

Success Factors for Attracting and Retaining Finance Talent

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Attracting and retaining top finance talent can be tough enough in good times. But in the stop-and-go recovery that many U.S. companies have faced over the last year, finding and keeping top staff across different functions, and particularly in finance, can become a full-time job.

The problem has become so severe that according to a Deloitte Signals(TM) survey of CFOs conducted in 2011, 43% of respondents said they were actively recruiting new talent, yet more than one-third of those same respondents said they could not find the right people for open positions.

"Leaders are taking new, creative steps to not only attract talent but keep the talent they have," notes Rich Rorem, a principal with Deloitte Consulting LLP and U.S. Finance Transformation leader, during a Deloitte Dbriefs webcast, "Finance Talent: Attracting and Retaining the Skills You Need Now."

"When we look at trends in the broader population, what we are seeing is a slight uptick in the voluntary quit level, the result of a pent-up demand when the economy got tighter," he adds. However, the first employees to leave are typically top performers, who have more opportunities than others. As the economy continues to improve, Mr. Rorem expects to see more companies moving to upgrade their talent, which, while creating new opportunities for some, will also create challenges for those trying to retain top performers. "Companies should recognize the risks of losing top talent as well as the opportunity to go out and attract new talent," he notes.

Defending Top Talent

Those finance organizations lacking an efficient talent attraction and retention strategy are not alone. According to an informal poll conducted during the webcast, many finance organizations do not have a sufficient finance talent strategy. When asked "Do you currently have a finance talent strategy," nearly 27% of the approximately 1,770 respondents said they had no strategy for the finance organization or for the company as far as they were aware. Less than a quarter indicated that they have a talent strategy not specific to the finance organization.

Another 18% of respondents indicated that they have a talent strategy that is specific to the finance organization. "That should raise a red flag," says Ken Kunkleman, a director in Deloitte Consulting LLP's Human Capital Organization and Talent practice, who presented during the webcast. "An effective talent strategy can help a finance organization retain key staff as well as draw new employees with high potential. The key to really defining your top talent is to look at the intersection of performance and potential," he adds. "It's still important to focus on your top talent through a performance dimension, but the other piece that is important is looking at potential, seeing those people in your organization who have potential to take on more significant roles, move up within the organization and stand out," he notes.

It's important for organizations to create programs focused on helping these high potential employees grow. Four success factors underpin an effective finance talent leadership program:

- 1. On-the-Job Stretch Experiences.** Business cases and job rotations provide the opportunity to solve real-world problems while stepping into a leadership role.
- 2. Established Mentoring Programs.** These create a culture and an expectation that leaders will help shape high potentials into high performers.

3. Involved Managers. The effectiveness of high potentials is directly linked to the involvement of their managers on a daily basis.

4. Executive Engagement. Active involvement across the entire leadership lifecycle helps attract, retain and accelerate high potentials.

A fundamental starting point for establishing talent programs is deciding who should own and lead strategic talent planning, processes and experiences in the finance function. This is often an area that many companies plan for, according to Nathan Sloan, a senior manager in the Human Capital practice at Deloitte Consulting LLP, who also presented on the webcast. "What is needed is a partnership between HR and finance, but at the end of the day finance leadership really should own the planning and the experiences within the function," he notes. Since finance staff understand their business, their needs, the types of knowledge and experiences people need to be successful better than anyone, they should engage their entire leadership team in identifying, attracting and selecting the top talent. Human resources should be available to support the business with the processes and tools that finance leadership needs and help them implement those solutions to achieve their talent needs.

It's important to prioritize investments in talent, and that includes identifying critical workforce segments, or those jobs or groupings of jobs which create greater value for the business. A central issue to consider is from where does the organization tend to draw top talent and from where do the strongest performers come. "Our research time and again tells us that in most organizations the critical workforce segment resides in financial planning and analysis positions, which tend to yield, for many organizations, the talent that can move into the leadership roles," adds Mr. Kunkleman.

In addition to financial planning and analysis, some organizations have tax or treasury functions that have risen to the level of being critical workforce segments. The key to attract, develop and retain these segments is a targeted strategy based on the organization and the job experiences it has to offer. During the webcast, participants were asked "In which functional groups or position do you have the most difficulty finding the appropriate talent?" In the polling results, 21.6% of the 1,435 respondents said accounting positions, 19.7% answered financial planning and analysis, and 11.7% indicated controllership, while just 6.1% answered treasury.

Recognizing high-quality performance is also important. "Retention involves paying attention. One of the things that we see so often in performance programs is a lack of differentiation in acknowledging performance," says Mr. Kunkleman. "You want to pay special attention to folks who are offering differentiated, better performance and find ways to recognize and retain them."

This recognition does not necessarily need to be financial. One way to recognize strong performance is to offer a rotation into different business units, geographic locations or positions. Rotational opportunities are an especially important avenue for more globally focused finance organizations. They can offer an important career benefit for high-performing employees, allowing strong performers opportunities to expand technical skills and experience working in different geographies. Having such opportunities can be an important draw for younger, talented employees. Generational differences are critical to consider in talent programs.

For companies looking to develop or improve their finance talent strategies, or for new ways to retain the talent they have, a good starting point could involve answering the following questions:

- Who currently owns and leads the strategic talent planning, processes and experiences in your finance function, and why?
- Who makes up the critical workforce segments of your finance function?
- What specific measures do you use to attract, develop and retain these critical workforce segments?
- What knowledge, skills, abilities and experiences do you need now and in the future from a technical, behavioral and leadership perspective?
- How will you determine that these capabilities evolve as work environments change and evolve themselves
- Why would somebody join your company's finance department?

- How does the availability of global finance talent change the equation? What are the opportunities and threats for finance in traditional and new locations?

“Finally, don’t forget about succession planning,” says Mr. Rorem. It’s important to identify that next generation of finance leaders and plan the succession for key roles in the function through the use of programs outlined above. To do this well requires the involvement of the leadership team and putting in place programs that both develop new and existing talent.

Related Resources

- Deloitte Dbriefs webcast: [Finance Talent: Attracting and Retaining the Skills You Need Now](#)
- [CFO Insights: Do You Have the Finance Talent You Need Now?](#)

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