

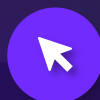
Learning & Development Impact Survey 2026

Benchmarking the changing role of
L&D in achieving business success.

The background features a large, stylized graphic of a cross or star shape composed of overlapping triangles in shades of purple and pink. Within the negative space of this graphic, there are several small, overlapping images of people in a professional setting, likely a meeting or training session, looking at laptops and documents. The Hemsley Fraser logo is positioned in the upper right corner, with the word 'hemsley' in a larger, white, lowercase sans-serif font and 'fraser' in a smaller, white, lowercase sans-serif font directly below it.

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AI. AI. AI. It's hardly as though strategically responding to the business-transforming impact of this advanced technology is learning and development's only agenda item.

However, AI's increased centrality in organisational life is certainly having an instructive effect on the what and how of L&D operations in 2026, with ever-closer measurement of just how effectively the function performs in this increasingly AI-defined paradigm.

As in previous years, the challenges L&D contends with are complex and interlinking. AI (and its inherent transformative effect) might be the big-ticket business challenge.

The broad operational, strategic, and economic flux AI is causing for businesses isn't independent from the talent lifecycle management challenges, it also impacts engagement, upskilling, and capacity issues.

None of this is entirely new, disruption, uncertainty, disengagement has demanded L&D to deliver new digital and human skills, using modalities that make sense for the skills and networks both the individual learner and organisation's need.

Yet what the 2026 Hemsley Fraser Learning and Development Impact Survey highlights is how changing dynamics over the last 12 months have continuously raised the bar on what the function must deliver and why the human side of that equation matters more than ever.

From 2025 to 2026

For L&D, 2026 is another year of high disruption and high expectation. organizations are transforming in the face of AI, economic uncertainty, and talent challenges and the pressure lands squarely on L&D.

Deliver critical skills, support engagement and retention, prove measurable value. The context has shifted, but the core pressures hasn't.

In 2025, L&D delivered despite headwinds and stretched resources, experimenting with AI while meeting growing demand for both technical and human skills. What's changed is that AI transformation is 12 months further on, and business expectations have moved with it.

“The landscape and business is transforming faster than we can reskill”
UK Respondent

Top three challenges organizations are facing



The ongoing challenges for L&D

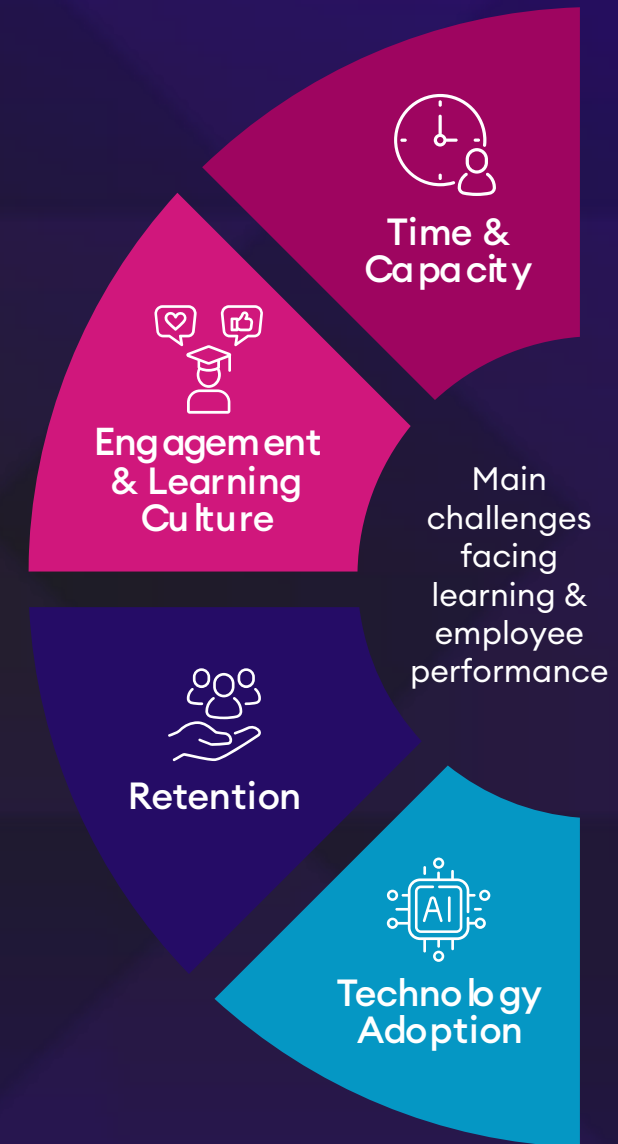
Economic uncertainty. AI. Transformation. The challenges are big and ongoing, but practitioners on both sides of the Atlantic are open-eyed about this. In the US, almost half (48.5%) of respondents said AI uncertainty and skill gaps are a top challenge. In the UK, AI is the top practitioner challenge, with worries that AI-driven change is outpacing capability.

But alongside contending with AI and digital transformation, UK and US L&D functions are also contending with burned out, time-poor employees who increasingly don't plan long company tenures and may lack manager support for development.

Budgets, resource pressures, and misalignment with transforming businesses round out the top-five concerns, all while L&D is expected to measurably deliver both human and digital skills, wrapped in great learning experiences.

Positively, the function knows what it must do. For example, capability development as a driver of L&D activity has grown 28% YoY, and L&D's role in business support and staff retention remains strategically critical.

That clarity is translating into action, practitioners want more flexible learning (in-the-flow, bite-sized, blended), better learning connection from onboarding to skills gaps, and stronger leadership and AI capabilities. All modalities oriented toward the biggest challenges on the table.



Human-centered L&D

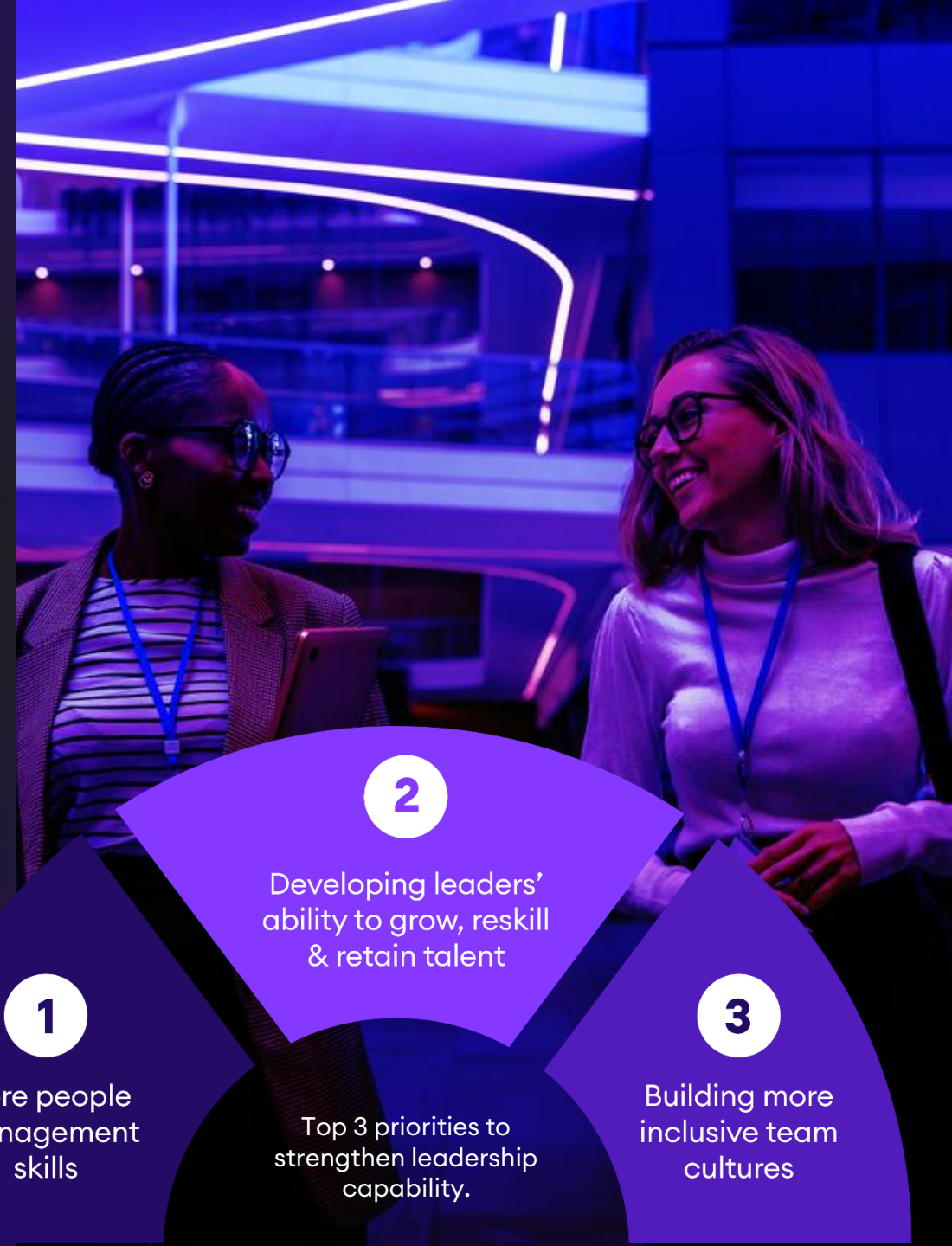
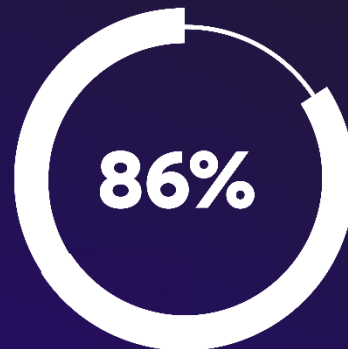
“Social interaction is difficult for the younger generation...the age group does so much on their phones and computers.”

The human still defines L&D in 2026 and the data makes clear where organizations want the function to focus.

An overwhelming 86% of UK respondents identified strengthening core people-management skills, coaching, feedback, and performance conversations, as the top leadership priority for the next 12–18 months.

Nearly half also want leaders better equipped to grow, reskill, and retain talent.

Core people-management skills, coaching, feedback, and performance, are the top leadership priority for the next 12–18 months, cited by 86% of UK respondents.



1
Core people management skills

2
Developing leaders' ability to grow, reskill & retain talent

3
Building more inclusive team cultures

Top 3 priorities to strengthen leadership capability.

In-person learning remains the foundation for building these capabilities, growing 10% as a modality over the last two years, with coaching and human-led virtual training also on the rise.

When it comes to developing the leadership skills that matter most, human connection remains the delivery method of choice.

It's hardly as if digital modalities are not used, learning hubs, portals, and even AI content are widely operationalised.

Almost a quarter (24%) are now using AI in learning, which is hardly surprising given there is broad confidence in L&D investment.

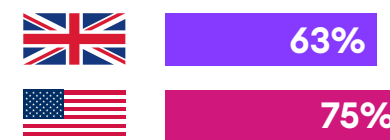
AI skills are critical, and digital delivery can help meet employees where they are, but it's in this digital landscape where human capabilities still have a critical role.

In-person training is critical for building the connection and emotional skills that fuel collaboration and drive business success, even as AI increasingly defines operations.

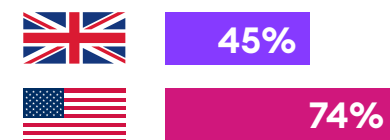
In-person training



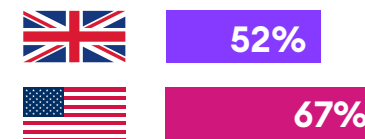
Virtual instructor-led



Blended learning



Coaching



US and UK uses of different learning modalities

Business-impacting L&D

L&D might understand the changing business paradigm it operates within and what it has to deliver, but is it measuring output effectively?

For the third year in a row, programme learner feedback is how L&D most commonly assesses its impact. With L&D activity predominantly concerned with developing the skills of the individual – the most common driver by 11% – ahead of supporting business goals and foremostly in person, this is hardly surprising. Especially as L&D is expected to engage and retain employees, too. People, inarguably, matter, even in the age of AI.

But with, in the US at least, bullishness on L&D budgets (just over a fifth of respondents expect an 11-15% boost) and at least 6 in 10 respondents overall implementing AI to some extent, the function hasn't escaped being measured with hard business metrics. Indeed, the second biggest driver of L&D strategy is supporting business outcomes.

Here, the use of Kirkpatrick levels grew 3% year-on-year. In the US, with the expectation of boosted investment, there's keen interest in business impact measures (35%), as well as widespread use of performance metrics (which 82% of businesses use).

As businesses invest in transformation, 88% are now adopting transformation-driving AI, according to 2025 McKinsey data, this is hardly surprising. Especially as a majority of respondents (55%) see better alignment to business goals as a way of boosting L&D's impact.

“We responded by prioritising upskilling, flexible learning, and tighter alignment to performance goals.”

AI: Defining L&D's challenges, strategy & operations

"Change management (needs) training for artificial intelligence."

AI increasingly defines L&D's operational landscape and what it must deliver, even more so than in 2025. Last year's Impact Survey results highlighted that three-quarters of practitioners were open to AI use, but only 36% used it.

Fast forward 12 months, and AI is considered a top business challenge, with the delivery of AI skills being a top-five challenge for the function.

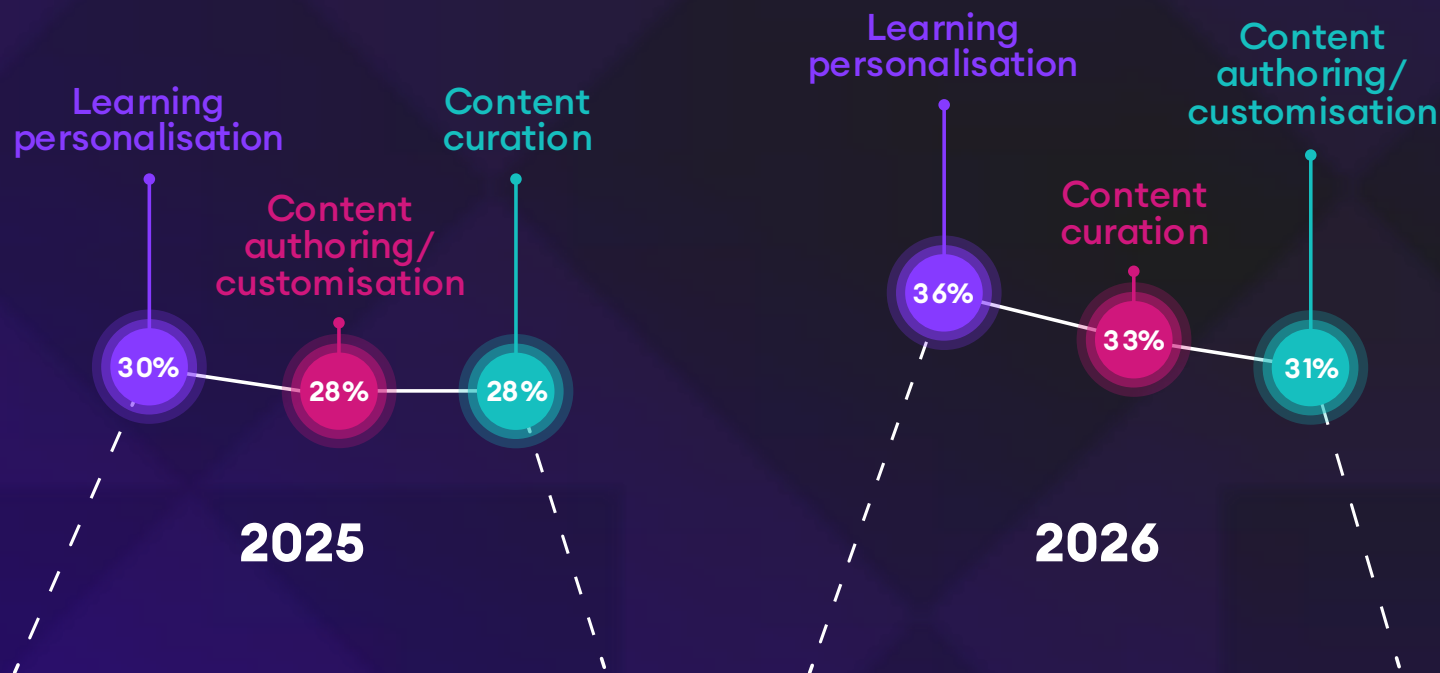
Qualitative feedback from survey respondents shows that AI-driven transformation is creating the capacity, engagement, and turnover issues L&D must contend with.

Almost half (47%) of respondents reported that transformation is driving L&D strategy and one respondent told us;

"There is lower learner engagement resulting from business transformation projects."

Last year's broad functional receptivity to AI has developed into deeper implementation of the technology in learning this time round. AI has experienced a year-on-year increase in being used for learning personalisation (30% to 36% of respondents using it), perhaps unsurprisingly given L&D is tackling learner disengagement.

Elsewhere, there is clear growth in content authoring and curation, and performance tracking. Again, hardly surprising given the appetite to better align L&D and business goals.



How L&D utilised AI in 2025 vs How L&D utilises AI in 2026

AI: from hype to maturity and strategic implementation

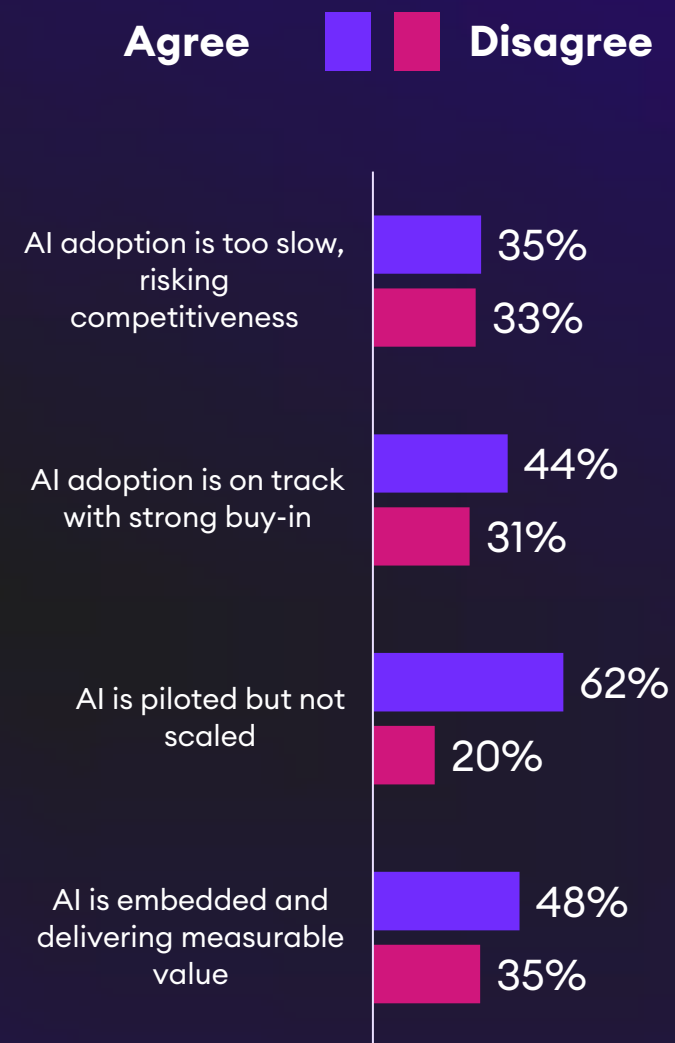
There is broad functional belief that AI can drive business success. Four in ten 2026 respondents believe better L&D alignment to business goals can be boosted by AI.

And there is an 8% year-on-year growth in appetite for AI to drive learning. Does this reflect a better understanding of what AI skills organizations need and where they can be used? The data suggests so.

In 2024, 33% of the US population used AI in learning. In 2025, this receded to 20% before rebounding to 33% in 2026. This increase in L&D AI use suggests a move beyond the hype cycle: a move from misunderstanding AI as a panacea to a tailored tool. There's circa 10% year-on-year growth in those who think Gen AI adoption will boost learning (29% to 38%), and six in ten who think AI is now used well in pockets of their organization and want to see further scaling.

2026 survey respondents also report that they know what AI skills are needed, from data literacy to AI adoption skills and boosted cybersecurity understanding.

It suggests a nuanced, considered implementation.



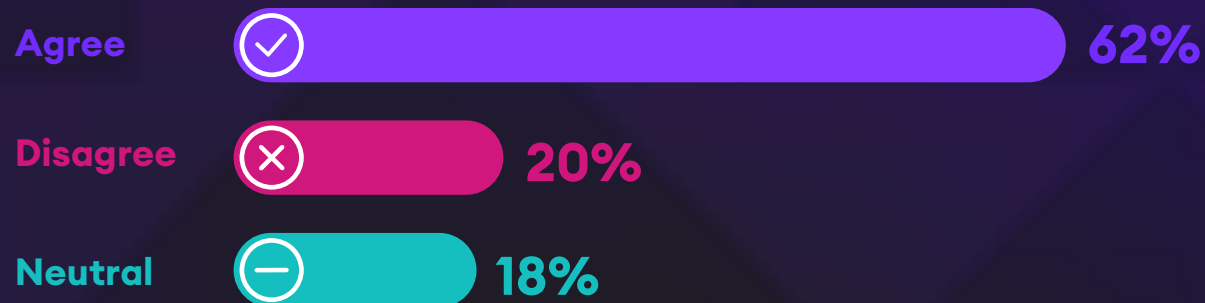
Q16. How AI is being applied within organizations

There are, of course, reported struggles with adoption to AI, from governance to employee resistance.

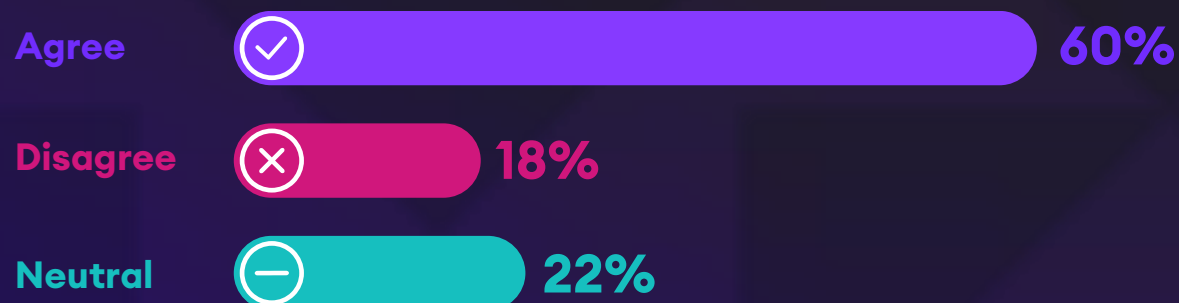
The L&D response has been to be careful around running AI workshops and enabling understanding of literacy in AI, and its guardrails by leaders.

L&D understands AI skills are the most critical for the business, so it has to get them right.

AI is piloted in pockets of organizations but not scaled.



Competing workloads prevent colleagues from learning and applying new tools like AI.



Human skills are increasingly critical to lead during the AI era

As L&D understands it, AI and digital skills are the most critical for business, but human capabilities are the second most important consideration for the rapidly evolving world in which L&D operates.

The pressure is felt heavily in both areas and as one respondent said: "We're transforming faster than our people can reskill."

Digital transformation has only enhanced the importance of human skills.

AI and digital skillsets might be considered the most important capability L&D has to deliver, but the remaining four of the top five are human-focused - communication skills, emotional intelligence, customer service, adaptability, change readiness, and leadership and management capabilities.

For the third year running, the L&D innovation respondents want to see more of is human and soft skills development.

What future skills and behaviours are most critical for your business?

1

AI & Digital Capability

- Data literacy
- Automation
- Digital Fluency

2

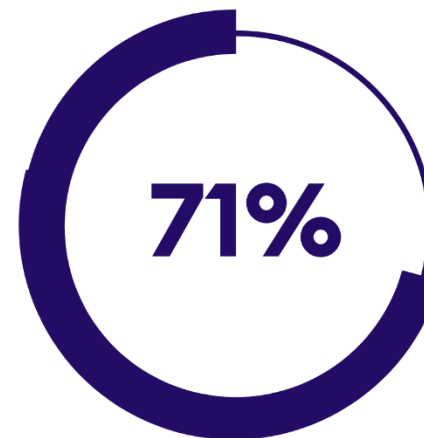
Human skills

- Communication
- Collaboration
- Emotional intelligence
- Empathy

3

Adaptability & Change

- Flexibility
- Resilience
- Growth Mindset



of UK and US organizations identify AI, digital fluency, or data skills as a critical future capability - yet the vast majority cite at least one human skill alongside it.

[Explore our brand-new AI curriculum](#)

As AI defines more of work, it's clear that human skills are becoming more important because they make organizations more able to navigate an uncertain world and better utilise this technology to improve both human and business outcomes.

[Boosting human skills insight paper](#)

Leadership at its core

There is a clear sense of what human skills are needed as businesses grapple with AI-driven transformation.

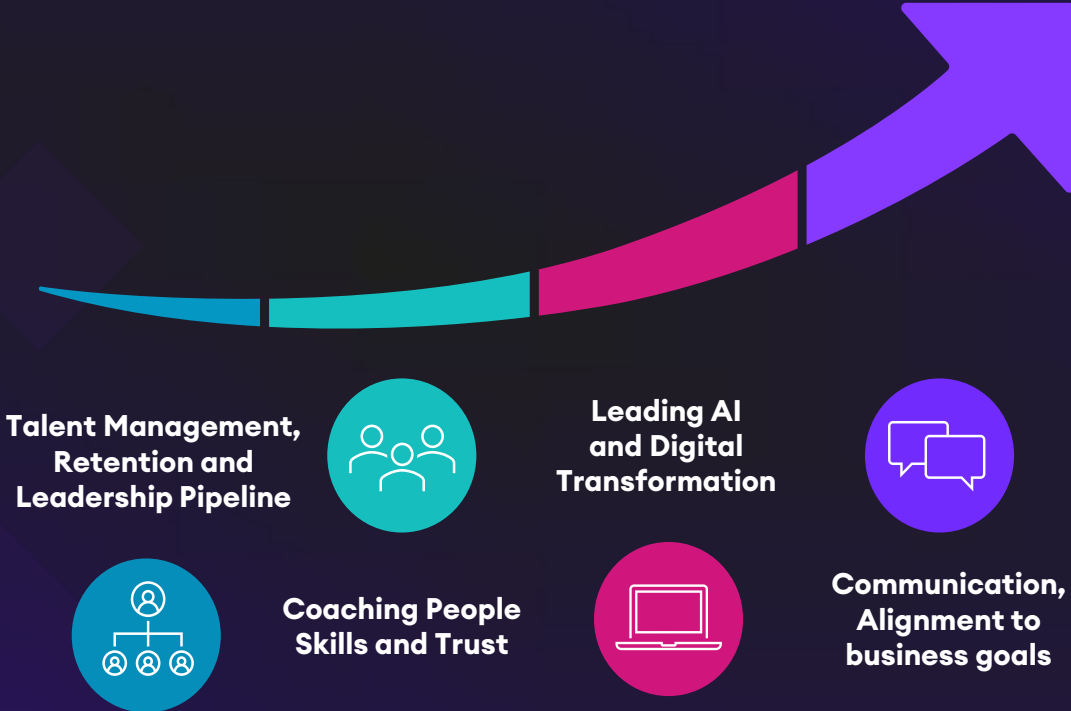
There is still demand for coaching, communication, emotional intelligence, and adaptability (a range of 2025's most in-demand human skills) but also a clear focus on leadership.

Over seven in ten respondents want core people management skills prioritised over the next 12-18 months, with communication, mentoring, retaining talent, and reducing disconnect being key drivers.

No surprise that the biggest area of need is being able to lead during AI-driven transformation and improve performance management.

As AI changes employment norms to the business landscape, it's the leadership skills L&D sees as critical, such as change management, communication, and resilience, that will enable successful navigation in an increasingly digital era.

What are the single biggest leadership or management capabilities your organization needs to strengthen to succeed in 2026?



Conclusion

As with recent years, the challenges L&D faces are the big-ticket challenges the overall business must contend with and that disruption forces new operating models.

AI is clearly having an outsized impact on business, it is something L&D must work in, deliver for, and evolve in the face of. It's in this shift that businesses need L&D to be effective, and is measuring impact.

What the 2026 survey shows is that L&D respondents know what they must do, building, in many ways, on the foundations of 2025: when AI was beginning to cause business and talent management uncertainty, creating demand for newly refined human skills and technical capabilities and it's also creating new opportunities.

In 2026, those expectations are similar but, importantly, have evolved once more.

Going forward, L&D knows it must deliver modalities of learning that make sense for all employees, from leaders to less senior staff, who are delivering under the uncertainty of transformation.

L&D will need to engage, retain and develop a blended in person and AI approaches to deliver the impact required.

For L&D, it's also about understanding the business value of that learning, and ensuring it's tailored towards the blend of skills from leadership in change to AI fluency, that drives continuous organisational success.

It's a big challenge, but positively, the business backs the function, and the function backs itself with an appetite to do more.

Results in full

Every question. Every data point. With year-on-year analysis comparing 2026 findings to previous surveys.

Or prefer the highlights?

 [Download our summary infographic](#)

The human still defines L&D in 2026

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2026 L&D Impact Survey Highlights

HR Grapevine TRAINING INDUSTRY

AI is reshaping the agenda. Economic pressure is real. But what the 2026 survey makes clear is that the function's greatest opportunity – and expectation – lies in human capability. The businesses that thrive will be those that develop people, not just technology

86%

UK respondents cite core people-management skills as the #1 priority

72%

Respondents want leaders who can grow, reskill and retain talent

71%

of organizations identify AI, digital fluency and data skills as a critical capability

The challenge

Digital transformation and AI top business challenges (47%). But L&D is also contending with burned-out, time-poor employees, engagement gaps, and persistent retention pressures. Time and capacity remain the dominant L&D challenge on both sides of the Atlantic.

The response

Capability development has grown 28% YoY as the primary driver of L&D strategy. Practitioners are doubling down on flexible, human-centred learning – in-person, blended, coaching – to build the skills organizations need most: communication, EQ, adaptability, and leadership.

Future capabilities

1

AI & Digital Capability

“

"Our organization has not yet built a self-sustaining leadership pipeline with the capability, confidence, appetite, and system-level support needed for future leadership roles."

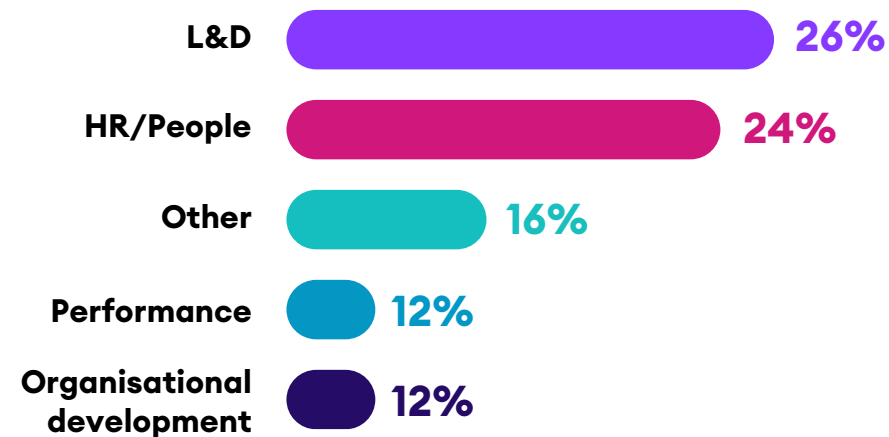
Who took part

How many people does your organization employ?

Q2 - How many people does your organisation employ?

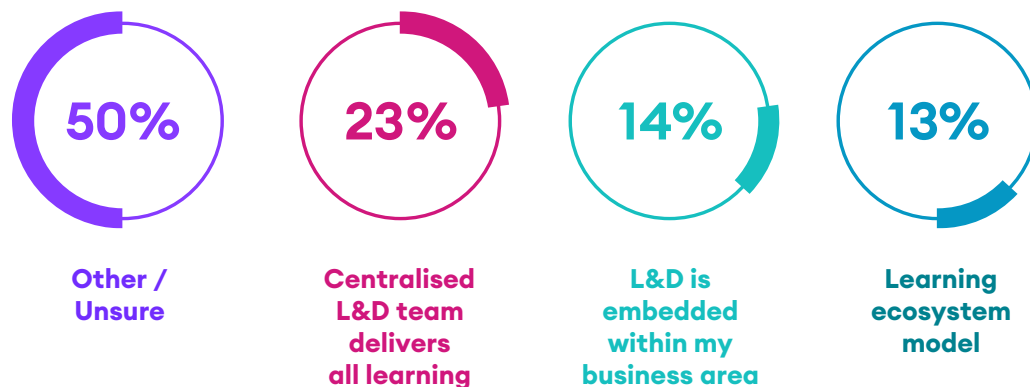


Which of these best describes your role?



Learning approaches

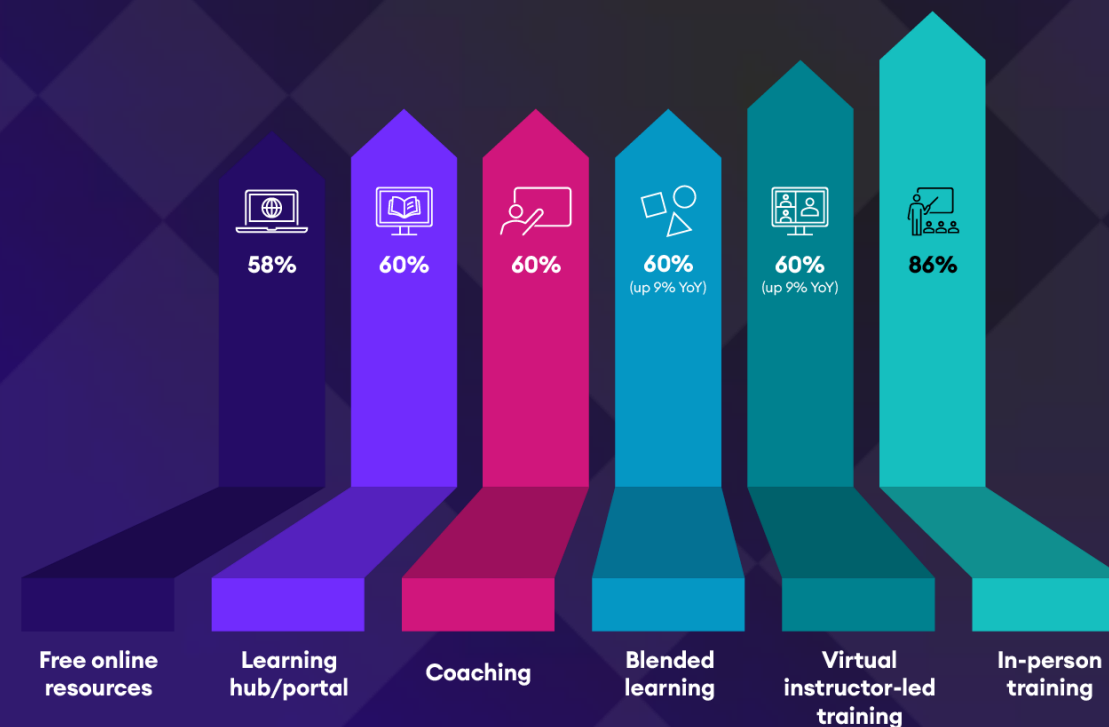
Q3. Which of the following best describes how L&D currently works with your business?



L&D teams operate across a variety of structures - from centralised functions to embedded, ecosystem and CoE models - with no single set-up dominating. What's clear is that however teams are organised, the expectations on them remain the same.

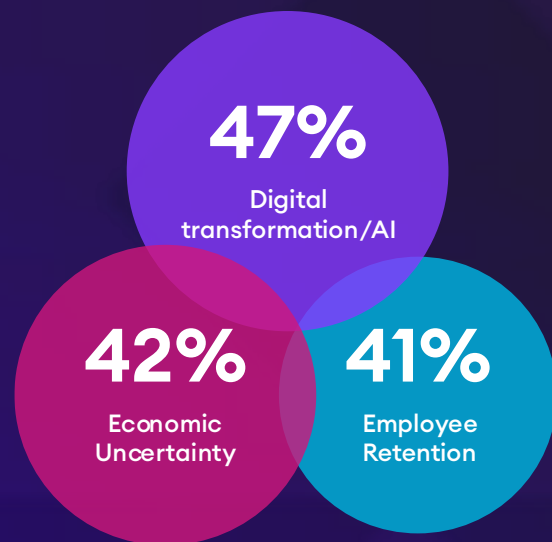
Q4. Which approaches are currently utilised to enhance learning & people development across your organization ?

In-person learning tops the modality rankings for a third consecutive year, a clear signal that organizations understand its unique role in building the networks, connections and human capabilities that matter most. Blended and instructor-led virtual learning round out the top three, while digital delivery continues to grow steadily alongside them.



Biggest challenges

Q5 - What are the top three challenges your business is facing in 2026?




Digital transformation and AI top the list of business challenges, particularly in the UK, where concerns around AI outpacing capability remain acute. Economic uncertainty and employee retention follow closely behind, reflecting the broader pressures organizations are navigating in 2026.

Time, capacity and commercial pressure dominate L&D challenges in both the US and UK, with learning frequently deprioritised in the push for productivity. Engagement, retention, AI skills gaps and budget concerns follow, and the picture is largely unchanged from last year.



Q7 - How have you and your organization responded to these challenges?



Increased training volume/access
More structured expansion via programs, academies, and curated learning offers.



Learning approach
More intentional move toward “learning in the flow of work” and blended strategies.



Management Enablement
Use of coaching, mentoring, and manager encouragement, but less systematic.

Key drivers

Q8 - Which of these is driving your learning and development strategy?

Operational success

46%

Business transformation/change

47%

Talent retention/acquisition

54%

Business goals & performance requirements

58%

Capability/skills development – Up 28% YoY

69%

Although AI and digital transformation were the most common survey responses to, what the biggest business challenge is, transformation is not the most common driver of learning strategy.

The biggest drivers sit within capability and skills development, which has grown 28% over the last year. Of course, this is a response to the transformation happening around businesses need to train the right human and technical skills to ensure where the business heads is successful.

Elsewhere, 58% of respondents said business goals were a major driver (rising from third most common response in 2025 to second in 2026) and talent retention (still a top three driver despite being first 12 months ago).

Q9 - What future skills and behaviors are most critical for your business?

With clear need to develop business critical skills, AI skills came out as the top need (70% of respondents noted this as the most critical skill).

Hardly surprising given that digital transformation and AI are the top business concerns.

However, the remaining skills and behaviours that made up the top five most critical skills were all centered on human capabilities, at least as the survey respondents saw it.

They were human skills such as communication, collaboration and customer focus.

Adaptability, learning agility and change readiness, such as being flexible, growth mindset and continuous learning.

Leadership and management capabilities, such as coaching, accountability and decision-making.

Workforce fundamentals and performance culture, such as work ethic, operational performance and motivation.

1

AI & Digital Capability

- Data literacy
- Automation
- Digital Fluency

2

Human skills

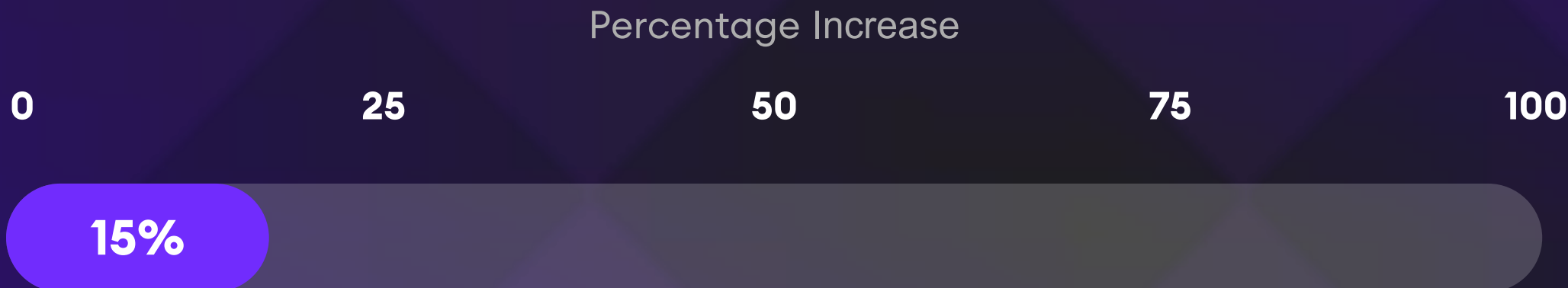
- Communication
- Collaboration
- Emotional intelligence
- Empathy

3

Adaptability & Change

- Flexibility
- Resilience
- Growth Mindset

Q10 - Please estimate how much your organization plans to change its learning and development budget for the year ahead.



Over the last two years, US L&D practitioners have been bullish on getting investment. In 2025, the average expectation was a 6.7% increase in budget. This year there is an expectation of budget shifts from 11% to 15% across the UK/US.

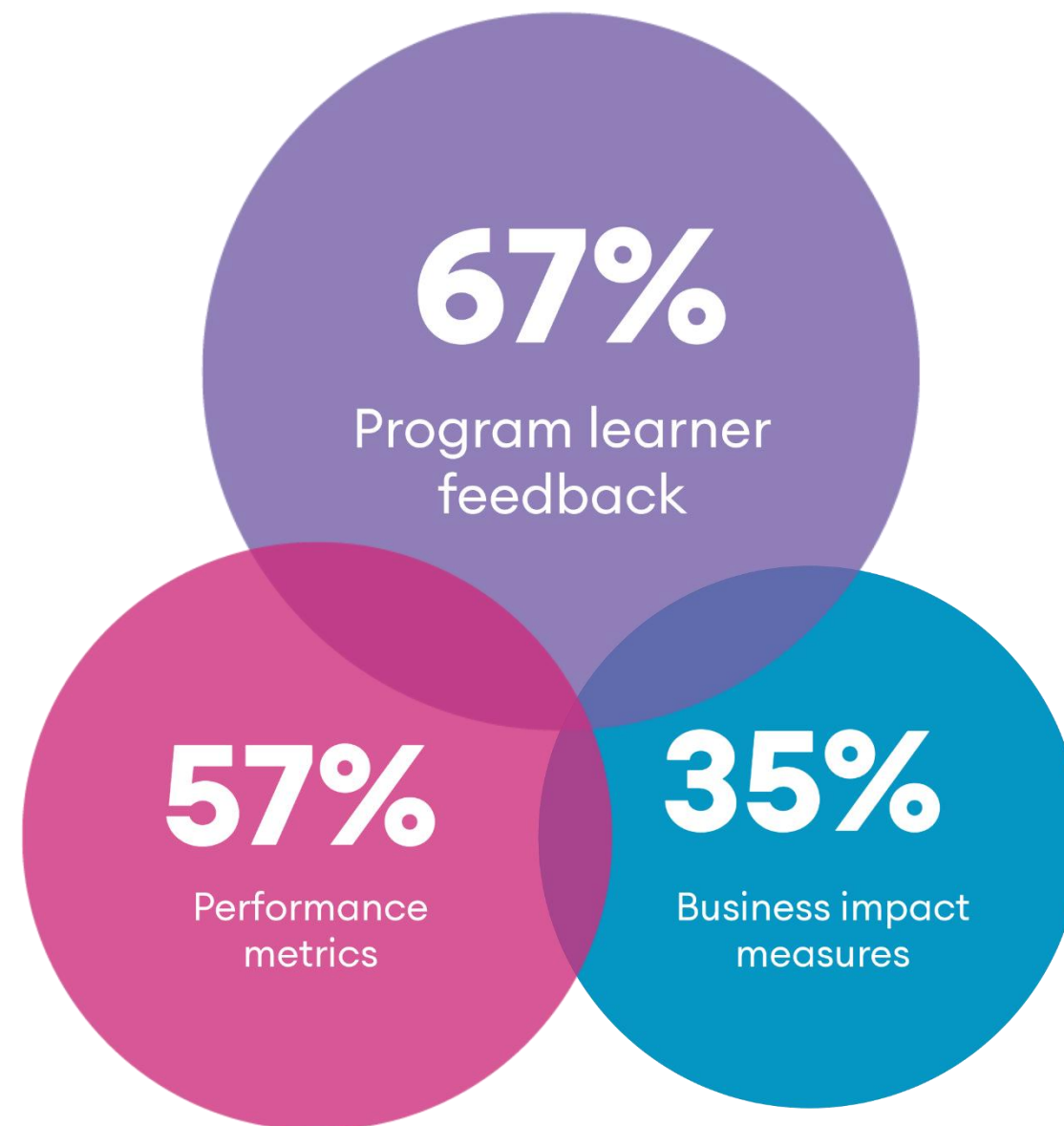
With many businesses investing in AI (and this filtering into L&D too, with many L&D practitioners reporting use of AI in their operations), overall investment in AI transformation is likely filtering into L&D budgets. Of course, that comes with increased expectation to deliver.

Q11 - How do you currently assess the impact of learning on organisational & individual performance?

As per 2026 practitioner responses, L&D is, foremostly, an in-person activity expected to deliver technical and human skills to the individual.

It is hardly surprising that program learner feedback is the most common assessment metric, especially as training is expected to retain and engage employees, too.

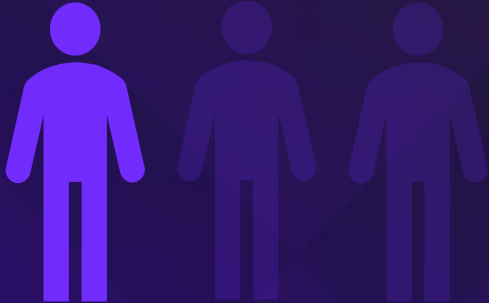
However, with L&D increasingly tasked with delivering for the business agenda and showing measurable value, it is also not surprising to see performance metrics and business impact measures widely used, as well as year-on-year growth in return on investment analysis and Kirkpatrick levels evaluation.



Q12 - Which of the following best describes your organization's strategic approach to supporting employee performance?

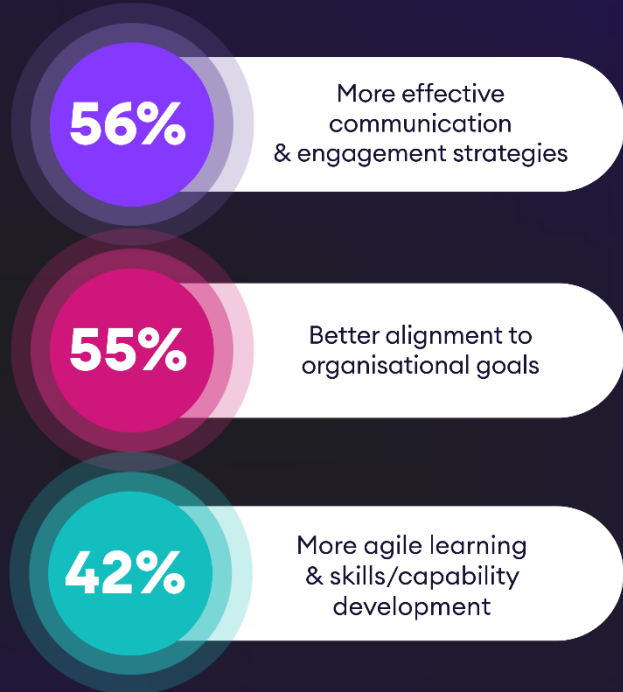
Outcomes are firmly in focus. The most common approach to employee performance is an outcomes-focused strategy, centered on the human skills that drive real business results, like leadership, collaboration and customer service.

That said, a meaningful proportion of respondents are still working out how to support employee performance effectively, suggesting some functions are still catching up with the pace of change.



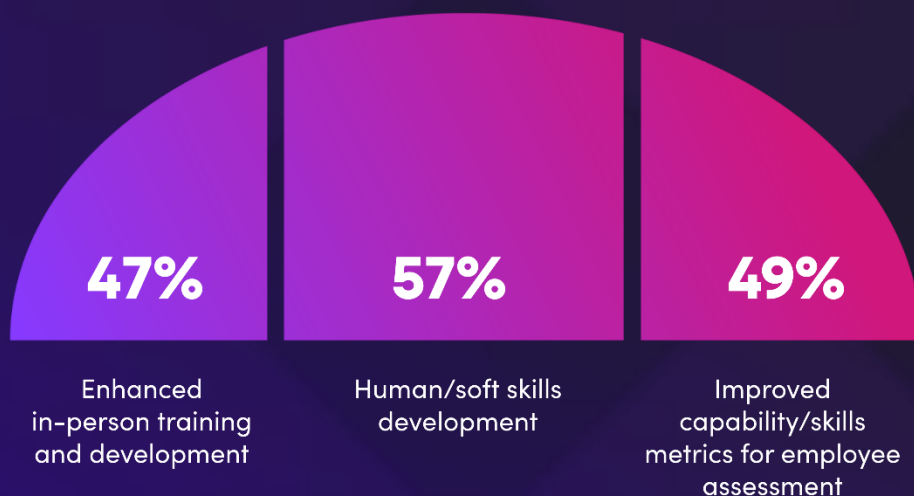
1/3 organizations
are currently implementing an
outcomes-focused strategy

Q13 - Thinking about the next 12-18 months, what do you think will accelerate the impact of your learning strategy on business success?



Effective communication and engagement remains the area where L&D is expected to have the greatest business impact, consistent with last year's findings, followed closely by better alignment to organisational goals.

Q14 - What learning and development innovations would you like to see in 2026 to enhance organisational performance?



Human and soft skills development leads demand, followed by improved capability and enhanced in-person training, the latter growing year-on-year. It's a logical pairing: in-person development is widely seen as the most effective environment for building exactly the human skills organizations need most right now.

INSIGHT PAPER

Reimagining in-person learning

The Power of human connection

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With AI and digital transformation, a top business challenge, and delivery of AI-suitable skills a top-of-mind concern for the L&D function, it is not surprising to see widespread use of AI in L&D delivery.

Whereas last year, 36% of respondents were using AI to a minor extent, over 6 in 10 are now using it at least somewhat. 47% are using it a lot, driving results with it.

With learning engagement and, merely, finding the time for learning amidst busy, changeable working days, it is not surprising to see learning personalisation (36.24%) as the most common use.

As in 2025, content authoring (30.73%) and curation (33.21%) are still popular uses of AI. However, with more focus on employee performance and outputs, there is increased use of this technology in skills evaluation (30.04%) and performance tracking (20.90%).

Q15 - If AI is part of your learning and development strategy, what are you using it for?

Top 3 uses of AI for L&D strategies



AI is piloted in pockets of the organisation but not scaled.

60%

Our people don't have the skills and support to use AI confidently and effectively.

56%

Strongly agree AI is being adopted in the right place, with strong stakeholder buy in.

ONLY
10%

Q16 – How are you applying AI within your organization

AI is being used at different paces by different businesses. For instance, 66% of US mid-sized organizations (5,000+) are already achieving measurable value from AI implementation, and it's used in the day-to-day. But for 14.97% of all survey respondents, AI is not even being used in pockets of the organization.

That said, there is a clear pattern across all respondents: at least 61.77% of respondents are using AI in some teams and areas of their business. What's driving this staggered approach?

For one, over four in ten (43.70%) are ensuring stakeholder buy-in as they do, as well as ensuring guardrails. Furthermore, 39.99% of respondents are worried about the AI skills their people have, so it's hardly as if AI can be implemented at pace.

That said, 44.19% of respondents are worried that they implement technology for technology's sake, but there is a sense of self-awareness from L&D if this is the case.

Better business alignment is a clear goal of L&D going forward, so if technology is being haphazardly introduced, there is a need for it to be more strategic.



The most common method by which organizations believe they would boost leadership and management capability is by strengthening core people management skills (such as coaching and feedback). 72.15% reported this overall, while in the UK, 86.05% of respondents wanted to see this.

The second most common response also related to human skills: 46.71% wanted to develop leaders' ability to grow, skill, and retain talent.

Q18 - What is the single biggest leadership or management capabilities your organization needs to strengthen to succeed in 2026?

Communication, Alignment & Transparency

Clear, consistent communication across all levels; aligning teams to goals; listening to employees; reducing disconnect between leadership and frontline

Leading AI & Digital Transformation

AI capability, digital leadership, integrating AI into workflows, leading tech-driven change

Core Leadership Capabilities (People Skills)

Coaching, mentoring, empathy, trust-building, human-centered leadership

Performance Management & Accountability

Setting expectations, performance metrics, accountability, decision-making, follow-through

Q19 - Please describe why you feel this is the biggest leadership and management area of need.

"Empathy-driven coaching is our biggest leadership need, hybrid working and AI integration have reduced natural, in-person connection and real-time observation."

"The organization has not yet built a self-sustaining leadership pipeline with the capability, confidence, appetite, and system-level support needed for future leadership roles."

Weak Performance
Management &
Accountability

Core issue is inability to manage performance, give feedback, and challenge underperformance consistently.

Manager Capability
Gaps & 'Accidental
Managers'

Managers often promoted without training, leading to lack of confidence and capability.

Communication,
Alignment
& Consistency

Lack of clear, consistent communication and shared leadership standards across the organization.

Culture, Trust,
Engagement &
People Experience

Leadership gaps impacting trust, psychological safety, and engagement, especially during change

AI
Capability

Weak
Learning
Strategy

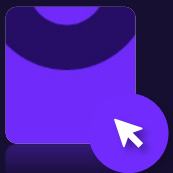
Fragmented
Learning
Technology

Lack of
Resource
(Time, Budget,
People)

Q20 - From a learning & performance development perspective, what approach, resources, or technologies do you feel your organization is currently missing?

Across both markets, the message is consistent: L&D functions feel under-resourced and under-equipped. AI capability and personalised learning top the list of gaps on both sides of the Atlantic, though the US is further along in expecting data-driven, automated solutions, while the UK is still navigating early-stage adoption and ethical considerations.

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