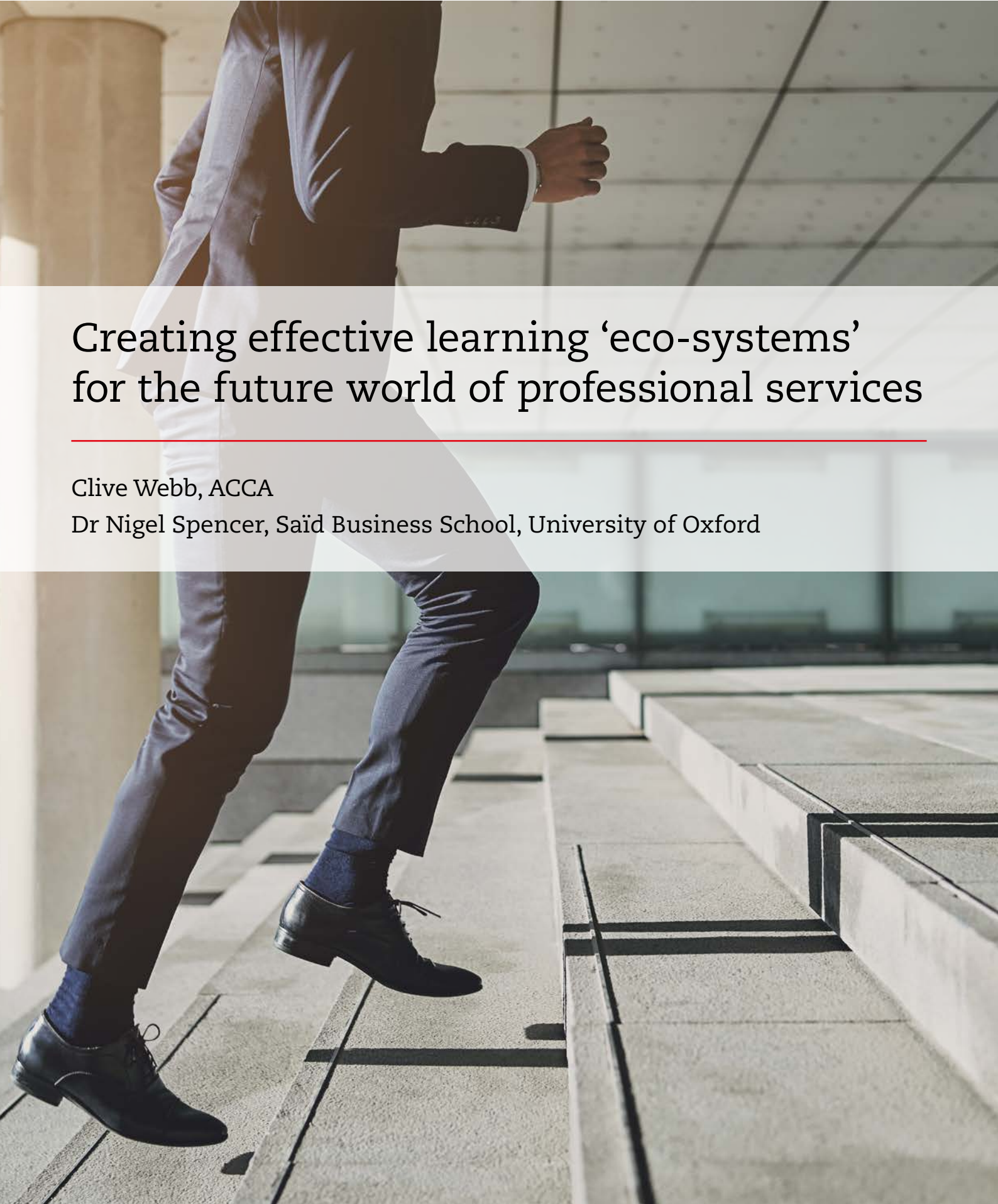


The ACCA logo consists of the letters 'ACCA' in white, bold, sans-serif font, centered within a solid red square.

**ACCA**

Think Ahead


A photograph of a person in a dark suit and black shoes running up a set of wide, light-colored stone stairs. The person is captured in mid-stride, with their right leg forward and arms pumping. The background shows a modern building with large windows and a concrete pillar.

# Creating effective learning ‘eco-systems’ for the future world of professional services

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# Introduction: the rapidly changing landscape of professional services

**It is a time of significant change across the professions. Research at ACCA and Saïd Business School, University of Oxford,<sup>1</sup> is exploring different aspects of this change ranging from the technology-driven disruption of business models to changing client and employee expectations. The research of both organisations has highlighted significant similarities in the challenges that a number of professions face.**

In this article we seek to explore the common challenges for the professions overall, focusing in particular on the critical issue of talent development. Through this 'human capital' lens, we look across the broad range of professional services, highlighting potential future strategies for a rapidly changing environment.

One finding from our research is that change is clearly occurring rapidly across professional services not only at the organisational level, but also at the individual level, with the latter shifts including fundamental aspects of 'identity' and what it means to be a professional adviser. The implications for senior leaders in how they manage their talent, and for those seeking to be the 'leaders of tomorrow' across the professions, are profound.

The external world of the client, which represents the context within which professional services firms operate, is becoming more complex and more global. As Ian Jeal, Director of Education

and Qualification Standards at the Royal Institution of Chartered Surveyors comments: "When we think about the industries which professional services support, the scale and pace of change is really quite staggering. To take the example of the built environment, more than 1.5 million people are being added to global urban populations each week, and \$8 trillion (USD) will need to be spent on infrastructure in New York, Beijing, Shanghai and London alone in the next 10 years. Also, there will be a regional rebalancing, because a staggering 90% of this urban population growth will take place in Asian and African countries. It's therefore not surprising that we are seeing professional services businesses also changing rapidly, thinking about where and how they operate, and the skill-sets which they will need in their teams to support clients operating in this challenging environment".

The practical impact on professional firms seeking to differentiate themselves in a world of more complex and global client

needs has included a change in business models, comprising the redefinition of many practices to include different service lines which are now of greater importance to clients, or the restructuring (and relocation) of certain parts of the practice. This latter change has not only been important to deliver more responsive global service (on a practical level, covering more time-zones), but has also been important to enable greater efficiencies; one of clients' top demands for professional firms.

In consequence, careers are changing in two main ways:

1. The career pathways themselves are inevitably evolving as the businesses they sit within are reshaped.
2. There is a recalibrating of the skill-sets which clients see as adding greater value, moving from 'knowledge delivery' (as more of the knowledge can now be readily accessed) to a broader skill-set focused more around 'business advisory'.

<sup>1</sup> The research by Saïd Business School, University of Oxford, was carried out as part of a wider partnership with Meridian West exploring the strategic use of Learning & Development to create competitive advantage in professional services: [www.sbs.ox.ac.uk/strategiclearning](http://www.sbs.ox.ac.uk/strategiclearning).

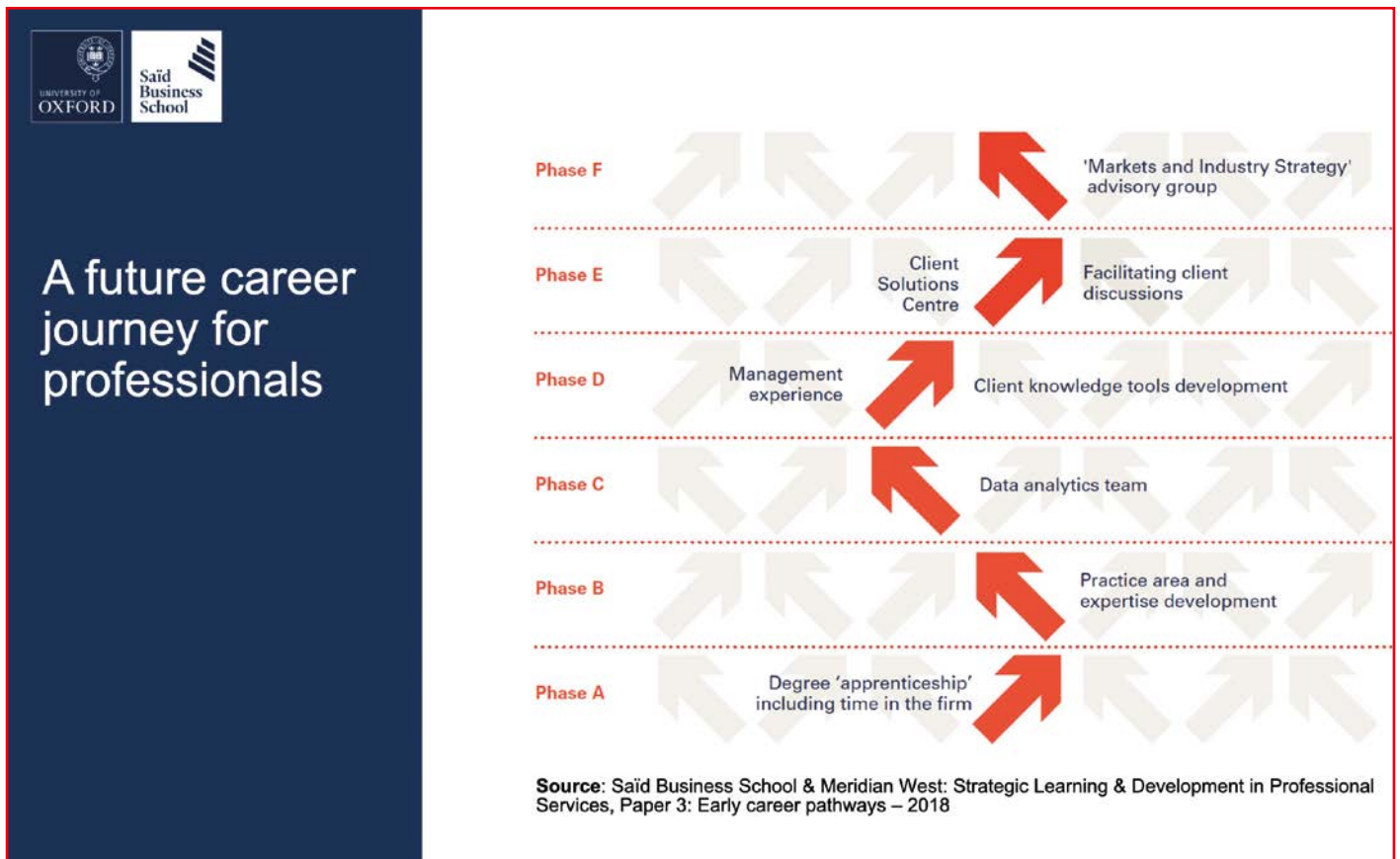


New jobs and career pathways are being created in many firms as they add 'adjacent' services or formalise trial roles into formal pathways, especially in new advisory services, or in roles related to technology and digital transformation.

In this shifting context, there are important questions for a firm's senior management on how they should evolve their staff development strategies. Also, with the increasing ubiquity – and open-source nature – of 'knowledge', there is the interesting question of 'how much expertise is enough' at the beginning of a professional's career? Do we need three years of 'expertise building' at tertiary education level, followed by professional qualifications for each part of the professional services sector (e.g. law, accountancy, or surveying), and what type of development and qualifications will best create the future skill-sets?

**CHANGING CAREER PATHWAYS**

In terms of the career pathways of professionals, these are becoming much less linear. The speed of market change means that the era when professionals would join a practice as a trainee or junior consultant and work their way up through an organisation which would stay relatively unchanged for the timespan of their career are fast disappearing. One could say that this change comes at a good time, given the feedback from the generations now entering the workplace that they are seeking much more multi-dimensional experiences which build broader skill-sets. New jobs and career pathways are being created in many firms as they add 'adjacent' services or formalise trial roles into formal pathways, especially in new advisory services, or in roles related to technology and digital transformation.



Clients also want advisers who are curious and problem solve, possessing coaching skill-sets of 'asking' as well as 'telling', especially as their business challenges no longer have ready-made answers.

### EVOLVING SKILL SETS

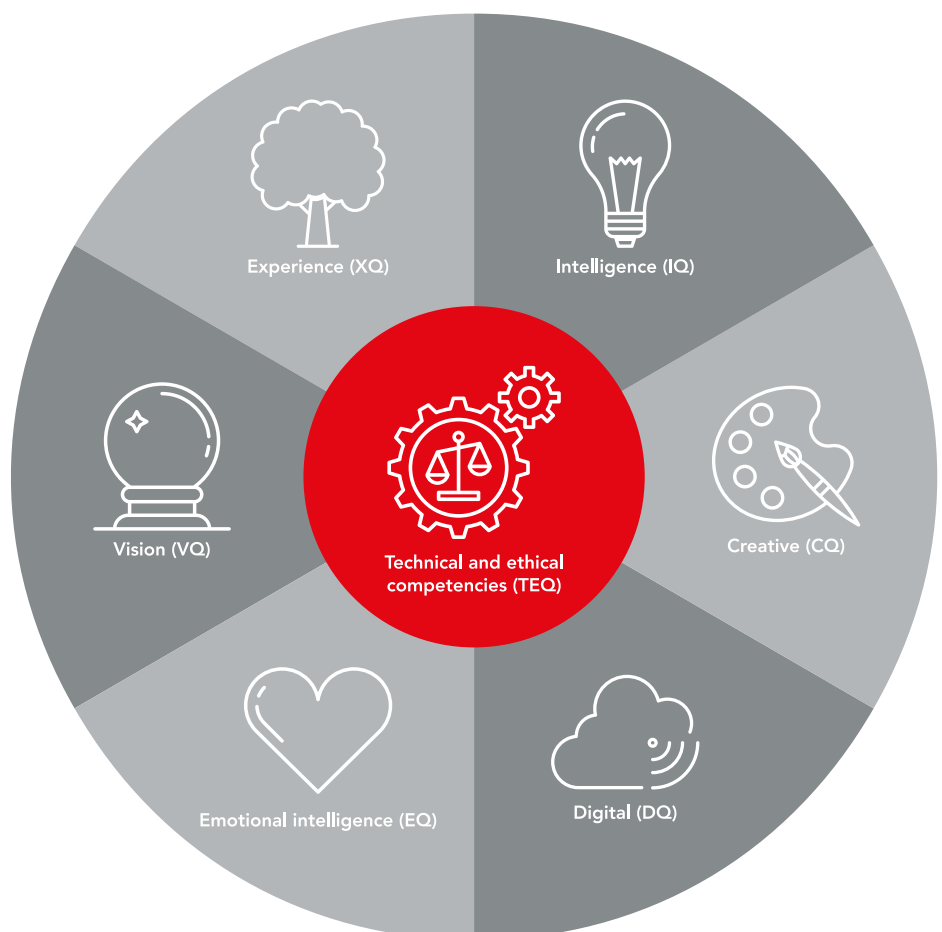
In terms of the skill-sets which professional advisers need to possess in the future, the respective research undertaken by ACCA and Saïd Business School, University of Oxford has heard clients speaking of 'great' advisers of the future being those who possess a number of professional 'quotients' including an ability to:

- see global industry trends;
- partner and collaborate creatively around clients' complex business problems;
- be data aware; and
- have knowledge of how technology can drive efficiency

Clients also want advisers who are curious and problem solve, possessing coaching skill-sets of 'asking' as well as 'telling', especially as their business challenges no longer have ready-made answers.

In 2016 ACCA conducted an extensive research project to define the future skills of a professional accountant. The concept of seven professional quotients (see below) was introduced in the report *Professional Accountants – the future; drivers of change and future skills*.<sup>2</sup>

In short, there are signs of a fundamental shift: away from the old 'T-shaped' career pathways with early phases developing deep expertise before a later expansion of



<sup>2</sup> ACCA 2016, *Professional Accountants – the future: drivers of change and future skills*, accessed 25 July 2019: <https://www.accaglobal.com/uk/en/professional-insights/pro-accountants-the-future/drivers-of-change-and-future-skills.html>.

One clear message from the sector's fast-evolving marketplace is that professionals will need to reinvent themselves many more times throughout their careers to continue to add value.

focus – to a 'Poly-technic' or 'Many-skilled' professional,<sup>3</sup> whose career, mind-set and skill-set are broader from the beginning.

We see a number of implications from these shifts, and a number of questions are raised, for leaders of firms, their talent development functions, and for the individuals making these very different career journeys.

### A MIND-SET OF 'LIFELONG LEARNING' AND OWNING ONE'S OWN DEVELOPMENT


One clear message from the sector's fast-evolving marketplace is that professionals will need to reinvent themselves many more times throughout their careers to continue to add value. We believe that this shift brings with it a strong need for individuals to adopt a true 'lifelong learning' mind-set and to prioritise their own development, as it will be only through constant growth and renewal that the professionals of the future will continue to deliver on their clients' needs.

At the same time, this change also raises two interesting questions:

- Where do professionals go to source this ongoing learning to evolve their skill-set more regularly?
- Will this support come from a firm's Learning & Development (L&D) function, or will professionals develop a different – perhaps longer-term – relationship with either Executive Education providers or their sector's professional body – especially if the length of time which they spend at each employer reduces?

### A CHANGING ROLE FOR LEARNING & DEVELOPMENT: 'CURATING LEARNING ECOSYSTEMS'?

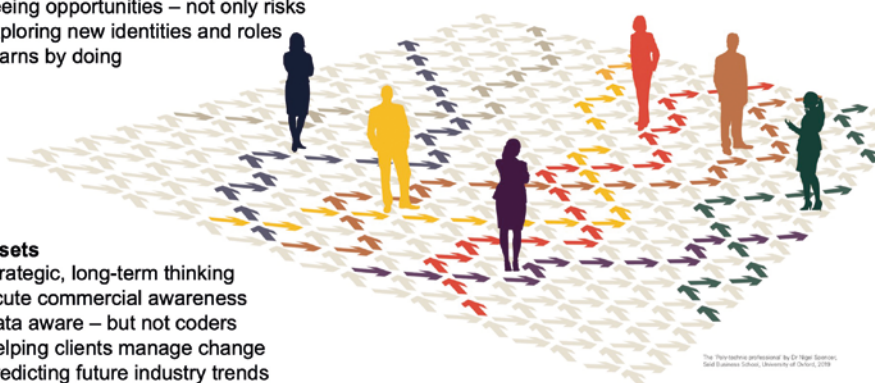
To deliver the needs for a broader, fast-changing curriculum, there has been much comment recently that the future of L&D will be about 'curating not creating' learning for professionals<sup>5</sup> and creating 'personalised learning clouds'.<sup>6</sup> In other words, as career paths become more varied, and new roles – each with



The 'Poly-Technic' professional: becoming the 'Many-skilled' advisor of the future

**Mind-set**

- Curious – and continuous learners
- Embraces ambiguity and change
- Seeing opportunities – not only risks
- Exploring new identities and roles
- Learns by doing



**Skill-sets**

- Strategic, long-term thinking
- Acute commercial awareness
- Data aware – but not coders
- Helping clients manage change
- Predicting future industry trends
- Posing great questions – not 'giving answers'
- Bringing diverse thought to complex challenges
- Building collaborative teams around client problems

**Source:** Nigel Spencer, Saïd Business School: Strategic Learning & Development in Professional Services – 2019

3 For the concept of the 'Poly-technic' (or 'Many-skilled') professional of the future, see N. Spencer and A. Smith, "Do lawyers need to 'learn code'? A practitioner perspective on the 'Poly-Technic' future of legal education" in C. Denvir (ed), *Modernising legal education* (CUP, in press).

4 For the rebalancing of emphasis between continuing education, development and 'lifelong learning', see H. Lindsay, "More than 'continuing professional development': a proposed new learning framework for professional accountants" (*Accounting Education*, 25:1, 1-13, DOI: 10.1080/09639284.2015.1104641) accessed 4 June 2019: <https://www.tandfonline.com/doi/full/10.1080/09639284.2015.1104641>.

5 See B. Betts, "L&D needs to stop creating and start curating" (*Personnel Today* blog, 15 August 2017) accessed on 22 May 2019: <https://www.personneltoday.com/hr/ld-needs-stop-creating-start-curating/>.

6 For the 'personal learning cloud', see most recently, M. Moldoveanu and D. Narayandas, "The future of leadership development" (*HBR*, March-April 2019).

**The role of the L&D function will need to be more about 'curating' a rich set of flexible learning resources from both outside and inside the organisation, and less about creating internal content which often fails to demonstrate a sufficient return on investment.**

different skill requirements – are invented more regularly by organisations employing professionals, L&D functions will never be able to build (and re-build) sufficiently quickly all the programmes which their professionals need as they move through their increasingly individualised 'career lattice'. The role of the L&D function will therefore need to be more about 'curating' a rich set of flexible learning resources from both outside and inside the organisation, and less about creating internal content which often fails to demonstrate a sufficient return on investment.

Our research indicates that part of this 'curation' will be an increasing focus on blended learning and the use of digital resources to offer choice in how people access learning on an informal and ongoing basis, and this is an area where L&D itself needs to be ready to make a significant shift. As Jane Daly, Chief Insight Officer of benchmarking organisation Towards Maturity comments: "Our 2019 Towards Maturity survey of L&D in the finance and insurance professions<sup>7</sup> highlighted a massive leap in the use of learning technology, with 33% of firms now integrating digital learning, up from 7% in 2017. It's interesting, though, that what we also found was that there is still an overall emphasis on formal learning programmes, and L&D teams self-assessed that they need to significantly develop their own capabilities to manage the change to a more self-determined and informal style of technology-enabled, ongoing learning. Part of their challenge is that L&D often operate in an environment where such approaches are not common: our 2019 data reports that self-directed learning is

common practice in only 28% of organisations in these sectors, compared with 64% of organizations which rank highly for learning across business more broadly. So it is going to be about changing the habits of the learners too."

Some large firms have already begun a shift to support this need for more digitally-enabled, personalised and ongoing learning, and have focused also on adding certifications or 'badges' to allow their team members to credentialise their new capabilities, accessed as micro-qualifications for their next role and career phase. EY, for example, launched its own 'EY Badges' programme in 2017 with external partner Udemy, conscious that its own team members were already seeking out such courses themselves.<sup>8</sup>

Another reason that 'curating' content available from a range of resources could be a useful approach for future ongoing education for professionals is that otherwise, organisations will need an extremely high level of investment to 'build' internally all the programmes they are likely to require with such a diverse learning agenda. L&D budgets in professional firms have been increasingly stretched over the past decade, with one study<sup>9</sup> showing the budgets for L&D in law firms fell by more than 50% as a proportion of firm turnover between 2005 and 2018, with the annual learning budget per fee earner falling from £933 to £480 in the same period. At the same time, perhaps not surprisingly given our summary above of the shift in capabilities which firms have identified in this period, the proportion of L&D budget spent on skills training increased significantly from 38% to 91% of the L&D budget in the same firms.

<sup>7</sup> Towards Maturity (2019). *Sector Report: Finance and Insurance 2019*.

<sup>8</sup> J. Turner, "How EY is preparing its people for the future of work" (L&D Best Practices blog, July 17, 2018): accessed on 22 May 2019: <https://business.udemy.com/blog/how-ey-is-preparing-its-people-for-the-future-of-work/>.

<sup>9</sup> Legal Education Training Group, *2018 L&D Benchmarking Survey*, conducted by Robert Mowbray of Taylor Mowbray LLP, presented at the annual Legal Education Training Group conference on January 18 2018, comparing the L&D budget positions of 2005 and 2018. This survey was completed by 10 national and international law firms.

The call to 'collapse the distance between the classroom and the workplace' has become louder, building more opportunities for degree apprenticeships and workplace-focused learning episodes in courses.

### **SUPPORTING PROFESSIONALS OVER A 35-40 YEAR LONG 'LEARNING JOURNEY'**

One major question which remains unanswered is who will step into this 35-40 year 'learning space' where there is an even stronger need for ongoing learning, as careers of professionals become more mobile and varied, and changes from clearer cut phases of 'education' > 'work' > 'retirement', to a model of 'education' > 'first role' > 're-education' > 'second role' > 're-education' > 'third role' > and so on. In other words, the need to re-skill becomes more frequent as the 'half-life' of skill-sets continues to reduce. Professional bodies such as the ACCA are continually reviewing and evolving their qualifications to support the changing skill-sets – informed by the research of their Professional Insights team<sup>10</sup> – and also their method of delivery. Executive Education providers such as Saïd Business School, University of Oxford, have done the same, offering a blend of programmes including both face to face and an increasing portfolio of flexible digital programmes.<sup>11</sup> Both entities could therefore readily step into this opportunity to provide more evenly distributed learning inputs over this longer 35-40 year period.

### **EXPERIENTIAL LEARNING AT THE CORE OF FUTURE L&D STRATEGIES**

One challenge, however, for such providers could be that many of the skills defined as those of the future for professionals are most successfully built through experiential learning. Hence the call to 'collapse the distance between the classroom and the workplace' has become louder, building more opportunities for degree apprenticeships and workplace-focused learning episodes in courses. In other words, we foresee that L&D for professionals will not only need to offer a broader portfolio of subjects, but will also become more focused on 'organisational development' activity; developing initiatives for the '70%' (workplace learning opportunities) amongst the suggested 70:20:10 balance of adult learning.<sup>12</sup> Not only will this shift enable the professionals of the future to apply their learning more successfully, but also it will enhance diversity of talent pools and social mobility by enabling earlier periods of 'earning whilst you learn', also usefully reducing the need for professional firms to have business models which need to recover an up-front investment in their junior team members.

The one thing which is certain is that to take the opportunities arising from a fast-developing professional services marketplace, agility and innovation will need to be front and centre not only for professionals, the organisations in which they work and the leaders developing talent strategies, but also for education providers seeking to support professionals over the long term as they build their careers.

<sup>10</sup> For the work of the ACCA's Professional Insights team, including their studies of the future skill-sets of the 'accountant of the future', see the reports located at: <https://www.accaglobal.com/uk/en/professional-insights.html> or <https://www.accaglobal.com/insights>.

<sup>11</sup> For Saïd Business School's range of flexible, digital programmes developed recently, see <https://www.sbs.ox.ac.uk/programmes/executive-education/online-programmes>.

<sup>12</sup> See a summary of this trend in N. Spencer, "Creating the lawyer of the future in times of disruption: the power of building a new world of ongoing, workplace-focused education" (*Unlocking the power of Artificial Intelligence for English law*, blog, 24 April 2019) accessed on 22 May 2019: <https://www.law.ox.ac.uk/unlocking-potential-artificial-intelligence-english-law/blog/2019/04/creating-lawyer-future-times>.

