

Enhancing Learning and Development in your Organisation - Two Roles for Accountants

by Cyril Kirwan

Many financial professionals in organisations have a doubly important role. Firstly, you are likely to have significant influence on how your organisation’s financial resources are used, making sure it gets the best value for money. For many of you, you’re also a manager, responsible for the performance of often large numbers of people. This too includes the use of financial resources, not least those needed to maintain and develop their knowledge and skills. This article explores how a focus on both roles can help make the most of that investment.

Counting the cost

According to a recent Irish Institute of Training & Development (“IITD”) survey, companies in Ireland spend an average of 2.91% of their payroll costs (within the average range of 1% to 4% in Europe) on Learning & Development (“L&D”) activities each year. This includes formal training programmes, workshops, external courses, executive coaching and the like. However, research undertaken in recent years suggests that often, only a small proportion (between 10% and 30%, by a number of estimates) of this investment actually translates into changed behaviour back at work. For one reason or another, many people aren’t able to put into practice what they’ve learned (or perhaps don’t want to!).

To illustrate this, if we take an example from a medium-sized company based on the above figures, we get:

Payroll costs	€2,000,000
L&D Spending (2.91%)	€58,200
Return (10% to 30%)	€5,820 - €17,460
Waste (90% to 70%)	€52,380 - €40,740

Given that the usual purpose of L&D programmes is more often than not to change behaviour in some way at work (e.g. run meetings more efficiently, conduct better audits,

negotiate more effectively) the returns on such investment are not encouraging, to say the least. As can be seen above, even for relatively small companies the figures are quite significant – imagine what the figures will look like for companies with hundreds or even thousands of employees! The high (waste) figure is particularly pertinent in the case of ‘discretionary’ L&D which is broader in focus, such as developing leadership or other management skills, or the so-called ‘softer’ skills. As this type of L&D investment tends to be more expensive, and its objectives, although important, often harder to define, the importance of getting a suitable return on it is even more critical.

Why is this?

While it’s reasonable to assume the cost of L&D activity comes up regularly at financial management meetings, the return is rarely discussed. Perhaps it’s just assumed that spending money on such activity is considered ‘a necessary evil’, as ‘everyone else is doing it’.

This approach however almost always results in a slowdown or indeed cessation of L&D activity when times get tough. Indeed, it can be hard to argue with this course of action – if the purpose and outcomes of L&D are not clear, then the type of expense involved can be hard to justify. Equally, measuring the

return on investment from L&D is acknowledged to be very difficult – and there are some spurious methods out there – but improving the return is certainly possible.

The learning system

The problem we’re discussing here is that of learning transfer – the generalisation of skills or knowledge gained back to the job, as well as their maintenance over time. Research on this topic, conducted in all types of organisations, has demonstrated the important influence of a variety of factors on transfer outcomes. These factors comprise ‘the learning system’.

Let’s say you present yourself to your doctor with symptoms, which ultimately are found to result from trouble with your heart. Following a thorough diagnosis, your doctor may prescribe some first-class medication, or even surgery. These are important interventions in themselves. However, experience (and of course, solid research) tells us that it is highly likely that their effectiveness will depend on:

- The accuracy of the diagnosis.
- The medication/surgery itself.
- Your motivation to ‘get better’.
- Associated lifestyle changes. These vary from one complaint to another, but often include weight reduction, cessation of smoking,

reduced alcohol intake, more exercise and the like.

- An assessment of the environment in which you are living, including, for example, what might get in the way of you eating less or exercising more.

In the same way, making the most of L&D interventions also necessitates paying attention to factors in the learning system. If not, there is a risk of ignoring more than 70% of the factors that contribute to successful application of learning on the job. That's upwards of €40,000 each year in our example above.

What does the learning system look like?

Work by this author has organised them into the evidence-based model below.

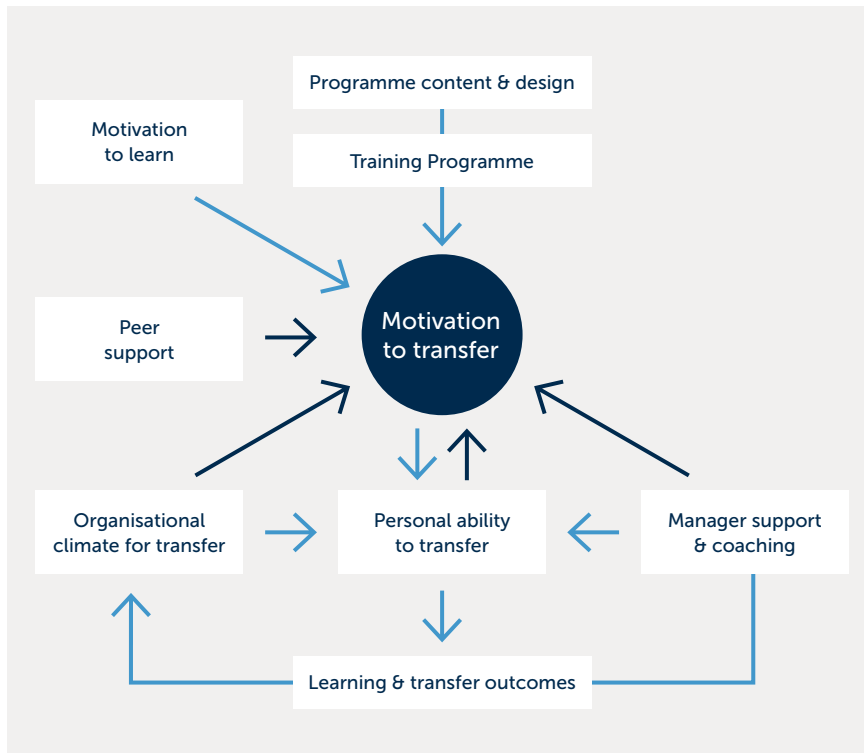
The way in which the programme has been designed and delivered to make it easier for participants to transfer learning back to the job, and the degree to which participants regard the programme content as appropriate to their needs, also makes a huge difference.

However, research has shown that some of the most influential factors are not necessarily under the control of your organisation's L&D or HR departments, but rather the organisation's managers at different levels. They are the work environment factors, such as the extent to which peers and particularly supervisors and managers reinforce and support the use of learning on the job, as well as the extent to which the work environment is conducive to doing so.

Making the most of L&D spending

It's unlikely you're an expert on L&D. However, when you're being asked about approval for spending on such activity, the model can be used as a basis for asking some critical questions, the answers to which can go a long way to minimising the amount of effort wasted from what is usually a costly undertaking.

- Ask what need is behind the intervention you're being requested to approve. Those seeking approval should be able to identify as specifically as they can what would be different as a result. A focus on learning (outcome) needs as opposed to training (activity) needs will help provide a greater number of options.
- Related to the first question, ask what alternatives to structured 'training' interventions have been considered. Use of on-the-job experiences as a vehicle for learning minimises the problem of learning transfer and may even cost little or nothing. Job rotations, delegation of specific tasks, small pieces of research and involvement in projects and task forces, when accompanied with structured developmental reviews have all demonstrated positive results with far less costs.
- As indicated by research, the role of the line manager is critical and one of the main influences on the success of learning transfer for an individual. Line managers can be of great assistance in providing opportunities to try out new things, reflect, challenge and support. The sort of skills needed here are essentially what are known as 'people skills', or the style known as a 'coaching' style. Ask about the development of this cohort of people throughout the organisation. Those with high levels of 'people management' skills are a scarce and highly valuable resource. Their role will be discussed next.



Model of Learning Transfer (Kirwan, 2009)

An individual's motivation to learn (the degree to which they are prepared to enter and participate in the L&D programme) in the first place is important, as is their motivation to use that learning back at work.

They work together to facilitate the conditions for learning to flourish, by creating important time and mental space (personal ability to transfer) for learners. Maintaining these conditions over time has been shown to improve transfer (i.e. reduce 'waste') and thus the return on L&D investment.

The accountant as manager

In addition to your role as an accountant, there is a good chance that you are also a manager, responsible for the work of others. Thus, at a personal level, you can influence their development in important ways. Within the 'learning system' above the importance of your role as the line manager of someone participating in L&D activities has been shown to have a strong impact on whether their learning will be transferred back to the workplace. Today, managers are being seen more as coaches and partners in the learning process, creating conditions where collaboration can take place, thus facilitating learning.

The manager as coach

Much of the discussion concerning managers' ability to promote and sustain learning within their areas of responsibility relates to this role. A number of studies have managed to categorise what we can call managerial coaching behaviours, which revolve around a number of key activities.

- Encouraging employees to think through issues rather than simply providing answers.
- Giving and receiving specific and focused feedback.
- Clearly communicating expectations.
- Getting employees to look at problems from different perspectives.
- Providing support, encouragement and empathy.
- Being challenging.
- Inclusion in communication and decision-making processes.

Thus, a manager skilled in internal coaching will be likely to find it easier to generate the sort of climate that facilitates learning than one who isn't.

Relating specifically to the transfer of learning, being able to assess the level of management support being provided could be useful in identifying at least some of the barriers. The questions below are

taken from the 'manager support and coaching' factor that is part of the Learning Transfer Evaluation© instrument (Kirwan, 2017), which measures the strength of conditions known to affect transfer. The scale is scored from 'strongly disagree' (1) to 'strongly agree' (5). You can either use this scale to assess your own ability to support learning (you are the my manager in this case) or better still try it out with your direct reports in the context of their L&D activities.

A score upwards of 30 suggests that you provide a high level of manager support, while a score of 20 or less would indicate a strong need for some 'people management' skill development. And of course, the questions posed earlier should be used to identify how that need should be met.

Question		Score (1-5)
1	My manager discusses my ideas and gives me feedback on my efforts to put learning into practice	
2	My manager discusses the training and development I have attended after training	
3	My manager 'opens doors' for me in the wider organization	
4	My manager is generally open to new ideas and changes	
5	My manager works with me to set performance goals following training	
6	My manager gives me encouragement and support in trying out new things	
7	My manager demonstrates listening and empathy	
8	My manager discusses training and development needs with me before training	
Total		

Summary

Organisations in Europe spend between 1% and 4% of payroll costs on L&D. If, as suggested, only 20% of this investment on average makes it back to the workplace in the form of changed behaviour, a huge amount of time and money has been spent that hasn't added any value. Even raising this figure to 40% will double the return on investment!

As well as being in a position (as an accountant) to make the most of your organisation's spending on L&D activities, you are also in a highly important and influential role (as a line manager) to ensure that the knowledge, skills and attitudes acquired as a result of these activities are maintained on the job.



Cyril Kirwan

Dr Cyril Kirwan is a highly experienced work and organisational psychologist. Having worked for many years in the airline and financial services sectors, he now designs and delivers interventions in areas such as leadership development, change management and executive coaching for clients in both private and public sectors, in Ireland and abroad.