



In partnership with



# THE STATE OF EMPLOYEE GROWTH AND DEVELOPMENT IN 2023 AND BEYOND

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**This report explores the main employee learning and engagement trends currently affecting HR leaders and staff, offering expert insights to help give your talent room to grow.**



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UNLEASH has championed HR excellence and disruption since 2011, serving as the strategic transformation engine for Human Resources. We are built to inspire, connect, and empower HR leaders worldwide to navigate the fast-changing world of work.

Our community is a diverse group of leaders, including HR Buyers from over 120 countries, who reimagine work and help optimize, enable and unleash new ideas and thinking that improve the lives of millions of people each year.

[unleash.ai](https://unleash.ai)

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# EXECUTIVE SUMMARY

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**Employee growth and development has surged up the corporate agenda over the past decade, and most businesses now find themselves at a tipping point in the way they approach the puzzle.**

The rise of continuous learning, microlearning, skills intelligence and personalization has changed the way organizations approach training, forcing the hand of business leaders to innovate and think more holistically in order to keep up with the competition.

Traditional learning and talent management systems may have served businesses well for many years, but by today's standards they leave a lot to be desired in terms of user experience, integrations, scalability and skills mapping.

Employees now expect the same consumer-grade digital experiences at work as they enjoy at home, and older systems are creaking louder and louder under the evolving demands of today's workforce. The next generation of employee learning is all about matching individual skill sets to core business goals more effectively – and always with a seamless user experience in mind.

Meanwhile, the progression of AI is hurtling along at breakneck speed. Industry leaders are already calling on AI-powered learning tools to help identify patterns and insights into staff behavior, which can then be used to address talent gaps and tie employee growth and development to workforce planning.

As part of our commitment to stay on the pulse of employee growth and development, ServiceNow has partnered with UNLEASH to conduct an in-depth research study that explores the ways in which organizations are currently approaching the puzzle of workplace learning.

We'd like to thank everyone who took the time to be a part of this research, and we hope you find these insights valuable for your own learning plans.



**Abigail de Vries-Weller**  
Head of Content Labs and Insights  
UNLEASH

# MAPPING THE LANDSCAPE

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**We live and work at a time when rapid change and transformation seems to be the only constant for HR and business leaders.**

High turnover rates, fierce competition in the labor market, frequent job hopping and widespread skill shortages are forcing organizations to find new ways to attract and retain top-tier talent. Employee expectations are evolving, and businesses can't afford to stand still if they want to keep staff fully engaged and performing to their full potential.

Many are turning to employee growth and development (EGD) as a way to future-proof performance and encourage their best people to stick around for the long haul – but this isn't the typical learning experience of old.

Rather than focusing solely on hard skills and job-specific requirements, modern EGD strategies take a more holistic approach to tie wider skill-building with career paths, internal mobility and personalized learning. Done right, an exceptional cross-departmental learning strategy has the potential to fuel high engagement and retention, plus a wide range of other business outcomes that are under intense scrutiny in our current macroeconomic climate.

The stats back it up, too. Recent research from SHRM found that 76% of employees are more likely to stay with a company that offers continuous learning and development opportunities.<sup>1</sup> And according to LinkedIn, 89% of L&D pros agree that proactively building employee skills will help navigate the evolving future of work.<sup>2</sup>

It's no surprise that industry leaders are going to great lengths to better understand the strengths and weaknesses of their workforce. Digging deeper allows them to highlight and resolve skill gaps before they have a chance to put a dent in day-to-day operations and output.

But building an exceptional learning culture doesn't happen overnight. Our latest research study shows there's plenty of room for improvement when it comes to matching employee expectations with core business objectives and long-term success.

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1. [State of Workplace Learning](#), SHRM

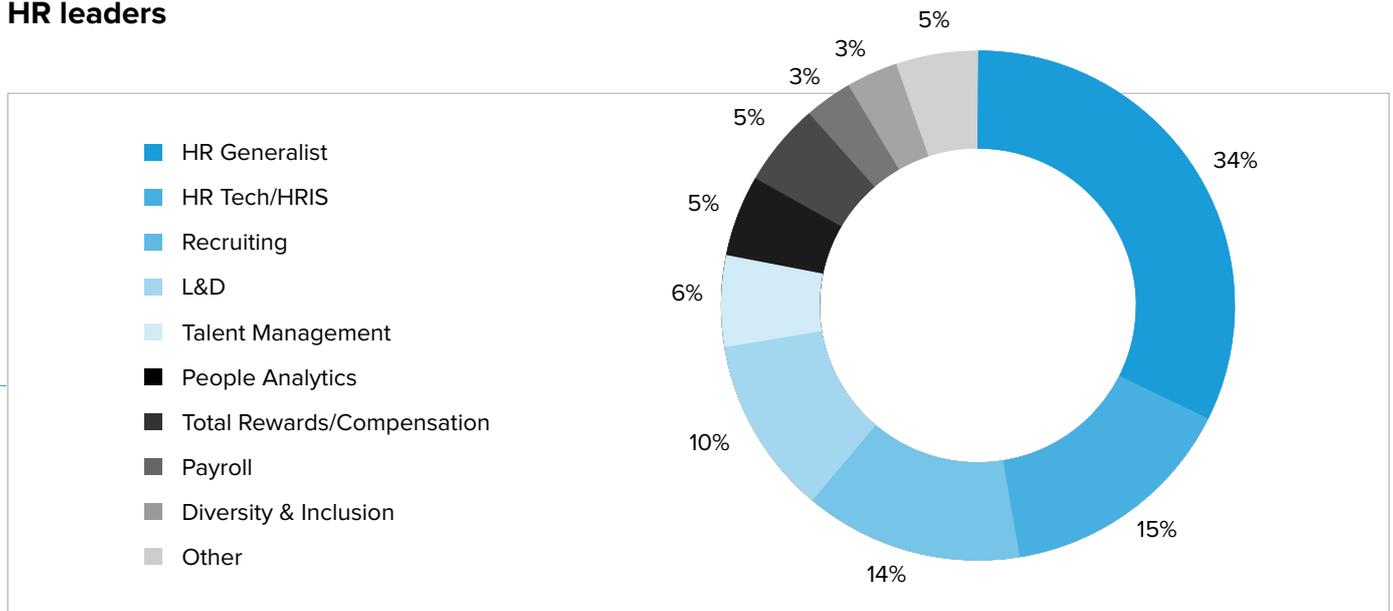
2. [Workplace Learning Report 2023](#), LinkedIn

## The data at a glance

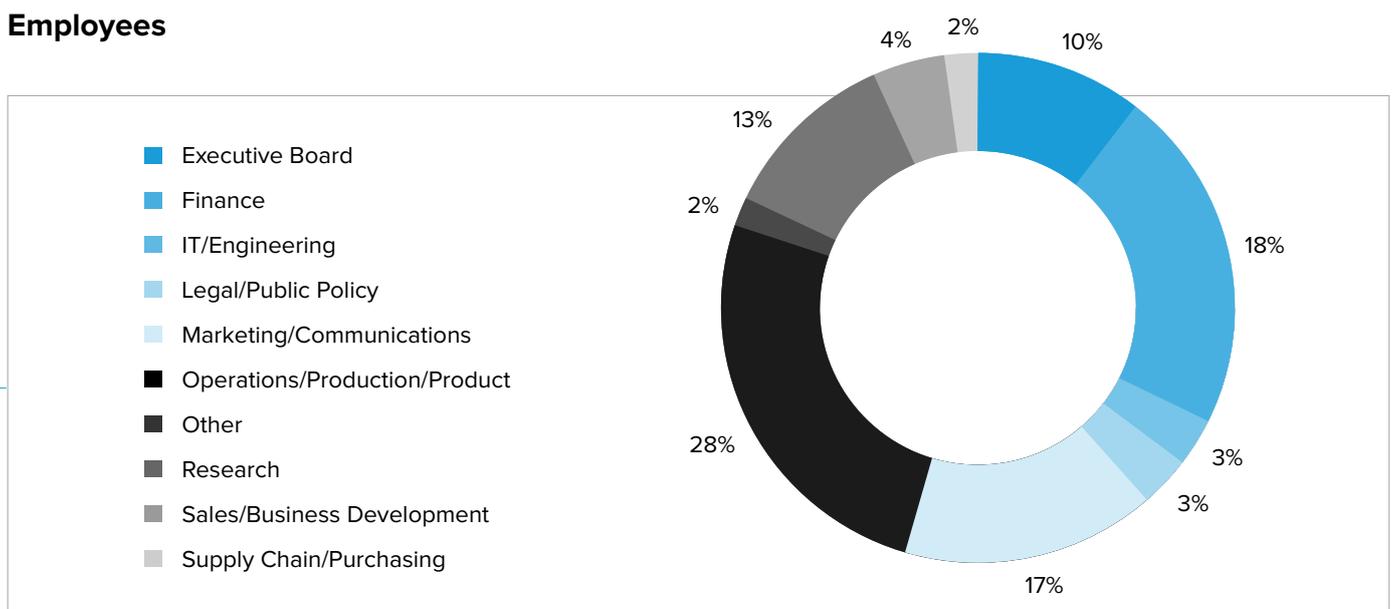
We conducted two comprehensive surveys to collect insights from a sample of 238 HR leaders and 254 employees, across a wide range of industries predominantly based in EMEA markets. See Appendix for full breakdown.

The collected data forms the basis of this report and puts us in a strong position to identify recurring trends and opportunities for both businesses and their employees.

### HR leaders



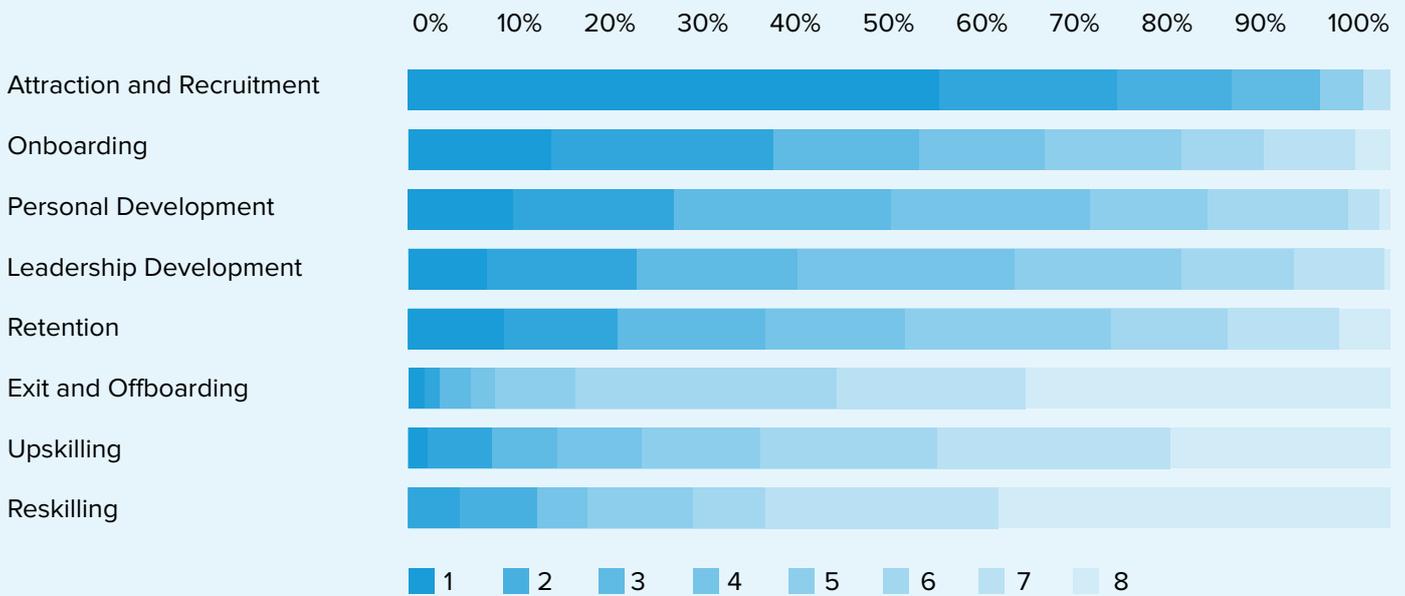
### Employees



# The biggest challenges for HR leaders in 2023

Understanding the main challenges facing HR and business leaders is a crucial step in developing a skills strategy that delivers on key goals and spurs sustainable growth.

Here's a visual snapshot which compares HR's current priorities and their relative importance, ranked from 1 as the most important to 8 as the least important.



Attraction and recruitment tops the list of challenges, with 57% of HR leaders ranking this as the most important challenge for their department. This is a sign of the times that underlines the difficulty many organizations are facing to overcome talent shortages and compete for skilled employees. HR plays a pivotal role in building an employer brand and workplace culture that attracts fantastic talent, one element of which is the growth and development prospects.

55% ranked onboarding as one of their three biggest challenges, which begs the question as to whether remote or hybrid forms of working are having an impact on HR's ability to seamlessly integrate new recruits into the business. We'll be digging further into this in the coming chapters.

Personal development, leadership development and retention are next, all sharing a comparable level of importance. Assessing employee skills and defining their developmental needs can be challenging, especially when HR leaders don't have the right tools at their disposal to map out personalized learning journeys. The same goes for developing leadership skills, which also requires time, resources and investment in training.

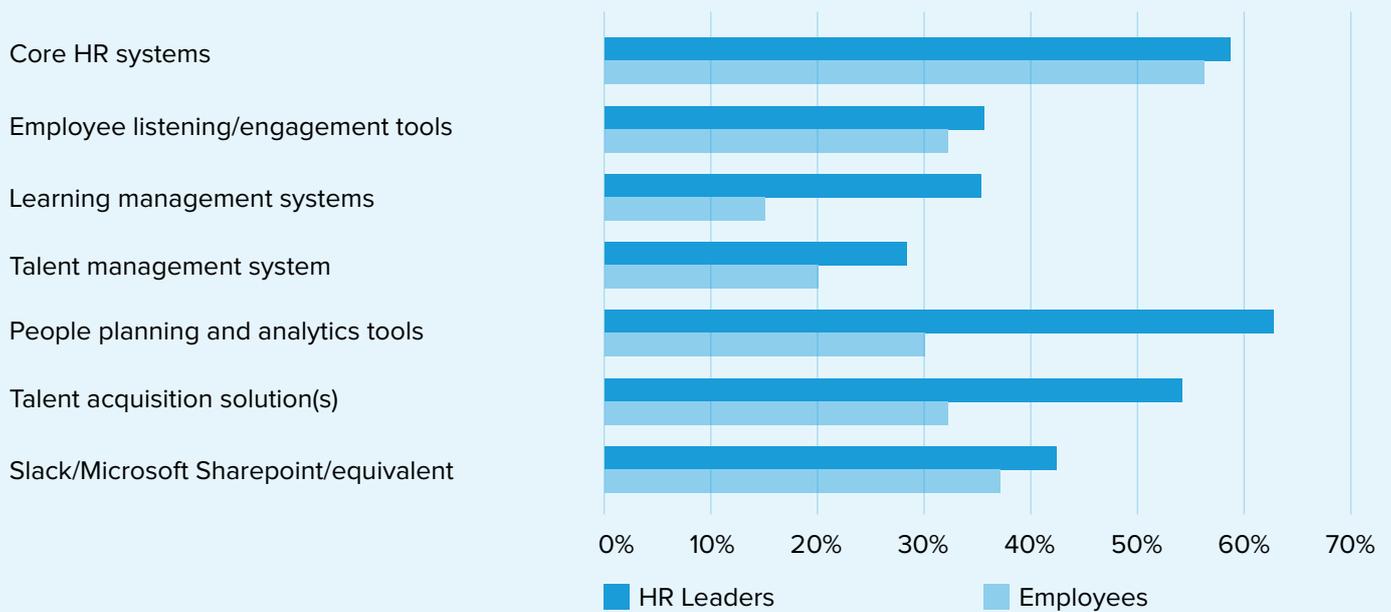
However, it certainly pays to get it right. Research from Deloitte shows that organizations that manage to build a strong learning culture are 17% more profitable than their peers, and benefit from 30-50% higher engagement and retention rates.<sup>3</sup>

3. [Employee Engagement Strategies](#), Deloitte

# What does employee growth and development currently look like for most businesses?

Employee growth and development takes many forms. The type, provision and frequency of resources naturally differs from business to business, though sophisticated learning programs usually span the entire employee lifecycle from recruitment to offboarding.

Although every organization has its preferred methods, there are several interesting trends when we compare and contrast the data gathered from HR leaders and employees.



Our research shows that 62% of HR leaders rely on coaching and mentoring as their preferred method to develop skills. Generally, this allows for a customized learning experience and allows managers to address individual strengths and weaknesses, rather than applying a one-size-fits-all approach. However, by contrast only 30% of employees say they use coaching and mentoring to develop skills. This is a significant gap, which indicates that either many staff aren't aware of the provision of coaching and mentoring opportunities, or that they simply aren't engaging with them.

There is far more confluence between the two datasets when it comes to performance reviews – 58% and 56% – which indicates greater alignment between business goals and employee expectations.

Given the growing importance of technology at the heart of modern skill strategies, it's interesting to find that just under half of organizations (46%) still don't develop skills through an LMS. This could be an indication of overreliance on legacy systems, resistance to change, or the perceived cost of investment. Even where training through an LMS is an option, there's another sizable gap between the provision managed by HR leaders (54%) and usage by employees (32%).

NB. There is also notable variance based on geographic location, specifically between the UK and France. Whereas HR leaders in the UK rely more on performance reviews (69% v 42%) usually conducted once or twice annually, French HR leaders lean more heavily towards project-based learning (45% vs 10%).

# GROWTH AND DEVELOPMENT IN ACTION

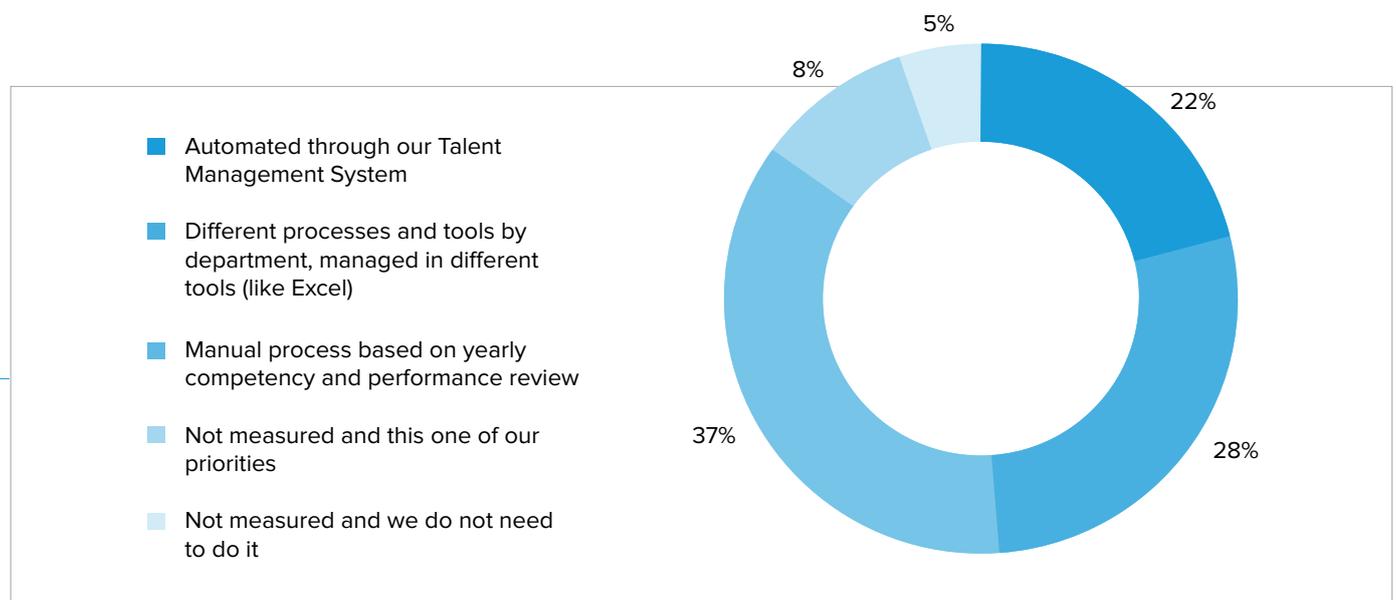
## Assessing employee skills and capabilities

The first step in bridging any potential skill gaps is getting a clear understanding of a workforce's existing capabilities and areas for improvement. Whether it's developing new skills or honing existing ones, organizations need to know exactly where learning time and resources are best spent.

Assessing skills is particularly important when forming plans for career development, promotion and certification processes. It's valuable when onboarding new recruits because it aligns current competencies with job requirements and allows learning managers to form more effective and personalized training plans from day one.

More and more organizations are also looking to create maps of skills intelligence that span their entire workforce, enabling them to take a more informed approach to internal mobility. The potential reduction in hiring costs and time spent on recruiting external talent can be a massive benefit to a business' bottom line, and it's something that both HR and hiring leaders should be collaborating on.

### How do organizations assess skills and how they fit with current and future business needs?



3. [The Future of Employee Listening, Mercer, 2022](#)

Our data shows that 37% of HR leaders assess skills through manual processes such as annual appraisals and performance reviews. This has long been the preferred method for organizations because it allows for structured feedback and defined timescales for ongoing development.<sup>4</sup>

The issue is that annual reviews are infrequent and it's easy for development plans to stall for months at a time if regular reviews aren't being conducted. There's also the possibility of recency bias to contend with, where newer skills developed in the weeks leading up to the review tend to get more focus. In fact, research published by SHRM found that 9 in 10 HR leaders were unsure that annual reviews resulted in an accurate picture of development.

Only 22% of HR leaders say they automate parts of skill assessment through a talent management system.

Although the initial setup of automated processes requires time and investment, automated systems free up a lot of time for HR and allow managers to rapidly track skills, especially when they are dealing with a large number of staff.

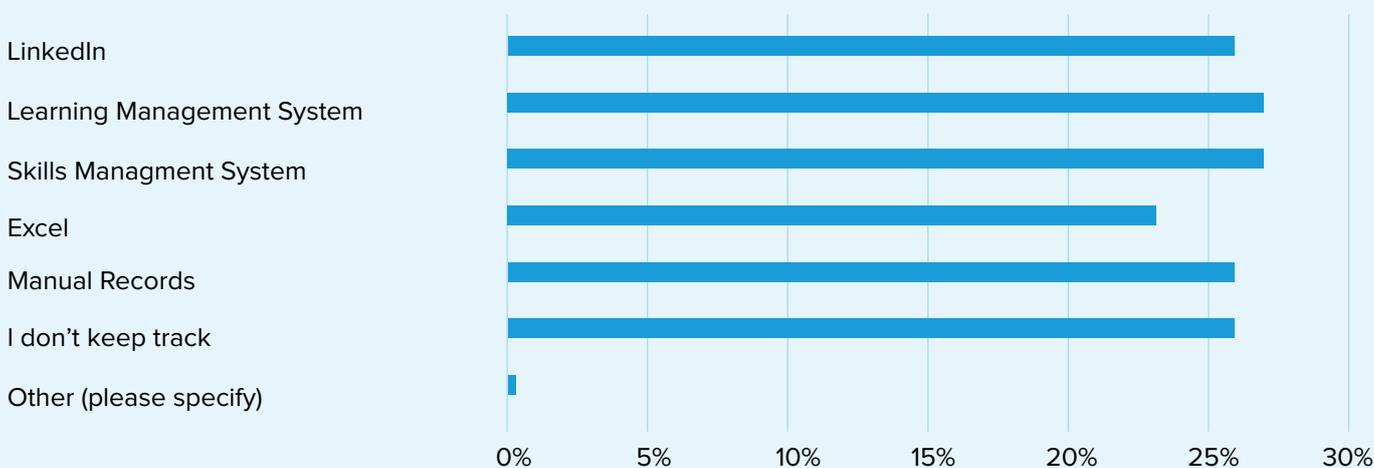
A further 13% of HR leaders say they don't assess skills at all. This is often because they don't feel they have time to do so, or they are unsure where to start. While some businesses might still be able to achieve good performance without assessment, it's virtually impossible for them to spot key opportunities for better resource deployment and alignment in the long run.

These missed opportunities can quickly lead to retention issues, lack of career progression and feelings of disengagement among employees.

## Engaging employees with their own growth

Surprisingly, 26% of employees don't keep track of their skills or qualifications, which suggests a lack of engagement with their own personal and professional development. In these situations, staff can quickly stagnate and start losing interest in their job, which in turn has a negative knock-on effect on organizational performance.

Remember that personal growth and development enhances job satisfaction by making work more interesting, challenging and rewarding – and that employees who feel they are learning and growing tend to be more fulfilled in their roles.



4. [Is the Annual Performance Review Dead?](#), SHRM

# Engaging employees with their own growth

When we asked HR leaders whether their workforce was supported across key areas of training, 28% said employees were lacking the tools and systems to progress their personal development, and 37% said employees were lacking support in career progression.

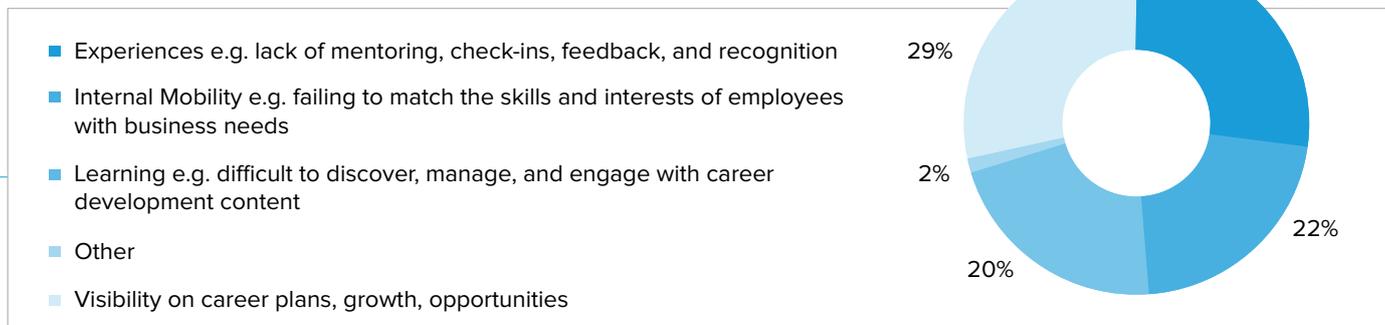
We posed the same question to employees, which revealed a very similar pattern across the same areas: 36% of employees said they lacked access to personal development training opportunities, whereas 39% said

they lacked access to career progression training.

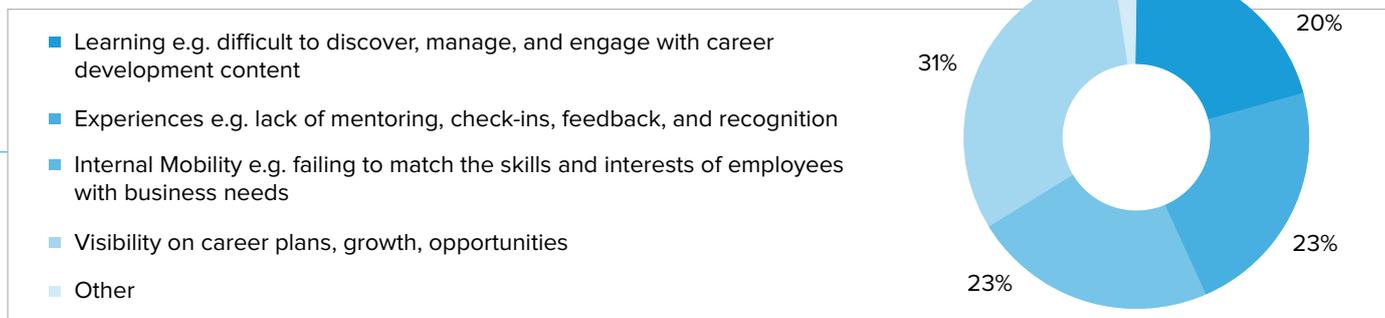
Overall, employees said that onboarding was the area of training in which they felt most supported by their organization (76%). When we view this alongside the fact that 55% of HR leaders view onboarding as a top challenge, the indication is that most departments are doing well to meet that challenge and integrate new members of staff into the business.

## What are the main barriers to Employee Growth and Development (EGD)?

### HR



### Employees



Comparing the two datasets side by side, both HR and employees agree that visibility on career plans, growth and opportunities is the biggest barrier to EGD (29% vs 31%).

The absence of a clear path for career progression is a major concern because ambitious staff will likely start to question the purpose of their work if they don't have any realistic opportunities to advance their career with the company. After a while those employees will begin

to look for opportunities elsewhere, which only serves to worsen retention rates and increase staff turnover.

This feeds straight into the second-biggest perceived barrier: internal mobility. Businesses that fail to match the skills and interest of their existing staff to core business objectives cannot maximize the potential gains involved with promotions, cross-team projects or mentorships. A lack of internal mobility also leads to issues with succession planning, whereby organizations may find it difficult to identify and prepare future leaders.

## Training the trainers

Every successful approach to employee growth and development relies on the efficient delivery of training. People managers play a critical role in uncovering employee aspirations, clarifying training requirements and developing personalized strategies to suit the needs of individuals and teams.

They also need to ensure consistency and quality of learning programs to reduce the risk of misunderstandings or gaps in knowledge. Those that get it right give themselves a far stronger chance of developing skills quickly, and in the right areas to support individual and collective goals.

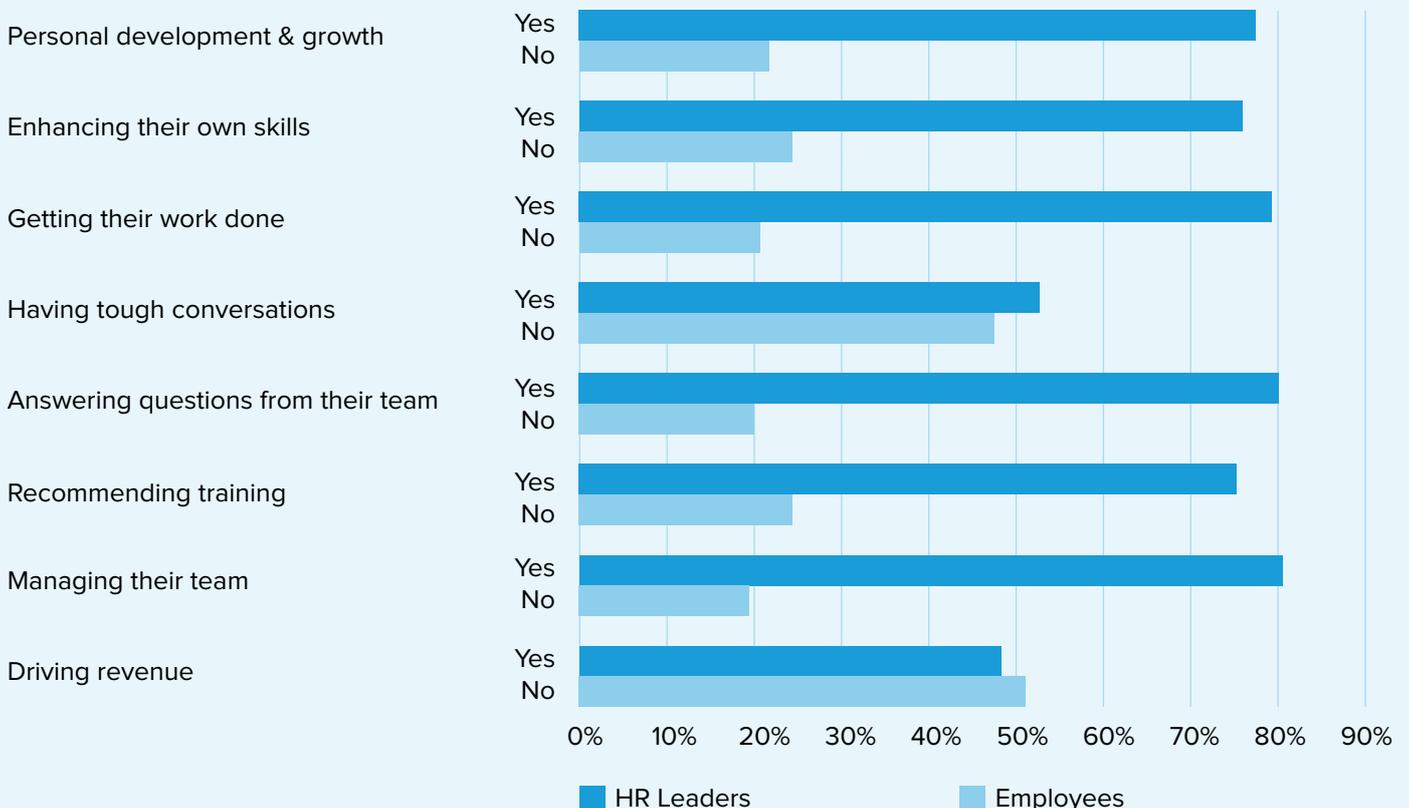
However, our data highlights two areas of training in which roughly half of all learning managers don't have

the tools needed to support employee development: having tough conversations (53%) and driving revenue (48%).

Being unable to have tough conversations with staff is a problem for many reasons, not least because it can instantly lead to disengagement if an employee doesn't feel respected or if certain messages aren't delivered in the right way.

It's also an issue if managers can't relay important information about how individual roles play a part in driving revenue for the organization as a whole. Again, employee strengths and behaviors need to be aligned with the core goals of business in order to achieve maximum impact and instill long-term purpose.

### Do people managers have easy access to the tools and systems they need to support key areas of training?



# THE REMOTE LEARNING REVOLUTION

Remote and hybrid working options have become the norm in the post-pandemic world, though the shift has inevitably created new challenges for HR and learning teams. Maintaining a high quality of experience for those not working from a central office requires careful thinking, especially when it comes to growth and development.

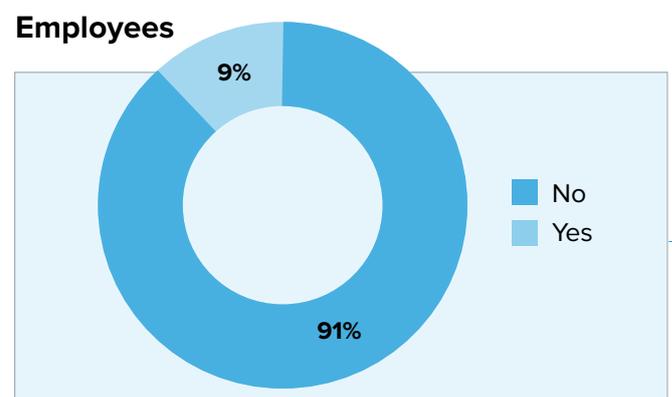
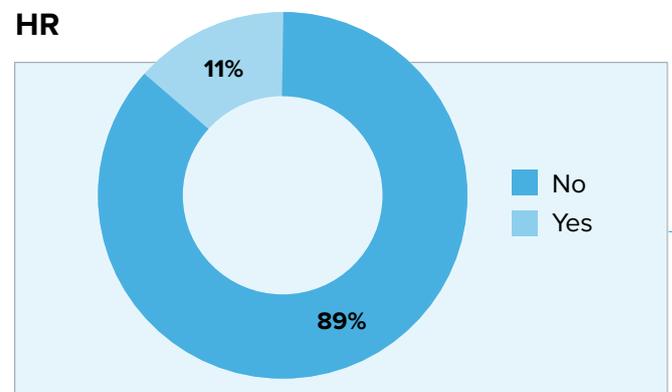
Culture change is needed, along with new practices and systems that empower employees to learn from any location, at any time. Learning programs must offer seamless digital experiences to become more agile and to achieve the same outcomes as in-person training. That goes for onboarding, upskilling, reskilling, compliance or any other type of workplace training.

## Has hybrid working made employee growth and development more difficult?

Our data shows that the vast majority of HR leaders and employees (89% vs 91%) don't believe that employee learning has become more difficult following the rise of hybrid working. Instead, most organizations appear to be embracing the new possibilities and freedoms offered by remote forms of working.

The greater sense of autonomy that results from self-directed learning can also lead to a range of positive outcomes. Employees often feel more comfortable revisiting materials and spending more time on certain topics they struggle with when they have more control over their learning environment, rather than being micromanaged.

For organizations, integrating more digital forms of learning can help reduce training costs, as well as saving valuable time and resources previously spent on traditional classroom learning programs.

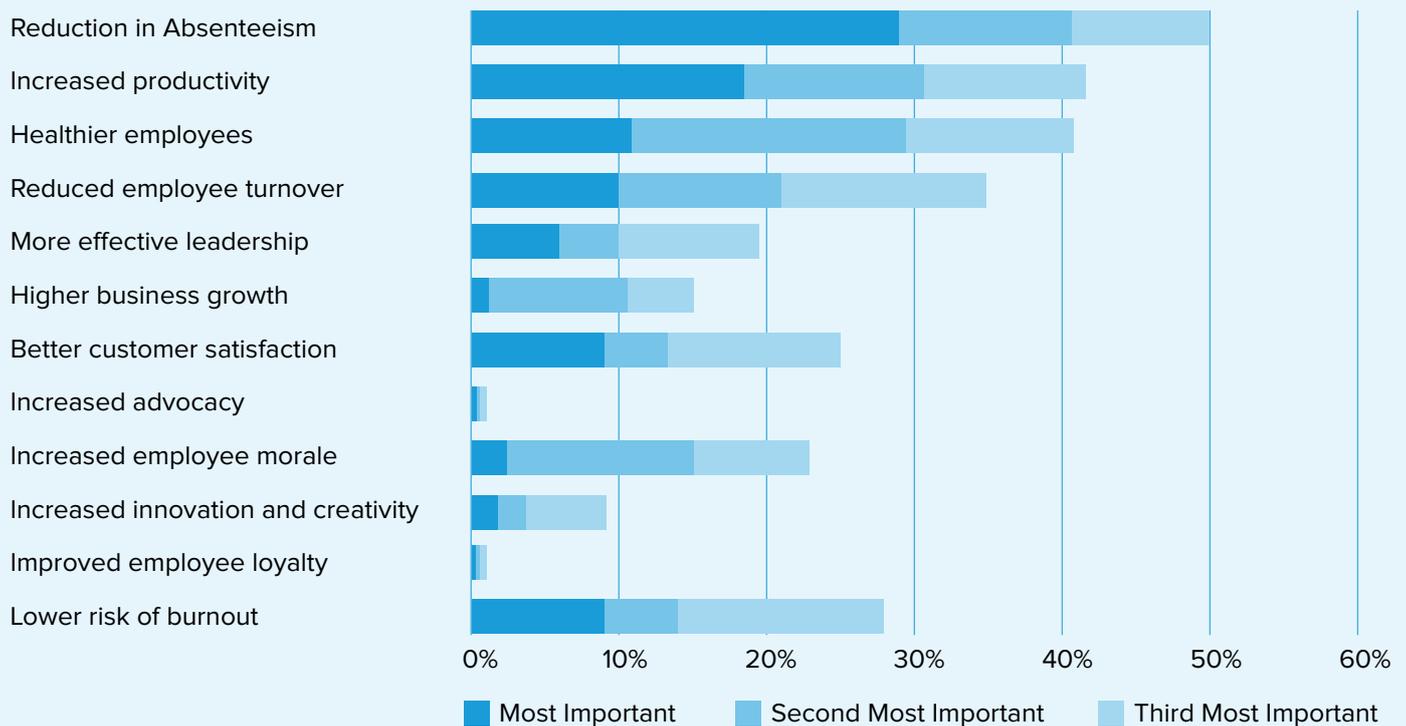


# THE REMOTE LEARNING REVOLUTION

It's easy to say that businesses profit when their learning processes are running smoothly; though tracking the impact that a superb EGD strategy has on core business goals and KPIs isn't always so straightforward.

The first step is to map out the KPIs on which employee development has a direct impact – and that's exactly what we asked our sample of HR leaders.

## What business benefits would you expect to see if you could remove all barriers to employee growth and development?



Just under a third (28%) of HR leaders forecasted lower absenteeism as the most important benefit stemming from a stronger focus on EGD. It makes sense that when employees feel more engaged with their development, their increase in job satisfaction and purpose leads them to take fewer unplanned absences.

Employees may also benefit directly from training around mental health, enabling them to better manage periods of stress and continue turning up for work in a positive frame of mind

The theme of health, wellbeing and performance continues with the next two most important benefits – increased productivity and healthier employees – both of which ranked as one of the top three benefits for over 40% of HR leaders.

In terms of productivity, the knowledge gained by staff through training is likely to broaden their skill set and enable them to perform better in their primary role; though it also means they can expand into wider roles

and responsibilities, either supporting or acting as cover for other people in their team.

Employees who feel their organization is willing to invest in their personal development are also more likely to go the extra mile when called upon. There is also more incentive to excel when people know they have clear opportunities for progression – more on reducing employee turnover below.

## Retaining top talent through learning

Over a third of HR leaders (36%) said that reducing staff turnover ranked among their top three most important benefits after removing all barriers to EGD.

Employee retention is a hot topic given the current high levels of mobility within the labor market and ongoing battle for talent. A study from Pew Research revealed that 63% of employees who quit their job said that a lack of advancement opportunities was their main reason for leaving.

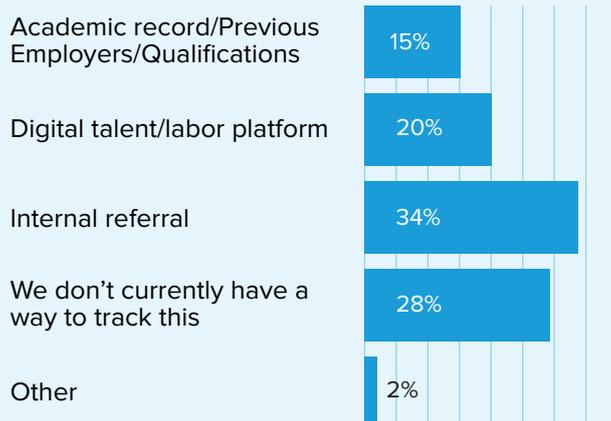
This tallies with our own findings that employees today expect to have a clear path for career development within their organization. It should also serve as a wake-up call for employers that are failing to invest in the growth of their workforce, particularly promising talent that has the potential to develop into more senior roles.

Internal referrals are by far the most popular method of progressing talent through stages of personal and leadership development. While this is certainly a low-cost approach to identifying future leaders, relying solely on referrals leaves organizations more open to limited diversity and bias when choosing which candidates to progress.

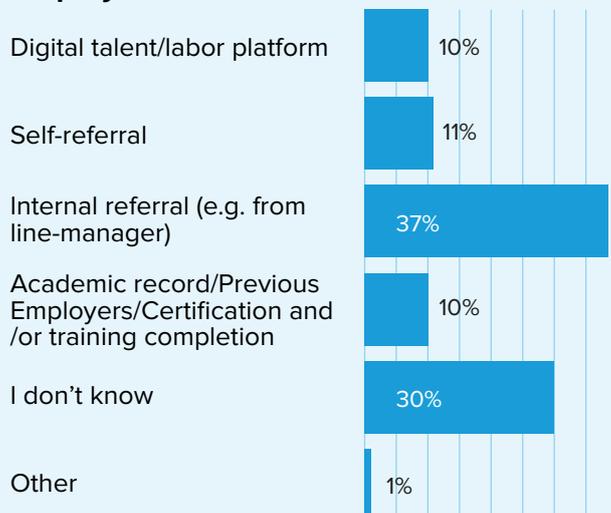
It also speaks volumes that 28% of HR leaders don't track growth potential, and that 30% of employees simply don't know whether or not their organization has a clear route for internal progression.

### How does your organization currently identify its rising stars and track growth potential?

#### HR



#### Employees



5. [Employee Research Survey](#), Pew Research Center

# BUILDING THE BUSINESS CASE FOR EGD

## Securing buy-in for people investment

The decision to invest in employee growth and development should never be taken lightly. Senior management teams will inevitably scrutinize the prospect from different angles to determine financial feasibility and return on investment. Being able to present a strong business case is vital to secure backing of the board and start setting EGD plans in motion.

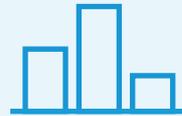
It's also where a lot of learning project leaders fail – 36% of HR teams said a lack of leadership buy-in or alignment was the biggest barrier to employee learning.

So, what can HR leaders do to overcome this hurdle and make sure senior leaders understand the true value of employee learning? Here are four important considerations:



### Defining your needs

A good starting point is to map out the priorities and strategic goals of your organization. This could take the form of a full-scale audit of your current learning systems and process to highlight weaknesses, inefficiencies or skill gaps that may be negatively impacting engagement and performance.



### Analyze costs and ROI

Senior management teams will always demand a full breakdown of costs associated with the learning project. Wherever possible, it's a good idea to forecast the financial benefits and productive gains that come as a result of solving current challenges and bottlenecks.



### Quantifying the benefits

More and more HR teams are committing time to conduct company-wide surveys, allowing them to generate insights and benchmark KPIs such as turnover, engagement, satisfaction and productivity. This makes it far easier to track the impact of new initiatives against previous baselines to start determining ROI and direct focus in the right areas.



### Acknowledge risks

Whether it's initial resistance from employees, integrating new technology or cost overruns, it pays to lay out potential risks and obstacles before offering contingency plans to deal with them.

## Investing in the right tech

All modern learning strategies rely on technology to deliver a superb employee learning experience. Beyond the benefits of accessibility and facilitating remote training, digital systems are usually a determining factor in an organization's ability to personalize learning journeys, provide a blend of content formats and generate real-time data insights.

An organization's choice of technology will depend on the scale of its objectives. Whether it's a new LMS, additional content, AI capabilities or otherwise, HR leaders should be working closely with IT to achieve a seamless integration with their existing tech stack. This is the only way to ensure a smooth, positive user experience for both managers and staff.

### What would be the biggest help in overcoming the challenges of employee development in your organization?

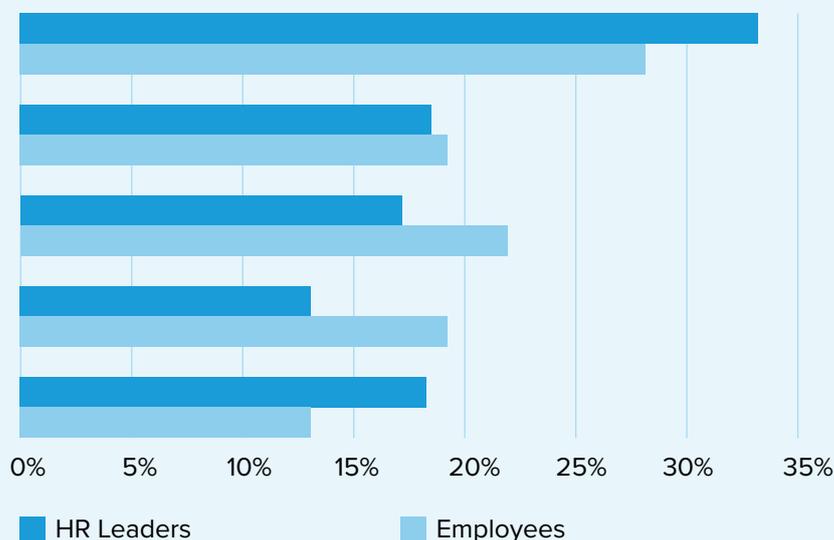
A single, unified portal that connects employees to everything they need

Additional learning and development tools and applications

Dynamic, real-time updates to an Employee's Profile

More resources in HR and People Teams

Proactive/Personalized suggested career paths based on employee profile



Both HR leaders and employees (33% vs 28%) agree that a single unified learning portal would make the biggest impact on employee development. Centralization is a huge benefit to organizations because it allows staff to easily access learning resources, courses, documentation and wider materials all in one place.

In the past, learning managers and employees were required to juggle various systems and log-ins to access and update their organization's full range of learning resources. This created inefficiencies, additional admin and higher costs associated with running multiple systems at the same time.

A unified portal ensures a consistent, streamlined learning experience for all staff, while still offering options for personalization and training based on employee profiles, aspirations and skills gaps. It makes it easier for companies to track skill levels and experience, enabling them to deploy the right people to the right places.

All of this plays into an organization's ability to fill skill gaps, cut hiring costs and put plans in place to reskill, upskill and target learning where it's needed most.

# DELIVER THE NEXT GENERATION OF LEARNING FOR YOUR BUSINESS

From higher engagement and productivity to lower staff turnover, the range of competitive advantages that stem from becoming an industry leader for employee growth and development are clear.

Organizations that support workplace learning with the right tools and processes are also far better placed to address current and future skills gaps, and to develop promising talent into exceptional leaders. This type of culture is a magnet for top talent, even in an extremely mobile job market.

New learning innovations, centralized platforms and dynamic career paths are the foundation of today's workplace learning experience, helping to meet employee expectations by giving them more clarity over purpose and more room to grow.

AI-powered skill intelligence is transforming how organizations approach workplace training, whether it's recommending tailored programs or spotting mobility opportunities. The progression is happening at such speed that any business still relying on legacy technologies and inefficient, decentralized programs will soon find itself left behind by the rest of the pack.

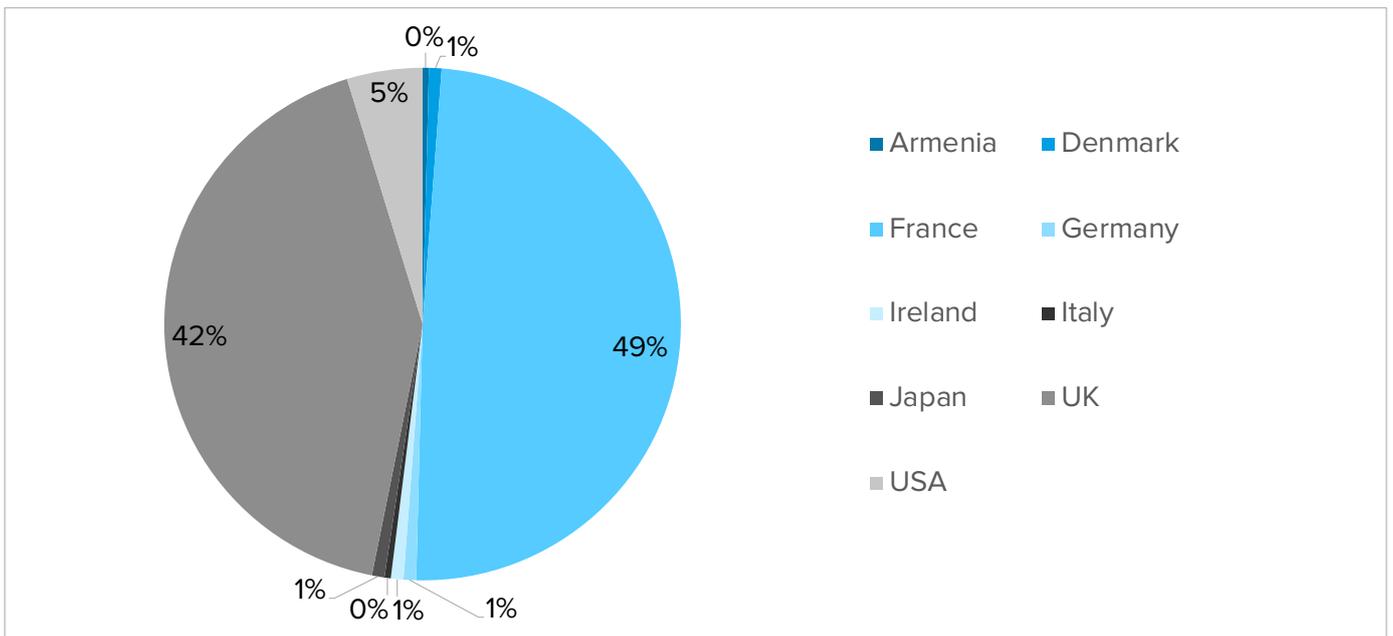
There's no doubt the ability to predict, identify and develop skills will continue to have a huge impact on business growth in future – and those that take the opportunity to get ahead now will be reaping the benefits for years to come.



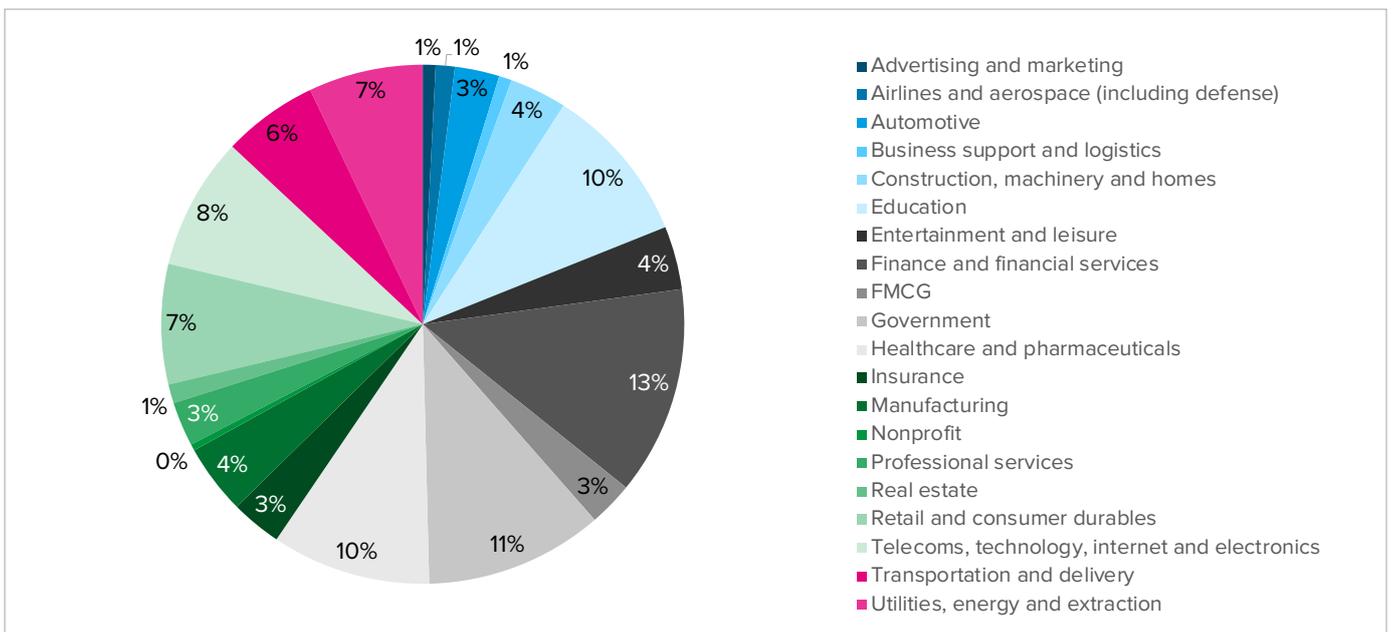
# APPENDIX

## Respondent demographics: Employees

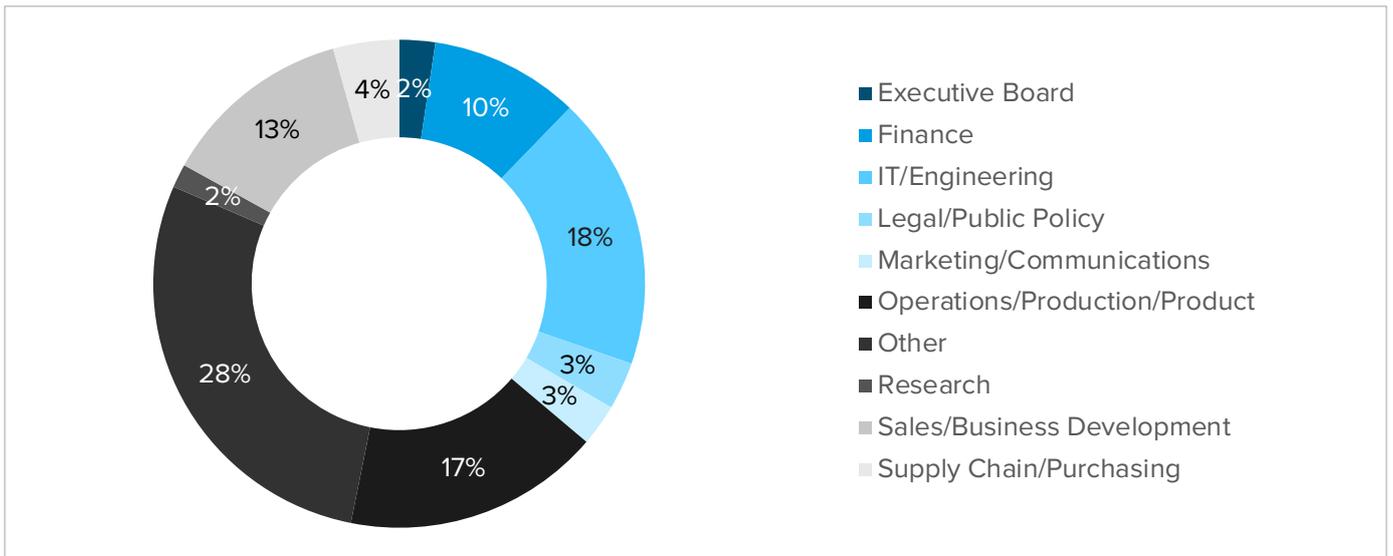
### Geography Split



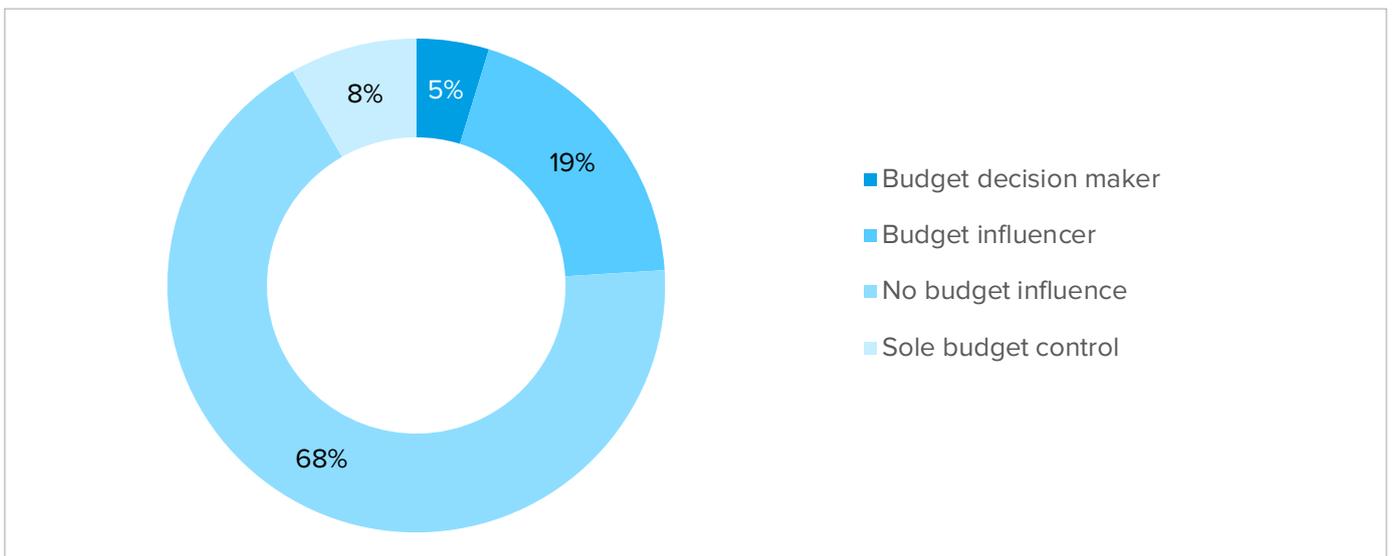
### Industry Split



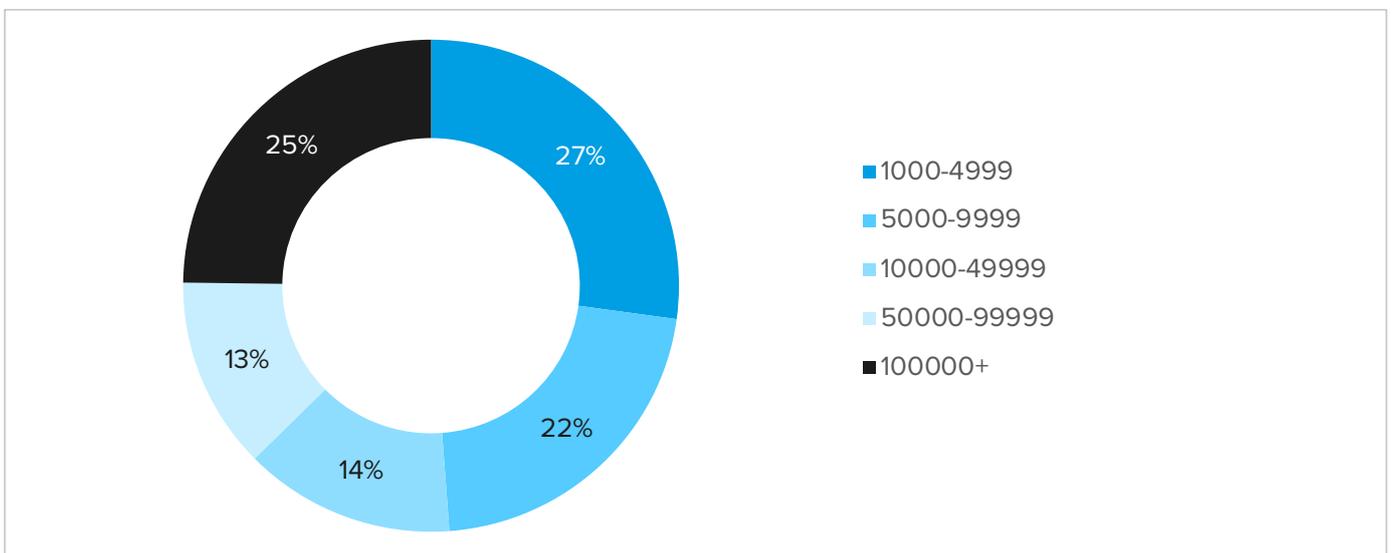
## Role Focus



## Budgetary Control

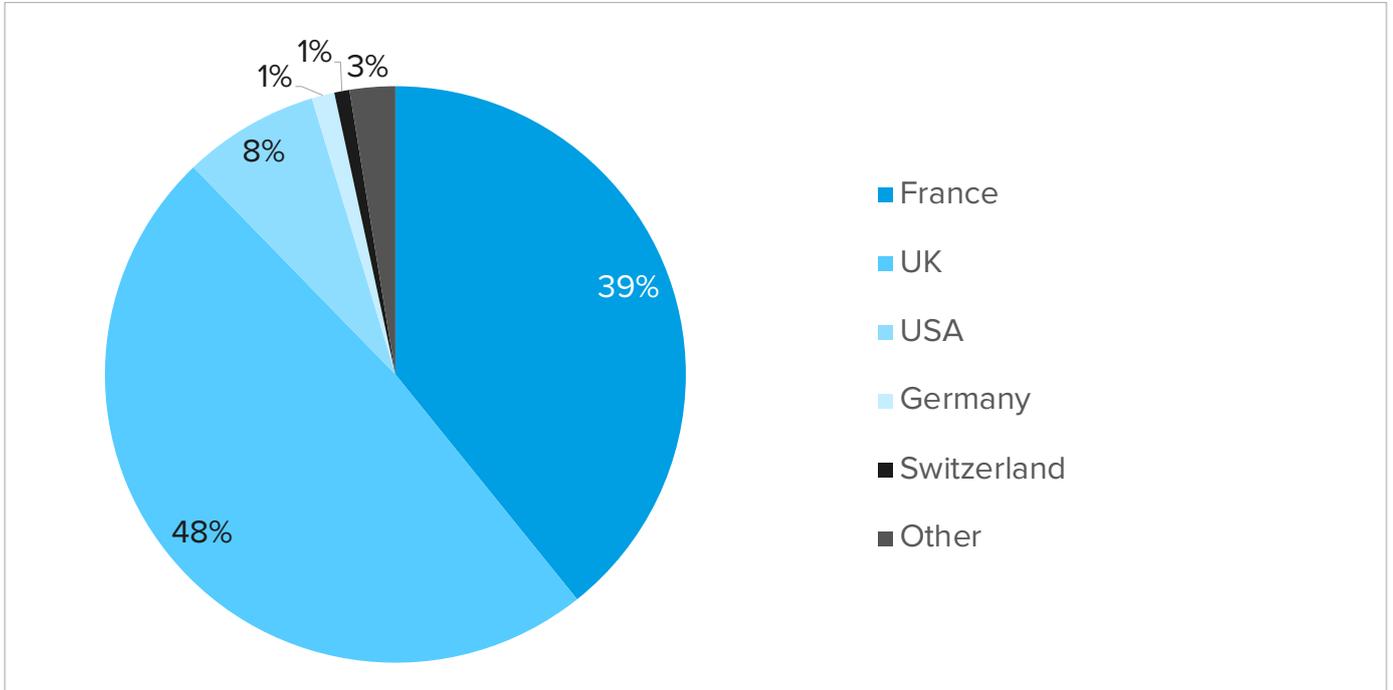


## Organization Size

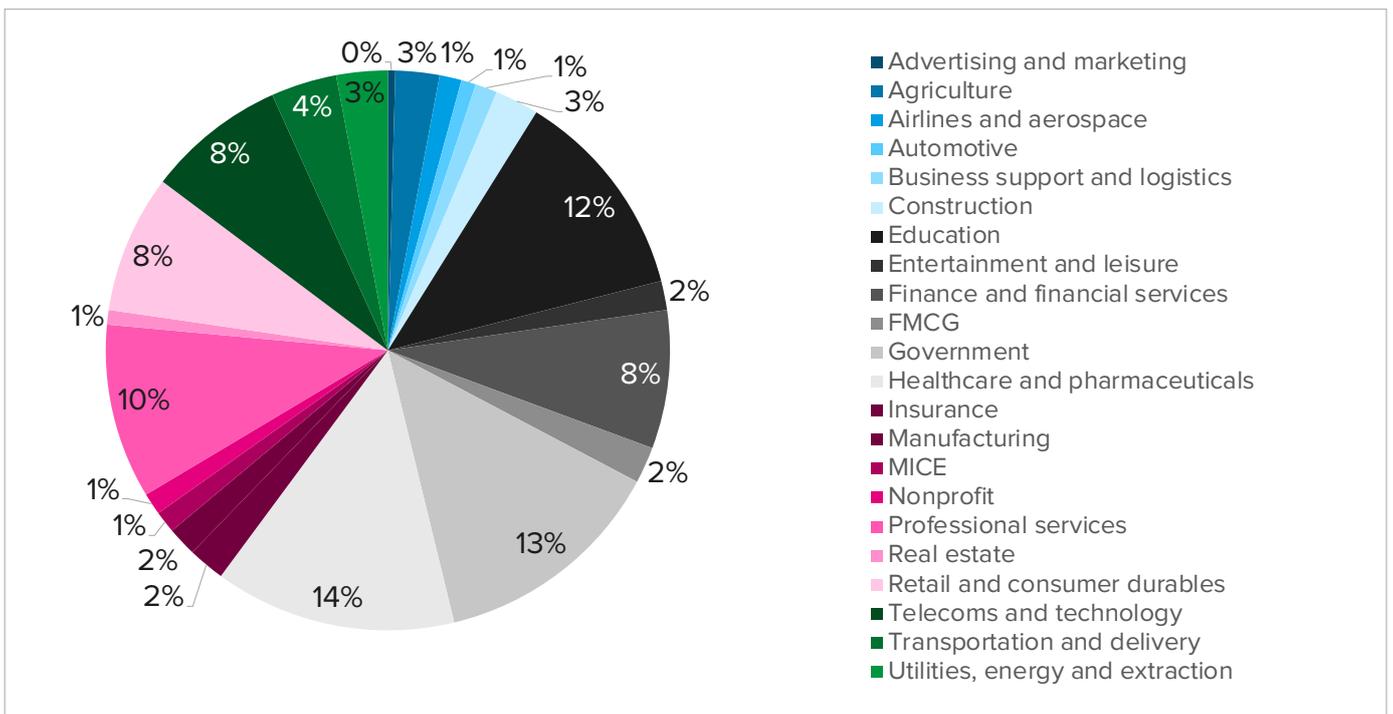


# Respondent demographics: HR Leaders

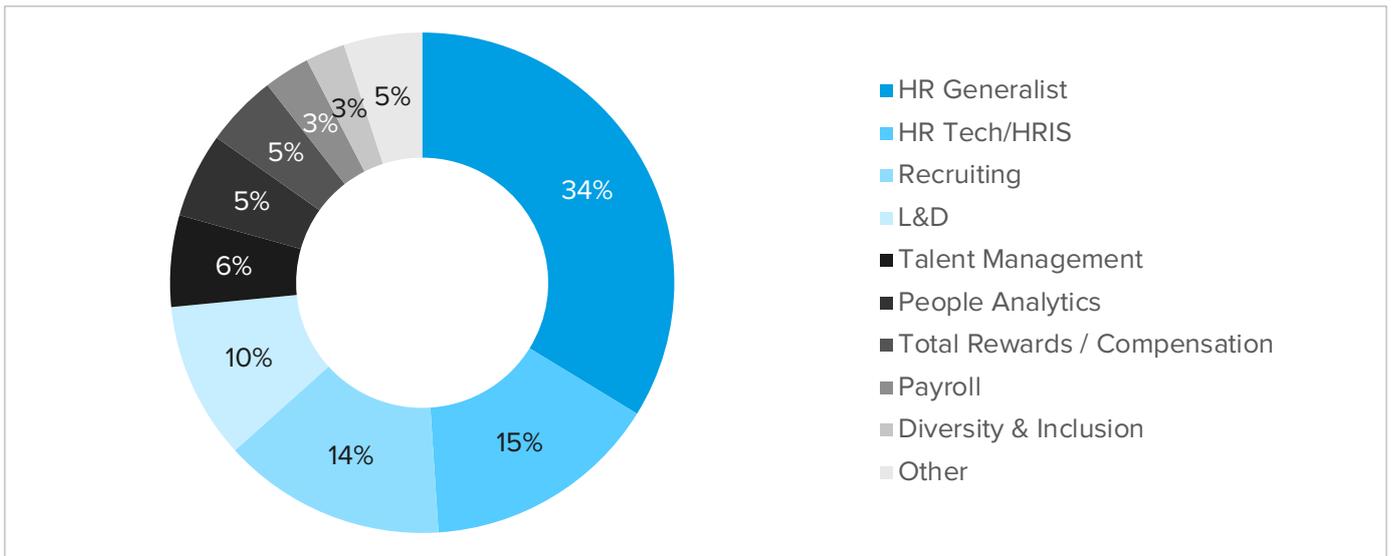
## Geography Split



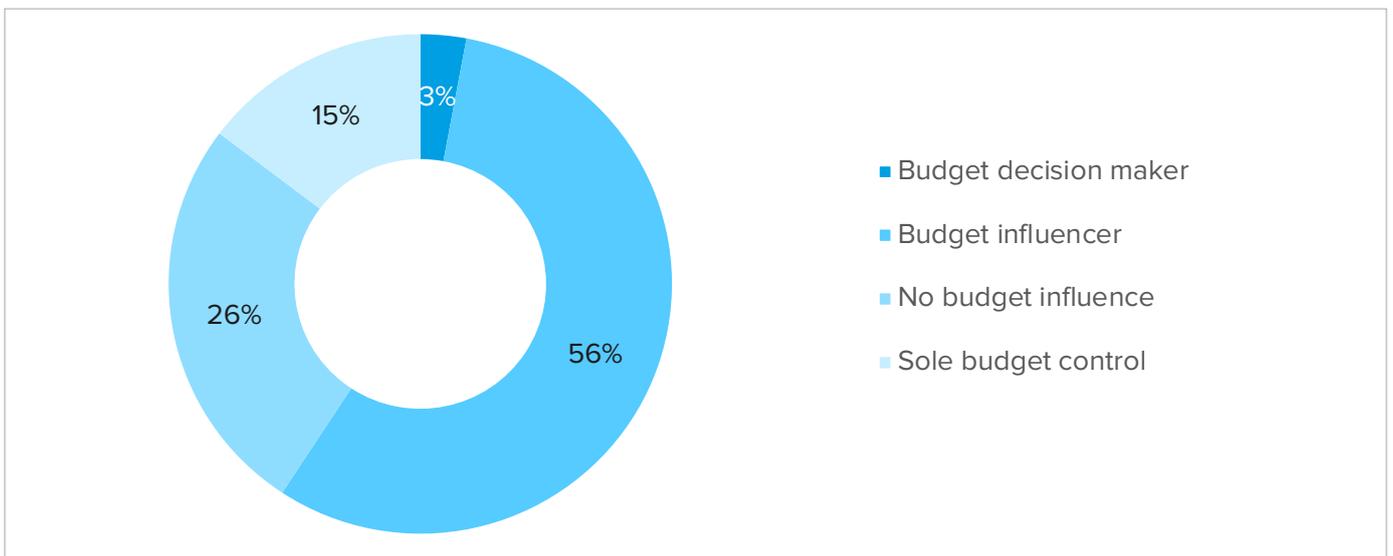
## Industry Split



## Role Focus



## Budgetary Control



## Organization Size

