

employer toolkit

a guide to development



Introduction

These toolkits offer basic knowledge and simple-to-follow guidance on human capital management (HCM) issues relevant to the finance professional.

Developed by ACCA, each toolkit provides impartial guidance – specifically designed for employers of finance professionals – and includes:

- introductory-level knowledge on the subject matter
- a brief case study for illustration
- a checklist and troubleshooting section
- suggestions for further research.

Use the toolkits when developing new or improving existing HCM practices for finance professionals, or when beginning a process for benchmarking against best practice. There is no need to read each toolkit from start to finish – the sections are written to be used on a stand-alone basis when required.

Each toolkit can be distributed electronically within your organisation – download them as PDFs at:

www.accaglobal.com/employers/approved/services/employer_toolkits

Improve how you develop your people

This mini-toolkit provides all you need to start enhancing your management of development:

- step-by-step guidance on managing development of finance professionals
- a checklist to begin a process for benchmarking against best practice
- an example case study to help you build the case for change and gain buy-in
- a handy troubleshooting section.

The actions you will be able to take as a result of what you learn are aimed at encouraging the best from your people and will have a direct impact on your bottom line.

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Managing development

Development may be defined as the process by which people acquire and improve their skills to enable them to do a better job for themselves, their team and their employer. For finance professionals, development is often considered and understood in the context of continuing professional development.

Development activities can be expensive, however, and the training budget is one of the most visible and vulnerable spends of any organisation's HR function – especially that part of the budget reserved for non-revenue-generating staff such as accountants. Therefore, there must always be a clear business case for investment in development.

There are many reasons why organisations invest in people development, including:

- to motivate staff (people recognise and value investment in their development – and are more likely to reward their employer with greater loyalty)
- to gain a competitive edge (through a better-skilled workforce)
- to aid recruitment and retention (by enhancing the organisation's standing as an employer of choice)
- to help achieve business goals (development can encourage greater awareness of organisational objectives, as staff begin to see their role in a wider context, and apply themselves accordingly)
- to achieve better efficiencies (more resourceful, motivated staff are more likely to take the initiative when spotting areas for improvement)
- to improve credibility with customers (investing in professional qualifications for all staff provides a good marketing message – and can even be part of the criteria for awarding business contracts).

Most organisations expect employees to take responsibility for their own careers but recognise that they need support to enable them to do this.

Commitment to staff development has become a key factor in decision making when people join, or consider whether to remain, with an organisation.

Development can be actively promoted by:

- making a dedicated budget available
- not cancelling courses or other development activities owing to work pressures
- adopting a primarily business-driven approach but also promoting personal development that may not have an immediate or obvious business driver (eg providing financial support for staff to spend on evening classes of their choice)
- getting visible senior-level buy-in (eg having senior people attending or observing training programmes)
- discussing key learning points with attendees after development activity
- actively identifying opportunities to put into practice key learning points
- setting – and keeping – dates to review progress on learning points.

What is development?

Development is the process by which people acquire and improve their skills to enable them to do a better job for themselves, their team and their employer. Development encompasses a range of concepts, including training, education and learning.

Traditionally, development has focused on specific training courses (eg in classrooms or training centres) or 'on-the-job' training. In practice, people can learn in many other different ways – such as by actually doing the work, under supervision.

ACCA training includes a significant practical component in the form of the Practical Experience Requirements (PER) for trainees. In order to qualify as an ACCA qualified accountant, trainees must

successfully complete exams, ethics training and PER. More information for trainees is available from:

http://www.accaglobal.com/students/training_careers/

Strategy v policy

For an organisation's development strategies and policies to be successful, they should be firmly aimed at helping to meet its business objectives, and should reflect its values and culture.

Learning and development strategy

A strategy states the intended direction of learning and development in the organisation and describes the initiatives and programmes that will be introduced and used to support progress. The strategy will be closely and explicitly linked to the business goals and objectives of the organisation. As business objectives are not static, the learning and development strategy will normally require regular review and update.

Within a finance context, the learning and development strategy will be linked to the way in which the team provides a finance service to other departments within the organisation, and to the organisation's senior management. Goals such as staff motivation and enhancement of credibility outside the department are equally valid for the finance manager keen to keep his team primed for action.

The starting point for developing or reviewing a strategy is to look at the overall drivers of the business. This will involve referring to the organisation's purpose as described in the mission, goals and vision statements of business. The culture of the organisation will also need to be assessed – is there a strong commitment to L&D as a business driver or is it just employed to ensure that the day-to-day business gets done? And what of the organisation's core competences? Do you want to enhance existing ones to guard against your competitors or expand the organisation's range of competences in order to expand into new markets?

The next level of investigation concerns what is currently happening in the business and can be specifically planned for. Business plans are the starting point here. Ask yourself what is happening in the various business units or departments of the organisation that have an impact on the type of learning and development required. Are resources concentrated on responding to regulatory changes (eg SOX or IFRS)? Are you in the middle of implementing a change programme?

Lastly, there are development needs that emerge during the year when new business requirements arise. Other departments of the organisation will often come to L&D people to resolve issues around operational training, team building, personal development planning or compliance. While it is impossible to anticipate every request or when requests will be made, many will be regular and repeated (eg for IT training on particular software) and resources can be planned around these.

A strategy containing these three elements and supported by measurement of the effectiveness of the learning and development (incorporating training evaluation and return on investment analysis) will be a robust and practical basis on which to deliver the initiatives and programmes that are inevitably the most visible output of the strategy.

Probable components of an L&D strategy include:

- background and context
- review of previous year or accounting period
- how the L&D strategy supports the organisational mission, vision and values
- what the organisation believes about learning and development
- how the L&D strategy supports business objectives (as detailed in the business/unit plan)
- how the L&D strategy responds to external environment (eg regulatory and economic landscape)

- how the organisation's L&D needs will be established and the criteria for prioritisation
- description of initiatives and programmes (linked to business objectives)
- implementation plan with priorities, timescales, resources, budget allocation
- L&D policy (guidelines for members of the organisation to help put the strategy into practice).

Learning and development policy

A policy consists of a set of guidelines that help members of the organisation to put the strategy into practice. These guidelines should be consistent with the organisation's values and culture. It is essentially a statement of the organisation's 'attitude' to learning and development and will clearly set out what the organisation expects of its people and what the people can expect from their organisation. In reality, many organisations do not have a formal written policy and so miss out on the benefits of enhancing the employee value proposition and its positive impact on recruitment, employee turnover and retention.

A training policy will often contain a general statement outlining the organisation's commitment to supporting staff development for the benefit of its business – including an acknowledgment that it shares responsibility for each employee's development with that employee.

The policy will also typically contain information on the following areas:

- how staff can find out what learning and development opportunities are available
- scope of training (induction, skills, personal development, professional training, lifelong learning)
- investment in training, including training budget and amount of time available
- how training needs are identified and feedback obtained
- how performance management processes work, eg personal development plans
- support provided for the pursuit of professional qualifications (eg fees, days off for study or exams, textbooks and other learning materials)
- mandatory training (eg compliance, health and safety)
- any specific conditions of training, eg a requirement to remain with the organisation for a specified period after completion of a professional qualification, and penalties incurred should that requirement not be satisfied
- support for continuing professional development (CPD).

Many organisations do not have a formal training policy in place. ACCA's Approved Employer Programme can help organisations ensure their training policy for finance professionals, whether stated or implicit, is consistent with good practice. The application process assesses the organisation's current practice against a set of standards and provides Silver, Gold or Platinum accreditation. More information on the programme is available at:

<http://www.accaglobal.com/employers/approved/>

Policy development must take place in consultation with senior management. Questions to ask them when developing a policy may include the following.

- How much do we value our people?
- Are we committed to a specific level of employee turnover?
- Do we want to grow leaders from within the business or recruit from outside?

- Will we invest only in business-related training or also in broader personal development, perhaps not directly related to the individual's role?
- Do we want to differentiate ourselves as a 'learning organisation'?
- Do we want to direct and control our people's development or empower individuals to manage their own careers?
- What business benefits do we wish to derive from our L&D policy?

More importantly, for finance managers, senior management should be asked about attitudes towards training for those in support departments. It is not uncommon for many organisations, large and small, to favour (consciously or subconsciously) investing in development only for those in sales, customer-facing or fee-making roles, often neglecting vital, highly-skilled employees in finance, secretarial, marketing, IT or administration. It is crucial that, while emphasis will inevitably (and often justifiably) be placed on certain key functions, the role support teams play is recognised.

Learning and development activities

There are a large range of activities for the organisation and individual to choose from, including:

- on-the-job training
- in-house development programmes
- instructor-led training
- external conferences, workshops and forums
- formal education courses (eg ACCA, CAT, MBA, MA, Dip IFR)
- coaching by line managers
- coaching by external practitioners
- internal knowledge-sharing events (eg 'lunch and learn sessions')

Key learning points

- Development is the process by which people acquire and improve their skills to enable them to do a better job for themselves, their team and their employer.
- Development need not be focused purely on expensive, external training courses – it can encompass many virtually cost-free activities.
- Development aids staff recruitment and retention.
- Development has many business benefits, helping organisations stay competitive, win business and achieve objectives.
- A successful development strategy must link to organisational objectives, and requires buy-in from senior management and all staff.
- Development policies should communicate to employees how the strategy will be put into practice.
- Finance managers should be keenly aware of the need to make a sound business case for specific development opportunities to be made available to (and if necessary funded for) accountants and accounting support staff.

- e-learning
- audio and video resources
- mentoring and buddying schemes
- job rotation, secondment and shadowing.

As people tend to learn effectively in different ways, it is good practice to offer a selection of learning opportunities, depending on your budget and resources.

The key point to remember – and to communicate to your people – is that learning and development do not equate solely to attending courses. In fact, many business managers now believe the most effective way for people to learn is through on-the-job training.

Career development

Organisations are concerned with achieving their immediate business objectives and meeting their long-term organisational goals.

For individuals, however, the value of development will often be viewed in terms of how it helps them achieve their own personal goals. People want to maintain and enhance their employability by updating knowledge and skills that could be transferable to other roles and organisations. Employers, however, want to retain talent and offer career development that ties staff into the organisation.

Career development is the process of reconciling the organisation's goals with those of its people. In the current marketplace, where demand for finance professionals outweighs supply, employers must find more effective ways to meet this challenge.

There are a number of ways to support career development. Employers can help with employees' career planning by working together on personal development plans (PDPs), providing personal development reviews (PDRs), providing support and feedback on career progress from line managers,

mentors and HR departments and by offering structured work or career experience.

The employer can also provide career information and guidance. This may take the form of career coaching and/or counselling (see below), workshops or simply directing employees to publicly available information sources (eg the Internet).

Developmental work assignments are another popular method of guiding career development. Project work, secondments (eg to another department), assignments (eg overseas) and career breaks can all be used by employers to match individuals with the roles to which they are most suited.

Mentoring

A mentor is usually a more senior member of the organisation who can act as a 'guide' to the individual. The mentoring relationship is likely to be long-term and mentors are generally not line managers to their mentees. Mentoring tends not to focus on specific performance issues – rather, it is more holistic, looking at career development issues. There are many benefits to mentoring, for the mentee, the mentor and the organisation itself. More information can be found in the Employer Toolkit: A Guide to Coaching and Mentoring, available for download at:

www.accaglobal.com/employers/approved/services/employer_toolkits

Career counselling

Counselling helps to assess an individual's strengths and weaknesses as a candidate in the job market, rather than against his current role or employer. The aim of career counselling is to understand and guide personal career aspirations. The outcome of successful career counselling is the matching of the individual to a role that best suits them. In some cases, this may be outside their present employer or indeed their current profession.

Career coaching

Career coaching focuses on an individual's strengths and weaknesses in his current job and how to overcome different issues or simply enhance performance, with clear benefits to the organisation. Further guidance on coaching can be found in the Employer Toolkit: A Guide to Coaching and Mentoring, available for download at:

www.accaglobal.com/employers/approved/services/employer_toolkits

Key learning points

- People learn in different ways: it is good practice to provide a range of different development opportunities, internal and external, from formal classroom training to one-to-one coaching at the desk.
- Development is highly personal to individual employees, who want to maintain their long-term marketability to employers.
- Development needs to be linked to organisational objectives and will need to be reconciled with individual needs.
- Coaching, mentoring and career counselling each provide ways for organisations to support individual development within a business context.

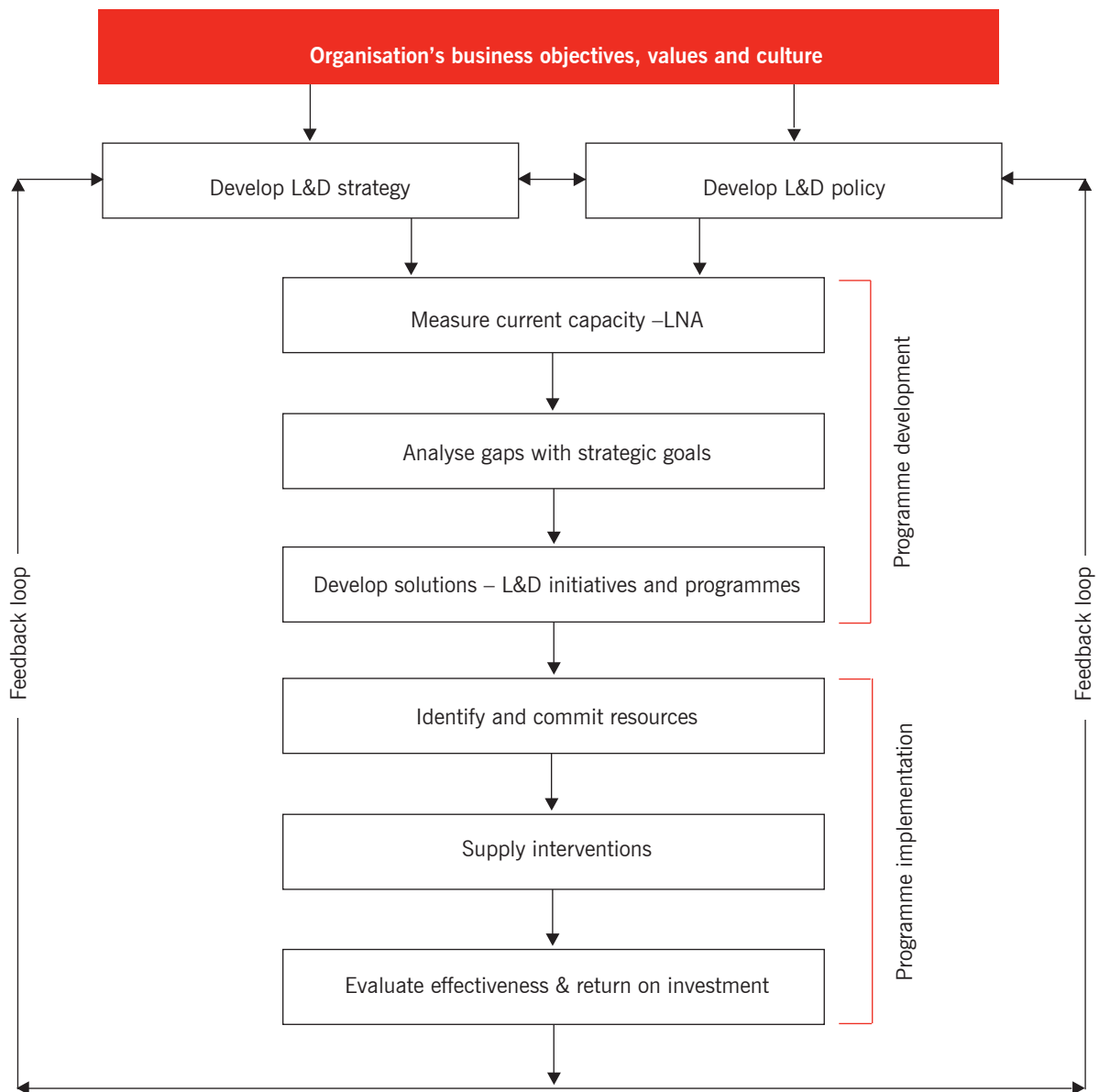
Process summary map

Developing an L&D strategy and policy is a top-down activity, with the aim of supporting the organisation's business goals as stated in the business plan. Organisational values and culture will also have a significant impact.

The first step in implementing the strategy, the learning needs analysis (LNA), is bottom up – determining

those of the individuals' and teams' learning and development needs that will support the organisation's business objectives. After analysing the gap with strategic goals, programmes can be developed and implemented and effectiveness measured by comparing post-programme capacity with capacity identified at the LNA stage.

A summary of the process is provided below.



Example case study: issues and solutions

The problem

Maria Desai is the financial controller for a recruitment consultancy with a network of over 50 offices. She reports to the national operations director, who sits on the main board and also runs the sales force. The company has a strong focus on cost control. There are just 14 people in the finance team.

As demand for staff from clients has escalated, the company's business has grown exponentially – yet, while extra consultants have been hired throughout the branch network, and more branches have opened, headcount for support functions has not kept pace. Maria has been permitted to take on a couple of junior ledger clerks but her existing team of 'middle managers' – four financial and management accountants – has remained static. There is additional pressure to produce figures and analyses for the operations director and his regional directors, while she and her managers are being asked to attend more meetings with major clients with whom the company has exclusive recruitment contracts – to discuss invoicing schedules, calculation of margins, timesheet arrangements and the provision of management information. Increasingly, operational staff have been leaning heavily on the finance managers to provide statistics and information for business proposals, and even to attend and participate in presentations to secure new business.

The analysis

The result has been a steady erosion of motivation within the finance team – caused by frequent long hours, lateness in supplying information, last-minute cancellation of time off and holidays, problems in understanding new systems and software, inability to juggle various tasks at once and difficulties in expanding the team's capacity to use spreadsheets to deliver better and more timely information for the

business. Already one accounts assistant has left – without replacement, as yet, owing to time constraints on Maria and her managers. Maria puts the hours in herself, and is regarded as popular and likeable by her team – but time may be running out for her.

The investigation

Maria forces herself to book an afternoon away from the office and work out how to get her team back on track. It swiftly becomes apparent that many of the problems are due to a lack of skills or knowledge – or rather, that certain skills and knowledge exist, but are not being shared. People are 'muddling through' their tasks, and taking longer than she believes should be necessary. And some members of staff, though long-standing, have exactly the same responsibilities as they had a year or even two years ago.

Maria vaguely remembers that some external training was previously arranged – but it appears two of her staff did not attend owing to pressures in the office, while another would not go on the course – incredibly, citing nervousness as her reason. Meanwhile, she is well aware that one of her up-and-coming 'stars' is keen to take on supervisory responsibility, and that she urgently needs to address this issue. A number of staff have not had appraisals for over a year; most salary increases have been hurriedly (but generously) awarded, without discussion of individual performance.

As the company is well into the third quarter of its financial year, no additional budget can be made available for development, as traditionally this is the time when costs are driven downwards to maximise profits at year end. Any expenditure will have to be made at the cost of other commitments.

Glancing at the last annual report, Maria spots that the chairman wrote to shareholders about the company's 'firm commitment to the continuing career development of all our people'.

The action

Together with the company's HR manager, Maria prepares a plan for immediate action:

- to send her up-and-coming 'star' on an inexpensive 'coach the coach' course, with a view to taking on a number of staff development responsibilities, alongside the managers
- to establish a weekly training workshop of no more than an hour, for 'internal learning', starting half an hour earlier than the official working day, breakfast laid on by Maria
- to invite all members of the team to put forward ideas (confidentially or otherwise) for the weekly workshop, as well as areas where they would feel confident running the workshop themselves or in conjunction with one of the managers
- to sign up two of her managers, as well as two relevant junior staff and herself, for an online course in advanced Excel – with the objective of disseminating the knowledge throughout the remainder of the team over the coming months as and when required
- to schedule performance reviews for all staff.

She also begins to put together a business case for a more formal long-term development strategy for the finance team, funded by a dedicated budget – including conditional financial support for those wishing to pursue professional qualifications, design of specific in-house courses and workshops, and 'soft skills' training at an external provider. As part of the business case, she provides examples of where improvements could be made, and how those improvements will aid the sales force – as well as researching the training policies of organisations of similar size, business and structure.

The results

The team is immensely cheered by the interest being taken in their development by Maria, with a visible surge in motivation and improvement in the office atmosphere. The invitation to submit workshop suggestions generates an almost competitive spirit as people come up with ideas.

The operations director is delighted that Maria and the HR manager have come to him with solutions, not problems – and agrees to build development of the finance team into next year's budget, and obtain the support of the board for a non-sales learning and development policy, focused on the non-client-facing staff in the branches and at head office.

Maria is now confident that her team is well-equipped to support the business as it continues to grow.

Have you got what you need?

Basic guidance checklist

Assess your management of development against the best-practice criteria below.

For each criterion, tick the first column if currently in place, tick and date the second column if planned but not yet implemented, or tick the last column if there are no plans to implement.

Review the checklist and determine where resources can be allocated most effectively for enhancements to current practice.

To avoid subjectivity, also ask a colleague or colleagues to complete the checklist.

Criteria	In place? (tick for yes)	Planned for? (tick & date)	No Plans? (tick for yes)
Promoting development <ul style="list-style-type: none"> ■ Dedicated budget available ■ Policy not to cancel courses ■ Personal development promoted as well ■ Buy-in from senior management ■ Development activities followed up with staff 			
Development strategy <ul style="list-style-type: none"> ■ Strategy linked to organisational objectives ■ Specific finance development strategy devised to take account of business drivers ■ Impact of business plans taken into account ■ Ad hoc factors allowed for 			
Development policy <ul style="list-style-type: none"> ■ Outline of the organisation's 'attitude' to development established ■ Information on scope and accessibility of development opportunities freely available to workforce ■ Processes to measure effectiveness of development activities established ■ Conditions attached to certain activities ■ Senior management consulted 			
Learning and development activities <ul style="list-style-type: none"> ■ Wide range of activities available – not just sending staff on external programmes ■ Individual staff learning preferences identified (to assist selection of most effective activities) ■ Career development plans and processes ■ Mentoring ■ Career counselling ■ Career coaching 			

Troubleshooting

Common problems and suggested solutions

This table outlines common problems related to development, and suggests remedial actions.

Problem	Action
There never seems to be enough time to provide learning and development opportunities	<ul style="list-style-type: none"> • Is learning and development an issue that is only addressed on an ad hoc basis? Consider setting aside a specific time for development each week or each month
Staff feel development is 'imposed' on them, and that it is of little or variable relevance to their jobs	<ul style="list-style-type: none"> • How are training needs being identified? Carry out training needs analyses with all members of the finance team to identify areas needing attention • Invite staff to submit ideas for training • Consider asking key members of the team to deliver group training or individual coaching sessions on topics
After launching or reviving your development policy, staff become disgruntled that requests for external training courses are being turned down	<ul style="list-style-type: none"> • Have you communicated the benefits of internal or on-the-job training? Remember that when people hear 'training', they tend to think automatically of external courses. Think about what can be delivered effectively and practically without sending staff off the premises • It is important, however, not to appear as if only time, and not money, is being invested in development. Demonstrate how to make a business case for resources to be made available for external courses and ask staff to make a case, focusing on the costs and potential benefits • Ensure staff understand that development needs to be linked to job performance and to the organisation's business objectives
No one has the skills to deliver in-house training or coaching	<ul style="list-style-type: none"> • Coaching coaches is big business these days – there are many small training organisations and freelance trainers who can provide inexpensive training to those who have no experience of coaching, training or tutoring but who need to share their knowledge and skills
Senior management are reluctant to invest in training for the finance team	<ul style="list-style-type: none"> • Illustrate the importance of a finance team made up of well-rounded professionals – and the dangers (eg Enron) of neglecting their training needs • Outline the advantages, eg more timely or salient information, or the ability to demonstrate professional credentials when answering questions in commercial tenders (use real examples obtained from your sales force) • Try to identify an ally in a revenue-generating position who would benefit from a more robust, well-resourced finance team • Collect evidence to support the need for development of your team – if necessary, swallow your pride and supply examples of poor performance or negative feedback from other departments arising from lack of adequate skills or knowledge

Problem	Action
Lack of awareness among staff about access to development opportunities	<ul style="list-style-type: none"> • Dedicate an area of the company intranet (if one exists – if not, consider building one) to learning and development issues; populate it with content that demonstrates the organisation’s commitment to development as well as practical details on how to go about securing opportunities • Share and celebrate successes – perhaps via an online newsletter or e-zine that promotes success stories that arise when staff take advantage of development opportunities
Lack of motivation through regular cancellation of courses	<ul style="list-style-type: none"> • Make it a concrete policy that courses not be cancelled because of work pressures unless in highly exceptional circumstances (adjudicated by senior manager or director) • Ensure that setting aside time for training is actually feasible within the context of business requirements
Poor attendance or regular ‘no-shows’ on pre-booked courses	<ul style="list-style-type: none"> • Check if line managers are at fault through refusing permission at the last minute – communicate strongly to them the benefits of training and development; consider building encouragement of staff development into line managers’ own performance objectives • Check if training courses or other learning activities match staff needs – re-evaluate activities currently available and consider ‘tweaking’ course content or introducing new activities

Next steps

ACCA services

ACCA offers a range of resources for finance professionals and managers of finance professionals. For more information, please visit the Employer section of the ACCA website.

<http://www.accaglobal.com/employers/approved/services>

Suggested further reading

Armstrong, M. (2006), *Strategic Human Resource Management: A Guide to Action* (3rd edn) (London: Kogan Page).

This book bridges the theory and practice of integrating HR strategy and business strategy, with cases studies, checklists and practical examples.

Burke, R.J. and Nelson, D.L. (2002), *Advancing Women's Careers: Research and Practice* (Oxford: Blackwell).

How leading edge organisations have supported the career development of managerial and professional women. This series of essays analyses which measures worked, and which did not.

Feldman, D.C., (2001), 'Career Coaching: What HR Professionals and Managers Need to Know', *Human Resource Planning*, 24/2, 26–35

Examines the differences between career coaching, counselling and mentoring. Advice on how and when to implement programmes of career coaching.

IDS (2004) , 'TNT UK Recognised as an liP Champion', *HR Studies Update*, No.782 September, 19–23

The article gives an overview of the TNT training framework.

'How Deloitte Builds Global Expertise', *Workforce*, 81/6, June 2002, 62–4, 66,
Deloitte won an Optimas Award for its international career development programme. This description includes comments on the roll-out in different cultural situations.

'Leader Career Development: Who Should Take Responsibility?', *Asia Pacific Journal of Human Resources*, 41/3, December 2003, 316–37,
Discusses the implications of the new career paradigm for aligning organisational needs with individual career development.

Sources

CIPD (2007) *Annual survey Report: Learning and Development*

CIPD (2007) *Factsheet: Training policy and strategy*

Rae, L. (2002) *Assessing the Value of Your Training* (Aldershot: Gower Publishing Limited).



