CFA Society United Kingdom

CPD
PROFESSIONAL BODIES: BEST PRACTICE

OCTOBER 2016

CONTENTS

INTRODUCTION

CFA Institute and local CFA Societies currently provide a comprehensive package of learning to members and candidates. A recent CFA Institute survey reported that 71% of CFA Institute members attested to completing at least 20 hours of Continuing Education. This research report is a result of a joint interest in understanding how the global CFA Institute CPD strategy can be developed further.

UK-based professional bodies, many with a global reach, have explored over several decades how best to position their CPD schemes for their membership. This research report summarises their feedback and identifies current perspectives on best practice in CPD.

Key findings:

1. INPUT OR OUTPUT:
a key consideration is whether to use an input or output CPD scheme and the degree of control given to the member to choose appropriate CPD for them.

2. MANDATORY VS VOLUNTARY CPD:
all professional bodies consulted have a clear answer on whether CPD should be mandatory or voluntary.

3. COLLABORATION:
with third parties to co-design or accredit learning programmes for members is common practice.

4. PROFESSIONAL COMPETENCE:
CPD is an indicator of professional competence and assurance to the client, employer and society that the practitioner is at the forefront of their vocation.

INPUT MODEL

A voluntary or mandatory CPD scheme which measures learning by hours or units e.g. *David earned 1 hour of CPD for attending a conference. 30 hours a year proves he is competent to do his job.*

OUTPUT MODEL

A voluntary or mandatory CPD scheme which allows the learner to decide how much CPD they want to do based on their needs. It asks the learner to reflect, act and assess the impact of their learning e.g. *what are my knowledge gaps? After learning activity x, what can I do now that I could not do before? How have I applied my knowledge to my role? What do I need to do next to improve further?*

This report is based on interviews with the teams responsible for CPD at 12 professional bodies, which vary in membership size, global reach and industry. CFA UK is grateful to all contributors for their time, insights and ideas.

Research participants

ACCA
180,000 members globally

Association of Corporate Treasurers
7,500 members globally

British Bankers Association
200 member banks in 50 countries

Chartered Institute of Personnel and Development
140,000 members globally

College of Occupational Therapists
32,000 members

ICAEW
146,000 members in 160 countries

Institute of Actuaries
28,000 members globally

Institution of Structural Engineers
27,000 members globally

Royal Institute of British Architects
40,000 members globally

Royal Institution of Chartered Surveyors
100,000 members globally

Royal College of Veterinary Surgeons
40,000 members

Society of Trust and Estate Practitioners
20,000 members in 95 countries

COMMENT FROM CFA GERMANY

Also contributing to this research is CFA Germany, with over 2,500 members, the largest professional association of financial experts in Germany.

In Germany, CPD providers are not currently familiar with the terms **input** and **output** learning.

Apart from traditional live CPD events, webinars, e-learning and recorded sessions are gaining popularity in the financial sector. The importance of formal CPD is growing: actuaries have a mandatory annual requirement of 20 CPD hours and DVFA members are deemed to violate professional standards when failing to sign up for a 'voluntary' CPD activity disclosure.

Providing appropriate CPD for increasingly specialised job roles is a growing challenge.

Research participants

Deutsche Aktuarvereinigung (DAV) (Actuaries)
4,800 members

DVFA Deutsche Vereinigung für Finanzanalyse und Asset Management (Investment Professionals) 1,400 members

Chamber of Industry & Commerce, Frankfurt

What do the research participants strive to achieve through their CPD schemes?

1. **PROFESSIONALISM**
2. **IMPROVING PRACTICE**
3. **MAINTAINING COMPETENCE**

All of the above, grouped under the concept of lifelong learning, are the top three factors deemed most important by professional bodies. The idea that CPD is fundamental to practice and is not a luxury or add-on, as well as something that should be planned instead of being 'scavenged' as it comes up are all common observations.

CPD is seen to be the root of future-proofing the skills required to maintain employability and building a body of evidence to demonstrate commitment to the profession, clients and society. CPD is the tool to ensure a practitioner has the right skills at the right time, doing away with the misconception that achieving a qualification is the end of one's learning journey.

Flexibility in accepting different types of learning is key to developing a self-tailored CPD approach that resonates with the widest member demographic possible. Placing ownership on the individual to help them realise they are already doing CPD and simply need to reflect on it to complete the learning cycle is often a challenge, but is crucial.

On a more practical level, providing CPD is seen by some participants as a way to grow the membership base and meet basic learner needs e.g. regulatory knowledge.

Finally, all research participants agreed that there is a need to rebrand CPD to understand its meaning and value: focusing on outputs is CPD, attending a course or completing online learning is not, it is simply the channel for learning.

WHAT SHOULD A CPD SCHEME ACHIEVE?

think clients purpose
benefit safety public application reflect interviews difference
professional
career disruption employability appraisals
networks fundamental membership ownership
relevance **practice** date flexibility proof
credible
social prosper ahead advice contend competitive teaching
serious **competence** skills
job flexible achieve outcomes
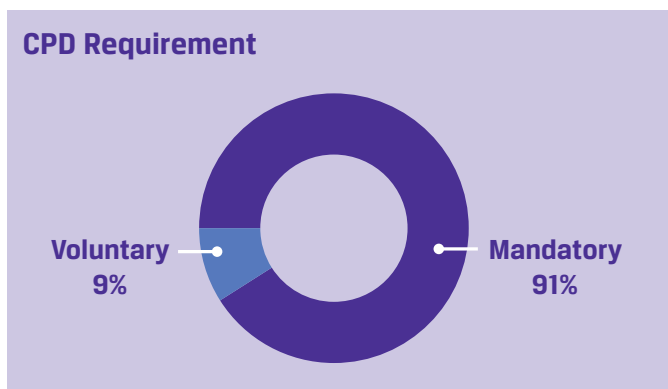future

DEVELOPING CPD SCHEMES

MANDATING CPD

Eleven of the twelve professional bodies interviewed have a mandatory CPD requirement. For some this is set by the industry regulator, but most often it is introduced by the professional body as a testament to member professionalism.

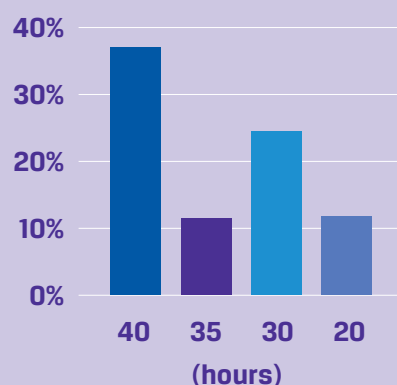**CPD Requirement**

Voluntary 9%
Mandatory 91%

33% interviewees have a pure output model, some from as early as 2005, 50% still use input with most striving towards output and 16% running both models side by side to accommodate compulsory regulatory rules.

Desired CPD Models

Input 16%
Output 84%
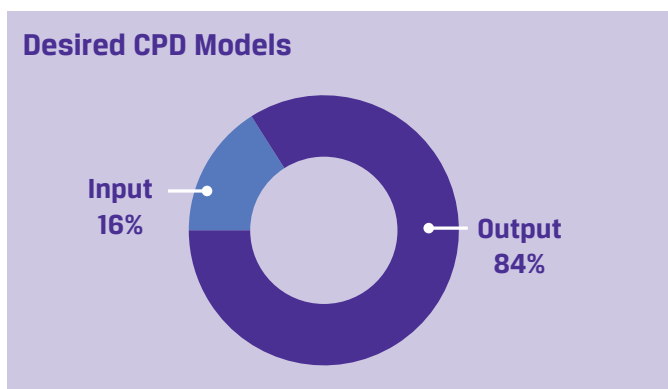
Most input focused interviewees require 40 hours of CPD, with others asking for a range of 20-35 hours.

Mandatory CPD Hours

| | 40 | 35 | 30 | 20 |
| (hours) | | | | |

All learning is accepted within the mandatory schemes, with some restrictions: verifiable vs. non-verifiable, minimum requirements for technical learning and ethics, formal – objectives and outcomes pre-populated – vs. informal – with no objectives and outcomes. Some bodies run their CPD cycle and audit members over a 3 year period.

CPD completed under a different body's policy in the same industry and under the same regulator is also recognised and concessions on hours are made for part-time and retired members.

COMMENT FROM CFA GERMANY

All DAV members must complete 20 hours of CPD annually with a maximum of 8 declared as 'self-study'. Non-financial associations ask for mandatory CPD for specific technical professions.

DEVELOPING CPD SCHEMES

CHALLENGES OF DEVELOPING AN OUTPUT SCHEME

The majority of the professional bodies consulted in this report have or are in the process of moving to an output CPD model. The shift has taken place in the last 10 years, with an average phase in period of 2 years. Only one participant has reverted from output back to input.

TOP 3 CHALLENGES

1. **COMMUNICATING & EXPLAINING CHANGE**
2. **MEMBER CHALLENGE TO RE-VALIDATION**
3. **ADMINISTRATIVE RESOURCES**

The research participants faced the following challenges when changing the nature of their CPD scheme:

- Members not understanding the new policy and challenging the monetary value of the new scheme.

- Members disconnect the learning they do daily from the learning they submit to their professional body for CPD.

- Getting across the message that it is what the member deems relevant learning that is right.

- Unengaged member awareness of the benefits of change remains low.

- Long-serving members do not want to be re-validated under the scheme as they feel their qualification and professionalism is challenged.

- Volunteer groups that develop learning for the professional body are not demographically balanced and therefore not in tune with all member needs e.g. online learning.

- Members relate CPD only to their current role, not lifelong career development.

- Getting the messaging right to reach as many members as possible.

- Big communication resource to get the new policy across.

- Dealing with regular member calls during the initial 2 year phase-in period to explain the new scheme.

- Finding the right experts to evaluate member reflections in output CPD – in-house staff, volunteers.

COMMENT FROM CFA GERMANY

For financial associations, the variety of actuarial roles and specialisation makes tailoring CPD difficult. For non-financial associations the challenge lies with topical and timely delivery of learning, developing CPD activities up-to-date with digital advances and measuring the success of CPD interventions.

DEVELOPING CPD SCHEMES

TOP TIPS

What is the secret to successfully moving to an output CPD model or indeed back to input?

TOP 3 TIPS

1. **CONDUCT MARKET RESEARCH**
2. **PROVE BENEFITS THROUGH CASE STUDIES**
3. **COMMIT GLOBALLY AND PHASE-IN NEW APPROACH**

The research participants advise to:

- Look beyond own industry for guidance.
- Use regulatory guidance to support change.
- Run member consultations, survey employers.
- Phase-in the change, starting with new members.
- Provide 'recommended' hours within an output scheme for members seeking guidance.
- Communicate the change as final, globally – don't communicate the new scheme as a test or attempt to change.
- Provide more in-depth communication to engaged than non-engaged members as they will allow the change to impact them more.

- Use a friendly tone and position CPD as a recognition of what the member has done already using 70/20/10 approach.
- Run road shows and webinars to tackle misconceptions and showcase the benefits of the new scheme.
- Provide real life examples of the change expected.
- Showcase successful CPD log case studies on the website.
- Release audit top tips to general membership.
- Map CPD to career development pathways and share case studies on how CPD has helped member progress through their careers.
- Good recording system – make it easy, consider an app.
- CPD is attractive to a multi-generational workforce, make it bite-size and don't give up on e-learning.
- Adult learning is based on: what is in it for me, why do I need it, how will it help me, an opportunity to express own opinion, not being talked at and increasingly, gamification – cater for these.
- We are in the social age of learning, not digital – facilitate this.

CONTENT

WHAT'S ON OFFER

Most professional bodies involved in the research offer a range of learning options, bar one that also serves as the profession's regulator and wants members to have a free hand in choosing their learning. Some bodies charge for all learning provided, others offer everything as a free member benefit. Where the organisation mandates hard-to-find learning activities e.g. ethics, these are complimentary.

Below are the most popular types of learning offered by the research participants to their members. Events, podcasts, conferences, webinars, journals, live and online courses rate the highest.

Some of the research participants show great dedication to their membership by providing free face-to-face regional training to audiences as small as three and as big as two hundred members. Others task specialist interest groups to run live CPD sessions locally for those who do not have access to central city hubs or prefer live to online learning.

COMMENT FROM CFA GERMANY

Financial associations:

- Conferences and event recording.
- Local lectures and seminars.
- Member magazines and journals.

Non-financial associations:

- Professional courses and exams.
- Seminars.

HOW DO PROFESSIONAL BODIES DELIVER THEIR CPD CONTENT?

live courses e-books
podcasts seminars conferences
factory hours webcasts
further qualifications
events website summaries blogs
networking
articles
online courses MBA
books journals
blended learning publications
webinars

CONTENT

CREATE VS. CURATE

The research participants create most of the content they offer to members. However, many express a need to curate, accredit or signpost to content in areas the professional body lacks expertise e.g. leadership and management skills.

What is the nature of the overall content offered by the professional bodies in this report? Technical learning is closely followed by soft skills, however different bodies appear to be stronger at one or the other – the research participants who boast a strong technical provision struggle with soft skills and vice versa.

HOW DO PROFESSIONAL BODIES DELIVER THEIR CPD CONTENT?

regulatory risk
professional soft skills
legal technical ethical
compliance leadership
management

Examples of content created vs. curated include:

- 70 % created 30% curated vs. 100% created.

- Create 80% content but want more collaboration e.g. with charities.

- Creating content is a legacy but the approach is changing.

- Offer learning through faculties, special interest groups and qualifications. Members choose third party content themselves.

- Create mainly technical conferences. Soft skill training is done through third party training providers or members – this is 40-50% of the content.

- Work with external providers to co-brand content instead of competing with stronger propositions. This is offered at a member discount.

- Select partners' content is reviewed quarterly and co-branded member portals are available.

Finally, who creates the content offered by the professional bodies? Participants in this research report use internal technical and advisory departments, outreach team research into employer learning needs, committees, professional boards, volunteers and members themselves as peer-to-peer learning starts to take centre stage.

COMMENT FROM CFA GERMANY

Financial associations create and curate content on a 50/50 split, while the Chamber of Industry & Commerce develops all of its content, sometimes in collaboration with member companies.

CONTENT

FRAMEWORKS FOR DEVELOPING CONTENT

As professional bodies seek to create or select third party content, it is important to ensure that the final learning intervention meets learner needs.

To achieve this the research participants have created the following:

- Competency framework based on traditional roles and skills required. A gap analysis is carried out and CPD opportunities to fill these identified.

- Competency framework developed with members and Learning & Development professionals. Technical, behavioural and business skills mapped to four levels: tactical, operational, managerial and strategic.

EXAMPLE
ACCA COMPETENCY FRAMEWORK EXTRACT

- Competencies and skills identified for Initial professional development for younger members. CPD needs to be mapped across career timelines and lateral moves.

- Professions map and competency statement.

- Nine career levels from apprentice to CEO mapped against four key skills pillars including facilitation of learning and leadership.

- Learning created based on business context, communication, member interests and current issues.

- It is important to provide competency statements for individuals who do not fit into a typical role or career pathway.

- Competency frameworks vary depending on the country and professional background of the members.

- Market requirements are key for conferences.

- During the CPD audit process ask members to provide a list of the skills they need to carry out their job, then use these to assess their CPD needs.

- Qualifications provide the core competencies for CPD.

MOTIVATING MEMBERS

Motivation in learning is often a challenge for professional bodies. This is the result of a failure to understand the purpose of CPD. Members view it as a tick-box compliance exercise when in fact, it is learning they probably enjoy doing everyday by googling the latest news articles in the FT, being mentored by a senior colleague or watching a TED talk.

The participants in this research identified the following motivational techniques:

- Encourage 15mins reflection on learning every day.

- Reinforce the idea of CPD being integral to professional body membership and leading expert status.

- Demonstrate CPD impacts career progression.

- Use CPD to reduce risky decisions.

- Facilitate CPD discussion groups and peer recommendations for learning.

- Keep chartered status and realise importance of designation.

- Deadline and consequences for not submitting CPD.

- Audit.

- Listen to member needs via surveys.

- Provide learning that meets regulatory requirements.

- Provide collateral learners can use to implement ideas internally.

- Price learning competitively.

COMMENT FROM CFA GERMANY

- As highly specialised experts, DAV members feel a professional need to engage in CPD activities.

- CPD is a requirement for maintaining the DFVA designation, which increases employability.

- CPD completed for the DFVA designation meets the regulatory authority's BaFin requirements for MiFID II Assessment of Knowledge and Competency Guidelines.

MEMBER FEEDBACK

All professional bodies involved in the research reported 〉95% member satisfaction with their scheme.

Some noted marginal dissatisfaction where a change in CPD policy was interpreted as a challenge to member status quo, experience to date or as an administrative burden. In all cases, this has been overcome by thorough explanation of the benefits of changing the CPD scheme.

Examples of the research participant member feedback include:

- Engaged members are more satisfied with the CPD policy change than those who are not engaged.

- Of the 3000 survey responses 60% reported to find it difficult to change to an output scheme without guidance.

- Introduction of the new CPD framework identified the following dissatisfied members: retired, non-practising members and those who practice intermittently.

- Of the 1500 members the new scheme was tested on, 90% want to be audited because they are doing well and want to showcase their learning.

- 95% say the learning offered by the professional body is value for money, 95% say it's good quality.
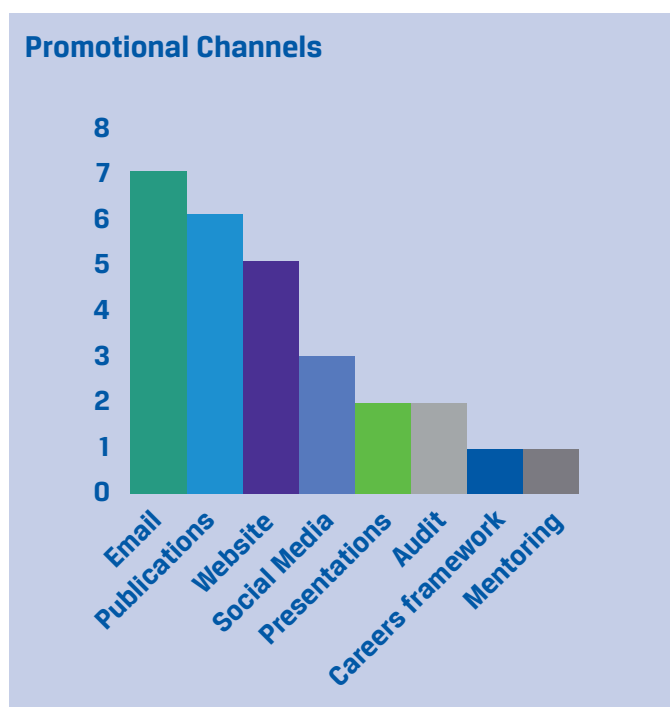
- National and international conferences do very well, as do branch events arranged by volunteers.

- Members like local, specific to their profession learning and own networks. They value discussion of ideas over a lecture-style delivery.

- Last survey showed 45% learn at work and a 50/50 preference for live vs. online learning.

- Members want more CPD and a reflective tool.

COMMENT FROM CFA GERMANY

The level of satisfaction with CPD from members is high overall, with seminars scoring over 80% in 2015. Increasing practitioner involvement in content creation is driving up satisfaction.

PROMOTING CPD

Most professional body members are time poor and handle large amounts of information daily. What channels do organisations therefore choose to inspire interest in CPD?

Promotional Channels

(Bar chart values: Email 7, Publications 6, Website 5, Social Media 3, Presentations 2, Audit 2, Careers framework 1, Mentoring 1)

Above are the promotional methods specifically named by the research participants as most effective for their organisation, with email communication in the lead, closely followed by publications such as a hardcopy magazine, journal or CPD Policy.

EMERGING AREAS

Practitioner CPD discussions on social media, mapping learning against career progression frameworks and peer-to-peer mentoring on the impact of learning on day-to-day work are the new ideas that promise to turn CPD into a relevant and sought after practice.

IMPROVING CPD USAGE

Other suggestions to grow CPD take up include:

- Wrap CPD around other initiatives relevant to career development.

- Map CPD opportunities against a professions pathway map, starting with students first to embed the practice of reflecting on knowledge gaps.

- Comment on existing pieces in the member magazine, suggesting further learning there instead of writing stand-alone CPD articles.

- Reduce CPD email frequency to quarterly to get a higher open rate.

COMMENT FROM CFA GERMANY

The most efficient CPD marketing methods for financial associations include individual member discussions during live events and email. Other organisations require liaison through member companies.

VOLUNTEERS & RECOGNITION SCHEMES

VOLUNTEERS

The question of whether to involve member and subject matter expert volunteers in developing CPD for the membership is very topical.

Some of the contributors in this report have found volunteer management to be a challenging task, from recruitment and training to upholding consistent standards and practices. A few however have established networks of 100s and in one case 3000 volunteers who successfully partake in CPD creation and review.

Many of the research participants have professional development committees who review member suggestions for learning, escalated CPD audit cases and special interest groups who identify speakers and draft event programmes.

Most participants expressed great interest in peer review of CPD, as survey feedback indicates that members want more than an acknowledgement of logging their CPD. Fellow practitioner comments and suggestions on what they could do more in CPD to progress their career are thought to be invaluable and are integral to recognising members for their achievements.

RECOGNITION SCHEMES

When asked whether they have a CPD recognition scheme, most of the participants said no, simultaneously recognising a need to establish one. Others have indicated that the mandatory nature of their CPD scheme removed the need for recognition.

Some recognition options that are run by the research participants include the professional body publishing a website catalogue of members who successfully submit CPD for audit and are therefore on top of their development, student of the year and people management awards. Ideas for recognition schemes include naming CPD achiever of the year, quantifying and promoting the amount of learning consumed by members annually to demonstrate the profession's compliance, electronic badges and qualitative peer feedback on CPD.

While the journey towards recognition is in its early stages, as one of the research participants rightfully identified, it is important to make individuals feel valued. The impact of saying 'thank you' and 'well done' stretch deep into adult education and should not be forgotten.

COMMENT FROM CFA GERMANY

DAV issues certificates while DVFA summarises the learning credits, time and resource members have dedicated to maintaining competence, knowledge and integrity.

AUDIT & LOGGING CPD

AUDIT

Of the 92% research participants that mandate CPD, all audit 5-8% of their members' CPD logs, with an aim of bringing the figure up to 10% where administratively possible. Audit is used to increase member awareness of the CPD policy and demonstrate professionalism and competence of the membership.

Example audit approaches reported include:

- 5% annually – all newly elected members and an additional random selection.

- 5% annually – majority of records are received within 3 months of audit start.

- 8% annually – random selection and those who did not self-attest to completing required annual CPD. Non-compliant members reviewed by professional conduct volunteer group.

- 5% – 2 month deadline, several chances and pastoral care provided.

- 5% – option of telephone audit. 90% members use the audit template log provided by the professional body.

- CPD is monitored via visits to employers where CPD is captured.

- Random samples based on risk groups and membership types. 3 years of CPD audited in one submission.

- Members submit a reflective blog in response to five questions. No sanctions for non-compliance.

LOGGING CPD

Providing an effective CPD logging solution is a challenge many professional bodies struggle with, especially as traditional logging systems do not accommodate reflective practice, which is essential under an output CPD scheme.

Participants in this report vary in their approach to CPD logging. Some leave members to use internal employer systems, others provide a basic MS Word or Excel form online. More technologically advanced options include an online CPD log featuring areas to reflect on learning needs, act and show the impact of knowledge gained. Similarly, a log that has mentor and plan areas with the final CPD record that can be manipulated to present learning activities in either output (reflections) or input (hours) layouts.

COMMENT FROM CFA GERMANY

DAV maintains a member CPD activity register accessible to authorised external parties. Members have online CPD accounts.
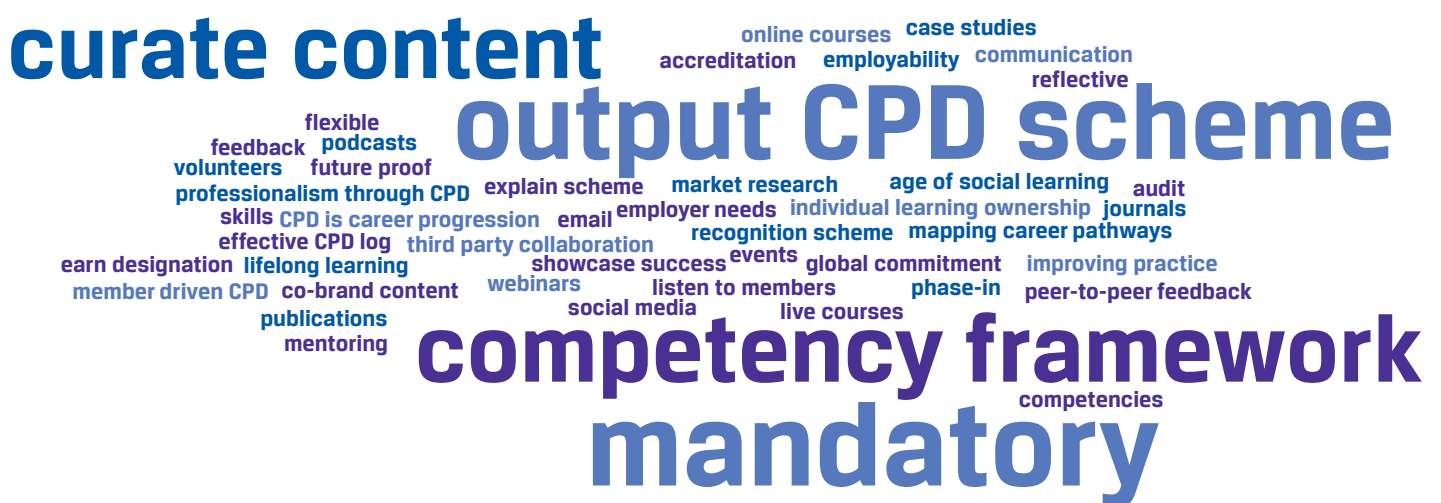
CONCLUSION

Based on the research conducted for this report, a picture of the ideal CPD scheme has emerged, depicted below. Where is your organisation in the journey to achieving it?

The research findings indicate that best practice CPD is **mandatory** and **output** driven, which is challenging to implement without an effective member communication strategy. Curation over creation of content is preferable to ensure a breadth of development opportunities are available to the membership. Allowing members to choose the learning that is relevant to them is important, as is developing CPD in a careers driven competency framework. Finally, recognition, volunteer involvement and connecting the meaning of CPD to reaching a degree of competence the profession can be proud of are key.

NEXT STEPS

Tell us how CFA Institute and CFA UK should use this research to develop their CPD Strategy **cpd@cfauk.org**

CPD
PROFESSIONAL BODIES BEST PRACTICE

curate content

online courses   case studies

accreditation   employability   communication

reflective

flexible

feedback   podcasts

volunteers   future proof

professionalism through CPD   explain scheme   market research   age of social learning   audit

skills   CPD is career progression   email   employer needs   individual learning ownership   journals

effective CPD log   third party collaboration   recognition scheme   mapping career pathways

earn designation   lifelong learning   showcase success   events   global commitment   improving practice

member driven CPD   co-brand content   webinars   listen to members   phase-in   peer-to-peer feedback

publications   social media   live courses

mentoring

output CPD scheme

competency framework

mandatory

competencies