

CULTIVATE FINANCE TALENT

Reliable, innovative, and continuous finance leadership.

It's a vital aspect of any organization's financial success and future growth. Is your organization practicing the kind of rigorous recruitment and development processes it takes to stay rich in internal talent resources?

It's important from both a human resources and a financial perspective to acquire high-potential employees and cultivate their talent. From the start, time and money are invested in the people you hire. Implementing strong hiring and development processes reduces high-cost turnover, creates a skilled talent pool, and promotes employee contribution and commitment to the company. These practices enable businesses to build leaders from the bottom up.

FROM BOTTOM TO TOP

That way you'll have a pool of dedicated, skilled financial leaders.

BY ERIC ARCHER, CPA, AND ROBERT MORGAN

THE FIRST INVESTMENT: RECRUITMENT

When it comes to finance roles, it can be invaluable to have a leader who has come up through the organization and understands the company inside and out. That's why recruiting people with the traits and skills to grow and succeed is your first major investment in leadership development. Here are some tips on how to do it right.

Always recruit. When it comes to recruiting high-potential employees and future leaders, timing counts. At any moment an exceptional candidate may cross your company's path. That's why there's never a wrong time to recruit. In fact, it's *always* time to recruit. Your HR professionals and finance recruiters must always be working to scout and deliver high-performing stars.

A continuous recruitment push doesn't mean continuous hiring, but if you are recruiting only when there's a need, your organization is missing out on establishing relationships with professionals who could make a tremendous business impact. In addition, when recruiters are constantly working to build a store of high-potential candidates, it's much more efficient and effective to hire from that existing pool of talent than to start from scratch.

Birds of a feather. Finance professionals flock together. Be sure that your organization is participating in and recruiting from the finance organizations and associations that best align with your company's strategy and talent needs. Career-minded individuals who aspire to management and leadership roles often participate in professional organizations. And because many organizations require accreditation and active membership, you get initial insight into the skills as well as business-related activities of the participating professionals.

Get their credits. Are there specific certifications such as CMA (Certified Management Accountant) and CCM (Certified Cash Manager) that your company can or should require? Examine whether matching recruiting standards to accreditations and certifications may increase the level of talent and leadership potential recruited into your business. Establishing skill- and knowledge-based hiring is anticipatory talent development.

Examine track records. High-potential finance employees will have a distinguished "made-saved-achieved" track record. They will have made and saved employers money and achieved notable accomplishments in each of their previous roles. In addition, gifted finance professionals will be adept at promoting organizational peace of mind, establishing controls and checks and balances within their environments to ensure that business assets are protected from over-

spending, lawsuits, and misappropriation.

In examining track records, also look for consistency of employment. Loyalty and commitment are important traits for leadership and management roles. If candidates have invested significant amounts of time growing and succeeding within other organizations, they are likely to do the same in yours.

Different is good. Don't always look to recruit the exact same professionals with the same experience, background, education, and focus. While it's good to have standards, don't make them so stringent as to weed out experienced talent that can bring new vision and experience to your organization. Diversity and new ideas drive innovation, which is something a business needs at all levels of the organization.

Assess without emotion. Interviewing is a crucial part of the recruiting process, but it does have an emotional, subjective element. To add objectivity to the process, incor-



porate skills and leadership assessments. Whether using the Birkman assessment or a software skills test, the information will allow recruiters and hiring managers to take a step back from personal impressions and evaluate data.

A strong combination of subjective and objective evaluations will create a more balanced recruitment approach. A similar way to increase objective standards is to build a recruitment scorecard and rank candidates based on a variety of benchmarks, such as skills, background, experience, or career goals. Candidates may be further assessed or eliminated from the recruitment process based on a numeric score.

Tap outplacement resources. In today's business environment, it's also good to remember that outplacement firms may provide you access to talented, highly qualified professionals. When times are tough, layoffs can be broad and often aren't performance based. Don't negate skilled, experienced candidates because they have been laid off. In fact, resilience and the ability to endure adversity and difficult work situations are important traits in a good manager.

THE SECOND INVESTMENT: DEVELOPMENT

Just as timing is important in effective recruiting, it's also critical in the development of finance leaders in an organization. When should it begin? For most businesses, the start of development processes hinge on job title. When employees reach a reasonably high level in the organization, often after they are in management roles, their development and leadership training begins. Unfortunately, how they have risen in the organization or how qualified they are to manage hasn't been established.

- ◆ Has this person been prepared for leadership roles?
- ◆ Is he interested in managing other people?
- ◆ Does she have a true understanding of a manager's role?

If these questions aren't addressed before an employee is promoted, businesses can spend huge amounts of development dollars on ineffectual leaders who don't have the skills, desire, or understanding of what it takes to

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manage. They can "lead" finance teams and the greater organization in all the worst ways: high turnover, low morale, ineffective operations, and communication problems. A bottom-up assessment and selection approach would have disqualified these "leaders" at a much earlier stage in their careers.

Push your employees to lead. What if your employees were required to drive the management qualification process rather than relying on the company to pull them through it? Rather than first-line leadership development that begins leadership training only after individuals have been selected for management, consider push-based leadership development and qualification.

In a push strategy, employees navigate themselves along their early-development path, using self-paced educational and assessment tools such as online training and skills development courses. They assume responsibility for successfully guiding themselves up the initial rungs of the organizational ladder and through the early stages of management qualification and selection. This can help gauge employees' interest in becoming managers while develop-

ing their managerial potential. Pull-based talent assessment strategies, on the other hand, cultivate internal leadership by defining requirements and assessing potential candidates for the skills, vision, and experience it takes to run the company. Leaders are identified, targeted for future development, and then guided through the organization.

This from-the-start, bottom-up approach helps companies define their criteria for transitioning employees into management, improves overall development efforts, and expands the internal pool of leadership talent. At the same time, it puts the onus for seeking out and qualifying for advancement opportunities on individual contributors who must choose to participate in the process. Employees who have the drive to commit to a professional development regimen demonstrate their commitment both to growing within the organization and to becoming a manager. By starting with push-based development processes, a business can begin cultivating motivated, high-potential performers from the start.

WHAT'S THE RETURN?

So after investing time and more resources in fine-tuning recruitment and establishing push-based development processes, what's the return? A more aligned, knowledgeable, committed, and motivated workforce. With recruitment that focuses on carefully matching talent to the organization and early-development processes that encourage employees to initiate their own leadership identification and training, a business is able to cultivate talent at every level and constantly expand its greatest leadership resource—the internal workforce. ■

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