

The ACCA logo is a white square with the letters 'ACCA' in a bold, sans-serif font.

ACCOUNTANTS FOR BUSINESS

Building a better business through finance diversity

FIVE MINUTES ON...

Building a better business through finance diversity



Today's global business environment is shaping the future role of the finance function and how it best supports the business to drive value and shareholder return. Increasingly ACCA sees an evolving and broader role for CFOs and the finance function, as they seek to transform the finance function to drive efficiencies in finance operations, ensure greater governance and control, and provide the organisation with financial insight to support superior business decision making.

The success of these transformation initiatives are critically dependant on the capabilities and skills of people within the finance function. This report considers a key aspect of building this capability, specifically examining the drivers behind embedding a more diverse workforce across the finance function. This concept of diversity goes far beyond 'equal opportunities', considering more broadly how leading businesses

can develop a finance function that has a diversity of skills, experiences, cultural understanding and business perspectives needed in the global economy today, as well as outlining the business case for doing so.

As the global body for professional accountants, one of ACCA's core values is diversity, and our 140,000 members, 404,000 students in 170 countries are testimony to the breadth of skills and experiences diversity brings. ACCA will be at the forefront of supporting businesses around the world to build finance capability and drive this important agenda moving forward.

A stylized, handwritten signature in black ink, appearing to read 'Helen Brand'.

Helen Brand
Chief executive, ACCA

Key findings

WHY IS DIVERSITY IMPORTANT IN TODAY'S FINANCE FUNCTION?

A NEW WORLD FOR THE FINANCE FUNCTION IN 2012

The CFO and the finance function in 2012 are operating in a new world. Companies around the world face almost unprecedented uncertainty and the business environment is more complex and changing quicker than ever before. There is much more information that businesses need to cut through, and more regulation on company activities. The competitive environment is ever more challenging. It is in this context that the finance function in 2012 seeks to support the business and it can only do this if it has the right capabilities in place. Diversity in the finance function matters because greater diversity in the finance function brings greater capability to the finance function.

A CHANGING ROLE FOR CFOS REQUIRES MORE DIVERSE FINANCE LEADERSHIP SKILLS.

The CFO role continues to evolve. It is more challenging and more diverse than ever before. The range of internal and external stakeholders that CFOs must work with and build effective relationships has never been greater. Today's CFO needs to balance their traditional custodial and operational responsibilities with their need to support the business as a strategic voice and partner. Today's CFO needs to bring a greater diversity of skills to the table to be effective.

NEW RESPONSIBILITIES FOR THE FINANCE FUNCTION MEAN GREATER DIVERSITY OF CAPABILITIES AND EXPERIENCES

The role of the finance function today extends well beyond its traditional finance capabilities. In some sense finance roles are becoming more technically specialised, particularly as a reflection of growing regulation. Conversely, some finance roles reflect the business' need to bring in the finance function as a strategic partner to the business, whilst finance transformation programmes are driving a need for finance to develop over-arching responsibilities that govern and bring together new finance function models to best support the organisation. Across this spectrum of new roles and responsibilities, there is not only a greater need for a diversity of skills, experiences and capabilities but also a greater need for innovation and new ideas, for the finance function to be able to question why things are done in a certain way.

DIVERSITY IS ESSENTIAL IN A GLOBAL FINANCE FUNCTION.

As companies expand into new geographical markets, the finance role inevitably becomes more complex. Finance teams must get to grips with different accounting, regulatory and legal environments, and juggle fast-changing tax and treasury requirements across multiple countries. Expansion into emerging markets adds further complexity because of the nature of the risks faced. The challenge however goes even beyond managing these technical developments. In the global finance function, CFOs and their finance function must embrace the diversity that comes from operating across geographies and cultures and leverage this for positive outcomes.

"TECHNICAL EXPERTISE IS STILL IMPORTANT, BUT WHAT'S DIFFERENT IS THE IMPORTANCE OF BROADER LEADERSHIP, BUILDING AN EFFECTIVE TEAM, AND HAVING STRONG COMMUNICATION SKILLS TO ENGAGE WITH ALL PARTS OF THE ORGANISATION"

ROBERTO MELLO, CFO, GE HEALTHCARE

"THE MORE DIVERSE YOUR TEAM IS AND THE BROADER RANGE OF LIFE EXPERIENCES YOU BRING TOGETHER, THE MORE LIKELY YOU ARE TO BE ABLE TO RESOLVE THESE SORTS OF ISSUES EFFECTIVELY"

STEVEN ROLLS, HEAD OF HUMAN RESOURCES, DELOITTE

"MOVE THE COMPANY INTO ONE EXTRA MARKET AND THE CFO HAS THE SAME ROLE TO PERFORM BUT NOW HAS TO ENSURE THERE IS CAPITAL MARKET ACCESS BEYOND THE DOMESTIC MARKET...AS WELL AS FOLLOWING RULES AND REGULATIONS IN THE SECOND COUNTRY"

MANSOUR JAVIDAN, THUNDERBIRD SCHOOL OF GLOBAL MANAGEMENT

For the full report: www.accaglobal.com/transformation

HOW CAN BUSINESSES DEVELOP MORE DIVERSE FINANCE FUNCTIONS?

DIVERSITY IN THE FINANCE FUNCTION STARTS WITH GREAT RECRUITMENT

Finance leaders must do all they can to foster diversity across the organisation. By bringing in individuals from different backgrounds, sectors, experiences and careers finance functions will be better placed to fulfil their expanding, increasingly complex roles and responsibilities. To this end recruitment channels are evolving and embracing new technologies; on-boarding processes need to become more effective and engaging.

BUSINESSES NEED TO ENCOURAGE DIVERSITY OF EXPERIENCE ACROSS THE FINANCE FUNCTION AND INTO OTHER FUNCTIONS

Businesses need to ensure finance professionals gain the appropriate level of experience across the finance function and beyond the finance function to develop the necessary level of capability needed. This goes beyond developing the necessary technical 'know-how'. Providing this breadth of experience enables finance to develop the broader business based skills required.

BUSINESSES NEED TO DRIVE TRANSPARENCY IN CAREER PATHS ACROSS FINANCE AND BEYOND

A new evolving finance function means that finance career paths are less linear – the corporate lattice rather than the corporate ladder. It is difficult for finance professionals to develop the breadth and depth of experience required without greater transparency of the roles available and the progression routes. Greater diversity in the career paths for finance professionals in the future is certain – businesses need to play their part in transparency around career development and put in place interventions such as career counselling and mentoring to support these aims.

BUSINESSES NEED TO PROVIDE FINANCE LEADERS AND THE TALENT PIPELINE WITH GLOBAL EXPERIENCE

In today's global finance function, it is important to ensure current finance leaders, and those destined to lead the finance function in the future have gained experience across different business units in different geographies. This exposure provides finance leaders with different insights into the challenges, issues and opportunities at national, regional and global levels as well as providing better understanding of the difference and nuances between emerging and mature markets.

BUSINESSES MUST ENSURE FINANCE LEADERS EMBRACE OPEN WAYS OF WORKING

Establishing an ethos of openness in today's finance function is important to its success. In particular finance leaders themselves must be prepared to counsel the views of others and be prepared and open to being challenged. This is particularly true as finance has sought to reposition itself as a partner to the business and as the success of the CFO role is increasingly predicated on the successful working relationships internally and externally to the organisation. A culture of openness in finance also resonates strongly with the younger generation of finance professionals in the workforce and previous studies have suggested it has a high bearing on the recruitment and retention success.

BUSINESSES SHOULD LOOK AT FINANCE TRANSFORMATION PROGRAMMES TO DRIVE THE APPROPRIATE BALANCE OF DIVERSITY

The perennial challenge for the global finance function is the balance that must be retained between processes that can be standardised and centralised, and those that can remain local. Finance transformation programmes have increasingly sought to centralise and standardise many finance processes, but finance and transformation leaders need to be mindful of the need to balance the diversity of knowledge that can be tapped into with finance people 'on the ground' with the benefits of cost reduction and standardisation through centralisation. Getting this balance right continues to be a significant challenge.

"WE'RE LOOKING FOR PEOPLE WHO HAVE GROWN UP WITH THE FINANCIAL DISCIPLINE BUT THAT ALONE IS NOT ENOUGH. WE REALLY WANT SOMEONE WITH A MORE DEVELOPED BUSINESS SENSE"

DATIN KHAN, GROUP CHIEF TALENT OFFICER, AXIATA

"EXPERIENCE IN AN EMERGING MARKET HELPS PEOPLE DEVELOP SKILLS THAT THEY MIGHT NOT GET IN A MUCH MORE MATURE MARKET"

DATIN KHAN, GROUP CHIEF TALENT OFFICER, AXIATA

"ANY CFO SEARCHING FOR VIEWS THAT ONLY ECHO THEIR OWN SHOULDN'T BE A CFO"

VANESSA WHITMAN, CFO, MARSH & MCLENNAN

"THE RATIONALE FOR THIS APPROACH IS THAT YOU HAVE TO UNDERSTAND WHAT'S HAPPENING IN THE LOCAL AREA"

PETER MCLEAN KORN-FERRY

About ACCA

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

Founded in 1904, ACCA has consistently held unique core values: opportunity, diversity, innovation, integrity and accountability. We believe that accountants bring value to economies in all stages of development. We aim to develop capacity in the profession and encourage the adoption of global standards. Our values are aligned to the needs of employers in all sectors and we ensure that, through our qualifications, we prepare accountants for business. We seek to open up the profession to people of all backgrounds and remove artificial barriers, innovating our qualifications and their delivery to meet the diverse needs of trainee professionals and their employers.

We support our 147,000 members and 424,000 students in 170 countries, helping them to develop successful careers in accounting and business, with the skills needed by employers. We work through a network of 83 offices and centres and more than 8,500 Approved Employers worldwide, who provide high standards of employee learning and development.

Accountants for Business

ACCA's global programme, Accountants for Business, champions the role of the finance professional in all sectors as true value creators in organisations. Through people, processes and professionalism, accountants are central to great performance. They shape business strategy through a deep understanding of financial drivers and seek opportunities for long-term success. By focusing on the critical role professional accountants play in economies at all stages of development around the world, and in diverse organisations, ACCA seeks to highlight and enhance the role the accountancy profession plays in supporting a healthy global economy.

www.accaglobal.com/accountants_business

