



cutting through complexity

# Increasing the Value of Your Human Capital through Effective Learning Strategies and Programs

*Results from the KPMG 2012  
Human Capital and Learning Survey*

[kpmg.com](http://kpmg.com)

1 Overview



3 Meeting today's critical training challenges

## 9 Creating a highly effective training capability



## 15 Conclusion: A new generation of learning solutions



## Overview

Within the finance and accounting function, increasing the value of human capital—how top talent is sourced, developed and retained—is vital to the overall performance of the business.

Learning programs are a particularly critical part of the overall human capital mix. Effective training helps new employees reach competency faster. It enables existing members of the workforce to improve current skills and develop new ones to advance the performance of the finance and accounting function, serve customers and generate innovations. A reputation for high-quality training programs helps to attract better talent, and then helps retain that talent in the long run.

However, new KPMG research—the *KPMG 2012 Human Capital and Learning Survey*—has found that companies are facing significant challenges in the years ahead in developing the workforce capabilities within their finance and accounting function needed to compete more effectively. Budget constraints are an ongoing concern. The day-to-day pressures of the business can cause supervisors and employees themselves to forego the training opportunities that advance workforce skills and enable the entire organization to perform better.

Perhaps of most concern is that, in many cases, training programs are not meeting the expectations of managers and executives in the finance and accounting function. A “confidence mismatch” exists when it comes to training: A majority of survey respondents from the HR and learning function rated their training programs as “excellent,” but this confidence was not shared by business leaders from the finance and accounting function itself.

KPMG believes it is critically important to provide employees with a well-planned, engaging and cost-efficient finance and accounting training curriculum. More effective learning programs are vital to improving workforce performance. They also help the organization as a whole adapt to and manage change—building commitment to change, transferring knowledge, developing a network of experts, tracking performance improvements and aligning the entire organization in such a way that employees can better execute the desired processes and behaviors associated with the change effort.

## About the Research

The KPMG 2012 Human Capital and Learning Survey was conducted in May 2012 in cooperation with the Forbes Consulting Group. A total of 107 respondents participated in the web-based survey: 52 from the human resources function and 55 from accounting/finance. All respondents were director-level or above.



© 2011 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with the KPMG International Cooperative (“KPMG International”), a Swiss entity, all rights reserved. Printed in U.S.A. 06/11/11  
KPMG, the KPMG logo, “cutting through complexity” are registered trademarks or trademarks of KPMG International (“KPMG”). 11027-1-11/11/12

# Meeting today's critical training challenges

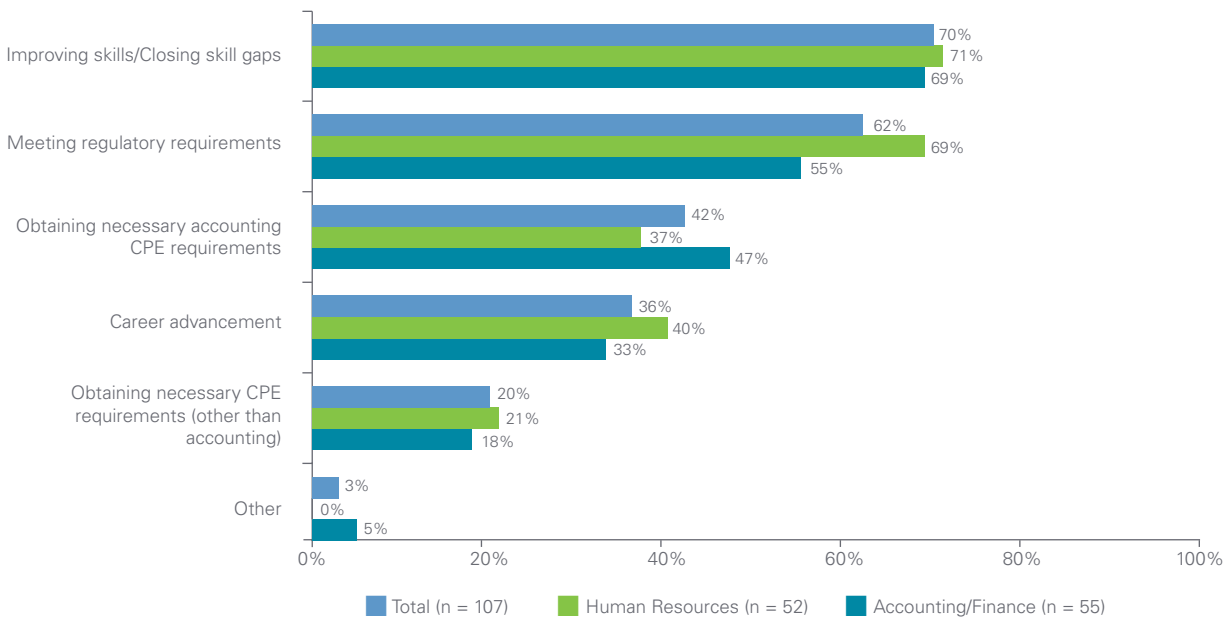
“Right now, it’s just learn as you go.” That assessment by a finance and accounting professional who took part in the KPMG 2012 Human Capital and Learning Survey reflects some of the concerns, and even frustrations, of leaders charged with optimizing the performance of their finance and accounting workforce. Many companies are not confident that they are finding top talent and then equipping them with the skills and knowledge needed to be successful. Survey data as well as comments from participants suggest that many companies are in survival mode, with employees simply trying to meet their immediate performance needs, and thus getting insufficient support for the long-term challenges of their jobs and their companies.

Our survey results point to several high-level conclusions about the efficiency and effectiveness of human capital programs among our survey population.

## 1. Budget constraints are preventing companies from offering appropriate training opportunities for employees.

Respondents to the KPMG 2012 Human Capital and Learning Survey affirmed the importance of training for their employees and their organizations as a whole, both to meet regulatory requirements and to develop new skills. Seventy percent referred to “improving skills or closing skill gaps” as the most important goal of enterprise learning programs; 62 percent cited the need to meet regulatory requirements. (See Figure 1.)

### Q. What drives your need for training?



Multiple Responses Allowed

**Figure 1: Improving skills/closing skill gaps and meeting regulatory requirements are predominant drivers for training**





However, the survey underscored significant differences between an “ideal” amount of employee training and what companies are currently providing.

How much training is currently being offered? Some of the low numbers may be surprising. For example: 40 percent of respondents said that employees in their company are required to take only 10 hours or less of training per year; about one-fourth of companies (27 percent) said that employees are required to take from 11 to 40 hours of annual training. Only 29 percent indicated that their finance and accounting workforce is required to take fairly significant levels of annual training—from 41 to 80 hours of training per year.

Potential problems loom. According to survey participants, the current level of training they offer is not sufficient to meet the performance needs of the business. Two-thirds of respondents (66 percent) indicated that the ideal amount of training for employees is from 21 to 80 hours per year, and an even higher percentage of finance and accounting executives surveyed—71 percent—agreed that such a level of training commitment is ideal. (See Figure 2.)

In addition to employee performance deficits and skill gaps resulting from insufficient training, potential shortfalls in terms of AICPA requirements are also a concern. To maintain AICPA membership, employees must complete 120 hours

of Continuing Professional Education (CPE) in each triennial period. Failure to stay on track with those targets has implications for individual careers and for the effectiveness of the broader finance and accounting function.

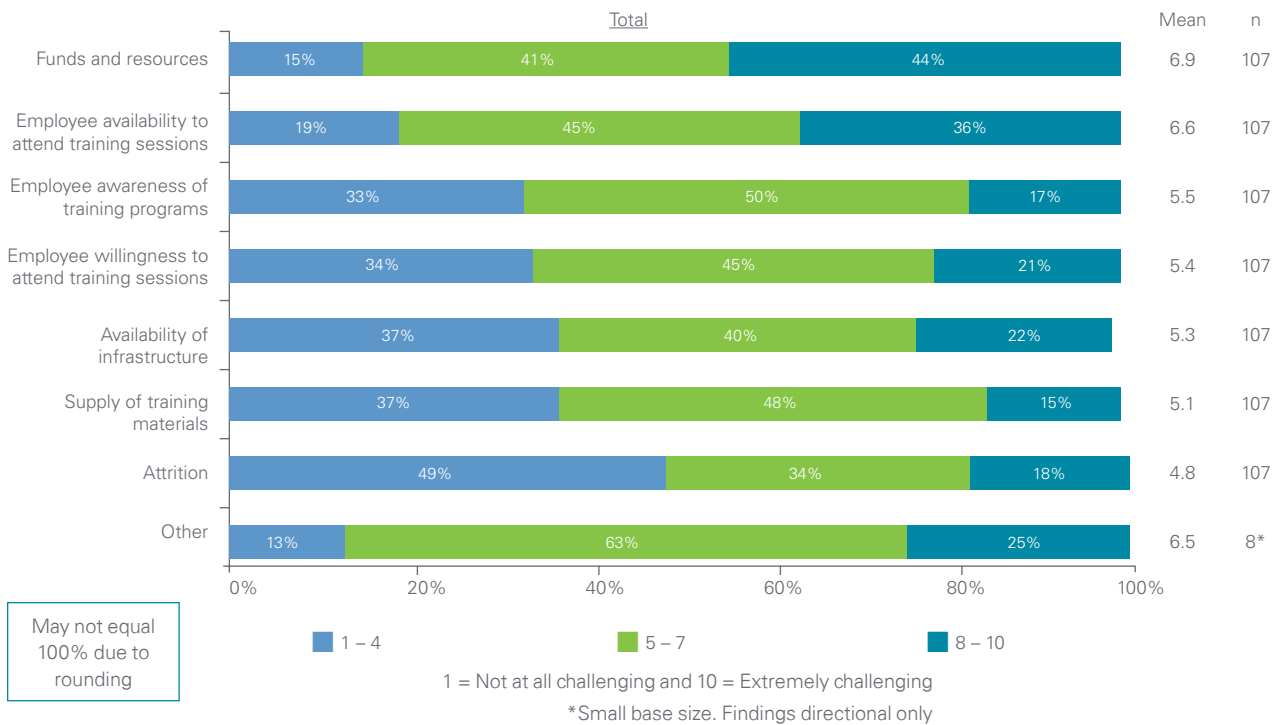
A great deal of the frustration about the gap between the ideal and the real when it comes to training is budget related. Only about 1 in 5 respondents (22 percent) expected their training budgets to increase next year; 17 percent expected budgets to decline, and 61 percent predicted that spending would remain flat. The business side of the house clearly wishes this situation were different. The word “more” figured significantly into the comments provided in their survey responses: “Invest more in training”; “more budget allotment”; “more investment”; “a more robust training curriculum.”

Cost is also an important factor when it comes to planning, developing and delivering training, according to 42 percent of finance and accounting professionals and 21 percent of HR respondents. Half of respondents said that investing in finance and accounting training programs is important to the future viability of their company, yet nearly an equal number (44 percent) said that finding sufficient funds and resources is their biggest challenge in executing a compliant and valuable training program (ranking the challenge from 8 to 10 on a 10-point scale). Another 41 percent saw funding as somewhat of a challenge (ranking it 5 to 7). (See Figure 3.)





**Q. Thinking about the challenges in providing employees with the educational opportunities necessary to stay abreast of current regulatory, accounting and company-specific business issues, please rate the following challenges in executing a compliant and valuable training program.**



**Figure 3: 85 percent of respondents indicate that funding and resources are either their biggest challenge (44 percent) or somewhat of a challenge (41 percent) in executing a compliant and valuable training program**

These findings highlight the need to focus on the highest-impact training opportunities, delivered in ways that are flexible to fit the needs of employees. Learning delivery also needs to encourage high rates of retention and changes in how employees perform critical business processes. In general, companies need to plan in a highly strategic way how to build and maintain a training curriculum, focusing on being as cost effective as possible, especially during challenging economic periods.

**2. Current learning programs are underperforming expectations among the target finance and accounting population.**

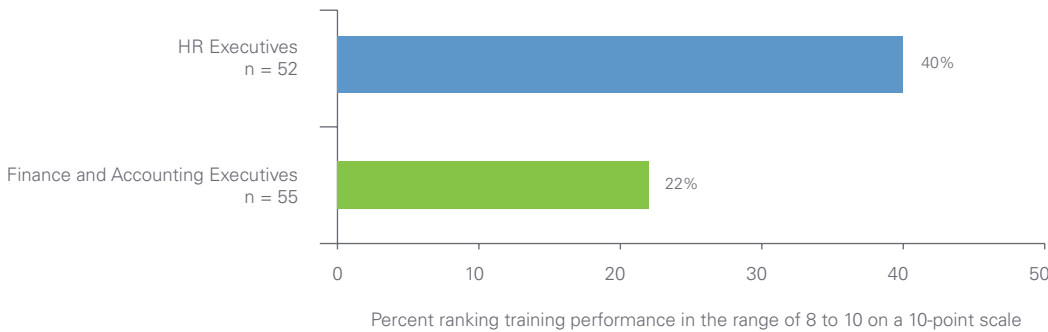
Are current human capital programs effective? Are they driving better performance by critical workforces and by the business as a whole?

It depends who you ask.

HR executives surveyed were more confident about the effectiveness of such programs than were finance and accounting respondents. Forty percent of HR executives ranked their training programs as excellent, but only 22 percent of finance and accounting respondents made a similar ranking. (See Figure 4.)

Overall, only 31 percent of all respondents assessed their training capabilities in the excellent (8 to 10 ranking) range. About one in five respondents (21 percent) ranked their current training capabilities as low (1 to 4 ranking).

**Q. How well do you think your company manages the following components of Human Capital in the Accounting and Finance function?**



**Figure 4: Finance and accounting executives are less likely than HR executives to classify existing training programs as “excellent”**

Finance and accounting executives commenting as part of the survey process were more likely than their HR counterparts to express concern about a certain kind of “ad hoc” nature to the training programs. “We need to develop [formal] training programs rather than just on-the-job training,” said one finance and accounting respondent. Said another, “We need to actually do training other than the web videos about [content] that is not job relevant.”

**3. Generating employee interest and finding time for training are factors in the underperformance of enterprise learning programs.**

One struggle occurring within some organizations concerns the fact that the HR/learning function makes training available to employees, but then the pressing needs of a business to serve clients and customers can result in employees being pulled away from scheduled training.

Among HR respondents to the KPMG survey, 42 percent felt that employee availability to attend training sessions is a significant challenge (ranked 8 to 10) in executing a valuable and compliant training program. Fewer finance and accounting respondents—31 percent—made a similar assessment.

Forty percent of finance and accounting respondents want more time for training such as classes, workshops and cross-training. One HR executive noted, “We need to allow employees to take time away from work for training.” Another said, “We need to be more proactive in sending people [to training].”

Twenty-seven percent of HR respondents also cited a lack of willingness of employees to attend training as a significant challenge. (Fewer finance and accounting respondents, 16 percent, saw this as a top challenge.) Employee awareness of training programs is somewhat less of a challenge, but more HR executives (21 percent) find this to be an issue than finance and accounting respondents (13 percent).

HR and business professionals surveyed found common ground in their belief that training is essential to nurturing and growing top talent, and to developing distinctive business capabilities that can drive competitive advantage. But the training should be relevant and timely, and delivered in such a way that it blends more seamlessly into the overall performance responsibilities of a particular job.





## Creating a highly effective training capability

Given the overwhelming support among both HR and finance and accounting professionals for more effective human capital programs—especially support for higher-impact training—what can organizations do to improve training efficiency and effectiveness?

Based on the survey results and on our experience, KPMG believes that the following imperatives are most urgent:

### 1. Deliver timely, relevant training opportunities.

Among HR professionals, simply offering *more* training was not seen necessarily as the answer. Among HR respondents who assessed current training capabilities at 7 or less (on a 10-point scale), only 4 percent said that the answer is to offer “more” training. By contrast, 38 percent of finance and accounting respondents would welcome simply an increase in the amount of training taken.

What is more likely to be desired is training geared to timely performance needs. So, for example, 46 percent of HR respondents believed that offering more specific and relevant training—as well as training that is more easily accessible—is the way to improve training effectiveness. (See Figure 5.) An important trend here is the move to shorter,

more granular modules of training that can be available on demand. Just-in-time training can help employees get the knowledge they need, when and how they need it, to improve their effectiveness.

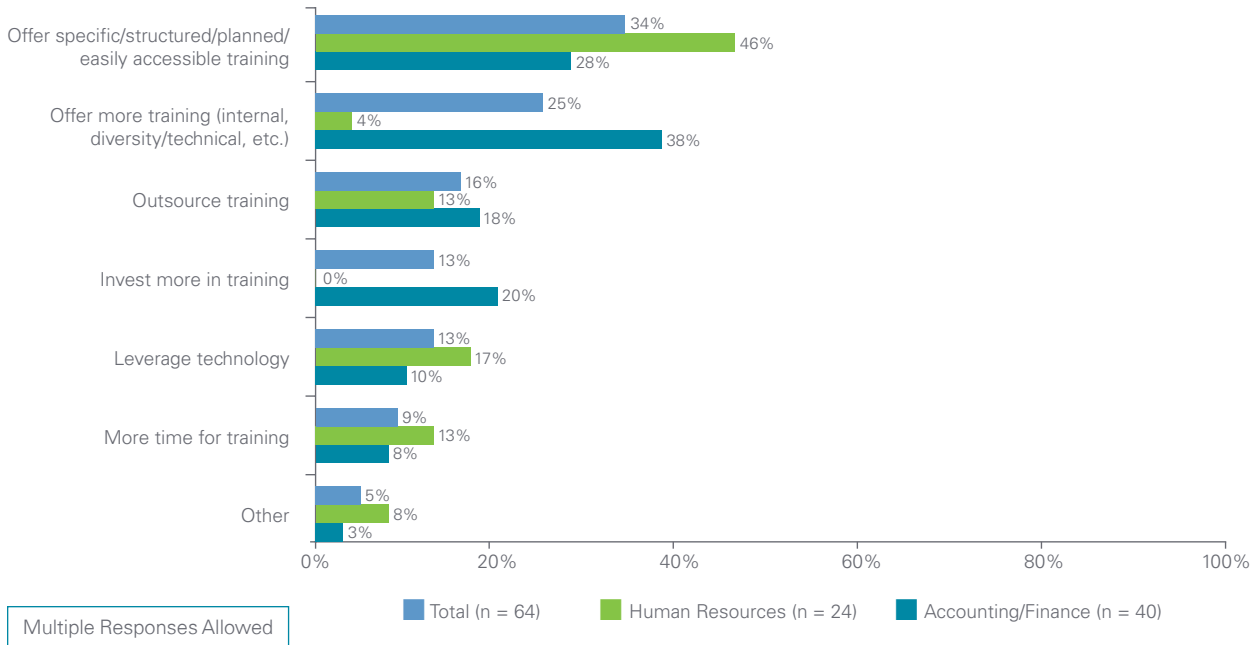
Among finance and accounting survey respondents, specificity and relevance were frequent themes in comments. “Tailor classes for the specific business,” said one finance and accounting executive. “We need training on specific issues, the latest accounting guidance and emerging issues,” said another.

A potential conflict between specificity and cost sometimes emerged from respondents’ commentary. For example, one HR executive expressed a cost-driven desire for a single, common version of training instead of versions that are different for each division. On the other hand, finance and accounting professionals were often looking for training tailored for specific functions or even for specific roles: “We should have specific training plans for each position in the accounting and finance department,” said one finance and accounting executive.

Beneath the concerns of survey respondents from both HR and the business about training was the recognition of the accelerating pace of change—the marketplace, regulatory environment and customer needs. Learning



**Q. What could your company or organization do to improve the training available?**



**Figure 5: Companies can improve their training programs by providing training that is specific, structured and easily accessible**



programs simply must keep up, and must be informed by leading finance and accounting practices, or their value will be significantly diminished. The HR and learning function needs to help employees and the business cut through complexity. Organizations have a more intense need than ever to provide employees with the training that helps them remain current in today's evolving financial reporting and accounting environment.

**2. Improve training delivery methods to increase the impact on employee performance and retention.**

As the intensity and competitive nature of the marketplace continues to pick up, the response to "not enough time for training" needs to be a multi-faceted one. Certainly, affirming the importance of training and making employees available for coursework is one part of the strategy. Another, however, should be to provide more blended learning environments. With blended learning, instructor-led courses are augmented by shorter, self-study programs that employees can access wherever they are, at a time that might be more convenient to them—from home, from a coffee shop or on the road.

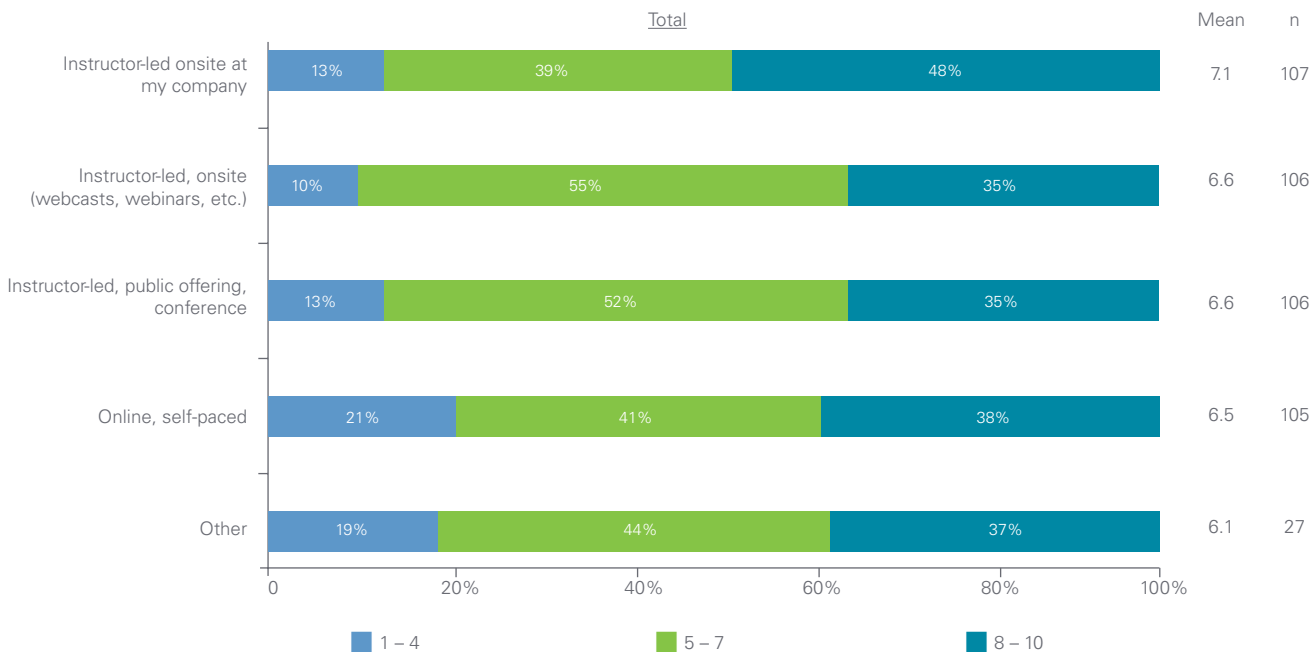
These shorter-format courses also help companies develop learning programs about more timely topics. Web-based courses, or webcast seminars, can be developed and delivered quickly, providing employees with timely information and knowledge about new regulations, current approaches to

business needs and other developments. Customized training can also more readily be developed on accounting, finance or other business-related topics.

The KPMG survey findings support the conclusion that decision makers from HR and from finance and accounting believe that a variety of delivery methods (instructor-led, web-based, online self-study, etc.) should be used. Among all respondents, 48 percent were strongly supportive (ranking it 8 to 10 on a 10-point scale) of instructor-led training programs offered onsite at their companies. (See Figure 6.) An even higher percentage of HR professionals (58 percent) favored such programs. Other training modalities were fairly evenly split among respondents: online, self-paced (38 percent); instructor-led, online (35 percent); and instructor-led, public offering or conference (35 percent).

For other types of needs, HR respondents see online, self-paced coursework as a viable option: 44 percent were strongly supportive, compared with 33 percent of finance and accounting respondents. Leading technology-based learning options are often especially appropriate for acquiring knowledge about new topics: 34 percent of respondents said that web-based approaches are the preferred way to learn about current topics that may not yet be a part of formal courses. (See Figure 7.) Web-based, self-study courses and webcasts give companies an opportunity to tap into expertise

**Q. With all else being equal and thinking of your own preference, please rate each training delivery method.**



**Figure 6: Onsite, instructor-led training is the modality favored by most respondents, especially HR executives**



that may reside with just a few individuals in the company, or with external experts, university professors and so forth. Above all, as one HR respondent put it, it is important for training to be both “accessible and targeted to job performance.”

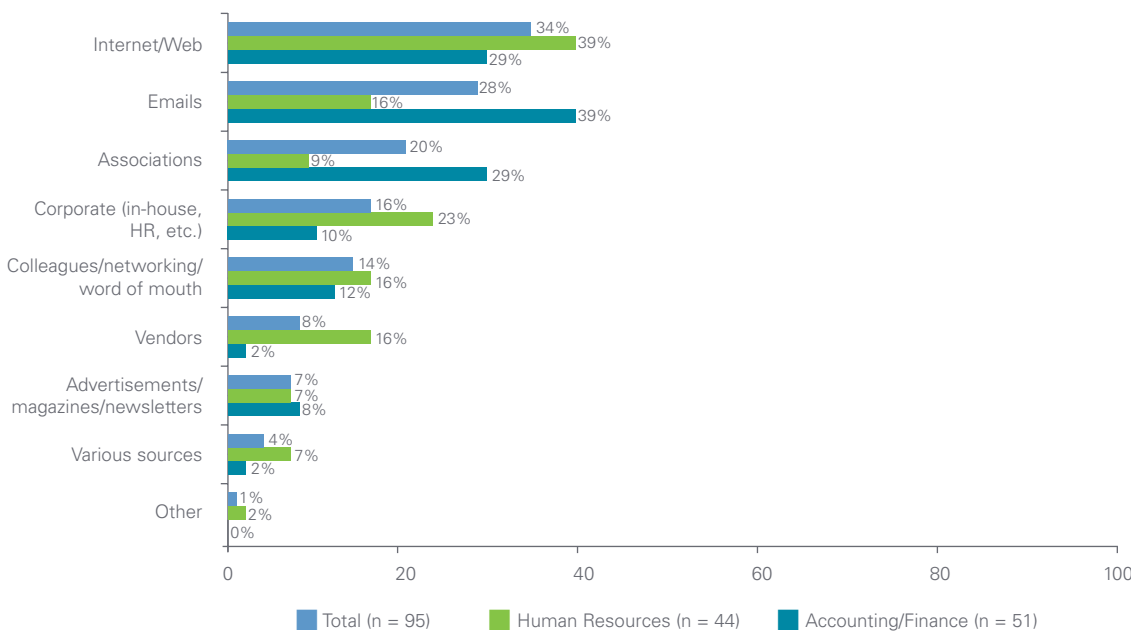
Part of the value of blended learning is also in the variety of media used which can improve retention and reinforce new performance behaviors. One of the HR executives participating in the KPMG survey noted that companies today have an urgent need to “adapt to the visual media” that younger members of the workforce are more comfortable with. The so-called millennial generation that is now entering the workforce—also sometimes referred to as “digital natives”—grew up in an online, interactive, digital environment. It will become increasingly difficult for companies to plan and deliver meaningful learning experiences to such employees if programs are primarily static and passive, or if courses do not take advantage of a variety of media. In addition, even under economic conditions in which financial incentives and rewards cannot be as attractive as one might wish, the ability to provide strong learning programs can be an important factor in improving engagement and retention—for all employees, but especially for millennials.

Informal learning or social learning—a trend just beginning to take hold across organizations—is an option especially noted among respondents from the finance and accounting function. For example, 39 percent said that emails are an effective way to learn about new topics; only 16 percent of HR respondents agreed. Exposure to colleagues or to word-of-mouth information is another informal or social method of learning noted by 16 percent of HR professionals and 12 percent of finance and accounting decision makers.

As companies increasingly pursue blended learning and social learning, they can find that their ability to execute change programs also improves. That is, a great many of the challenges that arise as companies attempt to cope with almost constant change is that training and other human capital capabilities must adapt, as well. A much more timely approach to skills development and communications is vitally important.

Reinforcement of learning should also occur following any one particular training program or learning experience. Research into educational psychology invariably finds that retention of knowledge drops precipitously if learning is not effectively applied and reinforced over time. This is another beneficial aspect of a blended learning model. An instructor-led course, for example, might be followed by web-based programs to apply knowledge, or webinars to enable participants to share reflections with each other or ask questions.

### Q. How do you learn about new training topics or courses?



Multiple Responses Allowed

**Figure 7: Web-based learning and informal or social learning are beginning to be favored by many HR and finance executives**

Communications to employees can also reinforce skills through targeted follow-ups. Or, in a reverse mode, web-based self-study can be used as preparatory work prior to attending an in-person, classroom session, giving all participants a base of common knowledge that can enable attendees to go deeper and gain more from the instructor-led session.

### **3. Ground training in a structured curriculum based on leading practices.**

As noted earlier, a concern expressed by respondents to the KPMG survey was that training is sometimes overly ad hoc or that it exists in some cases merely because some sort of training has to be offered. The implication of the executive quoted earlier (“We need to actually do training other than the web videos about [content] that is not job relevant”) is fairly clear: the wrong kind of training, or training that does not seem to fit into a broader picture, may do more harm than good.

What many executives crave is a sense that there is a larger learning strategy in place—a comprehensive understanding of a broader finance and accounting curriculum. Understanding the bigger picture is important to an employee’s ability to get the most out of any particular training course.

Two-thirds (67 percent) of HR respondents and 43 percent of finance and accounting respondents said that an important way to improve training effectiveness is through a more formal and consistent approach. This means that a curriculum informed by experience and leading practices is as important (perhaps more so) as other factors such as innovative design and delivery. In other words, quality and relevance of content matters.

HR and finance and accounting executives strongly concurred on this point. Said one HR respondent, “A goal is to create a more detailed and structured program.” Another pointed to the need to formalize the training program. Still another expressed a desire for a curriculum “that marries company-specific processes with finance principles.” An accounting and finance respondent echoed this desire to “develop a core curriculum.”

Equal attention should be paid to training delivered at the onboarding stage and at subsequent stages as employees’ performance needs grow.

It is important to deliver compelling learning experiences across a common body of knowledge so that new employees reach high levels of proficiency faster, with a shared understanding of basic processes and how to perform common tasks. Then, companies should fashion or adopt a broader kind of curriculum for educational development as employees mature and their performance environment grows more complex.

An effective curriculum also needs to take into account learning programs designed to meet varying levels of proficiency—from basic to intermediate to advanced.

### **4. Leverage external training providers as needed to deliver high-quality and relevant content in an engaging manner.**

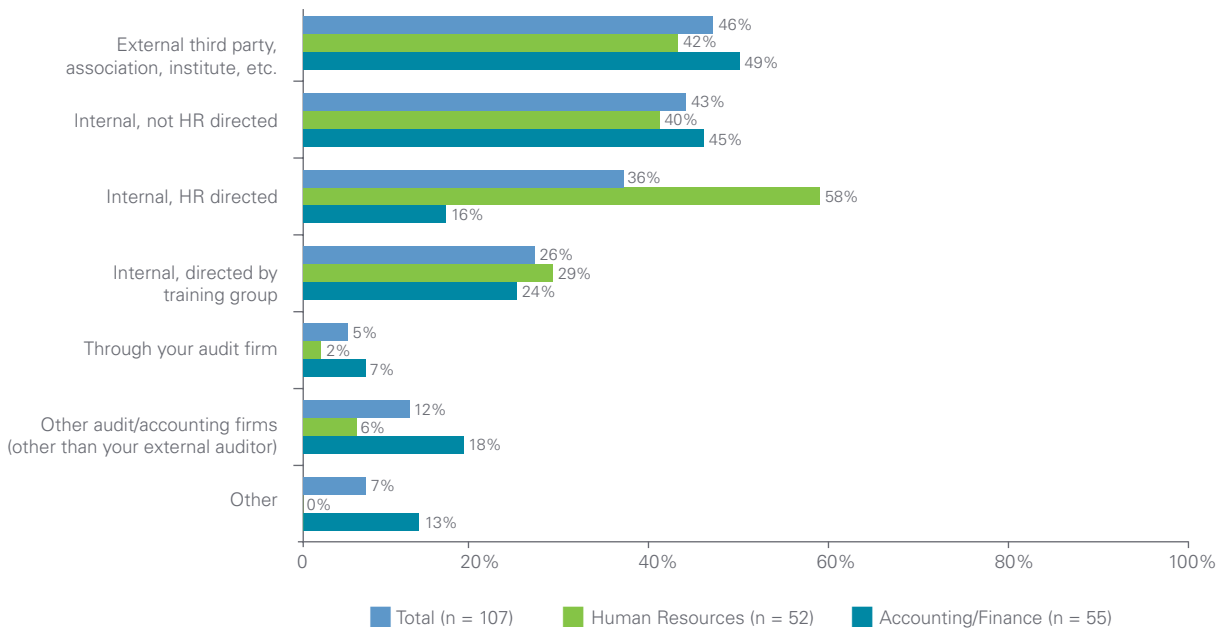
Given the pace of change, the complexities of the regulatory environment and the increasingly competitive nature of business, many of the finance and accounting professionals participating in our survey were supportive of efforts to involve external providers and expertise. “Bring in experts to conduct training throughout the year,” one finance and accounting professional noted. “Outsource to professional organizations,” said another. “Keeping material relevant and fresh is a challenge,” noted by one of the finance and accounting respondents, who therefore advocated “partnering with a broader set of providers to get more material made available to staff.”

Forty-six percent of respondents overall (49 percent of finance and accounting professionals and 42 percent of HR respondents) cited “external third parties” as their preferred modes of training employees. However, another gap between perceptions of HR and those of the finance and accounting function also appears to be present in this arena. Strong majorities (58 percent) of HR respondents were most supportive of internal, HR-directed training. However, only 16 percent of finance and accounting respondents concurred, a finding that suggests another potential perception mismatch between the business and HR about the effectiveness of internal training. (See Figure 8.)

Leveraging the right kind of external provider for training, change management and other human capital functionality can deliver important benefits:

- Training designed and delivered by practitioners and experts can be a way for companies to be more certain that their employees are receiving relevant, timely information and skills, rather than just “checking a box” that they have gone to a certain number of hours of training.
- External parties are more likely to be able to maintain investments in innovative learning technologies. Given the cost pressures on today’s internal HR and learning function, many organizations find it difficult to find and retain staff with deep training knowledge and experience.
- Variable costing for external training can also be a way to control spending and get a better return on investment. Rather than maintaining fixed internal resources for needs that might be seasonal or otherwise occasional, companies can avail themselves only of the training capabilities they need, when they need them.

## Q. How is your training provided to your employees?



Multiple Responses Allowed

**Figure 8: External training provided by third parties, as well as internal but not HR-directed learning, are the preferred modes of training employees**



© 2012 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved. Printed in the U.S.A. The KPMG name, logo and “cutting through complexity” are registered trademarks or trademarks of KPMG International. NBPFS 116627\_V101912



## Conclusion: A new generation of learning solutions

The KPMG 2012 Human Capital and Learning Survey has found strong support from HR and learning specialists, as well as business executives, for enterprise learning programs that are timely, relevant and structured with an eye toward the comprehensive and evolving capabilities that finance and accounting employees need to perform more optimally.

Companies face challenges in dealing with marketplace change and the increasing demands of customers. Both the pace and amount of finance and regulatory change that companies must deal with today are unprecedented, with no letup in sight.

Corporate decision-makers are becoming increasingly aware of the fact that employees need training that helps them remain current in today's evolving financial reporting and accounting environment. Learning opportunities must go beyond providing CPE credits to actually deliver the fresh, relevant knowledge and skills that people need to perform better.

One need underscored by our research is for the business function to be in better dialogue with HR and learning professionals within the company—and vice versa. No one, of course, has unlimited budgets. What is vital, therefore, is for money to be spent in a targeted fashion on relevant skills and a comprehensive curriculum within which employees can learn and grow.

Such a comprehensive approach has benefits both up and down the employee lifecycle—the full spectrum of human capital activities. A better learning curriculum informs the hiring process; effective learning paired with meaningful work and clear career opportunities improves employee engagement and retention; and better-skilled employees drive better productivity and better performance, both individually and collectively.

A new generation of learning solutions gives executives, managers and employees at every level more engaging training experiences that can make a measurable impact on both the bottom line and the top line of a business.





© 2012 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG, the international Co-ordinated Member Organization ("KPMG Network"), a Swiss entity, through its member firms in the U.S.A. The KPMG name, logo and design are trademarks of KPMG LLP, a Swiss entity, registered trademarks of KPMG LLP, a Swiss entity, in the U.S.A. PS 118527 1/09/12



[kpmg.com](http://kpmg.com)

© 2012 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. Printed in the U.S.A. The KPMG name, logo and "cutting through complexity" are registered trademarks or trademarks of KPMG International. NDPPS 115627 V101912