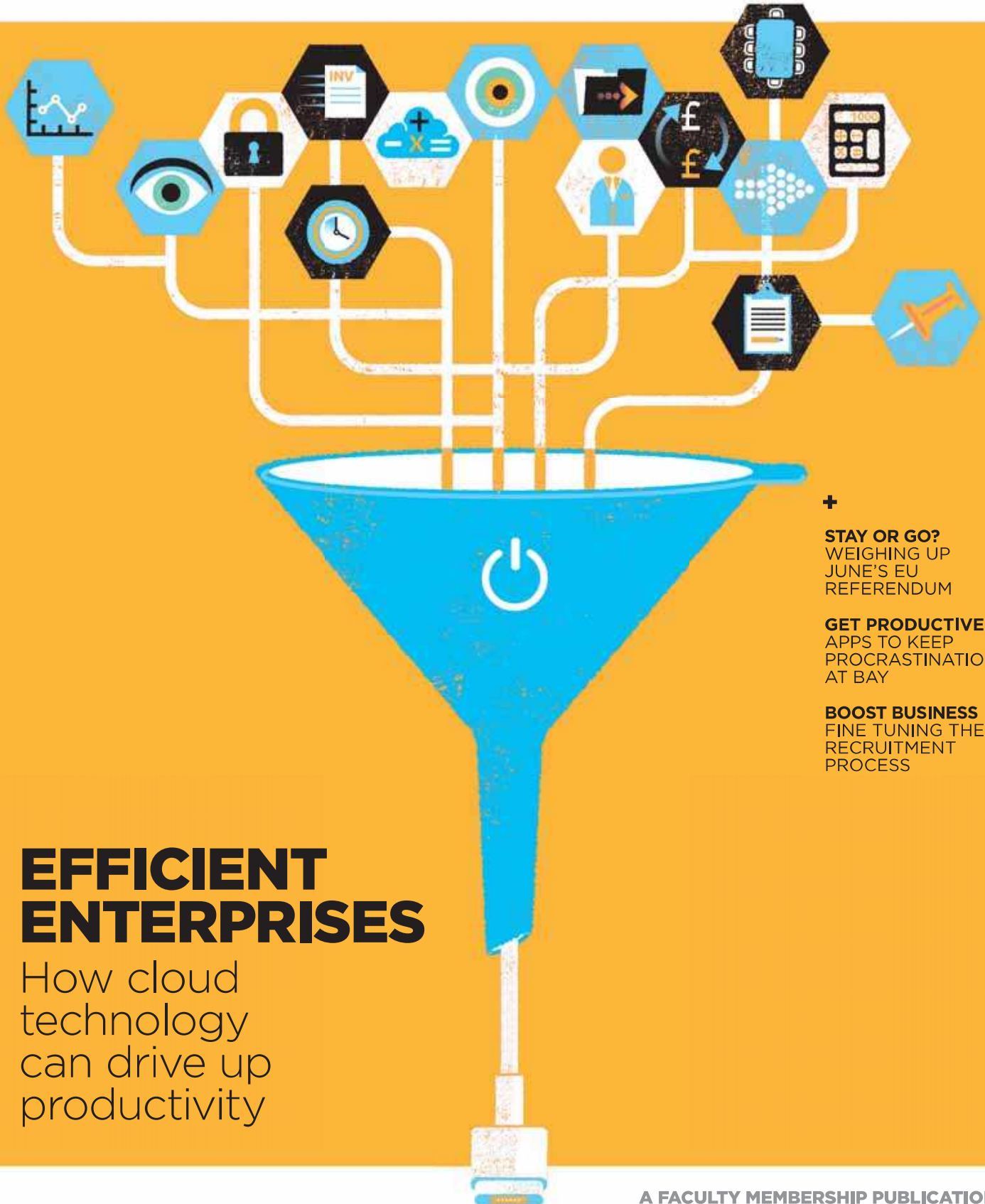


Finance & Management



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EFFICIENT ENTERPRISES

How cloud
technology
can drive up
productivity

+

STAY OR GO?
WEIGHING UP
JUNE'S EU
REFERENDUM

GET PRODUCTIVE
APPS TO KEEP
PROCRASTINATION
AT BAY

BOOST BUSINESS
FINE TUNING THE
RECRUITMENT
PROCESS

IN GOOD COMPANY

To build a top-notch finance operation your recruitment, training and management all need to be on point. **David Parmenter** offers the blueprint

Retaining your valued existing staff and recruiting the right people when required is crucial to the long-term prosperity of your finance team and, by extension, the whole company. This doesn't happen by accident. It requires constant attention to the small details that affect the day-to-day experience of individuals and the team as a whole. Let's start at the top...

GET IN SHAPE

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

- **A 21st century office environment:** for instance, consider introducing stand-up desks and work stations. Research suggests it will increase life expectancy and your productivity.
- **Reducing time in finance team meetings:** replacing sit-down hour meetings with 10/15-minute scrums, and avoiding the morning where possible, will help you to secure a minimum of two 90-minute blocks for reports/projects every day.



- **Blue sky Fridays:** encourage all managers in the finance team to have one half-day per week/fortnight where they peer into the future. This time is best invested outside the office so you are not distracted.

HAVE FUN

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 suggestions to improve the work environment are listed in the table below:

OFFER LEADING-EDGE TRAINING

Far too much of an accountant’s 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. Suggestions include: re-engineering exercise, Hermann’s thinking preferences, neuro-linguistic programming, interpersonal skills, client management and consultancy skills (for the management accountants and advisers).

In addition after a number of years of service, you can offer or support further tertiary education, especially MBA programmes for the CFO protégés.

GET THE RIGHT PEOPLE

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.
- Better recruits will lead to more internal promotion, both saving costs and maintaining institutional knowledge.

Begin with a good advertisement. You need to sell the position using the emotional drivers of the potential recruits. Do not let the recruiting agency draft the advert - they will simply use a template they have used in the past.

MAGNETISE YOUR TEAM

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. For example, 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. Such “magnetic marketing” activities will increase the profile of the team and enable you to try before you buy and, on the other side, attract the

high-calibre candidates who tend to do more research.

THE RECRUITMENT MARATHON

There are still too many staff selections made by an antiquated interview process, accompanied by some cursory reference-checking. The result is a high failure rate among new staff. 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.
- Having staff members on the team somehow involved in the final selection from short-listed 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 report-writing and presentation exercises for more senior roles, such as the management accountant position.

One high-performance team asks 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 (although, please note that there is a legal requirement for positions to be advertised in many organisations such as in state schools).

DRUCKER’S FIVE-STEP PLAN

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

1 Understand the job - increase the 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 - you need to appoint and train an in-house manager instead. He believed that outsiders do not stand

WAYS TO IMPROVE THE WORKING ENVIRONMENT

CAFÉ MEETINGS	Hold a staff meeting in a coffee shop once a month, and treat the team to coffee and muffins. You can link this meeting with an abandonment and Kanban session (see page 21).
RECOGNITION	Giving recognition freely makes us a person that people like to work for and with, and one we naturally gravitate toward. Simple cost-effective recognitions are either handing out film tickets, or restaurant vouchers for two, 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.” Jack Welch, CEO of General Electric.
20% FREE TIME	Finance teams should, like Google, give the talented staff 20% of discretionary time to pursue their ideas on initiatives that would benefit the organisation. This is how the idea for Google Earth came into being.

a chance with implementing new systems in an organisation due, for example, to concerns over change and a lack of credibility.

2 Consider three to five people in the shortlist – 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 – find candidates' strengths and ascertain whether they are right for the job

Remember that the CV and the interview performance will be a set of smokescreens. We need to use modern recruiting techniques such as simulation exercises, psychometric testing and assessment centres.

4 Talk to candidates' previous bosses and colleagues

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

When taking this approach, do bear in mind UK legislation around asking for references. See tinyurl.com/GOV-Refs

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. An induction should include:

- a 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;
- coffee with some of the general or middle managers depending on seniority of new recruit;
- specified meeting times each week with their manager 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 graduates 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, a good reason to bring this back inside the organisation.

CAREER PROGRESSION

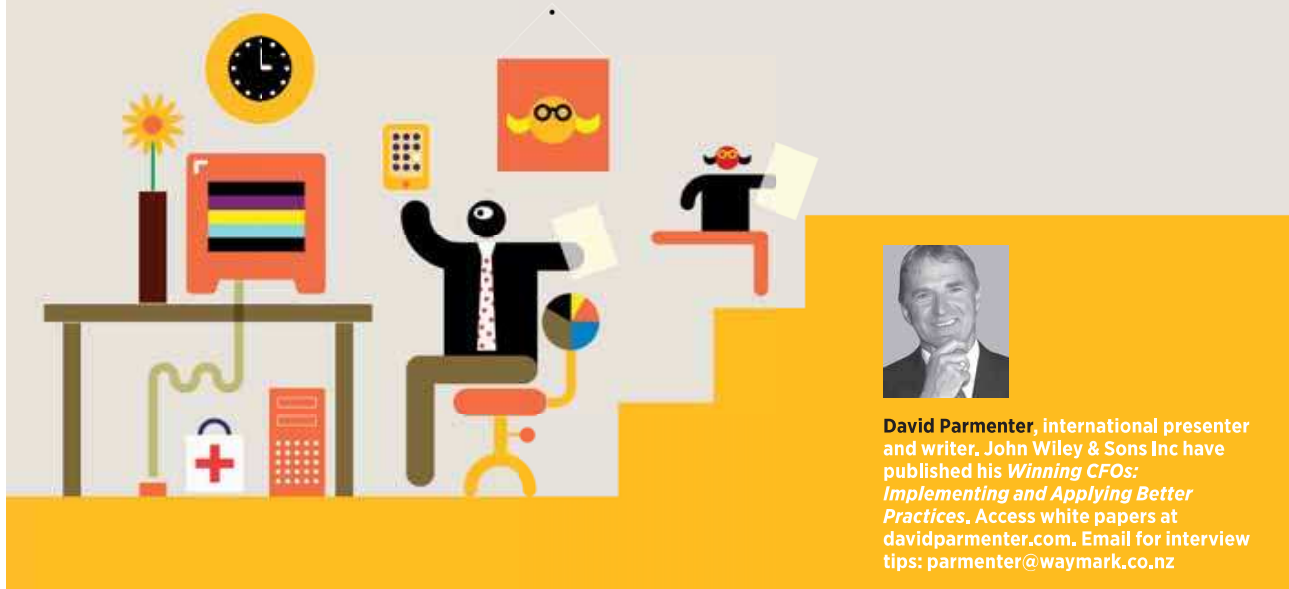
For larger organisations recruiting a CFO from outside should be seen as failure – failure to grow your own. A CFO position is so complex that it makes sense to promote from within.

Drucker said a leader's primary role is to grow their successor. The CFO needs to develop at least two potential candidates.

Growth in experiences can be achieved relatively easily. You can rotate staff into management roles, into internal audits and into third-party organisations. You should be able to prepare the protégés enough for the CFO role.

NEXT STEPS

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*. Also read my previous *F&M* articles (*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). ■



David Parmenter, international presenter and writer. John Wiley & Sons Inc have published his *Winning CFOs: Implementing and Applying Better Practices*. Access white papers at davidparmenter.com. Email for interview tips: parmenter@waymark.co.nz