leaders.

Figure 8: Number of technology-based learning formats used

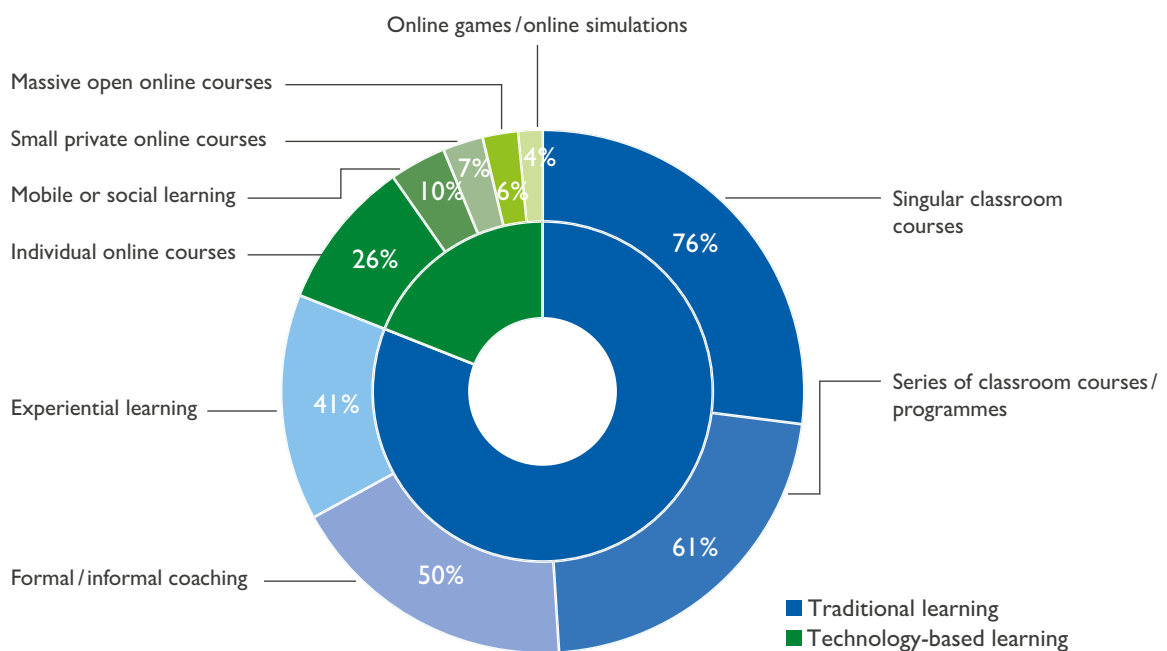


Question: How many technology-based learning formats do you use frequently in your executive L&D?

The vast majority of firms in our sample emphasise traditional, face-to-face learning over technology-based learning formats. Over three-quarters of firms (76 percent) use singular classroom courses frequently and 61 percent rely primarily on a series of classroom courses or programmes (Fig. 9). Half of our respondents indicate that their firm frequently conducts formal or informal coaching as part of executive L&D. While coaching activities may sometimes involve the use of online video chats and voice call services, most of these are still conducted face-to-face. Moreover, experiential learning – a rather innovative didactical approach which does not necessitate the use of modern technologies – is commonly adopted by 41 percent.

Firms typically start experimenting with technology-based learning by setting up individual online courses before venturing into more sophisticated formats. In our sample, one out of four companies (26 percent) frequently offer individual online courses. This usually means that knowledge or resources about a particular topic is provided electronically – with or without tests or assessments. Conducting those courses requires less expertise and fewer resources than more sophisticated alternatives. Individual online courses pair well with so-called “flipped classrooms”, where participants study course materials outside class and only engage in additional personal interaction in order to resolve questions or complete follow-up assignments. For companies, individual online courses are therefore a convenient way to gain experience with technology-based learning formats.

Figure 9: Prevalence of traditional and technology-based learning formats



Question: Which of the following learning formats does your organisation use often or always for its executive L&D?

Other forms of technology-based learning are less common. For example, only 4 percent use online simulations on a regular basis. Similarly, only 6 percent of companies use massive open online courses (MOOCs), while only 7 percent implement small private online courses (SPOCs) and 10 percent adopt mobile or social learning. The latter often complements traditional learning formats by introducing geographically distributed “learning communities” where participants actively share knowledge and challenges over social networks or dedicated platforms. Not surprisingly, larger and more internationally focused firms are more likely to implement technology-based learning than smaller companies with a domestic focus.

Companies that start implementing technology-based learning may do so either by relying more on internal resources (e.g. in-house) or on external resources (e.g. via providers of executive L&D). Our data did not reveal any patterns in this respect.

Bias against technology-based executive L&D

Our survey shows that L&D decision-makers are uncertain about the benefits of technology-based learning. The less experience respondents have with a specific technology, the more sceptical they are about its effectiveness.

Executive L&D challengers, which typically have some form of traditional learning in place, have a particular bias against adopting technology-based learning. This may seem counter-intuitive as these companies have already laid the groundwork for executive L&D. However, companies in this intermediary stage are often wedded to what they know works and at the same time lack the experience with, and are perhaps also intimidated by, the prospect of adopting new technologies.

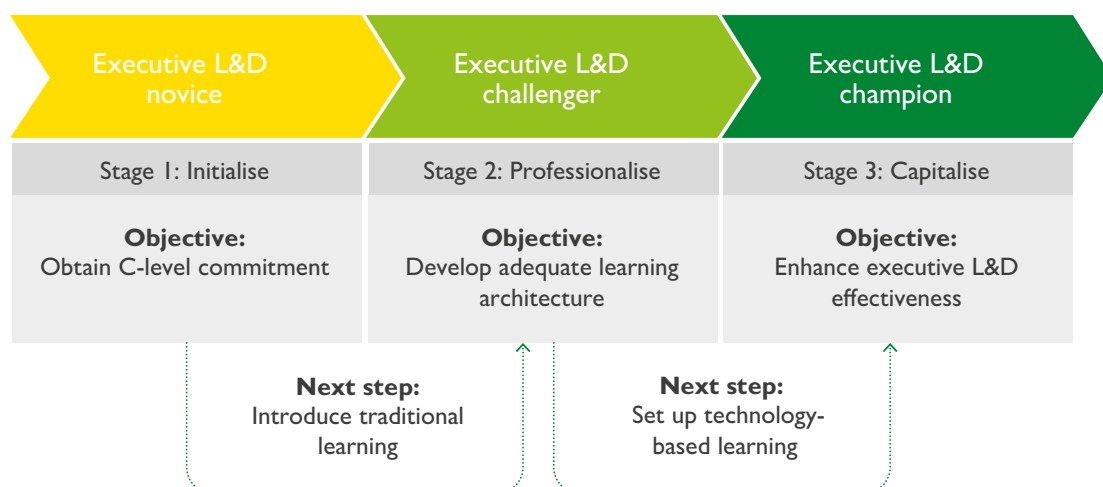
Executive L&D novices have a weaker negative bias due to the fact that technology-based learning has simply not yet received serious attention in those companies. Not surprisingly, executive L&D champions use technology-based learning most frequently and are most positive about the possibilities of technology-based learning.

Towards executive L&D effectiveness

How should one understand the interplay between C-level commitment, traditional learning formats and technology-based learning? Why do the most effective firms use more technology-based learning, yet why do we not find a simple linear relationship between technology-based learning and executive L&D effectiveness?

The answer is that firms benefit from different learning formats depending on their stage of development. In order to move from the stage of an executive L&D novice towards a challenger, firms should focus on putting in place traditional learning formats in their executive L&D (Fig. 10). Our analyses demonstrate that executive L&D novices are unlikely to increase executive L&D effectiveness by increasing the proportion of technology-based learning.

Figure 10: Becoming an executive L&D champion



A different logic holds for an executive L&D challenger seeking to become an L&D champion. In such cases, an increase in traditional learning formats will not have any substantial impact on executive L&D effectiveness. Instead, the intensity of technology-based learning is what elevates challengers to the level of executive L&D champions.

These results have two important implications. First, technology-based learning cannot substitute but instead requires C-level commitment. Second, technology cannot substitute designing a clear L&D architecture and operating traditional learning formats. Managers should not expect technology-based learning to produce miracles if they have not done their homework (i.e. of securing C-level commitment and establishing traditional learning formats).

The success of executive L&D will not increase merely because a firm starts using for instance a wiki engine as a form of social learning. It is essential first to build a comprehensive and integrated learning architecture which utilises the entire scope of learning formats and instruments in order to tailor executive L&D to its specific context. Technology-based learning should supplement, not supplant, traditional learning formats. Only under such circumstances is technology-based learning likely to create serious L&D benefits.

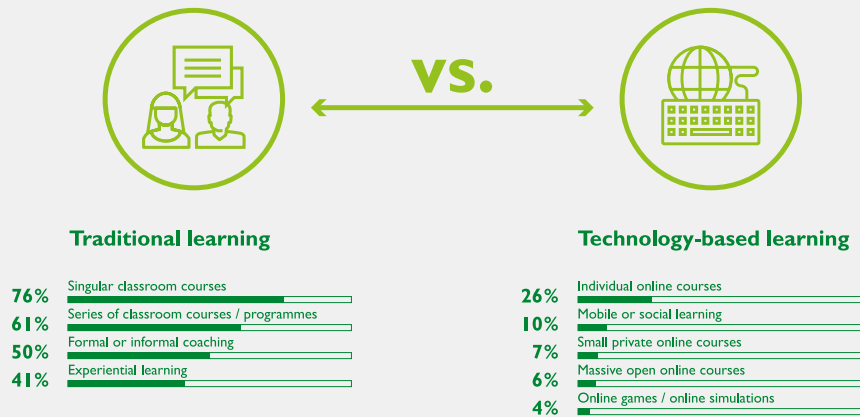
“Modern technologies, growth and dynamic market conditions require new learning architectures that are responsive and open to change.”

Survey respondent | Firm-wide executive L&D decider,
mid-sized IT company

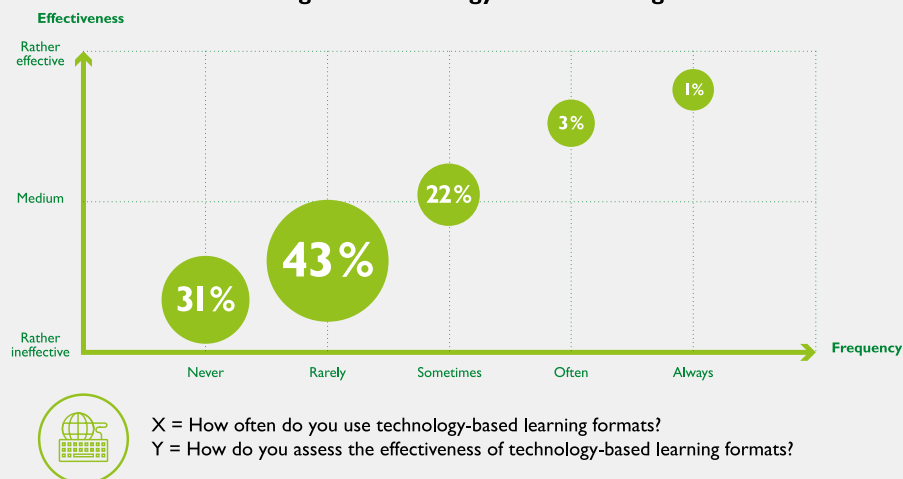


FORMATS AND TECHNOLOGIES IN EXECUTIVE LEARNING AND DEVELOPMENT

Traditional learning formats still dominant



Bias against technology-based learning



Steps towards increasing executive L&D effectiveness



Evaluating Executive L&D

In this chapter:

- *Firms are unable to measure the financial effects (or Return on Investment) of executive L&D.*
- *Firms use a variety of non-financial metrics in order to measure executive L&D effectiveness.*

Financial return on executive L&D impossible to predict

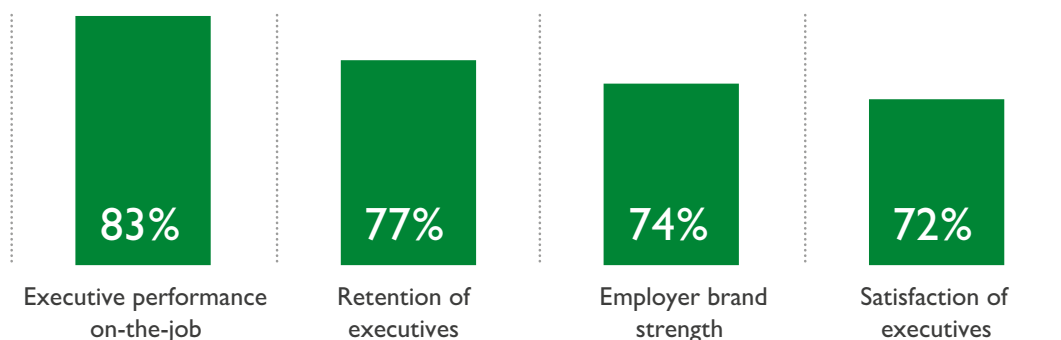
Quantifying the financial impact of learning has been a holy grail in executive L&D. The lack of tested, reliable metrics has been subject of countless C-suite and boardroom discussions, typically leaving all sides frustrated. Board members, CEOs and CFOs often ask for similar return ratios in evaluating executive L&D investments as they employ for evaluating other investments. There are established methods for measuring the pay-offs of routine training expenditures. However, executive L&D represents a form of non-routine investments for a limited group of executives where past pay-offs offer no guarantee for future success. As a result, HR and L&D directors cannot provide accurate financial return metrics

for executive L&D. Indeed, if they did such numbers would be easily challenged.

The respondents to our survey confirm this challenge. Only 2 percent of respondents claim they are able to quantify financially a return on executive L&D investments (down from 8 percent in 2014). We asked these respondents what specific metrics they use. The metrics these respondents listed were without exception either non-financial in nature (e.g. employee engagement, behavioural observations) or based on rather simplified approaches such as overall success measures (e.g. corporate revenues).

Today, the majority of companies rely on non-financial measures to quantify executive L&D success (Fig. 11). Firms most commonly assess executive performance on-the-job in order to estimate the success of executive L&D activities (83 percent), followed by retention of executives (77 percent), employer brand strength (74 percent) and satisfaction of executives (72 percent).

Figure 11: Non-financial metrics used to quantify return on executive L&D



Question: Which of the following non-financial metrics does your organisation use in order to quantify a „return on executive L&D“?

Changing boardroom discussions about the return on executive L&D

Executive L&D revolves around much more than conveying knowledge, skills and competencies in order to equip executives with what is needed to master future challenges. It is also much broader than securing executive retention or satisfaction. Executive L&D should address the key strategic challenges of the organisation. Executive L&D may rather be compared with Research & Development, which carries equally uncertain pay-offs but is indispensable for most companies' future success.

As a function, L&D should have more confidence rejecting the question about the financial return and instead should invite board members and C-level executives jointly to define expectations and desired outcomes prior to designing and conducting executive L&D activities. C-level executives and board members should not demand arms' length financial return metrics on executive L&D but instead provide support and actively engage in order to create the maximum positive effect of L&D investments.

“Companies should stop treating executive L&D as a cost and start embracing it as a priority investment in the future.”

Board member and former CHRO (corporate level),
large diversified conglomerate



Executive L&D in 2019

In this chapter:

- *Firms expect that by 2019 they will pursue a greater scope of executive L&D activities and that each of these activities will have to generate a higher marginal impact.*
- *At the same time, available resources and planning cycles will not keep pace with the increased expectations facing executive L&D.*

Executive L&D will become more strategic and require higher C-level commitment

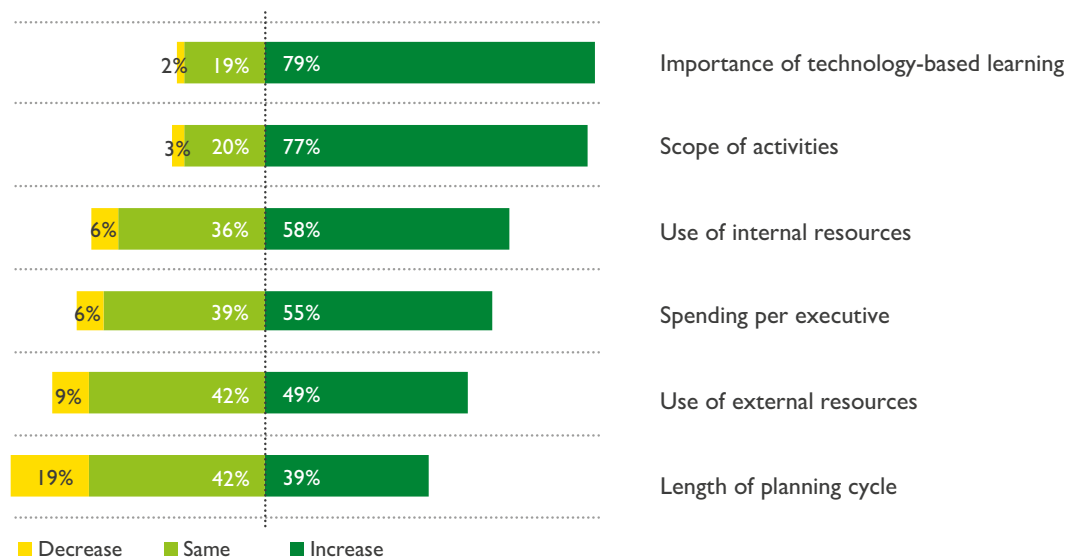
When looking at the development over the next three years, our survey respondents are relatively optimistic. 77 percent of firms expect that more executive L&D activities will be conducted by 2019, while 79 percent of respondents think that the importance of technology-based learning will have increased by 2019 (Fig. 12). More than half of the respondents think that the spending per executive will increase.

At the same time, respondents are less convinced that the growing expectations they will face will be matched by extra resources. A slight majority (58 percent) of respondents expect that they will have more internal resources to work with, while 49 percent of respondents expect to have access to more external resources. Only 39 percent of respondents believe that the length of the executive L&D planning cycle will increase. While this may reflect the perception of tougher competition as a result of globalisation and technological development, it also suggests that respondents are not optimistic that their organisations will approach L&D in a more strategic manner in the future. Securing C-level commitment will be crucial for executive L&D success, but obtaining it will be a herculean task in many organisations.

“The competitive environment we are facing today requires from our executives an entirely different set of skills and competencies than five years ago.”

Survey respondent | Top management team member;
mid-sized industrial goods company

Figure 12: Executive L&D in 2019



Question: Looking three years forward to 2019, how will executive L&D in your organisation have changed?

The future of executive L&D

In conclusion, by 2019, the executive L&D function is likely to face more, rather than less, demanding internal and external environments. In this report we identified ways how HR and L&D professionals may deal with these conflicting pressures, map the executive L&D situation in their organisations, and identify dimensions of improvement and possible obstacles.

Becoming an executive L&D champion is obviously not an end in itself. However, executive L&D champions are learning organisations. They benefit from a highly involved executive suite, can build on an effective learning architecture and know how to use a wide range of formats and vehicles. Thus, executive L&D champions have laid the foundations for an organisation best equipped to face their future challenges.

About this Study

In 2015 we conducted a comprehensive, web-based survey among CEOs, senior executives and HR and L&D directors across 13 European countries. A pilot of the survey was tested with informed professionals and topic experts. Late 2015 we presented some preliminary findings of the report to a group of senior HR and L&D executives in order to reflect on and validate the results.

The survey has been conducted in cooperation with the Swiss Association for Human Resources Management (HR Swiss) and the *Zürcher Gesellschaft für Personal-Management* ZGP (Switzerland) as well as Vlerick Business School (Belgium) and the professional journals *Personalmagazin* (Germany) and *Personal Manager* (Austria). In addition, we advertised the survey in dedicated topic groups on different social media platforms.

The survey was sent to C-level executives with strategic decision authority in their company and to senior HR and L&D practitioners. We obtained 350 useable responses. 44 percent of respondents are members of the top management team of their company with an additional seven percent being the Chief Executive Officer. 30 percent of respondents belong to middle management. The majority of respondents (59 percent) have been with their company for four or more years and almost half of respondents have been in their current function for over four years (45 percent).

The majority of respondents are working with companies based in German-speaking countries (Switzerland 41 percent, Germany 25 percent and Austria 22 percent). The remaining companies are spread over several European countries such as Belgium, France and the United Kingdom.

One third of companies is active in service-dominated industries, followed by industrial goods (21 percent) and consumer goods (11 percent). Both small and very large companies are represented in the sample: 15 percent of companies have revenues below EUR 10 million, while 11 percent generate revenues of over EUR 10 billion. A similar picture occurs when looking at the degree of internationalisation: 41 percent of companies are primarily domestically oriented and generate less than 10 percent of revenues abroad, while 11 percent of companies generate over 90 percent outside their home country.

Our sample bias tests did not indicate any overrepresentation across industries or countries. Occasionally, some corporate demographics such as firm size affect executive L&D practices. We present the corresponding effects whenever they are significant. The scale depicted in Figure 7 is partly based on Pasmore (2015): "Developing a Leadership Strategy. A Critical Ingredient for Organizational Success.", Center for Creative Leadership. Greensboro, NC.

All patterns described in this report are statistically significant using analyses of variance, general linear models and multinomial logistic regression analysis. For a small subset of our sample where multiple respondents originated from the same company we conducted inter-rater reliability tests. These tests showed a strong agreement among respondents, supporting the reliability of our survey participants' assessments of their companies' executive L&D practices.

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