

# The **State of L&D** for SMEs in **2025**

Insights, challenges,  
and what comes next

**thirst**



# Introduction

Learning & Development (L&D) professionals have spoken!

In our **2025 State of L&D for SMEs Survey**, we dug into the priorities, challenges, and trends shaping the workplace learning landscape.

The feedback? It's clear that **AI, learner engagement,** and **budget challenges** are top of mind as L&D teams prepare for the future.

This report combines survey results and wisdom from L&D pros around the globe to elevate your L&D strategy in 2025 and beyond.

We'll break down the insights, highlight emerging trends, and share practical takeaways you can use to elevate your L&D strategy in 2025 and beyond.

**Ready? Let's dive into the data.**



# How to use this report

## 5 ways to turn the **insights** in this report into **action**

The real value of insights lies in how you use them. Here are five practical ways to transform the findings in this report into meaningful actions for your organisation:

### 1. Share the knowledge

Summarise the most relevant stats and insights for your organisation. Share them with your team through Slack, email, or a quick slide deck.

### 2. Dive In together

Host a team meeting to review and discuss the report. Think of it as a mini book club for L&D professionals.

### 3. Spark a conversation

Choose your top three insights and create a thought leadership post on LinkedIn. Add your unique perspective to the trends to spark a conversation.

### 4. Secure necessary funding

Leverage the most relevant statistics for your organisation to build a business case for an experiment or investment your team wants to make in 2025.

### 5. Plan big moves

Pick one key trend and conduct a quick competitive analysis. See where your organisation stands and identify opportunities to lead.

**Ready?** Let's dive into the data.

# Methodology

This report is based on a survey of 2,101 Learning and Development (L&D) pros, conducted in December 2024.

The survey explored key trends, challenges, and opportunities shaping the L&D landscape in 2025.

In addition to survey data, we conducted primary interviews with industry experts and practitioners to gain deeper insights into evolving L&D priorities.

Our primary research has been supplemented with insights from respected sources, including Deloitte, LinkedIn, and other industry reports, as well as case studies and practical examples shared by global L&D leaders.

# Executive Summary

Before we dig into the details, here's a quick look at the major findings:



**AI in Learning** is the #1 trend shaping L&D in 2025



**Learner Engagement** is the top challenge for most teams



**Budget constraints** and **leadership buy-in** continue to hold back L&D progress



**Soft skills** training and **employee well-being** are becoming critical priorities



Teams see massive potential in **AI-powered tools** but remain cautious about adoption



# Top Trends Impacting L&D in 2025

## What's shaping workplace learning this year?

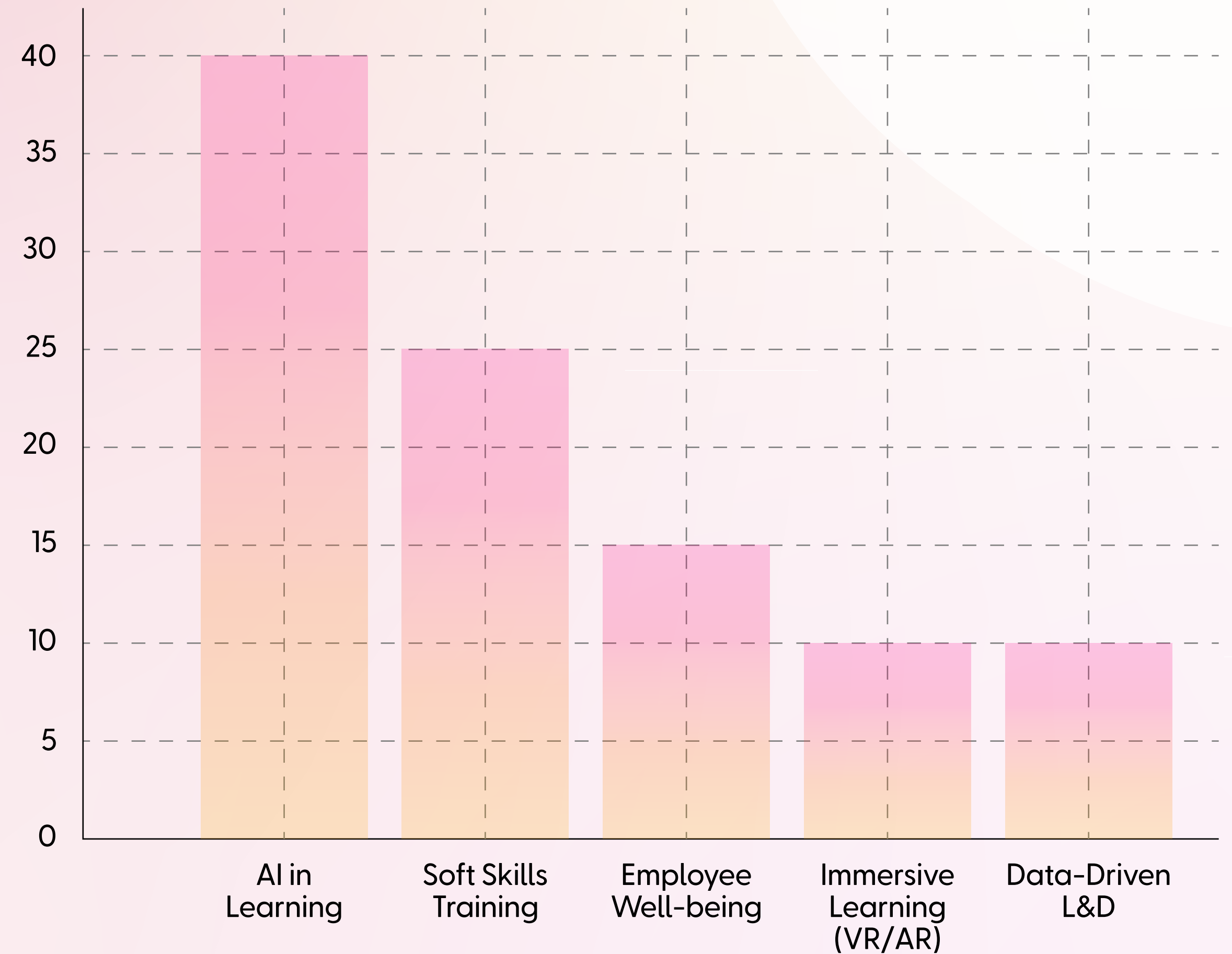
Survey respondents identified the top five trends that will dominate the L&D landscape in 2025.

"AI has the potential to reduce time spent on manual tasks and help us focus on real learner outcomes."



**Survey Respondent**

Percentage of Respondents (%)



Trends

# 1. AI in Learning

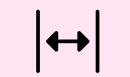
Artificial Intelligence isn't just a buzzword anymore – it's a game changer. L&D professionals are looking at AI to:



Personalise learning experiences

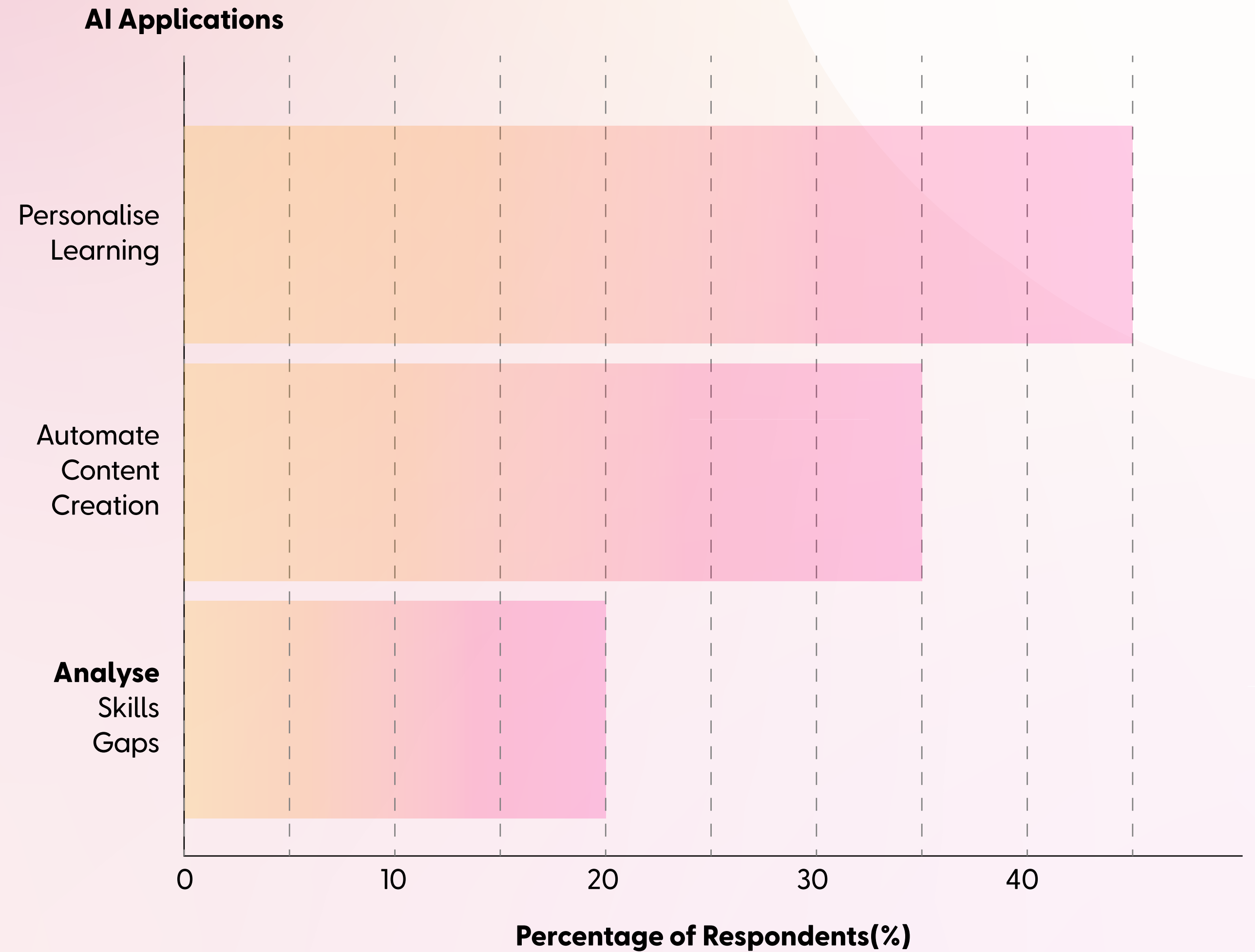


Automate content creation



Analyse skills gaps quickly and efficiently

## Key Applications of AI in Learning



## 2. Skills for the Future

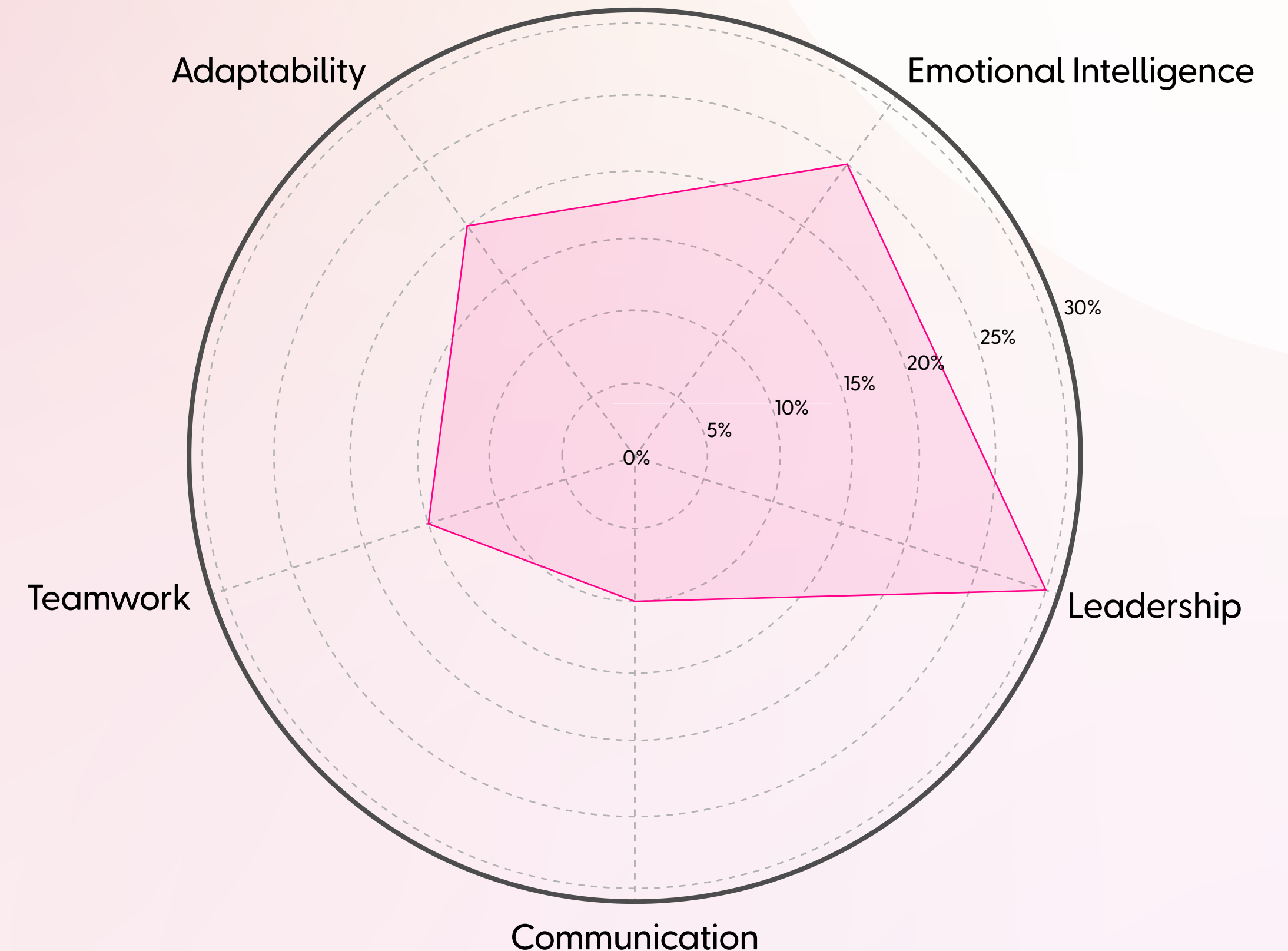
As AI and automation reshape industries, the **skills that set humans apart are becoming more valuable than ever.**

Emotional intelligence, creativity, critical thinking, and adaptability—these are the uniquely human skills that machines can't (yet) replicate.

In a world where AI handles data and automation streamlines processes, the real competitive advantage lies in developing soft skills that drive collaboration, leadership, and innovation. Investing in these future-proof skills isn't just about career growth—it's about staying relevant in a workforce that is evolving faster than ever.

**With 25% of respondents prioritising soft skills training,** it's clear that organisations are preparing employees for rapidly evolving work environments.

### Focus Areas in Soft Skills Training





# 3. Employee Well-being

Burnout is real, and it's impacting productivity and engagement. Many L&D teams are prioritising learning initiatives that improve employee well-being alongside professional skills.

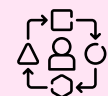
## Key Focus Areas:



Mental health programs

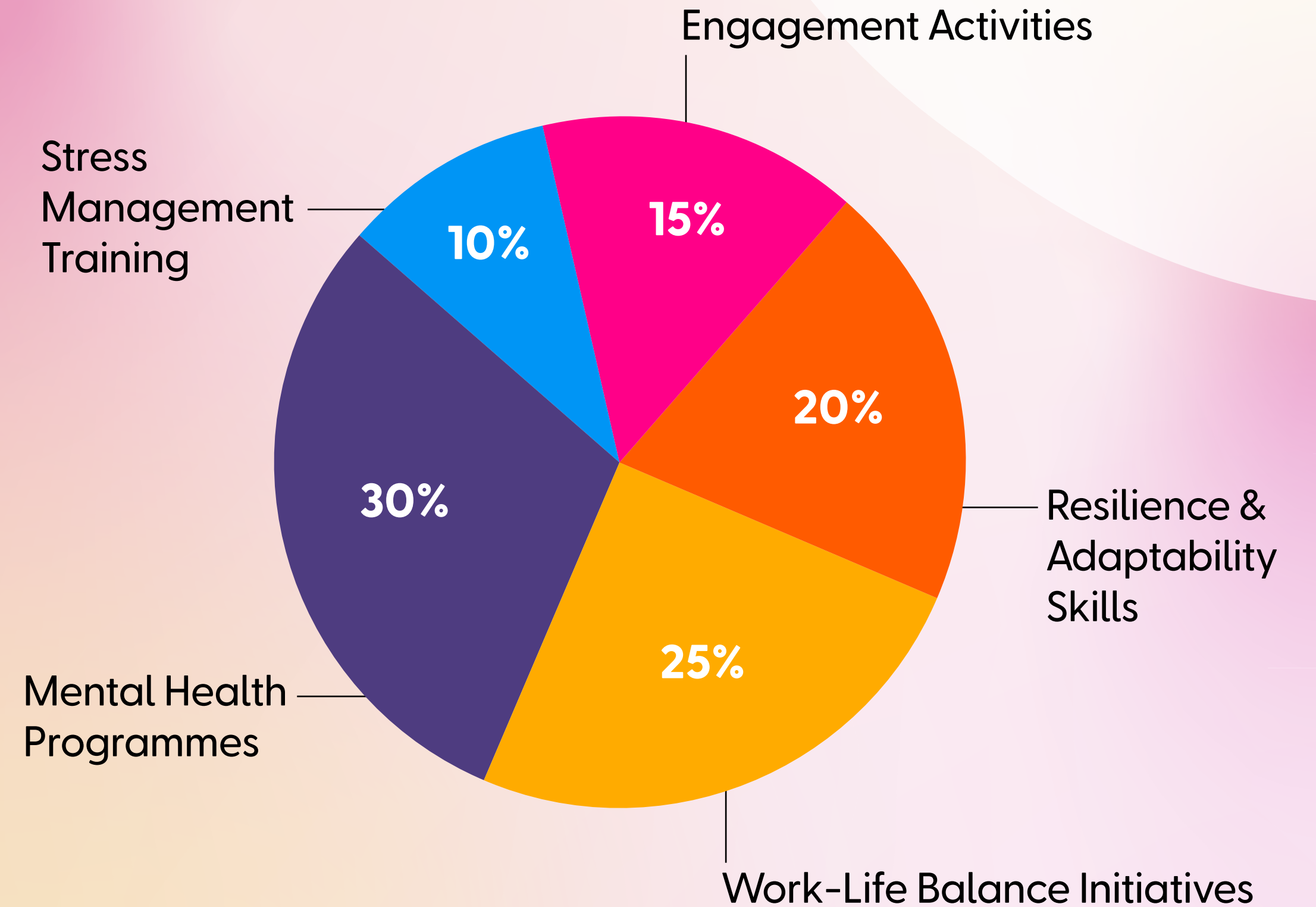


Work-life balance initiatives



Skills for resilience and adaptability

## Expanded Focus Areas for Employee Well-being



## 4. Immersive learning

Technologies like Virtual Reality (VR) and Augmented Reality (AR) are becoming more popular in L&D for SMEs. According to our survey, 20% of respondents prioritise immersive learning solutions for 2025.

These tools offer engaging, hands-on experiences that boost learner retention and skill development.

Key benefits highlighted by respondents include:

**Higher Engagement:** Immersive experiences captivate learners, improving both engagement and retention.

**Scalability:** With more affordable options, SMEs can provide impactful training to remote teams.

**Practical Skill Development:** Respondents highlighted immersive learning's ability to provide real-world practice in a safe environment.

Immersive learning is increasingly seen as a valuable solution for SMEs to enhance employee training and engagement.

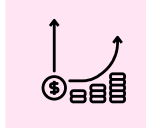


# 5. Data-Driven L&D

Organisations are leaning on data to:



Measure the success of their programmes

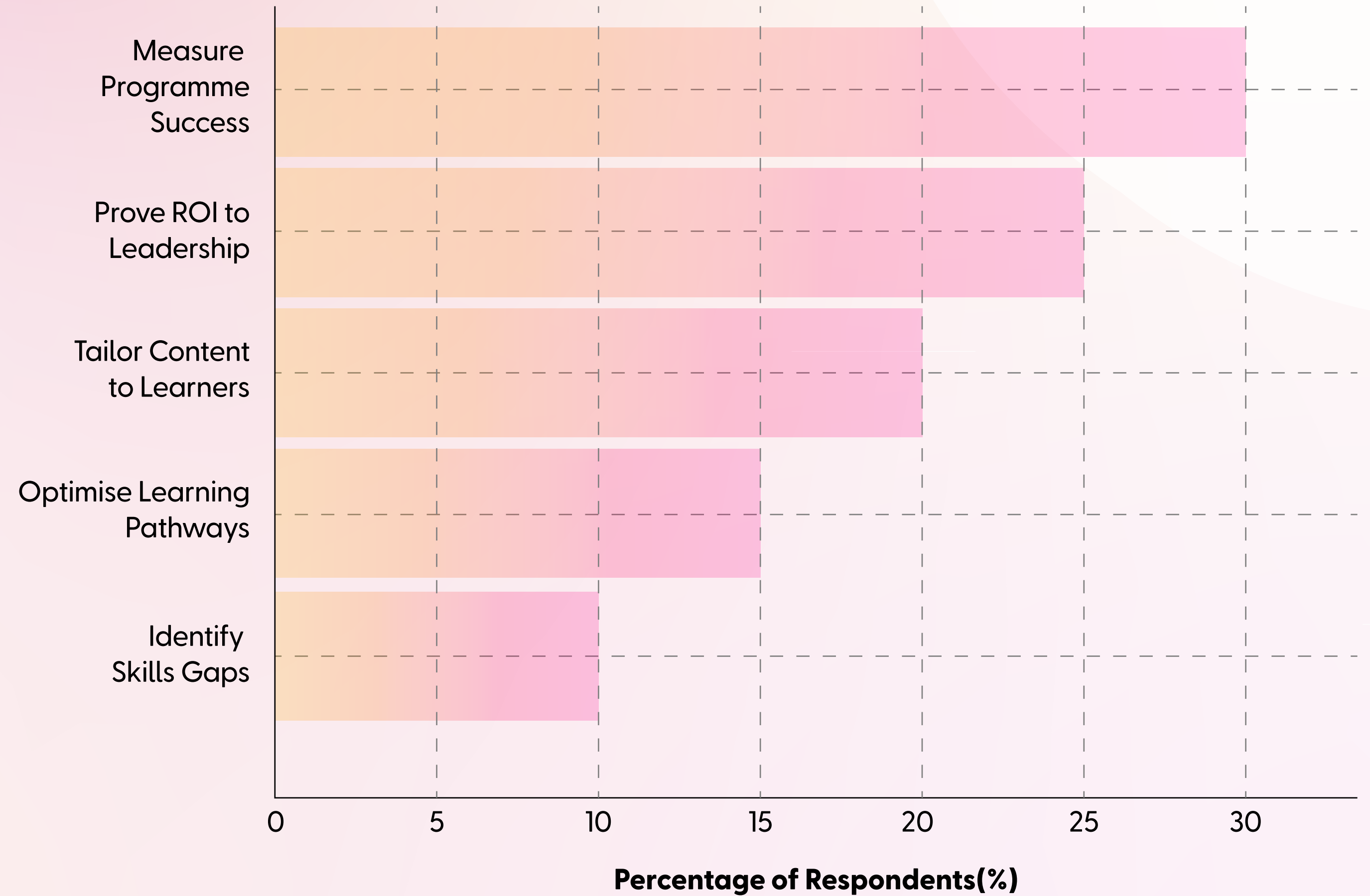


Prove ROI to leadership



Tailor content to meet specific learner needs

## Expand Applications of Data in L&D



# The Biggest L&D Challenges for SMEs

Even the best strategies face hurdles. Here are the top challenges holding L&D teams back.

## SMEs face a unique set of challenges when it comes to L&D.

Often operating with fewer resources than larger organisations, they must balance competing priorities, from tight budgets to the need for upskilling employees in both technical and soft skills.

At the same time, there's pressure to deliver measurable outcomes quickly, which can hinder long-term strategic planning. SMEs are also struggling with securing leadership buy-in, often facing a disconnect between L&D efforts and company objectives.

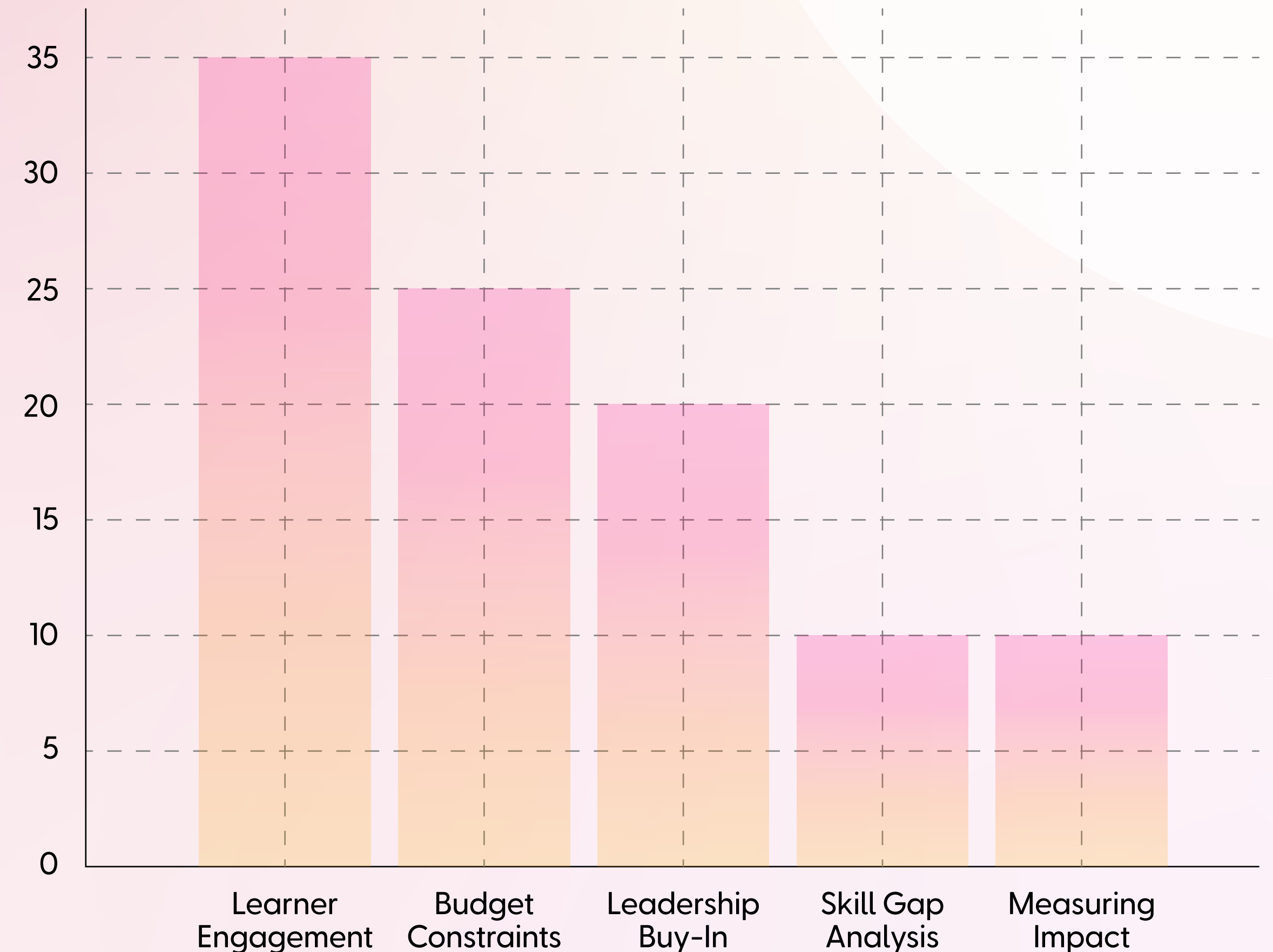
However, **learner engagement remains one of the biggest hurdles.**

Without a reason to return, employees disengage, and learning becomes an afterthought.

When learning feels **relevant, accessible, and personalised**, engagement becomes a natural part of the workday—not just another task to complete.

## Biggest L&D Challenges

Percentage of Respondents (%)



Challenges

# 1. Learner Engagement

Learner engagement remains the #1 challenge, particularly in SMEs where resource constraints often lead to generic, less engaging content. The survey reveals that while content may be of high quality, its delivery often fails to resonate with employees.

To address this, L&D teams can explore alternative formats such as microlearning, gamification, or interactive content to keep learners engaged. Using data to personalise learning paths based on individual needs and progress is becoming a key strategy for overcoming this challenge.

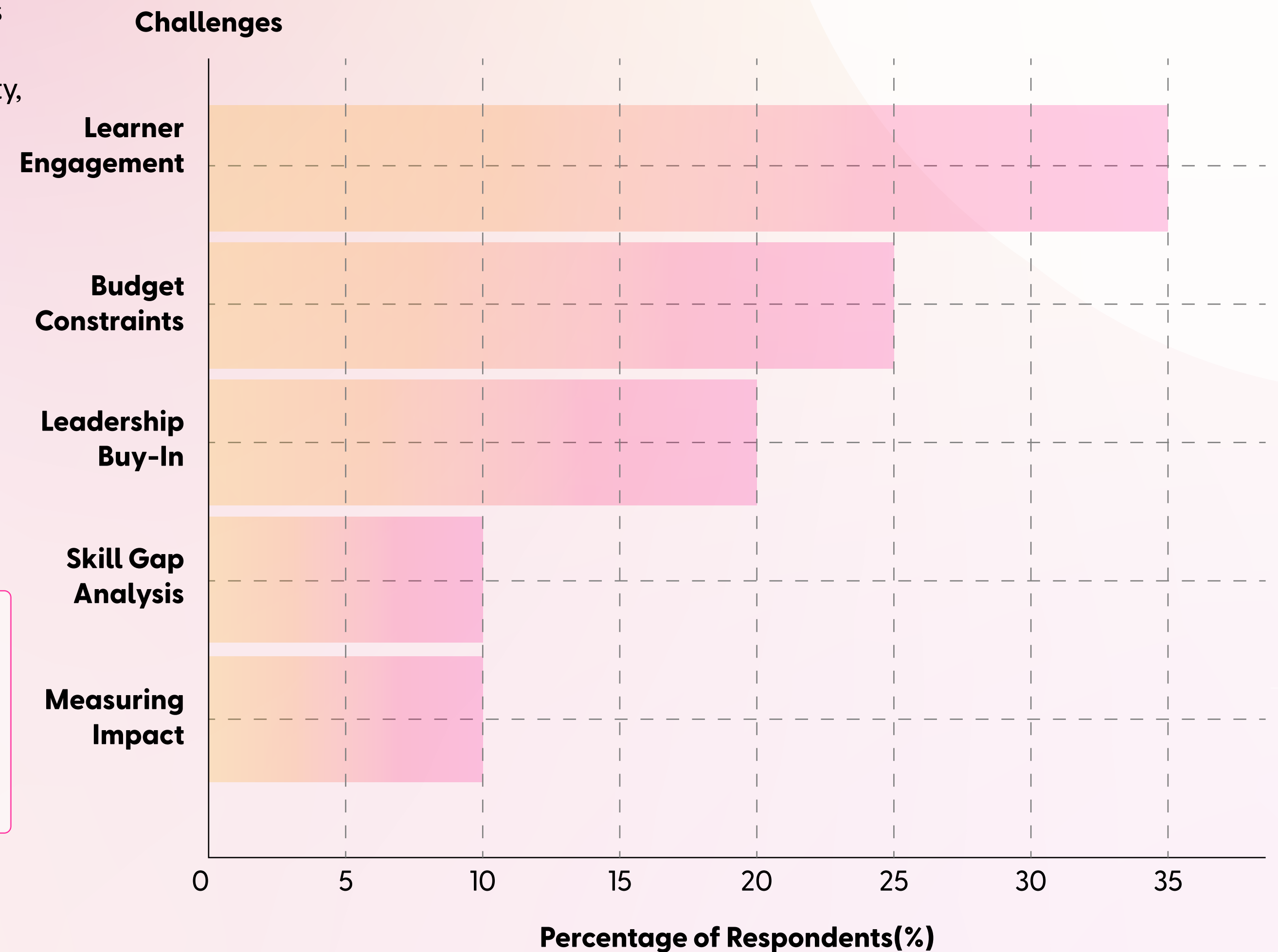
Moreover, involving employees in the creation of content or giving them ownership of their learning journey can help drive motivation and engagement.

"We have great content, but learners aren't engaging with it. Getting them to care is the hardest part."



**Survey Respondent**

## Top Challenges in Learner Engagement



## 2. Budget Allocation Insights for 2025

Limited budgets remain a major roadblock for many L&D teams, restricting their ability to:

- ✓ **Invest in new tools**
- ✓ **Expand learning initiatives**
- ✓ **Hire additional resources**

For the 40% of respondents predicting an increase in their L&D budgets, key areas of focus include:

- ✓ **Implementing AI-driven platforms for personalised learning.**
- ✓ **Scaling soft skills training programs.**
- ✓ **Investing in immersive learning technologies like VR/AR.**
- ✓ **Enhancing measurement tools to prove ROI more effectively.**

For those expecting budgets to **stay**

**the same (40%)**, optimisation is a priority.

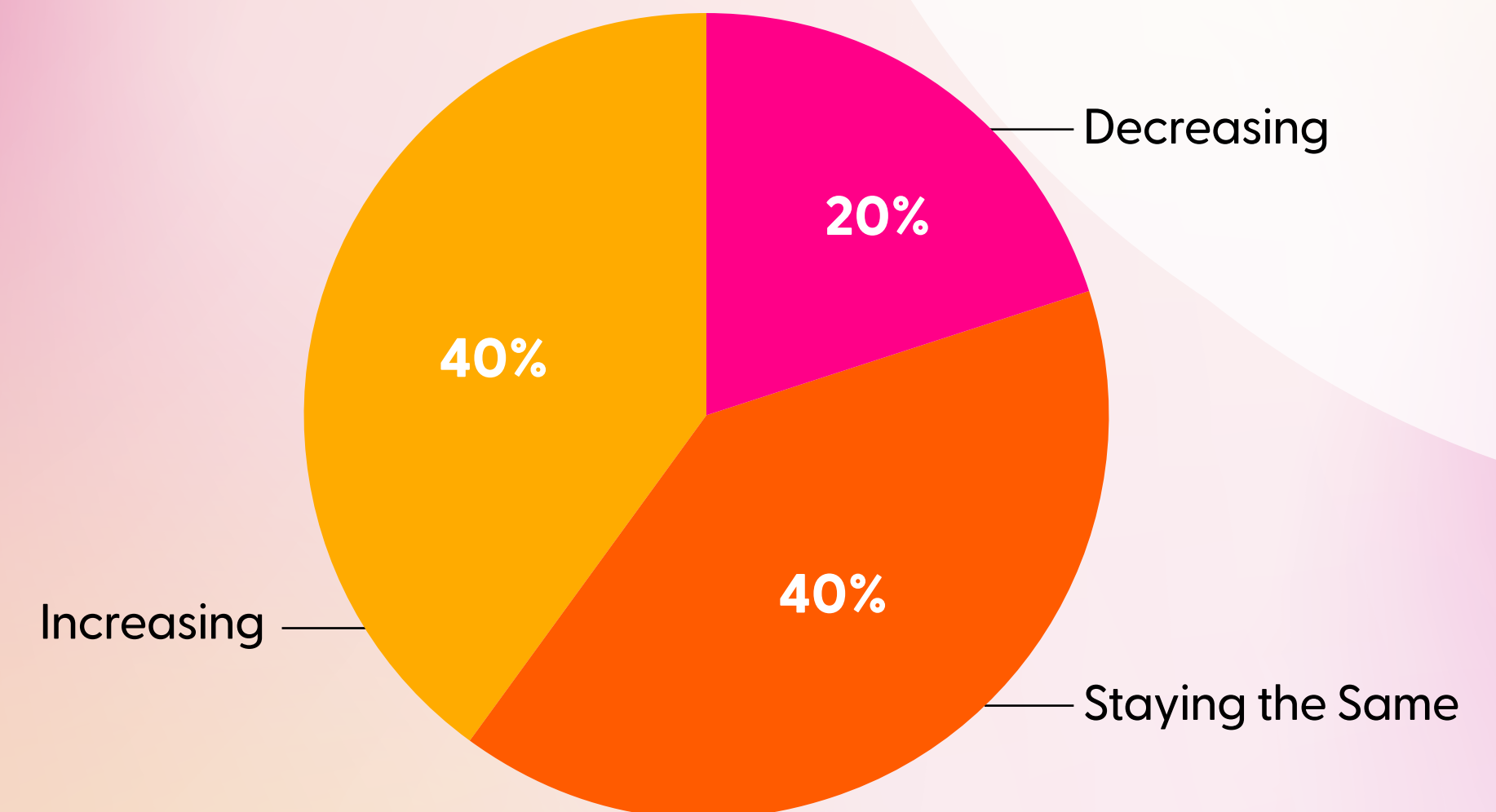
These teams aim to:

- ✓ **Maximise the impact of existing resources.**
- ✓ **Leverage free or low-cost learning materials.**
- ✓ **Focus on internal knowledge sharing and peer-to-peer learning.**

The **20%** anticipating budget cuts are focused on:

- ✓ **Prioritising high-impact initiatives.**
- ✓ **Demonstrating clear business outcomes to secure future funding.**
- ✓ **Exploring cost-effective learning solutions, including open-source platforms.**

### Future Outlook for L&D Budgets

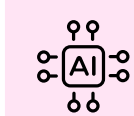


"We're making every dollar count by focusing on scalable, high-impact programmes that align directly with business objectives."



**Survey Respondent**

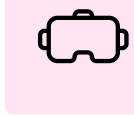
**2.** As L&D budgets shift in 2025, organisations are strategically focusing on high-impact areas to maximise their return on investment and drive meaningful outcomes. According to our survey, here's where L&D teams are prioritising their resources:



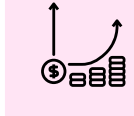
**AI Platforms (40%):** Teams are investing heavily in AI-driven tools to personalise learning experiences and streamline workflows, signalling a commitment to leveraging cutting-edge technology.



**Soft Skills Programs (30%):** As workplaces continue to evolve, the demand for leadership, communication, and emotional intelligence training remains a top priority.



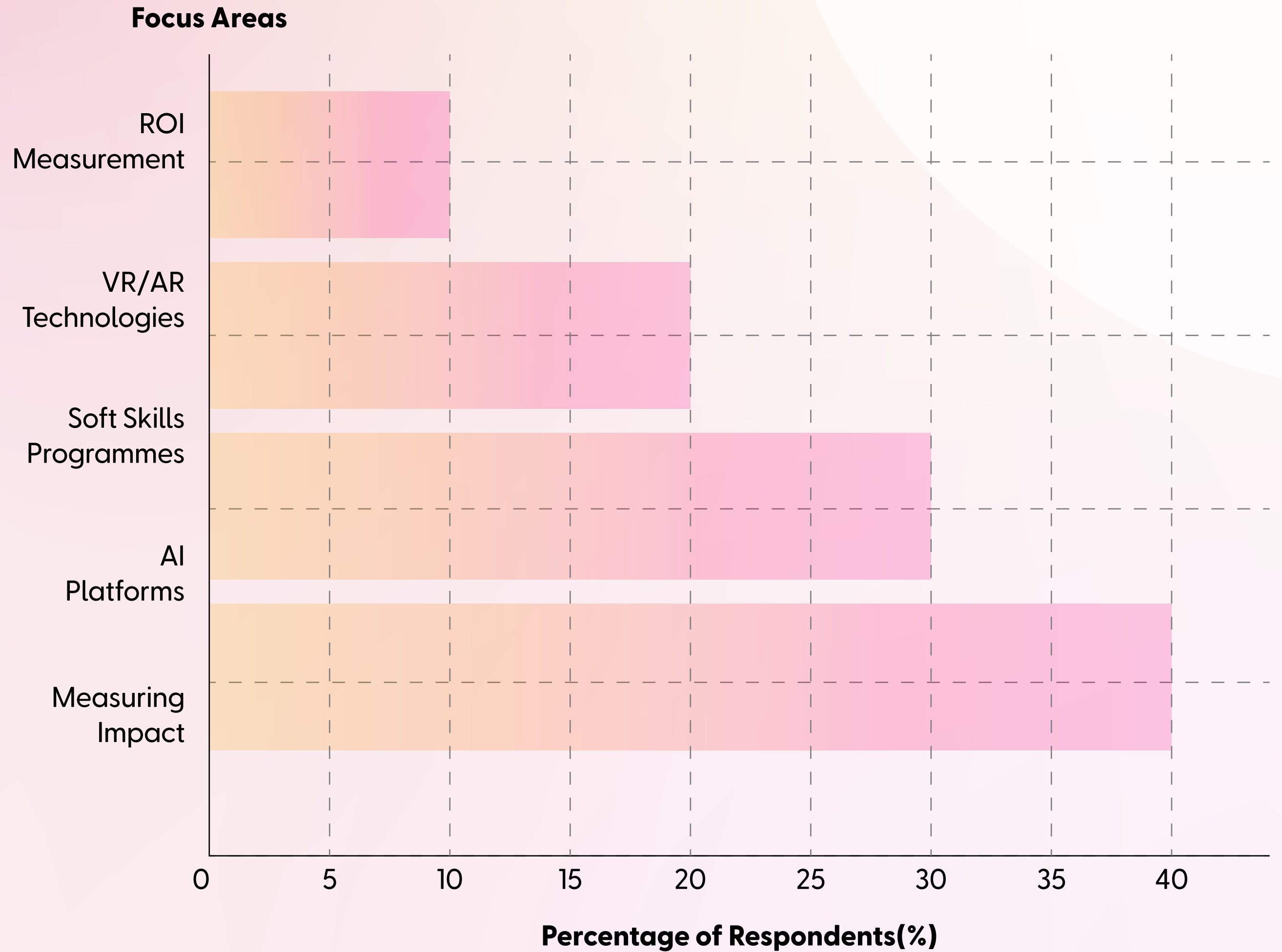
**VR/AR Technologies (20%):** Immersive learning solutions like virtual and augmented reality are gaining traction, offering employees engaging, hands-on training experiences.



**ROI Measurement Tools (10%):** Demonstrating the business value of L&D programmes is critical, leading teams to focus on tools that provide robust analytics and insights.

This data highlights a clear trend toward innovation and measurable outcomes, underscoring the importance of aligning learning investments with organisational goals in 2025.

## Budget Allocation Insights



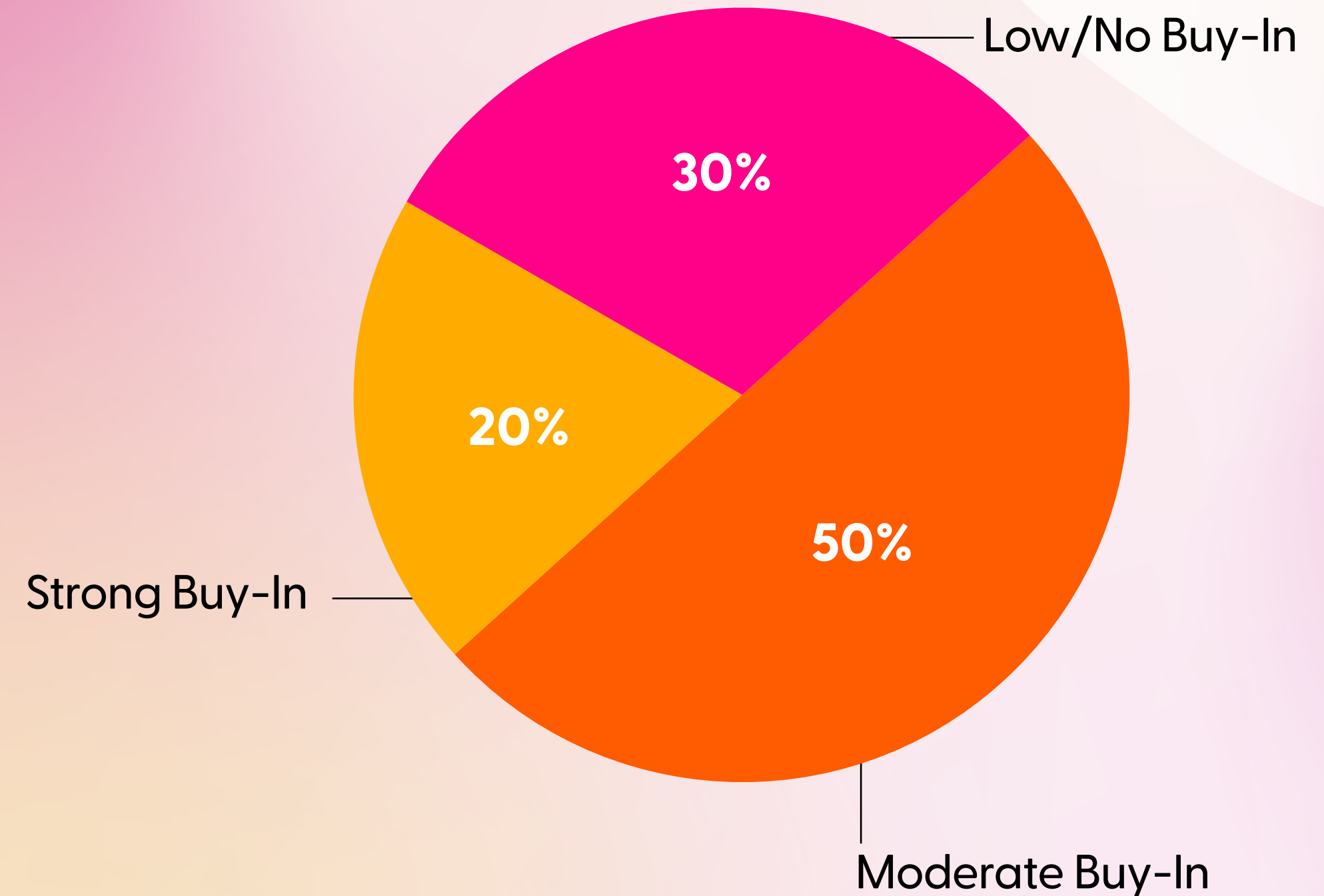
### 3. Securing Leadership Buy-In

Securing leadership buy-in is a pivotal challenge for SMEs. Without executive support, L&D initiatives often lack the necessary resources and visibility to succeed.

The key to overcoming this barrier is aligning learning programmes with business objectives. **Demonstrating the return on investment (ROI) for L&D efforts is crucial**, and leaders are more likely to invest when they see clear, measurable outcomes.

**Engaging with leaders early on** in the design process and ensuring they understand the strategic value of L&D can help build support. Furthermore, tying learning initiatives to overall business goals, such as improving productivity, retaining top talent, or closing skills gaps, ensures that leadership sees **L&D as an investment rather than an expense.**

Leadership Buy-In Levels  
for L&D Initiatives





# 4. Skill Gap Analysis

Identifying and closing skills gaps is a priority, but it's also a struggle. L&D teams need better tools and resources to:



Conduct skills gap analyses



Deliver targeted training programmes

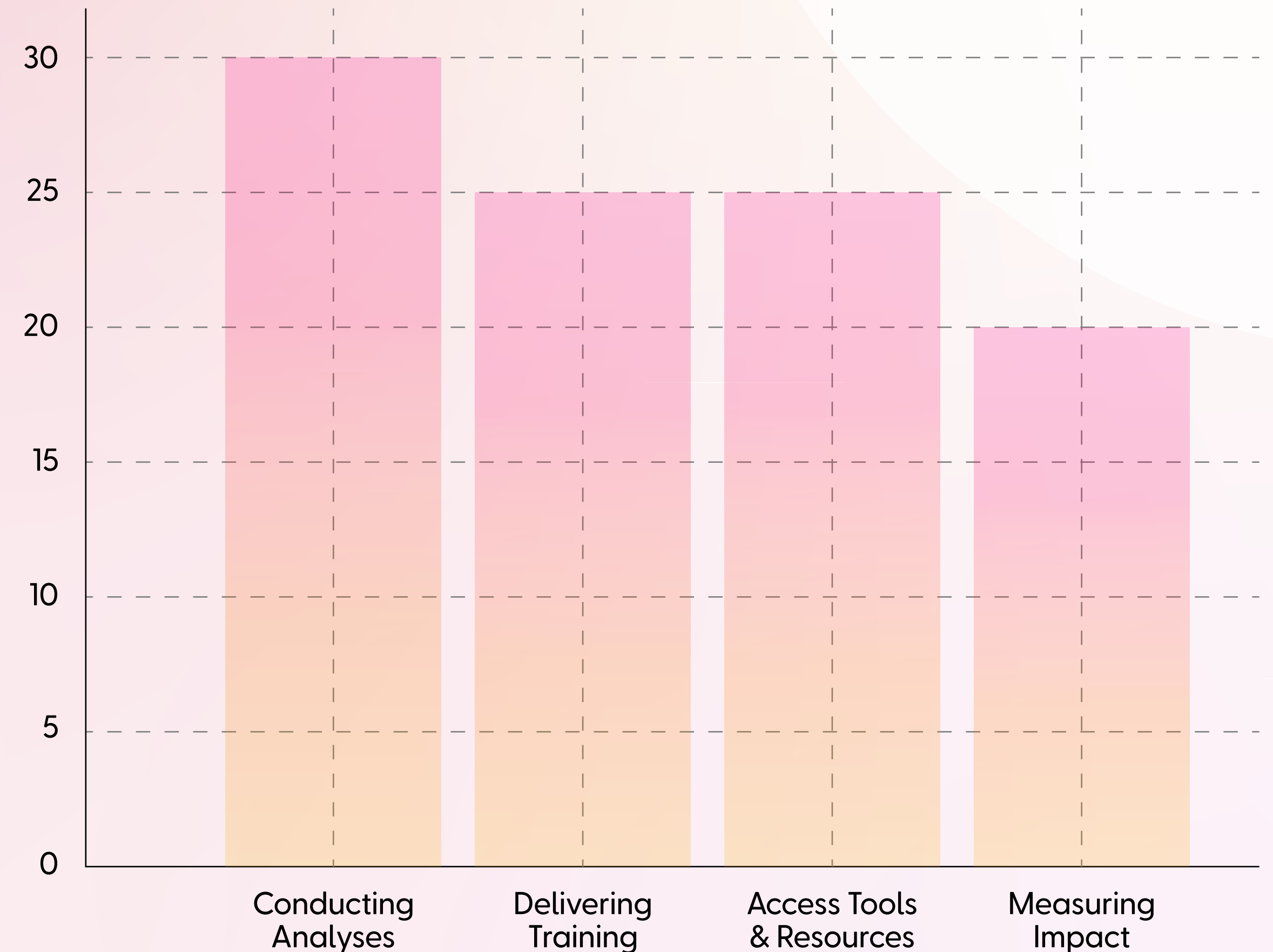
Many L&D teams are still using outdated methods for conducting gap analyses. The challenge lies in the rapidly evolving nature of the workforce and the need to quickly identify emerging skills.

To close these gaps, L&D teams need access to real-time data and advanced tools that can analyse employee competencies and pinpoint areas for development.

A robust skills matrix that maps out both current and future needs of the business, alongside learning technologies that adapt to these shifts, can provide SMEs with the tools they need to stay ahead. Moreover, offering upskilling opportunities for current employees ensures a more agile workforce, ready to adapt to changing market demands.

## Challenges in Addressing Skills Gap

Percentage of Respondents (%)



Focus Areas

# 5. Measuring Impact

Measuring the impact of learning programmes remains one of the most difficult tasks for SMEs, with **many struggling to link training efforts directly to business outcomes.**

However, as organisations continue to adopt data-driven approaches, there's a greater opportunity to demonstrate the effectiveness of L&D.

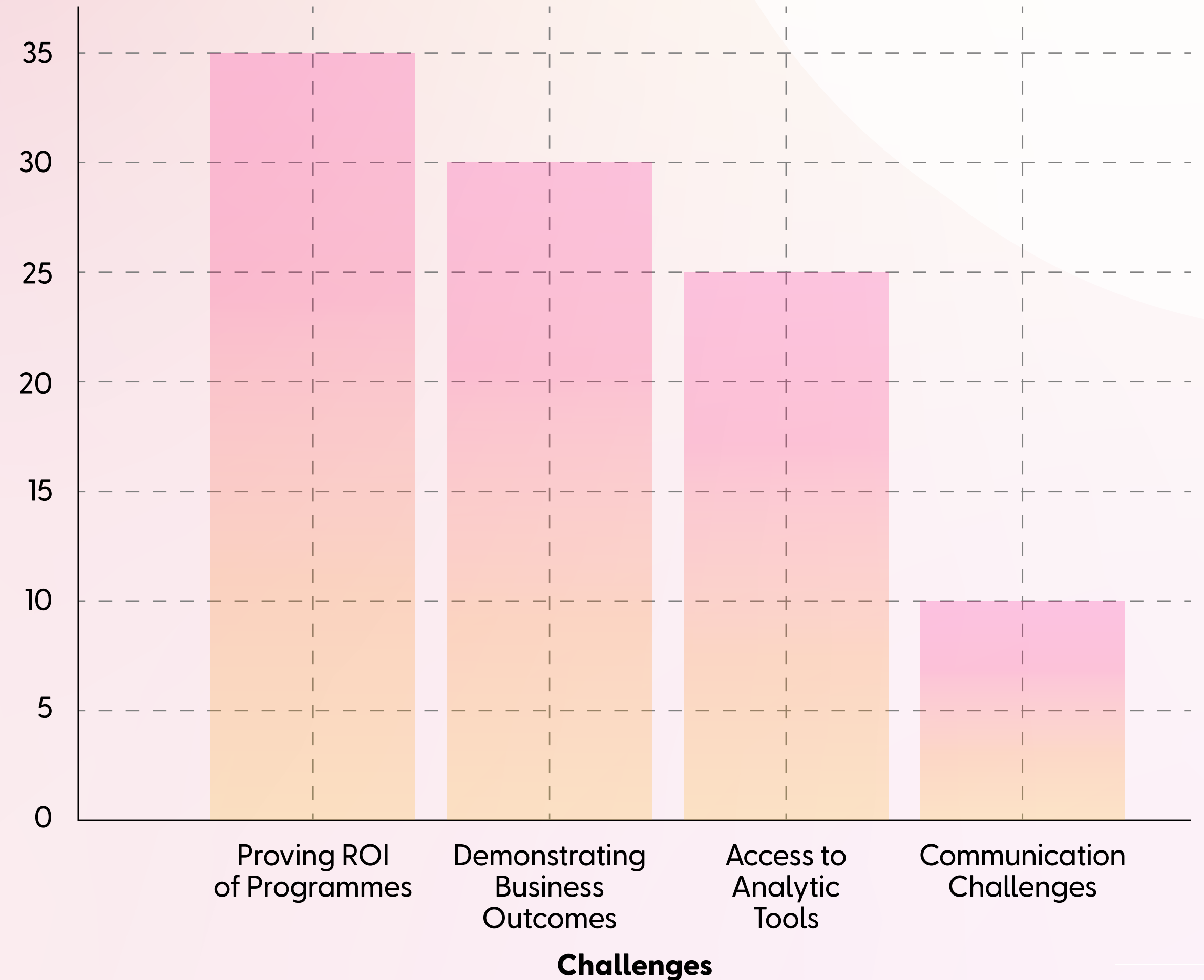
The key is not only tracking completion rates and satisfaction scores but linking learning initiatives to key business metrics such as productivity, sales performance, and employee retention.

**Using advanced analytics and AI-driven platforms can help provide deeper insights into the effectiveness of training programs,** ultimately allowing SMEs to prove their value to leadership and secure further investment.

## Challenges in Measuring Impact

### of Learning Programmes

Percentage of Respondents (%)



# The Role of AI in L&D

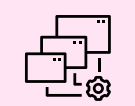
One of the most exciting takeaways from this year's survey? AI is no longer a nice-to-have – it's a must-have.

## How L&D Professionals See AI

Survey respondents believe AI will play a big role in:



Personalising learning experiences



Automating repetitive tasks



Analysing learner data to deliver insights

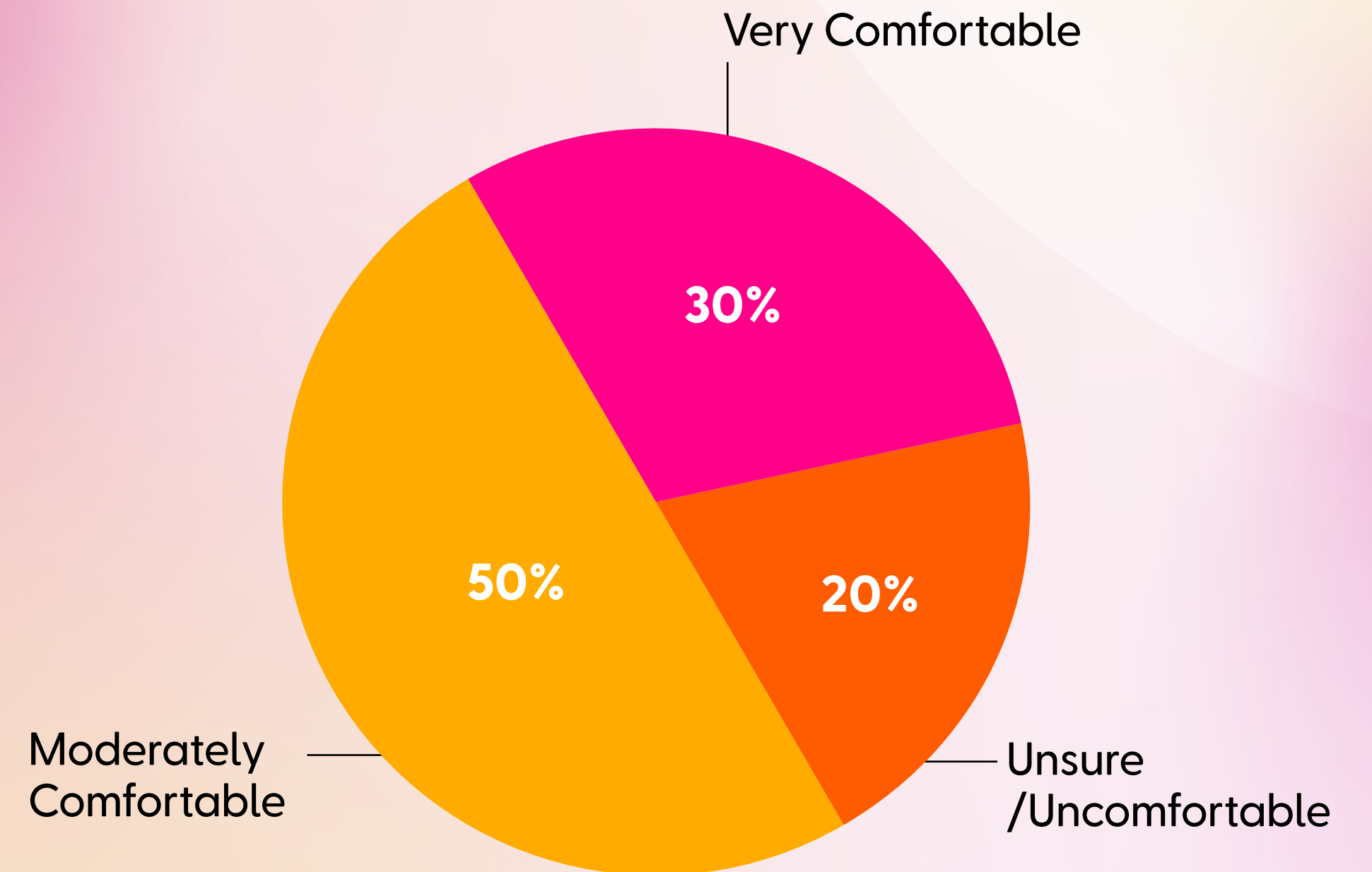
Below is a snapshot of comfort levels with AI-driven features:

**Very Comfortable:** 30% of respondents

**Moderately Comfortable:** 50% of respondents

**Unsure/Uncomfortable:** 20% of respondents

## Comfort Levels with AI in Learning



"AI could save us time and help us focus on more strategic work, but we're still cautious about fully adopting it."



Survey Respondent

# Top Concerns About AI

While the excitement around AI is growing, respondents also shared concerns, including:

- **Lack of nuance in AI outputs**
- **Low user adoption**
- **Trust and data privacy**

Top concerns about AI adoption in L&D:

- **Lack of nuance:** 35%
- **Low adoption:** 30%
- **Privacy concerns:** 25%
- **Other:** 10%

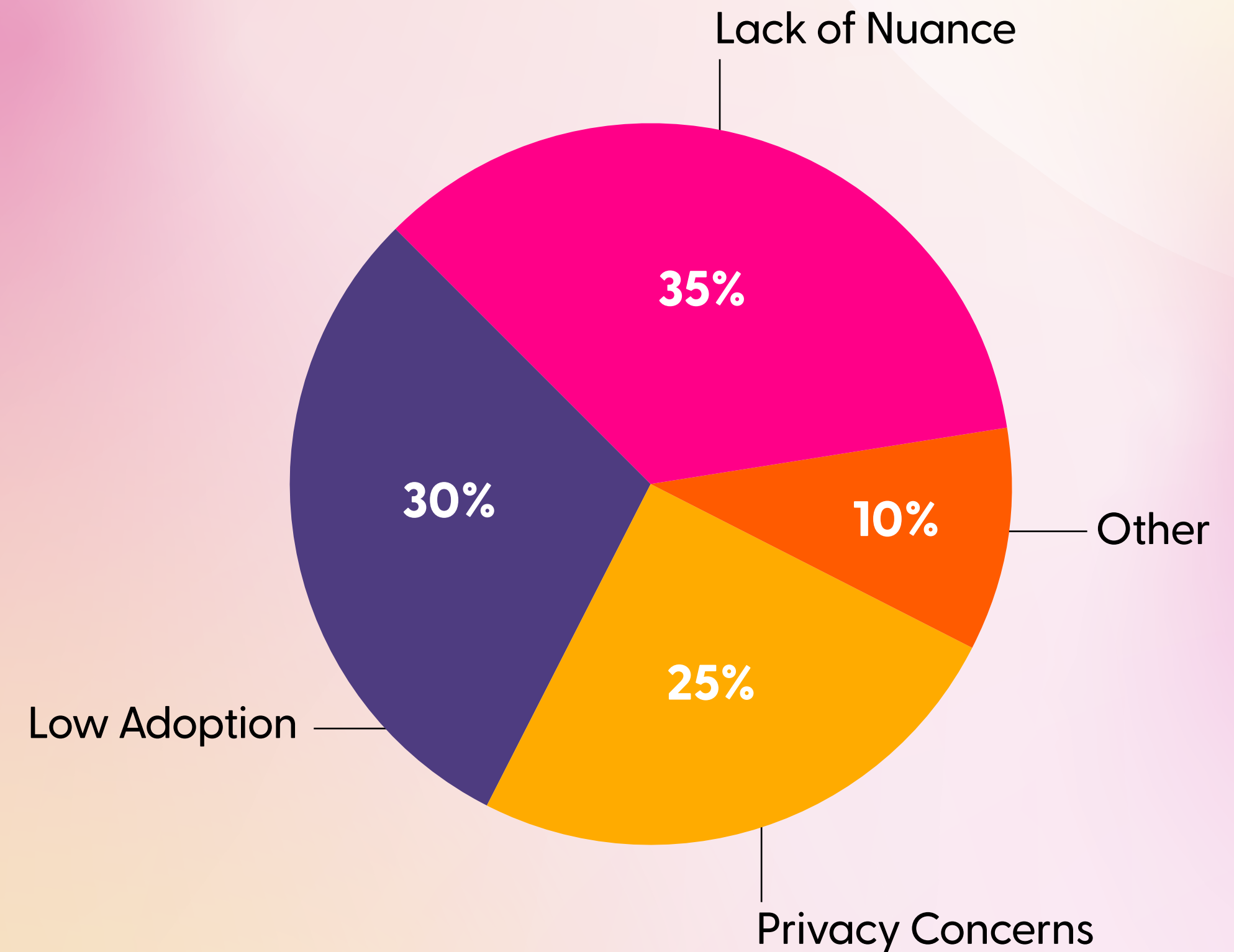
As AI becomes a core part of L&D strategies, there's growing caution around its adoption. While AI offers substantial benefits, such as personalising learning paths and automating content creation, there

are valid concerns regarding its integration into existing systems.

One of the top concerns is the lack of nuance in AI-generated outputs, where AI may not fully understand the complexities of human learning. User adoption is another hurdle, with employees potentially resisting AI-driven tools due to unfamiliarity or fear of being replaced by technology.

Furthermore, privacy concerns regarding the use of learner data remain high on the agenda, particularly with GDPR and other data protection regulations. To overcome these concerns, L&D teams must ensure AI solutions are designed with human oversight, privacy safeguards, and user-friendly interfaces to drive adoption.

## Concerns About AI in L&D



# Recommendations

1

## Invest in AI-Powered Tools

AI has the potential to transform L&D by personalising learning experiences, streamlining content creation, and closing skills gaps faster. Investing in AI-driven tools will help SMEs scale their L&D programmes without increasing headcount and resources. Look for tools that are adaptable to your organisation's needs and can integrate with existing learning platforms.

2

## Focus on Learner Engagement

Keeping learners engaged is crucial to the success of any learning initiative. SMEs should explore creative learning formats such as gamification, microlearning, and interactive content. Personalising learning experiences and incorporating social learning opportunities can also boost motivation and participation.



# Recommendations



3

## Demonstrate the ROI of L&D

Proving the business value of L&D is essential for securing ongoing investment. Use data to track learner progress and link training outcomes to business objectives. By measuring the impact of learning programmes on productivity, sales, and employee retention, L&D teams can demonstrate their worth to leadership.

4

## Address Skill Gaps with Data-Driven Insights

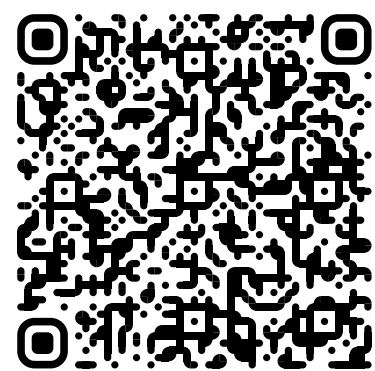
Conduct regular skill gap analyses using data-driven tools to identify where employees need further development. Align training initiatives with current and future business needs, ensuring employees are equipped with the skills necessary for the company's long-term success.

5

## Secure Leadership Buy-In Early

To ensure L&D initiatives are supported and resourced appropriately, it's crucial to engage leadership early in the process. Demonstrate how learning initiatives align with organisational goals and present clear, data-backed business cases that outline the potential return on investment.

L&D Teams  
Big & Small  
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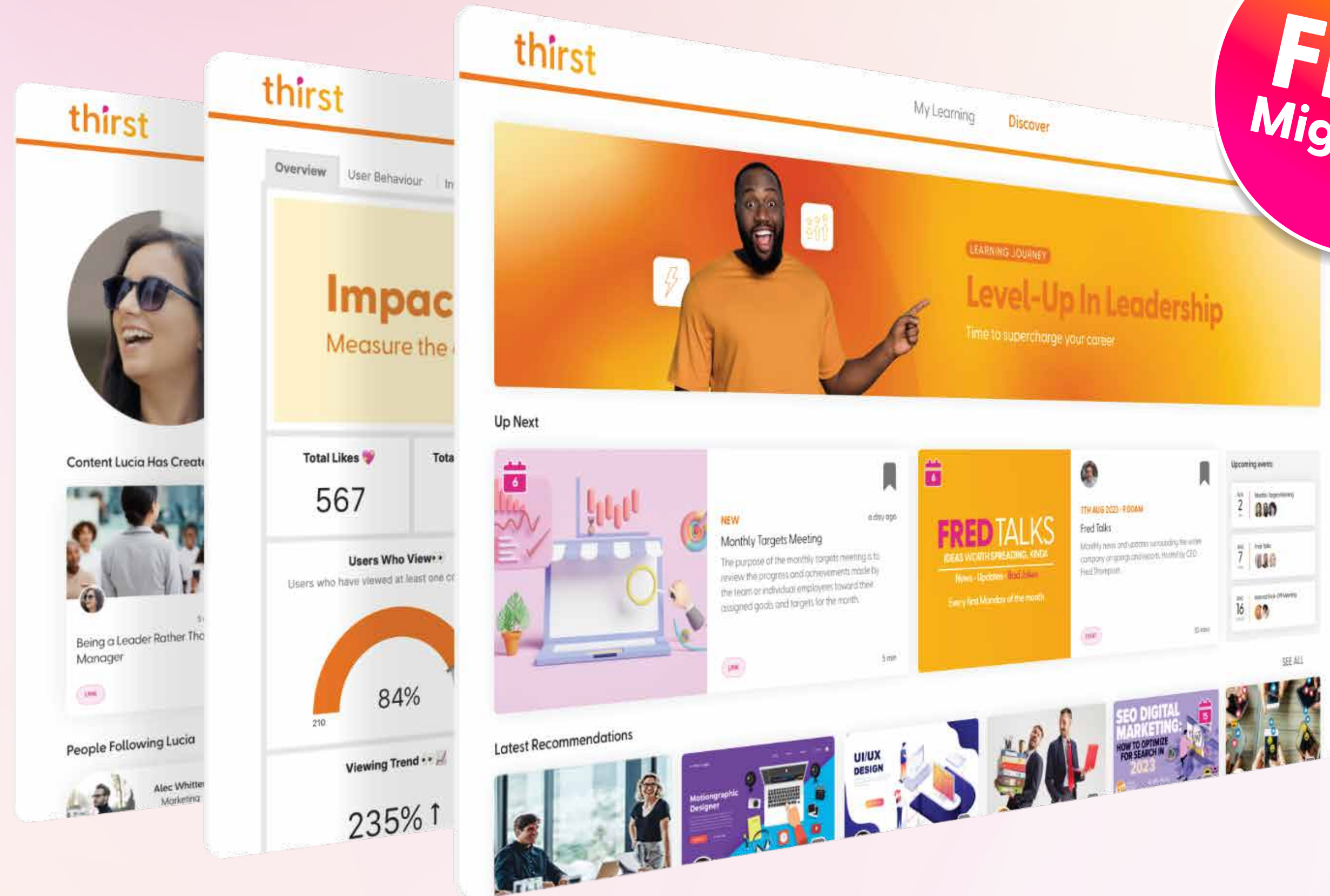
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