



FINANCE &
MANAGEMENT
FACULTY

People and skills

A FINANCE & MANAGEMENT REPORT
SR52 | MARCH 2016



Attracting, recruiting, growing and retaining talent

Finance professionals need to work at their people skills so they can build a successful and harmonious team. **David Parmenter** examines the practices that will make a difference.

‘Why is it that when I actually find some talent they never stick around?’ a despondent CFO asks. ‘Where is the talent? I just cannot find suitable staff’, another responds.

The first place to start is leadership. Poor performance in this vital area will lead to a high staff turnover. We then need to make the finance team a more attractive place to work. Once we have been able to create a more attractive environment for potential and current staff, we should ‘get the right people on the bus’ and give them a good start and an appealing future.

Become a winning leader – the six foundation stones

Getting first-rate staff to stick requires you to be an admirable, if not great, leader. The good news is that this can be learnt. Being charismatic may be useful but it is not a requirement. To succeed as a leader, you need six foundation stones in place. These provide a sound platform from which you can lead.

1. Minimise personal baggage

From the time we enter this world, we develop traits and habits that will be limiting factors in our management and leadership of people. We will always be running with a few cylinders misfiring unless we fully understand our behaviour patterns.

You owe it to your colleagues, your staff, your suppliers, contractors, family, partner and offspring to do something about your own personal baggage. The box (right) shows four courses that will aid you immensely. Make sure you have invested time in this important area.

2: ‘Love thy neighbour as thyself’

Many in the corporate world do not abide by ‘love thy neighbour as thyself’, and that is why we quite happily create conflict in our working environment. Corporate life is littered with examples of unnecessary litigation, which has led to poor health in those individuals who are caught up in this self-inflicted process.

Respect, hostmanship, humility, integrity and candour all form the building materials for this foundation stone. Respect should be evident with:

- your colleagues’ and your team members’ time (ie, allowing them quality time to process initiatives rather than interrupting them with another meaningless task);



David Parmenter is an international presenter and writer.
www.davidparmenter.com
parmenter@waymark.co.nz

COURSES TO IMPROVE YOURSELF

The enneagram describes nine personality types and you will find one type that fits you. It will predict your behaviour and the likely obstacles and pitfalls which you can avoid with some minor modifications. See www.enneagraminstitute.com

Hermann’s thinking preferences look at the way people think. The course is broken into four types. It is important to understand the thinking preference of your boss, colleagues, and staff reporting to you so you can communicate effectively with them. A great in-house team-building and awareness workshop can be found at www.herrmannsolutions.com

Neuro-linguistic programming will have a profound impact on your leadership, your hobbies and your relationships at home. By using your five senses you create visions of achievement you have yet to attain. You smell, you see, you feel, you hear, you touch, all in your mind, the event you want to achieve. Your subconscious will now set about closing the gap between now and this future reality. Go on the web and search ‘NLP + course + _____’ (your location) to find a local course.

Intensive life skills course – ask around and find a course that has made a difference to somebody. The personal development courses of longer duration have the most chance of changing your behaviours.

- your working relationships with all colleagues, even those who you would never invite to your weekend barbecue;
- the setting of deadlines (eg, avoiding asking for a report by 9am tomorrow when you will only get around to reading it three days later);
- the way you handle stress – your own, and your colleagues’; and
- the way you treat suppliers.

A leader should never forget the small details. It is those small acts of kindness and consideration that will build towards you being considered a legend.

Hospitality expert Jan Gunnarsson says that hostmanship is the way we make people feel welcome. His hostmanship approach has had the approval of well-known management writer Tom Peters, and has had a profound impact on organisations applying it.



It is interesting to note that one's ability to be a host is influenced by one's past, both in experiences at home and with one's role models. It is no wonder so many of us lack confidence in the ability to be a good host.

Humility simply means that when dealing with individuals you treat them as equals. In organisations where 'money is God,' you will constantly see a lack of integrity, and types of behaviour, among executives and staff, that is fit only for the wilds of the Serengeti.

Jack Welch was also one of the first CEOs to talk about 'candour'. The quality of being open, honest and frank. He pointed out that candour is important:

- when giving feedback to underperforming staff;
- when evaluating a business proposal;
- in daily discussions with staff and colleagues; and
- with customers and suppliers communications.

3: Master communication and public relations

You cannot lead unless others understand your vision and are sold the 'flight tickets' for the journey. Mastering communication means understanding the importance of one-to-one communications, being seen by your staff, working the public relations machine and mastering the written and spoken word.

CFOs need to realise that being a good orator is a vital part of leadership. Time and effort needs to be devoted to delivering a meaningful message. Special coaching and endless practice should be seen as an important investment rather than a chore. Seek help from the executive who writes in a style you want to emulate. Attend some business writing courses.

The key to effective management is to hold fewer meetings, and replace these meetings with more 'scrums' (essentially stand-up meetings limited in time) and one-to-one sessions. They do not have to be long if you are already walking around among the staff.

Great leaders take a walkabout, at least twice a day, when they are in the office. Not only does it give them some much-needed exercise but it allows them to be 'ambushed' by staff who may have an issue but would like to talk about it more discreetly. It is also a good way, by subtle questions, to show you are up with the play and to keep the staff on their toes.

All great leaders realise that the world is a small place and 'what goes around comes around'. Always approach those who are your adversaries, your roadblocks, and take them out for coffee or lunch. It is the hardest thing to do and yet the most effective.

4: Have a cluster of mentors and a safe haven

Over the last 10 years I estimate that less than 10% of all accountants at my seminars and workshops have mentors – it is no wonder corporate accountants are so isolated.

Mentors have many functions, from advising you on tricky stages in your career and managing work relationships to getting great career opportunities. Asking someone to become your mentor is one of the finest compliments you can give.

All leaders will have many soul-searching moments during their journey. The magnitude of these can be quite severe if the leader is taking their team/organisation on a significant conquest. In order to cope with these 'downs' you need to have built a safe haven for yourself, a place where you can retreat, find balance and recover your drive. When you analyse great leaders you tend to find their safe haven eg, for Jack Welch it was golf.

5: Fearless in pursuit of legacy

Being fearless, leading from the front, is another of the givens for a leader. One of the messages from the father of management, Peter Drucker, (who sadly passed away

‘ Finance teams need to be seen as teams that work hard and have fun doing this ’

in 1997) was that outstanding performance is inconsistent with fear of failure. He would ask ‘What do you want to be remembered for?’

If you were to make a one-paragraph statement as to what your legacy is to be, what would it say? Forming this legacy in your mind puts up a guiding star in the sky that will shine brightly no matter what dark clouds are over you.

6: Be a follower of the paradigm shifters

Peter Drucker’s work contains many gems that have been overlooked. Alongside Drucker there are some brilliant writers such as the aforementioned Jack Welch, Tom Peters and Robert Waterman, Gary Hamel, Jeremy Hope and Jim Collins.

Make the finance team a great place to work

Reduce time in the three potholes

You should reduce time spent in the three areas where you invest much for little reward – month-end reporting, the annual accounts and the annual planning process. Your goal is for the qualified accountants in the team to spend less than 30% of their time in these three areas.

Adopt lean management techniques

Being lean also means adopting the better management practices that are used by successful managers such as:

- 21st century office environment – stand-up desks and work stations. Research points out that it may increase life expectancy and your productivity. I have one and now use my chair three to four hours a month;

- limiting personal filing to one small cabinet – forcing staff to have less paper and to use a centralised electronic filing system rather than their own suite of filing cabinets;
- reducing time in finance team meetings – replacing sit-down hour meetings to 10-15 minute ‘scrums’ and avoiding the morning where possible. This will help you to secure a minimum of two 90-minute blocks for reports/projects every day; and
- blue sky Fridays – Encourage all managers in the finance team to have one half day a week/fortnight where they peer into the future. This time is best invested outside the office so you are not distracted.

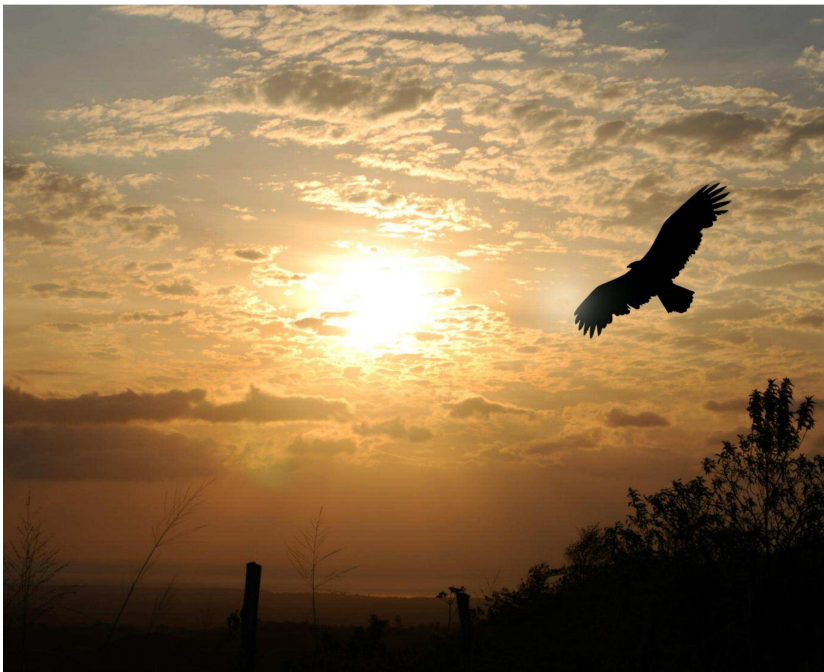
Having fun in the workplace

Finance teams need to be seen as teams that work hard and have fun doing this. Why would you wish to stay in a miserable team? Some initiatives you can undertake to improve the work environment are:

- off-site meetings – I came across a team that held a half-day, off-site meeting after they have completed each month end. More common are teams that have an off-site training session every three months. At the very least hold one session a year;
- café meetings – hold a staff meeting in a coffee shop once a month, and treat the team to coffee and muffins. If you cannot find a budget for this bona fide expenditure, nobody can;
- birthdays – setup a routine where birthdays are acknowledged and celebrated, where the staff person is actively encouraged to take that day off (out of their holiday allowance) and then celebrate the birthday the next day in the office;
- recognition – giving recognition freely makes us a person whom people like to work with. Simple cost effective recognitions are, for instance, handing out film tickets, or vouchers for two at a restaurant, to reward accounting staff who have gone the extra mile;
- celebrate every success – ‘Work is too much a part of life not to recognise moments of achievement’, says Jack Welch; and
- 20% free time – finance teams should, like Google, give their staff 20% of discretionary time, to pursue their ideas on initiatives that would benefit the organisation. This is how the idea for Google Earth happened.

Offer leading-edge training opportunities

Far too much of accountants’ training is done on their own. Aim to have at least one in-house training day for the whole accounting team. You will gain much from the team building that occurs during the day. In addition you can offer, after years of service, support for further tertiary education, especially MBA programmes for the CFO protégés.



‘ To have an excellent team, it is beneficial to start with the best resources available ’

Effective recruiting – Getting the right people on the bus

In every workshop I ask one question: ‘Who has made a recruiting decision they have lived to regret?’ Every finance manager puts their hand up. The carnage caused is relived in their facial expressions. Why does this happen so often?

Recruitment should be seen as the most important activity a manager does. It should be the most invested and well prepared exercise we ever do, for the following reasons:

- recruiting properly is like putting a fence on the top of a cliff – it is better to spend 40 hours recruiting a candidate carefully rather than spending four hundred hours cleaning up after a recruiting mistake;
- you can recruit for technical skills and through training improve skill levels, but you cannot change a person’s values. If an individual’s values are different from those of the organisation, you will always have conflict; and
- better recruits will lead to more internal promotion, both saving costs and maintaining institutional knowledge.

Begin with a good advert

You need to sell the position using the emotional drivers of the potential recruits. Do not let the recruiting agency draft the advert without getting input from you about the emotional drivers. These include:

- career prospects;
- technology they will be working with; and
- the working conditions of the finance team.

Promote your finance team to the outside world

With your journey to becoming ‘future ready’ you will have achieved some success stories. These will start making the accounting team a preferred team to join, providing you broadcast this message. You can do this by:

- establishing a relationship with your local universities offering prizes to the best accounting graduates, delivering guest lectures (like ‘A day in the life of a corporate accountant’), and offering holiday jobs. These activities will increase the profile of the team and enable you to try before you buy;
- writing articles and delivering presentations for your local accounting body; and
- being active in the local accounting body.

These activities are termed magnetic marketing initiatives, they will attract the high-calibre candidates who tend to do more research.

The recruiting marathon

To have an excellent team, it is beneficial to start with the best resources available. There are still too many staff selections made by an antiquated interview process, accompanied by some cursory reference checking. A

greater effort needs to be put into the selection process through the adoption of recruiting techniques that include:

- use of simulation exercises and psychometric testing on the short-listed candidates. Have staff members on the team somehow involved in the final selection from the shortlisted candidates. This need not be too complex;
- a meeting over an afternoon cup of coffee can give the staff a chance to subtly quiz the candidate on his or her expert knowledge;
- use of report-writing and presentation exercises for more senior roles, such as the management accountant position; and
- getting a high-performance team to ask its members if they know someone who would fit in the team before they advertise a position. Often this has proved successful, saving hours of sifting through the great unknown.

Drucker’s five recruiting steps

The management guru Peter Drucker, on observing great leaders, noted that there were five steps to a sound recruitment.

1. Understand the job so you have a better chance of getting a good fit.

Here we need to understand not only what the duties are but what skills and expertise are required. If you have a previous high performer in that role, model the job on their traits.

Drucker however, pointed out that you should never give a ‘new job to a new person’. Drucker believed that outsiders do not stand a chance with implementing new systems in an organisation due to concerns over change, a lack of credibility, and the overpowering nature of the default future. Instead you need to appoint and train an in-house manager who is well respected in the organisation and who has a pile of ‘I owe you’ favours which they can call on.

2. Consider three to five people in the shortlist, to maximise your chances of getting the best fit.

Often we only have one or two suitable candidates.

Drucker warns us that this is not enough. Cast your net wider to attract more interest.

3. Study candidates’ performance records to find their strengths so that you can ascertain whether these strengths are right for the job.

Remember that the CV and the interview performance will be a set of smoke screens. You need to use modern recruiting techniques such as simulation exercises, psychometric testing, assessment centres, involving members of the team they will manage in the selection process, and in-depth checking of references and qualifications.

‘ All high-achieving finance teams put a lot of time and effort into a proficient induction process ’

4. Talk to candidates’ previous bosses and colleagues about them.

Jack Welch would ring a previous employer and ask: ‘We have Pat Carruthers shortlisted for a general manager position. I was wondering, if Pat was re-applying for a similar position in your organisation, would you want him back?’ As Welch says, he was surprised at the honesty. If he got a ‘No’ that was enough for him to cease the recruiting of that candidate. He wanted to hear, ‘We would love to have them back, they made a significant contribution ...’

Written references are not worth the paper they are written on unless the referee is known also to your organisation.

5. Once the employment decision is made, make sure the appointee understands the assignment. Here Drucker is talking about a thorough induction process.

Deliver a good induction

All high-achieving finance teams put a lot of time and effort into a proficient induction process. This process is a commitment not only by the CFO but by all other finance staff as well. Far too often the induction process gets relegated to an item on the agenda. The new staff person arrives and is given the feeling that he or she is a burden. An induction should include:

- detailed handover with the person leaving, or the phone number and email address of the previous person who did the job, if permission has been sought and granted;
- morning or afternoon coffee with some of the general or middle managers depending on seniority of new recruit;
- specified meeting between the manager and the new recruit to pick up any loose ends, give feedback, revise the training programme, and plan the week ahead;
- meeting with a representative from the human resources team scheduled for three months after joining date;
- the setting up of some easy goals for the appointee to score; and
- visits to operations facilities.

For graduate intake think about placing them into accounts payable with the brief to introduce 21st

century systems and processes. It will be a good exposure to the power of technology in business. You can then rotate them to an internal audit position which is another good reason to re-establish an internal audit function in the organisation.

Career progression

For larger organisations, recruiting a CFO from outside should be seen as failure. Failure to grow your own. A CFO position is so complex and relationships so important that it makes more sense to promote from within.

Drucker said a leader’s primary role is to grow their successor. The CFO needs to develop at least two, preferably three potential candidates. In smaller organisations this may only be limited to one.

Growth in experiences can be achieved relatively easily. You can rotate staff into management roles, into the internal audit function and into third-party organisations you have some ties with. You should be able to expose the protégés to enough experiences to prepare them for the CFO role.

Next steps

1. As a priority read *Winning* by Jack Welch and Suzy Welch and Haas Edersheim Elizabeth’s *The definitive Drucker: Challenges For Tomorrow’s Executives - Final Advice From the Father of Modern Management*
2. You may find reading some of my previous *FINANCE & MANAGEMENT* articles of use. (*Putting the finance function and yourself on the map*, September 2011, *The art of rapid month-end reporting*, September 2015, *How to get it approximately right not precisely wrong*, December 2014)
3. Email me (parmenter@waymark.co.nz) and I will send you 14 questions you should consider asking in an interview

References:

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2. Jack Welch with Suzy Welch, *Winning*, HarperBusiness April 2005
3. Jan Gunnarsson and Olle Blohm, *The Art of Making People Feel Welcome*, Dialogos, 2008
4. Mary Munter, *Guide to Managerial Communication*, Prentice Hall; 10 edition 2013