

UPSKILLING

And The Finance Function

A critical step in building and maintaining a high-functioning finance team.



As we emerge from the pandemic to a new workplace, a new business landscape—and a new battleground for talent—corporate finance leaders are once again focusing on recruiting professionals. Attending job fairs, reaching out to restless accountants at auditing firms, slapping a “Help Wanted” poster on a metro bus—these are recruitment tactics that might work.

But no step is more important for CFOs looking to have a robust and smooth-functioning team than making their companies stickier to existing employees. Upskilling (also called rightskilling or newskilling) can help foster company loyalty. Upskilling is the process of teaching workers completely new skills that are applicable to their current roles and delivering continuous education to help employees advance on their current career path.

Learning new skills is so important that more than a third of job-seekers would be willing to take a pay cut for these opportunities, so why not implement upskilling programs as both an attraction and retention tool now? Upskilling is one of the best ways to increase financial practitioners’ interest in staying with their employers and to boost their value to those organizations in turn.

StrategicCFO360 held a CFO roundtable on June 24, 2021, to discuss the art of upskilling. PwC Partner and Head of Product for ProEdge, Daghan Or, urged roundtable participants to think about the ‘why’ of upskilling. “There is an organization-centric way of looking at it: It brings more productivity. But from an individual’s perspective, there also is more fulfillment, an opportunity to rise in their organization, a chance to do things differently—even to be less bored. It can also help them link [more easily] to the purpose and values of the company, and that can be reinvigorating.”



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—Daghan Or, PwC Partner and Head of Product for ProEdge

One roundtable participant has observed the value of upskilling in her role as director of government accounting for a global life-sciences company. “It’s about building a partnership with our operating group so we can help them understand not only the rules and regulations but where they can add value to the equation,” she said. “It’s important to help the team that supports me in that endeavor, being able to bring them additional skills that aren’t always taught in school. A lot of these are leadership

and communication skills, areas that can help them develop relationships, so finance and accounting [input] can influence the decision-making process.”

At the same time, in the digital era, much of upskilling depends on extending financial staffers’ mastery of the increasing number of on-line tools that help them keep their fingers on the pulse of the entire organization, using data and analytics to gather information more broadly and

more deeply than ever before. In an environment that demands a more holistic understanding, financial practitioners should effectively engage these powerful new digital capabilities to help them emerge from traditional functional or operational silos and upskill effectively.

“In a tight job market, CFOs are looking for different ways to close the skills gap,” Or said. “Automation can really accelerate that, but it can’t alone transform and modernize finance. You need people with digital skills for that. That much, everyone agrees on. The question I get all the time is: How?”

Digital, But Human Too

The most effective upskilling curricula combine new digital capabilities with skillsets such as communication and leadership that have long accompanied success in the broad corporate enterprise. “Soft skills are really critical,” Or said.

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Daghan Or gave the example of a financial practitioner learning how to manipulate Microsoft PowerPoint software: “If they don’t know how to do a presentation in the first place, that [tool] is not very effective. That’s the same with a lot of automation tools, visualization tools, data-manipulation tools. There are tangential skills that are softer skills that are required in that upskilling journey.”

Still, offering new tools can be crucial. Implementing collaboration platforms is a start. Chat bots around specific skills can, “help people with a single interface to access the complex enterprise in a simplified way,” according to Or. And automation-data visualization tools can facilitate upskilling not only within finance but enterprise-wide, he said.

Besides new digital tools, company policies can be key in creating an environment for upskilling that effectively engages all of a financial practitioner’s abilities and talents. The approach that has worked for one roundtable participant is to include process improvement as an explicit corporate value and to encourage and incentivize managers to treat it that way.

One of their most effective approaches is to enable incremental improvements that gain overall traction for an upskilling culture. This tactic was embraced by the accountant director of a life-sciences company: “Groups may not feel empowered to do big changes, but if you bring them to the table [to] create small, incremental improvements, [then] you have specific and narrow goals. And you allow team members to participate and lean into that so that you’re not always the person having to convince them. They’re convincing themselves.”

Making upskilling a priority in succession planning can also be a successful approach. At a family-owned design house, for example, acquiring new competencies helps staffers broaden their purviews and get promotions as quickly as they’re able. The company may start someone

as an Accountant 1 in a specific area, such as accounts payable or cash control, and then that person adds skills such as mastering a procurement-card method of coding. That can move them up to Accountant 2 level, with a raise and a positional move closer to core financial functions; they can repeat the process and move to the Accountant 3 level; and so on.

Tactics That Work

“Some do it in three or four months and others take longer,” said the design house’s CFO. “But they control the succession by doing something with a new skillset that can help the rest of the team. They control their destiny by being able to move up quickly—or not, if they’re not comfortable with that.

“It takes some buy-in at the beginning because, for instance, they’re not joining the AP department but are joining as an accountant focused on AP. But it all leads to the general ledger. They have an ‘aha’ moment where they make the connection.” And, she said, in addition to a new title and a raise, her department holds a “weekly finance huddle” where each promotion due to upskilling “is recognized.”

Celebrating an upskilling achievement just creates more of them. The life-sciences company, for example, publishes a quarterly newsletter that “highlights process improvements in finance,” said the participant. And at the Mexican offshoot of an auto credit company, an annual contest encourages all employees to bring their most innovative ideas to the fore. The winner gets a new-car lease for four years.

“The finance department can compete in that scenario,” said the company’s finance director. “Some of my people win that contest, and it’s very encouraging for them. And that sparks the rest of my team to have ideas.”

CFOs, “need to put upskilling as one of the goals, as part of the scorecard,” PwC’s Or said. “What is a new technology you’ve learned and how are you using technology in new ways to do your work? It could be some-



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thing small, or something big. And for supervisors, it's important that, to them, their people doing a good job doesn't look the same every year. People need to move across the digital spectrum."

Yet many challenges remain even for CFOs who are the most determined to get traction for upskilling initiatives. Post-Covid inertia remains one of the biggest obstacles.

Challenges

"Covid gave everyone a pass the last 15 or 16 months," said a senior director of special projects for a global leader in stored-energy solutions for industrial applications. "The status quo has been good enough for people to get through. We saw that in a big drop-off in people going back to college and getting MBAs. And middle managers have been more like sheep herders, keeping everyone in line and moving forward instead of improving the flock."

While a sound objective strategically, upskilling also can meet practical resistance when CFOs try to implement new approaches and get buy-in from their staffers. For example, in implementing a new robotic process automation (RPA) software platform, the senior director said his energy company has been "struggling to get people to understand what value is there, how to go about using it, making the business case for using it and selling it to the rest of the business."

"We're trying to democratize RPA. But we've found we need to be happy with 30-minute wins instead of focusing on getting huge ones all the time. How to identify opportunities and manage tools in routine processes has been an uphill battle." One challenge, for example, is demographic, he said. "Twenty-two and twenty-four-year-olds expect this, but those near retirement feel pretty good about what they've been doing and don't want to change."

In response, the senior director has set up a new group with an emphasis on process improvements and individual upskilling: "We want to show that we're interested in people and processes, especially in in-person communi-

cations as we regroup. We're saying, 'Here are some new initiatives. What is your feedback? What can we do to help you?' We're even overkilling it a little bit so people feel more in touch."

Indeed, fundamentally, upskilling in the finance arena is only possible if it is a strategic priority for CFOs—and CEOs—who control the purse strings and set corporate priorities. At a time when companies are having to exercise

post-pandemic resilience across multiple fronts, even something as important as upskilling can get obscured by other imperatives such as implementing a new ERP system.

"The biggest challenge is resources," said the energy company's VP of finance. "Ultimately, [upskilling] makes things easier for everyone. But it's an effort to implement everything from finance as well as from IT. Everyone is busy and stretched. There's a vision of where you want to be, but the challenge is to get there."

PwC's ProEdge is designed to help companies overcome these upskilling challenges. It's an upskilling platform that has been available to clients for several months and is "empowering people with skills and experiences to achieve more in the workspace," Or said. "It sits on top of a very rich data line of job skills on the demand and supply sides and helps an organization with workforce planning, to figure out what skills are in demand and how to upskill people in the organization to meet that."

Have Fun

ProEdge relies on artificial intelligence to recommend learning pathways for individual professionals, including specific courses that provide specific upskilling. "At minimum," Or said, "they get to play in a new sandbox and test some of their skills. This is the future of learning: more social, community-based and gamified. Just like with any technology, we need to try to get people engaged and learning and having fun, versus the compliance trend."

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