



Financial Skills for HR Professionals

25 – 29 January 2027
Boston (USA)



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Introduction:

Human Resources HR departments are pivotal in planning and budgeting. As sales and marketing professionals evaluate product and service offerings and project sales demand and pricing, HR practitioners assess current and future resources. The integration of financial awareness within all HR roles, regardless of level, is becoming increasingly vital in contemporary business organizations.

Companies progressively leverage Enterprise Resource Planning ERP systems to integrate business processes. Consequently, every business function, including HR, must effectively comprehend and communicate accounting and non-accounting financial information. Financial skills encompass interpreting and managing financial information, ensuring effective decision-making, and strategic planning.

This Financial Skills course will provide HR practitioners with essential financial skills and knowledge to partake confidently in the organization's budgetary control processes and decision-making. Participants will also learn how to prepare and manage detailed budgets specifically for the HR department and techniques for managing actual budget performance.

Defining financial skills involves recognizing the competencies linked to financial literacy, such as reading financial statements, budgeting, and cash flow analysis. HR professionals with refined financial skills can add significant value to their business by participating in critical financial decisions that drive organizational success.

Financial understanding is vital for HR professionals aiming to elevate their business roles. Understanding HR operations' financial implications enhances HR leaders' credibility and allows them to contribute strategically to the business's financial health. Learn financial skills relevant to HR functions and recognize why financial skills are important in business.

Developing personal financial skills is integral for HR professionals looking to improve their contribution to business success. This Financial Skills course teaches you how to improve your financial skills, which will benefit you personally by helping you make better financial decisions and positioning yourself for career progression.

Targeted Groups:

- HR Managers.
- HR Supervisors.
- HR Professionals who want to develop their financial skills.
- Individuals aiming to gain critical skills to enhance their career prospects.

Course Objectives:

By the conclusion of this Financial Skills course, participants will have the capability to:

- Appreciate the significant importance of cash flow rather than profit and discounted cash flow DCF in creating value for optimal decision-making to maximize shareholder wealth.
- Analyze the income statement or profit and loss account, balance sheet, and cash flow statement.
- Use ratios to interpret the financial statements and be aware of their limitations.
- The HR department plays a key role in the organization's budget process, including preparing the master budget and using activity-based budgeting ABB techniques.
- Use the techniques of break-even analysis, budgetary control, capital investment appraisal, capital budgeting, and variance analysis for budgetary control.
- Identify the costs required to manage a modern HR department to prepare its annual budget and manage its actual performance.
- Use their financial knowledge for improved planning and management decision-making.

Targeted Competencies:

At the end of this Financial Skills training, the participant's competencies will:

- Read and interpret financial statements.
- Apply discounted cash flow DCF.
- Understand costing in an HR context.
- Enhance decision-making skills.
- Proficiency in budgeting techniques.
- Master cost/volume/profit CVP analysis and its impact on HR.
- HR and the budget process.

Course Content:

Unit 1: Company Objectives and Financial Statements:

- Measuring company performance.
- Value creation and the primary objective of maximization of wealth.
- Income statement profit and loss account.
- Balance sheet.
- Cash flow statement.

Unit 2: Reading and Interpreting Financial Statements:

- Measurement of operating performance.
- Measures of financial performance and financial position.
- Risk measurement.
- Limitations of ratio analysis.

Unit 3: Discounted Cash Flow DCF:

- Understanding the impact of timing on cash flows.
- Calculating future.
- Present values.
- The principles of discounted cash flow DCF.

Unit 4: Costing:

- Fixed costs, variable costs, and overheads.
- Overhead allocation, absorption, and activity-based costing ABC.
- Expenses versus inventory stock valuation.
- Contribution compared with profit.

Unit 5: Decision-Making:

- Relevant costs.
- Shut-down versus continuation.
- Make versus buy.
- Product mix and limited resources.
- Decision trees.

Unit 6: Budgeting:

- Purposes of budgeting.
- The budget process.
- Activity-based budgeting ABB.
- Uncertainty and risk.
- Motivation and the behavioral aspects of budgeting.
- Problems in budgeting.
- Non-financial performance measures.

Unit 7: Cost/Volume/Profit CVP Analysis:

- Cost, volume, and profit relationships.
- Break-even analysis.
- The impact of cost structure changes.
- Limitations of break-even analysis.

Unit 8: HR and The Budget Process

- Organization charts.
- Manpower planning.
- The direct labor and indirect labor budget.
- Employee benefits.
- Employee records.
- Payroll administration.
- Redundancy costs.
- Health and safety.
- Employee appraisal.
- Succession planning.