



## As CFOs' Roles Expand Finance Talent Concerns Rise to the Top

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Last year many companies and their CFOs were subjected to a roller coaster ride, ranging from optimism around the economic recovery, to worries stemming from the U.S. debt ratings downgrade, the eurozone's sovereign debt crisis and fears of a global economic malaise. Now, there are some signs of optimism, albeit with remaining uncertainty over economic prospects both in the United States and globally.

As the volatile business environment forces companies to adjust strategies, undertake major change initiatives and manage increasing risks, many CFOs have played bigger and more formal roles in each area. And they have recognized that these expanding demands require top talent, according to findings from Deloitte's quarterly CFO Signals™ surveys. This dynamic is playing out in 2012 as well.

"Despite high unemployment, skilled finance talent and leaders remain in short supply. Retaining finance talent, and finding ways to develop that talent to grow and take on new roles and responsibilities, was at the top of the CFO agenda in 2011 and is once again a front burner issue in 2012," observes Jeff Schwartz, a principal with Deloitte Consulting LLP's U.S. Human Capital practice and co-leader of the organization's Talent, Performance and Rewards practice.

### Talent Concerns Persisting into 2012

Looking at the results of Deloitte CFO Signals quarterly surveys from 2011 and the first quarter of 2012, Mr. Schwartz found that each quarter CFOs reported having a new set of top-of-mind issues to manage, mirroring the tumultuous economic events and market upheaval that have occurred. "But even as other concerns rose to prominence one quarter only to fade in the next, a focus on talent was a constant," he observes. "Pressures on finance leaders to motivate, attract and—where possible—develop finance talent at virtually every level have persisted as a constant theme for CFOs year to year."

For example, 27% of the CFOs responding to the first-quarter 2012 survey cited insufficient support staff to support their growing roles as a major job stress, up from 22% in the fourth quarter of 2011. Specifically, 75% of CFOs said their finance staff needed to elevate their analytical skills and 60% of respondents said they need to improve their staff's ability to make decisions and drive consensus and action. Nearly half noted their finance organization was falling short in macroeconomic knowledge and facilitation skills.

Many CFOs are now frequently responsible for a broadening range of functions, including investor relations, strategic planning, corporate development and mergers and acquisitions (M&A), information technology, risk management, compliance and internal audit. And while few CFOs indicate formal authority for customer service and support, marketing, sales or pricing, feedback from survey comments and CFO forums indicate the finance organization is being involved earlier and more frequently in decisions relating to these areas, too.

"As companies cope with volatile business environments, CFOs and their finance organizations are experiencing a rising demand for their knowledge and perspective," says Greg Dickinson, director, Deloitte LLP, who leads the Deloitte CFO Signals survey, which tracks the thinking and actions of CFOs representing many of North America's largest companies. "CFOs are finding a short supply of finance staff who are technically skilled and also strong communicators, facilitators and consensus builders."

## From Driving Growth to Managing Turmoil

CFOs began 2011 gearing up for the post-recession world and focusing on major growth drivers, such as new products and services, newly acquired entities and foreign markets in the first quarter, according to the survey's results. "But CFOs reported they were also increasingly concerned about attracting and retaining the talent necessary to execute on these growth strategies," Mr. Schwartz says.

In the 2011 first-quarter CFO Signals survey, 45% of surveyed CFOs said they were actively recruiting. However, identifying skilled finance talent remained elusive; one out of three surveyed CFOs said they were having trouble filling open positions, and nearly 60% were taking new steps to keep top performers. This challenge was not limited to finance. The January 2012 edition of a global talent survey conducted by Deloitte in collaboration with Forbes Insights found that recruiting employees with hard-to-find skills is a top-two most pressing talent concern for business executives and that many leading companies are pressing ahead and reshaping their talent strategies.

The availability of talent and its critical role in supporting and driving growth continued as a top concern in the second quarter of 2011, according to Deloitte's CFO Signals survey for that period, even as 56% of CFOs reported shifting their focus from growth to major change initiatives such as M&A and organization-wide strategies. "Despite continuing positive financial expectations, the survey showed that CFOs' optimism dropped, and approximately half of the rising pessimism was driven by internal concerns," says Mr. Schwartz.

The extraordinary volatility of the second half of 2011 led many companies, CFOs and business executives generally to battles—and change—on multiple fronts. At the same time, talent issues remained at the forefront of concerns expressed by the CFOs responding to Deloitte's CFO Signals surveys for the third and fourth quarters of 2011. These CFOs indicated taking on a larger role in the wake of considerable capital-markets and economic turmoil. "These pressures have created the need for broader and deeper assistance from CFOs and their finance organizations. According to the CFO respondents, these pressures often led to competing demands for limited finance experience," Mr. Schwartz explains.

"Although CFOs expressed greater optimism in the first-quarter 2012 Deloitte CFO Signals survey, the demands on them and their finance teams are getting tougher, and despite high unemployment, skilled finance talent and leaders remain in short supply," observes Mr. Schwartz. "And with these tough demands and shortages come trying times for finance leaders and talent."

### Related Resources

- [Talent Edge 2020: Redrafting Talent Strategies for the Uneven Recovery](#)
- [High-Level Report—CFO Signals™: What North America's Top Finance Executives Are Thinking—and Doing, 1st Quarter 2012](#)

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