



Talent

Improving government performance
through effective talent management



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Introduction

Most local government organisations believe their talent management strategies are well defined and that they have a solid understanding of their current skills shortages and future needs.

However, almost half are struggling to compete for talent with their private sector rivals. A similar picture exists within national government.

The 2014 CGMA® report, Managing local government performance - Transparency, technology, talent and transformation¹, outlined a new role for finance professionals: helping government leaders address key performance management challenges.

A critical focus

The importance of effective performance management is widely recognised. Our initial report found that performance review and improvement processes were in place in 79% of local government organisations. 86% of government leaders agreed it is a critical focus and the forward momentum appears to be considerable.

Looking ahead 18 months, finance professionals forecasted a significant increase in the establishment of defined processes to regularly review and improve performance. They also anticipated increased use of external benchmarking, rolling plans and forecasts, as well as outcome-based planning and budgeting.

Yet, despite the need for financial skills within the performance management process, we found that finance plays a limited strategic role. This is a crucial missed opportunity for leaders to build capability and talent within their finance function.

Most local government organisations believe that they have a well-defined talent management strategy, together with a solid understanding of their current skills shortages and future skills needs. However, almost half are struggling to compete with their private sector rivals to attract and retain talent.

The Four T's

The research we described in our 2014 report explored current and future local government practice across 48 countries. The findings showed that governments must simultaneously address four key areas and meet the ongoing challenge of 'doing more with less' if they are to fulfil the demands of politicians, citizens, businesses and other constituents within increasingly diverse urban communities.

These four key areas, known as 'The Four T's', are to:

1. respond to increasing public demand for government **transparency**
2. enable the necessary **technology** to support this objective
3. contend with the difficulty of recruiting, developing and retaining **talent** in an increasingly competitive market.
4. actively pursue the **transformation** of public services

A subsequent series of briefings has allowed us to explore these research themes in greater detail, and this guide focuses more closely on one of these areas: talent.

With countries, states, provinces and other localities experiencing difficulty in finding suitable candidates for highly-skilled and specialised finance positions, this third topic in the series seeks to answer the question: "How can government organisations identify their evolving talent needs and obtain and maintain the people resources that are crucial to addressing their ongoing challenges?"

In doing so, it outlines the causes and symptoms of poor talent management and helps government organisations identify the key elements of sustainable talent strategies.

Volume 1: Managing local government performance

Volume 2: Transparency

Volume 3: Technology

Part 1: digitalisation and open data

Part 2: strategy, communication and cybersecurity

Volume 4: Talent

Volume 5: Transformation

Talent management

Forward-thinking government leaders recognise that highly-skilled people are in great demand. In order to face the challenges ahead, they know their organisations must transform their approach to attracting, retaining and sustaining talent.

It's no secret that governments have been lagging behind in the race for the best finance talent. But with financial pressures rising in the sector, the need for highly-skilled, adaptable accountants has never been greater.

Technological developments have raised expectations for finance professionals and those they work alongside. Core accounting skills alone are no longer enough, and the rise of automation is rapidly making 'silo finance' obsolete.

Adaptability, resilience and a broad skills base

Critically, management accounting skills are increasingly in demand. The finance professional of tomorrow, in any sector, must demonstrate value-adding expertise in areas such as advanced data analysis, business partnering, strategic performance management, leadership and influence.

Adaptability, resilience and a broad skills base are vital factors in our increasingly volatile times. Organisations of all sorts need to be constantly alert and ready to address new risks and opportunities. Uncertainty means that businesses need to build their adaptability and resilience. Likewise, in the public sector there is pressure to do more for less, while simultaneously addressing growing demand for greater transparency and accountability.

Effective talent management will be a critical success factor in all these areas. With half of all CIMA members looking to change roles within the next two years, employers must pay close attention to their talent-management strategies or risk losing key staff.²

Our previous research in this area has shown that, while most companies understand the importance of human capital, they often do not appear to have the right systems, processes and information in place to manage talent effectively. Furthermore, inadequacies in talent management are impeding organisational competitiveness and financial performance.³

i. Symptoms of poor talent management

Research carried out by CIMA in 2016 identified exemplars of best practice in talent management among large commercial and public sector entities.⁴ When asked to identify the symptoms and impact of poor talent management, participating organisations identified four main areas (Figure 1): a lack of suitable applicants for more senior director and deputy director roles; roles that were limited in scope, leading to a silo mentality; issues with high (and low) staff turnover; and poor succession planning, resulting in employment gaps, higher pressure on staff and increased payroll costs.

Figure 1: The symptoms and impact of poor talent management



These symptoms can be traced to a number of common causes:

1. The wrong mindset

Individuals are not transferring between roles by either taking on more senior positions, or broadening their experience by moving across to same-level roles. We found that this is invariably caused by mindset, either of the manager, or the individuals concerned.

The manager's mindset issues may include:

- ▶ a stability bias – that is wanting to get a settled team and to keep it that way
- ▶ looking to recruit people who will stay in the job for the long term
- ▶ hoarding 'stars' – those people whom they see as 'indispensable'

Individuals, meanwhile, may:

- ▶ become overly comfortable and stay too long in the same role
- ▶ move on too quickly and fail to gain from the potential experience the role offers.

2. Lack of 'career conversations'

Without the appropriate conversations between individuals and their managers, it can be almost impossible to get development and career progression right. Many senior finance managers fail to have these discussions with staff (or have them too infrequently), often because they're afraid the individual might move on. Without regular dialogue, there is a risk that managers will assume that individuals who do not raise the prospect of progression are not considering it or interested in looking at new opportunities. Failure to address this can lead to demotivation.

3. Insufficient roles available

The scale and structure of the organisation might mean there are too few roles opening up to allow people to progress. Individuals often reach a stage where promotion is not appropriate, but a lateral move to gain wider experience would be highly beneficial, both to them and to the organisation.

This may be appropriate when, for example, an individual has been unsuccessful in applying for a promotion.

4. Absence of goals

We found that a high proportion of individuals have few or no development or career progression goals. Where they do exist, they may only be nominal. Issues include:

- ▶ goals not being sufficiently specific, realistic or actionable
- ▶ individuals not setting out (or failing to understand) the actions required to reach goals
- ▶ individuals not putting those actions into practice systematically.

5. Over promotion

Sometimes people are given a promotion just to stop them from leaving the team or organisation. All too often, the role offered tends to be whatever is currently available while being sufficiently attractive to the individual.

This can lead to big problems. The role is likely not to be matched to that individual's strengths (examples being when a technical specialist moves into a leadership role, or when the level of stretch is too great). Such problems can be compounded by not providing the individual with enough support, either in preparing for the move or in addressing any capability gaps. Similar problems with over promotion can occur when managers believe that 'no-one else can be found' to fill the role, either internally or externally.

Failing to address these causes can lead to a cycle of talent mismanagement (Figure 2). Negative impacts include poor staff morale and lack of motivation, succession risks and the inability to generate fresh ideas and insights to overcome challenges. And, all the while, the pressure on senior leaders increases as the organisation underperforms.

Figure 2: The cycle of talent mismanagement



The negative impact on your business?

- ▶ Poor morale and motivation
- ▶ A lack of fresh insights to solve complex challenges
- ▶ Big succession risks
- ▶ Pressure on senior leaders as the organisation underperforms

Analysis of our research findings identified areas of good practice for managing existing talent resources, and we will explore these later in this report, on page 16.

Firstly, however, we consider the challenges of recruitment.

ii. Finding talent

Our original research found that 46% of local government organisations were struggling to compete for talent with their private sector rivals. Half stated at the time that finding high-quality employees had become increasingly difficult.

Budgetary constraints over the past decade have led to hiring freezes and leaner workforces across the government ecosystem. As our original research found, governments must develop a stronger understanding of the organisational skills they require to succeed, both today and for the future. They must identify skills gaps and make plans to close them. Active recruitment strategies and staff-development programmes will play a key role.

A 2017 Organisation for Economic Co-operation and Development (OECD) report highlighted the need for civil service organisations and public administrations to assess and attract the right skill sets.⁵ While most OECD civil services are viewed in

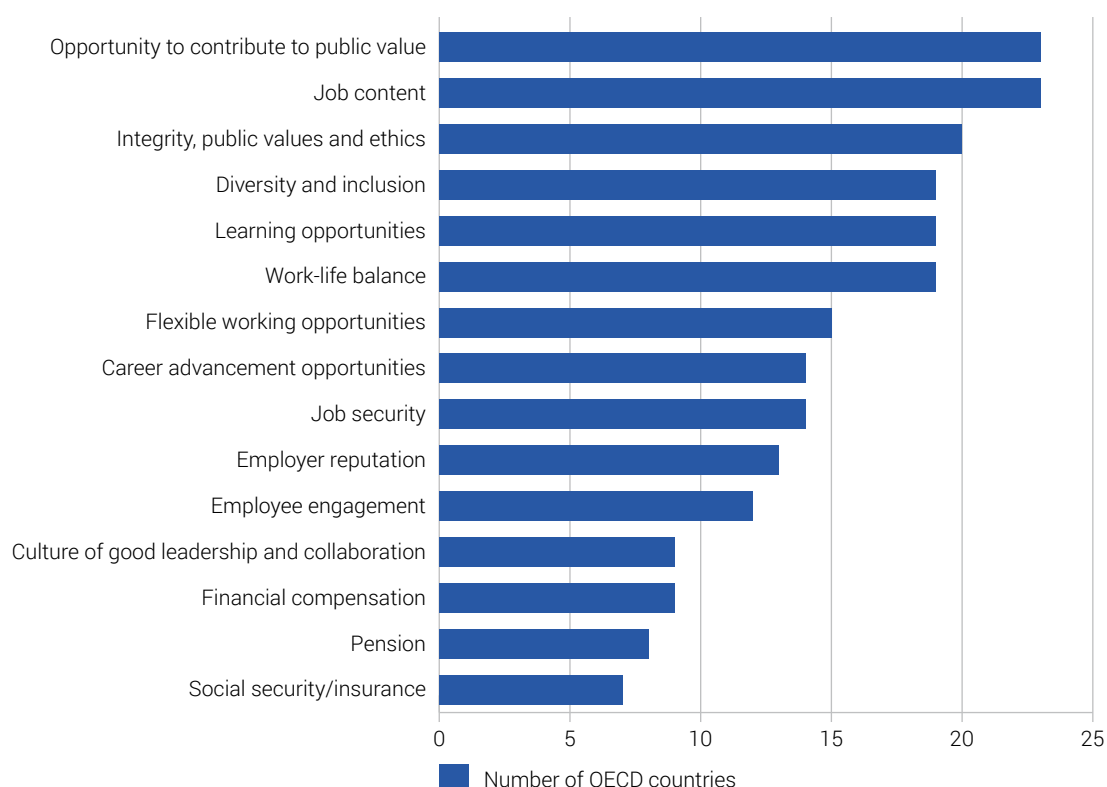
their countries as attractive employers, they also recognise that certain skill sets they require are also in demand within the private sector. Over half of the countries surveyed reported using employer branding strategies to compete for talent.

"Understanding what attracts people to careers... can help to brand the civil service as an employer of choice."⁶

A 2016 survey of strategic HR management in OECD countries found that most OECD governments seek to appeal to prospective applicants by highlighting meaningful and interesting roles that contribute to the public good. Other frequently emphasised areas are integrity and ethics, diversity and inclusion, learning opportunities and work-life balance.

Interestingly, more traditional public sector employment advantages, such as job security, benefits and pensions, are seen as less important to the value proposition (Figure 3).

Figure 3: Elements highlighted in civil service recruitment material⁷



This suggests that the public sector is rebranding itself in many OECD countries, focusing on the interest of the job itself in order to compete more effectively for talent. Public sector finance professionals handle budgets that many private sector CEOs can only dream of. Department heads in local and national government run their own business units. And in many public sector organisations, finance teams are close enough to the action to see the immediate impact of their work. For the right people, this is a key motivator for a rewarding career.

The strategic approach to recruitment

Government organisations and agencies that implement personalised online hiring procedures recognise the benefits of these practices and encourage those who have yet to venture into that domain. As indicated by the flagship report and subsequent reports in this series, the expectation of transparency from government organisations is paramount. There is no difference when it comes to the acquisition of talent acquisition. Governments can use a variety of web and social media channels to create awareness of their mission, culture and services among potential hires.

Most government organisations have a public website. Using it only to present political and policy-oriented material is a disservice to all. Painting a clear picture of the organisation, its impact and its people, is motivational and can go a long way to attracting new talent.

Tips for attracting talent

Finding talent need not be an expensive and time-consuming process. There are many ways to find much-needed talent: simply apply your understanding of what interests and motivates them.

1. Promote your government's mission in a socially conscious manner. Today's younger candidates have a high level of social consciousness – they are not looking just to make a living, but also to improve the world.
2. Take some time to write compelling job posts. Work pressures can mean it's often easier to use the job description that's been in place for the last 20 years. Take 30 minutes and update it – it will make a big difference.
3. Simplify, simplify, simplify. Government organisations have their own language with what can seem like a million acronyms. Recognise this and use straightforward language instead – not only in the job description, but during the interview as well.
4. Do your homework and find out which job search engines and methods are trending, and use them. Paying a little extra attention to the details can take the pain out of finding talent in the current market.

For many organisations, talent plans begin with identifying the skills and expertise needed to fill an available position, and then matching these with viable candidates. Yet this is only the beginning of the talent-management process, which should be extended all the way through to assessment, retention and succession planning. While recruitment priorities should reflect the specific skills required at a particular point in time, the best strategies take this further to align these skills with the fulfilment of strategic goals.

Ideally, you should regard talent management as a cycle rather than a project with a finite ending. The best talent strategies are wide-ranging, covering organisational goals, upcoming retirements, gap analysis, current trends in the workforce, management time spent on finding the right talent, and what you should do once you've found the right fit for the position and your organisation. In addition, consider also what has not worked in the past and ensure you do not repeat those same mistakes.

Considerations during the development of a strategic talent plan include:

- ▶ Overall mission and strategy
- ▶ Recruitment channels
- ▶ Evaluation of candidates (process for interviews, decision tools etc)
- ▶ Integration into the organisation
- ▶ Retention and development of role/career

Evaluating candidates

Deciding upon the right candidate requires more than 'gut feeling', or intuition, although this is often useful. A clear, logical assessment is also extremely valuable.

Management of performance begins with the initial conversation prior to hiring. Make sure that you are asking the right questions to yield not only a full checklist of skills, but also to gain insight into the candidate's work ethic, personality, motivational triggers and career goals.

See Appendix A for a Talent Acquisition Decision Matrix tool. This serves to document and remove bias (conscious or unconscious), ensuring a logical choice and improving clarity in the recruitment decision-making process.

Getting started: four elements of talent acquisition for the government of the future⁸

EY recommend a four-step talent action plan for the government. This enables government organisations to take a digital, social and analytics-focused approach, empowering them to compete effectively for the right candidates.

1. Use social platforms to build your brand and consistently communicate your value proposition.
2. Use data analytics to stay ahead of talent needs.
3. Elevate and expand talent acquisition skills in government.
4. Test, measure, refine, repeat.

iii. Retaining talent

Finding the right people for the right roles can be time-consuming – but it is only the starting point of the talent-management process. Introducing, retaining and motivating employees bring new challenges to an already complex environment.

CIMA research into talent management identified the following themes for leaders and managers seeking to aid and promote the retention of talent⁹:

Lead from the top	Opportunities to develop and progress should be for all employees, not just a few high flyers. To gain trust and build confidence, finance leadership has to set the right tone at the top around people development. To reinforce this, communication from all managers on talent management and career progression must be consistent. Managers who are not contributing to this effectively need to be challenged.
Empower each part of the business to take ownership	Senior leadership must set out the organisation-wide ambition and culture for talent management as part of an overall framework of people development. Within this, individual parts (business units, support functions etc) must be empowered to take ownership of implementing the actions that work for them.
Promote from within	There is strong support for the 'home grown' approach to talent development. The advantages of filling more senior roles with internally promoted people who have a deep knowledge of the business, its environment and ways of working are consistently recognised. This requires long-term commitment.
Motivate people to take personal responsibility	People only reach their full potential if motivated to do so. They need to take personal responsibility for their development and careers. Processes, systems and resources do not, alone, give individuals the curiosity and energy they need to learn and stretch themselves. Organisations have to make clear what is expected of employees, help them set and communicate their development goals, and provide them with support (such as mentors) from outside line-management hierarchies.
Give people a route map to inspire and navigate	Employees need to understand that careers are now much less prescribed than formerly. They often involve a wide variety of roles that call for a broader set of skills and capabilities. Career progression is not just about moving up narrow hierarchical structures – instead, it can involve lateral moves to different teams, or parts of the business. Creating an overview of the 'role landscape' and mapping out examples of different possible routes can broaden and inspire people's thinking. Crucially, this will involve simplifying the links between potential roles by rationalising the number of finance job titles and providing a set of consistent core job descriptions.
Drive active line management	Investing in managers to help them develop the necessary attitudes and skills, will help you build a consistent approach to talent management and career progression. Above all, managers need to be encouraged to have regular conversations with staff and to be open to people moving around the organisation.

Talent pools

The CIMA research also pointed to the importance of creating and managing 'talent pools'. These are groups, or cohorts of employees, brought together for purposes including development, performance appraisal and advancement/promotion.

Where talent pools are widespread and inclusive (so that most, or all employees are in an actively managed pool), they enable the oversight of people's development needs and progression potential. They can also play a crucial role in balancing the supply and demand of suitable people to fill different types of role across the organisation.

Key issues to consider include:

1. Defining and scaling talent pools

Definitions of different types of talent pools used in the research included team leader, fast streamer, senior civil servant, consultant and graduate pools. They also included cross-departmental pools which bring employees together by grade.

Where using talent pools to create opportunities for movement (such as by using rotation schemes), you must ensure that the pool has sufficient scale, with enough members to be able to back-fill when colleagues move to a different position. This helps organisations build resilience and aids succession planning.

Pools of a reasonable scale, with employees drawn from different teams or even different business units, encourage diversity. The individuals involved can then carry knowledge and contacts between various parts of the organisation. Participants report better cross-boundary collaboration as a result.

2. Accelerating learning

One of the main functions of a successful talent pool is to connect employees with development, enabling them to acquire the skills and competencies they will need for future roles. The first step is to describe the competencies required at different levels. You can do this either in general terms or by laying them out specifically role-by-role.

As an example of a general competency description, the CGMA Competency Framework provides an overview of typical requirements for management accountants¹⁰. This covers technical, business, leadership and people skills, underpinned by ethics, integrity and professionalism.

Once talent pools are established, you can tailor training and development pathways for the individuals involved.

In our research, a number of the participating organisations mentioned the value of having development centres to bring people together for face-to-face contact. Reported benefits included the experience that employees get, the learning they take back to their business units and the establishment of new contacts across the organisation.

3. Getting the right management

Participants in the research described a range of different models for overseeing the talent pools. These typically involve some form of committee or management group meeting once a quarter, or every six months:

- ▶ to compare employee performance assessments
- ▶ to identify people with high potential
- ▶ to agree actions to progress those individuals who are ready for promotion
- ▶ to help individuals to move to gain a broader experience
- ▶ to support those who are struggling with performance issues.

In addition, there is an important informal role for HR and learning and development (L&D) leads in the finance function to stay in touch with the managers overseeing talent pools. Reasons for this are:

- ▶ to ensure they keep their responsibility for the pool at the forefront of their mind

- ▶ to prompt for feedback on high fliers
- ▶ to be involved in important discussions (for example, around potential people leaders)
- ▶ to identify actions required to support those individuals.

Most participants used some form of talent grid to map and assess individual performance. Feedback suggested that it is good practice when carrying out these assessments to:

- ▶ provide written evidence for all ratings awarded to remove subjectivity from all assessments
- ▶ gather feedback from peers, managers and (especially) juniors, who can comment on leadership skills
- ▶ completely separate backward-looking performance reviews from forward-looking talent reviews.

4. Flexibility and movement

Flexibility is crucial for good performance: as the organisation changes, the need for specific skills and capabilities changes with it. Talent pools should change in parallel to reflect these shifts.

As organisations seek efficiencies and hierarchies become flatter, you might find it difficult to match people's aspirations for advancement with the reality of a shrinking number of roles. As opportunities to move up the hierarchy reduce, managers must identify alternative incentives.

One solution is to offer lateral changes in role. Using talent pools provides ambitious people with the ability to move into another pool where their chances of progression might be better. Again, HR and L&D colleagues have a role to play in facilitating cross-functional conversations around managed moves. You should also encourage individuals to be proactive in asking to be considered for managed moves and to play an active role in their own career planning.

iv. Sustaining talent

The pace of change around us means that the technical skills we gained while qualifying as professionals may have a far shorter lifespan than we and our employers anticipated. How can we best address the impact of this 'knowledge decay'?

In the past, the skills we learned during professional training would serve us for many years. Today, however, the 'half-life' of a professional finance education could be as brief as two years. The role of continuing professional development (CPD) or continuing professional education (CPE) as an ongoing career process will therefore become increasingly important in ensuring that our skills remain relevant.

Ongoing CGMA research into the future of finance has found that technical ability is only one part of a much bigger picture. The right mindset, defined as 'the ability to challenge and make an impact', makes all the difference.

"While technical competencies are still very important for the finance professional, it is mindset that makes the greatest difference in the working environment."¹¹

Government organisations around the world use a variety of tools to grow their talent. These include online learning, job rotation, mentoring, reverse mentoring, stretch assignments, project-based experience, cross-functional working and initiatives designed to close skill gaps. Whatever methods are used, the focus must be long term – growing and sustaining the competencies and mindset of today's talent, and projecting this into the future.

Enabling movement

Enabling people to move around the organisation is a fundamental part of maximising opportunities for promotion and giving employees the breadth of skills and experience they need for their fast-evolving roles.

The opportunity to move also rewards and motivates employees with new roles and builds resilience, enhancing their ability to cover, or fill, new roles quickly. To achieve the optimum levels of movement, the workforce needs to see this as the norm (if not for all, then for most). You can build this expectation of movement through a mix of formal rotation policies and informal support. Information on the options for movement also needs to be visible and easy to access.

Leaders should provide opportunities to move within the business. Different types of movement may include secondments, maternity covers, role swaps, participation in projects and transfers into other parts of the business (such as from finance into marketing, analytics, or operations). You can create movement by building it into contracts or encouraging it through other incentives.

In the private sector, moves to other organisations can be used to broaden experience. Businesses with a wide network of close suppliers and partners can enable their employees to move. The good news is that the rise in public-private partnerships and the outsourcing of public services is likely to increase similar opportunities for public sector employees.

Effective talent management has to recognise that enabling people to move roles, or even leave the organisation, is part of an open and honest conversation around performance and potential. It is also good (and often beneficial) practice to help people find alternative roles and to keep the relationship positive. We increasingly see organisations keep in touch with people who have left, resulting in a steady stream of returners who have gained wider experience elsewhere.

Understanding and managing the perceived risks of movement can encourage managers to allow people to move on, giving them the opportunity to absorb new talent into their teams. This involves helping people get ready to make a move (so preparing them in advance for their new role) and ensuring that there is a no-blame culture if a move does not work as well as anticipated.

Provide the necessary central tools and resources

While it is important that each part of the business takes ownership of its own talent management, creating some central tools and resources for people to access from across the organisation is also an effective and efficient approach.

In deciding what to provide, it is best to focus on what is absolutely essential so as not to overwhelm managers and employees with too much detail. It is also good practice not to put everything 'on a plate' – instead, design the resources to get people doing some of the thinking for themselves.

It is also important to provide quick and convenient access to tools and resources to support talent management and career progression. Ideally, these should be provided in a central intranet portal which could be developed specifically for the finance function, or integrated into a more general HR and learning platform for the organisation as a whole.

You can use the portal for a wide range of purposes: to raise awareness of the organisation's ambitions for talent management; to set out the role landscape and routes for development; to describe competencies and skills; to supply templates for development conversations and career planning; and to help deliver and track training.

You will find that maintaining a high profile for this area is essential if it's not to be sidelined by day-to-day pressures. Regular prompts can help maintain employees' interest and energy, particularly for those who are less driven in thinking about their careers.

Senior leaders have a vital role to play in getting the message across, and you can use investments in promotional materials to support this. These should quickly and persuasively summarise what the organisation is trying to achieve around talent management, as well as highlighting and pointing to available opportunities and resources. You can also underline the message by providing links on internal websites and employee newsletters and taking every opportunity to reference resources in talks and presentations.

Continuing professional development and education

We have seen above that the role of learning as an ongoing career process will become even more important in the years ahead. It is vital to recognise that responsibility for this should not be left to the employer – the onus is upon employees to ensure that their professional skills remain relevant to the workplace and attractive to prospective new employers, both inside and outside their organisation. See Appendix B for an overview of the value of professional qualifications.

Duncan Brodie FCMA, CGMA, Managing Director of Goals and Achievements – a consultancy specialising in leadership, management and team development – has the following advice for finance professionals:

“Computers and equipment need maintenance and updating to perform optimally. Finance professionals are no different.

“Performing to your potential requires a focus on your continuing professional development (CPD) or continuing professional education (CPE). The good news is that today’s digital technologies mean that opportunities to undertake CPD/CPE have never been greater.

“While you may focus on different aspects at different points in your career, you really never stop learning. From my experience as a finance professional who works with finance professionals, I see three main phases: early years, acceleration years, and twilight years. So what might be the focus of your CPD/CPE at each of these phases?

Early years

This covers your first three, or four years in the accountancy field, when gaining a professional qualification might well be your primary focus.

Much of your development will be achieved on the job as you gain experience, supplementing this process by attending local events run by professional bodies and participating in webinars.

This is definitely a stage in your career where building your technical skills is going to be a priority. Building your IT skills is another area that’s really worth working on, not least as the level of automation is increasing all the time.

Of course, finance no longer works in the back office alone, so learning how to build good relationships and work with others across the organisation should be part of your early years of development.

Acceleration years

Your professional qualification really is the springboard to moving forward in your accountancy career, and this is the period when your career takes the greatest leaps forward.

You may well find that you quickly move into managing a small team, so doing some development around your management skills is going to be important. This can include areas like:

- ▶ Recruiting and selecting staff
- ▶ Setting objectives and appraising performance
- ▶ Delegation
- ▶ Motivation
- ▶ Dealing with poor performance
- ▶ Creative thinking and problem-solving
- ▶ Decision-making
- ▶ Time management.

You may also find you have a bigger role to play in presenting and communicating financial information, so this is another area where some development is beneficial.

As you progress – you may find you move into a leadership role, in which you might focus on areas including:

- ▶ Strategy
- ▶ Service improvement

- ▶ Transformation and turnaround
- ▶ Commercial skills
- ▶ Being an effective director
- ▶ Negotiating skills
- ▶ Coaching
- ▶ Emotional intelligence.

You may even consider having your own professional coach to act as a sounding board.

On the technical side, you might focus on areas including:

- ▶ Business cases
- ▶ Strategy development
- ▶ Business planning
- ▶ Risk management and corporate governance
- ▶ Project management
- ▶ Change management.

Twilight years

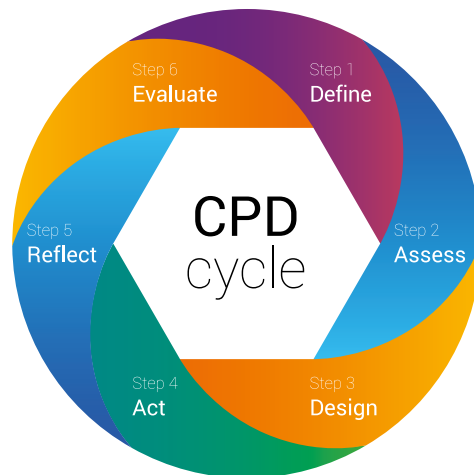
By the time you get to the twilight years, what you want from work and your career may be changing.

Of course you still want to be making a contribution. In this phase of your career, some of your development may be focused on sharing your experience for the benefit of others.

You might, for example, wish to learn how to coach or mentor, to train others and to take a bigger and more active role in your professional association. Perhaps you will take on a role as a trustee, or non-executive director.

Careers don't always follow a set path – many people come to accountancy later in their careers and choose to focus on different areas. The most important thing is that you take the time to think, reflect and consider ways in which you can develop personally and professionally.”

Figure 4: The CGMA CPD Cycle



1. **Define** current and desired roles recognising expectations of employers and others.
2. **Assess** development needs using the CGMA Competency Framework to establish knowledge or skills gap.
- 3/4. **Design** and **Act** – choose and undertake development activities that meet your development needs.
5. **Reflect** upon and document the outcome of each development activity.
6. **Evaluate** progress against the objectives set at the beginning of the year. Any outstanding development can be carried over into the next cycle.

The CGMA CPD Cycle (Figure 4) is a framework that helps you define what you need to do, assess your current abilities, identify gaps in your skills and knowledge, design a plan to fill those gaps, take action by working your way through the training, then reflect on what you've achieved and evaluate what you still need to do. You will find a wide range of learning resources via the CGMA Competency and Learning website. competency.aicpa.org/

v. Talent management building blocks: actions for leaders

Leaders play a crucial role in making a success of any increased, or redesigned investment in talent management and career progression. From our research into talent management, we have identified four 'building blocks' for success and the actions necessary to support each block.¹²

Building block 1: Foster the right mindset

1. Agree and communicate a vision for talent management and career progression.
2. Help people easily understand the landscape of potential roles by developing a rationalised set of finance roles, titles and job descriptions by grade.
3. Provide career route examples that extend across the different parts of the organisation and its wider system.
4. Provide a cohesive and simple link between the range of possible roles and the competencies, qualifications and behaviours required, then identify the training and development opportunities available to reach these.
5. Motivate and challenge finance directors and other senior leaders to drive talent management and career progression within and across their organisations, or business units.

Building block 2: Create flexible talent pools

1. Identify a range of models for creating and actively managing talent pools, ensuring they have the necessary scale and resources. These could be a mix of geographic and/or cohort-based models – examples include new graduates, business partners and future leaders.
2. Pilot one or more talent-pool models to test and demonstrate their effectiveness.
3. Empower teams or business units to develop 'bottom-up' talent pools.

Building block 3: Enable and encourage people to move

1. Set out the expectations for the movement of people around the organisation and its wider systems.
2. Support creative ways to maximise movement, such as lateral moves, or project secondments.
3. Develop KPIs to track and assess the volume of movement.

Building block 4: Provide the necessary central tools and resources

1. Develop and source a set of central tools and resources to support talent management and career progression. A wide range of CPD resources are available on the CGMA Competency and Learning website. competency.aicpa.org/
2. Design and champion a portal to promote talent management and career progression and provide easy access to helpful tools and resources



Building a sustainable talent strategy

Investment in people brings reward: increased motivation, better performance, and greater organisational resilience. To achieve this, a long-term perspective on talent management is essential. The most successful and inspiring approaches to talent management are featured highly in the strategic objectives of the organisation and its leaders.

According to Shaara Roman of The Silverene Group, governments have the edge on one talent strategy that has proven to work by the nature of the work they do. Public sector organisations are all about purpose and have compelling missions. However, that line of sight may be more challenging for those who aren't directly interacting with the public and advancing the mission of the organisation. Giving employees, such as those in finance and accounting, an opportunity to connect with the mission and purpose of the organisation on a regular basis is key to attracting and retaining talent.

As an example, a federal agency has a rotation programme where employees can spend a day a month working directly with the public by filling a shift in the call centre. Another organisation offers 'fireside chats' where members of the finance team hear about what public-facing groups are working on and get to make connections about how their accounting, finance and IT work at the organisation supports the public. It's also as simple as having a conversation with your employee about what they enjoy doing, what motivates and energises them, and then helping to make the connection of their goals and objectives to the overall agency's mission and goals.

At the end of the day, it's about knowing that your work matters and that you are making a difference in the world.¹³

Strategies that work....

"After three years in my present role, I participated in a job rotation for 12 months that involved rotating into two other roles for six months each in our Pricing department.

"The learning curve for each role required the trust of everyone in the group (including those involved in the rotation, our director and the employees who reported to the different roles). This trust required that others take on more responsibilities to ensure that the goals and the tasks of the department were consistently met.

"The greatest outcome of this exercise was the team building that developed. Those involved directly in the rotation had to work with the incumbent to balance learning the job with completing the tasks that needed to be done to fulfil its responsibilities. Ultimately, the job rotation allowed for a way to give staff an opportunity to take on new roles, while challenging and creating a training opportunity for our talent."

**Jeff Parkison, CPA, CGMA, Supervisor-
Forecasting, City Utilities of Springfield, MO (USA)**

NHS Wales Finance Academy

Following the 1997 Welsh devolution referendum, Wales is an interesting case of a national government with a devolved agenda. As Wales remains part of the United Kingdom, responsibility for UK-wide issues such as tax, defence, foreign policy and benefits is retained by the British government. However, the devolved Welsh government, headed by the First Minister of Wales, is responsible for areas including health, education, Welsh language and culture, and public services.

The Welsh government is held to account by the National Assembly for Wales, a democratically elected body that represents the interests of Wales and its 3.1 million people. The National Assembly also has law-making powers for Wales.

The NHS Wales Finance Academy was set up in 2015 as a collaboration of all finance directors in NHS Wales and their teams to further develop the finance function within the NHS. Working in partnership with organisations such as the Welsh government and CIMA, the Academy aims to create a finance function that is: 'Best suited to Wales but comparable with the best anywhere'.

"The demographic and austerity environment in NHS Wales, as in other UK nations, brings with it great pressures, and as a profession we face big challenges. This is compounded by the fact that due to considerable operational pressures, finance staff at all levels find it increasingly difficult to create the capacity and head room for thinking or longer term planning. The NHS Wales Finance Academy was set up to support and develop finance staff to face and overcome the challenges."

Alan Brace, Chair, NHS Wales Finance Academy

"We have significant opportunities to do great things in NHS Wales Finance. We are a small nation supported through integrated bodies covering the breadth of NHS functions all under one roof. Our cultural legacy means we like working in a collaborative way. The NHS Wales Finance Academy was born from that cultural legacy and the desire to improve and add value to the NHS we serve."

Rebecca Richards CPFA, Director, NHS Wales Finance Academy

The Finance Academy vision of 'Finance Adding Value' was developed through engagement with staff and has four main themes: people, innovation, partnership and excellence.

People

Effective finance teams are made up of skilled and motivated people who continue to build their own development and learning throughout their careers, no matter their individual aspirations. The Finance Academy programme will give people the resources they need to do this, ensuring they are supported by their own organisations and the wider NHS Wales community to grow and maximise their potential.

Innovation

The value that finance adds to the NHS is widely recognised by clinical and services staff, as its skill set makes it an ideal partner to drive forward service change, evaluate risk and support evidence-based decisions. Through the Finance Academy programme, finance staff will develop more specialist skills and knowledge that enable them to identify, develop, embed and share innovative ideas and solutions.

Partnership

The Finance Academy works with many partners, both within the NHS and across external organisations in the public and private sectors. It also regularly engages with employees to ensure its overall programme meets their own and their organisations' needs.

Excellence

The Finance Academy works with partners from other NHS services to support service improvement and the innovative use of technological solutions that ensure processes are efficient and meet the needs of NHS staff. This programme will help to free up the time finance teams currently spend on transactional and manual analysis processes in accounting and financial performance management. This will enable them to devote more resources to activities that add value, such as business partnering and innovation. The programme will also address improvements in financial governance.

The Talent Pipeline

Embedded within the 'people' element of the programme is one of a number of improvement strategies to enhance and future-proof the finance function's leadership. This is the Talent Pipeline. Rebecca Richards CPFA, Director of the Finance Academy, explains how the strategy was developed.

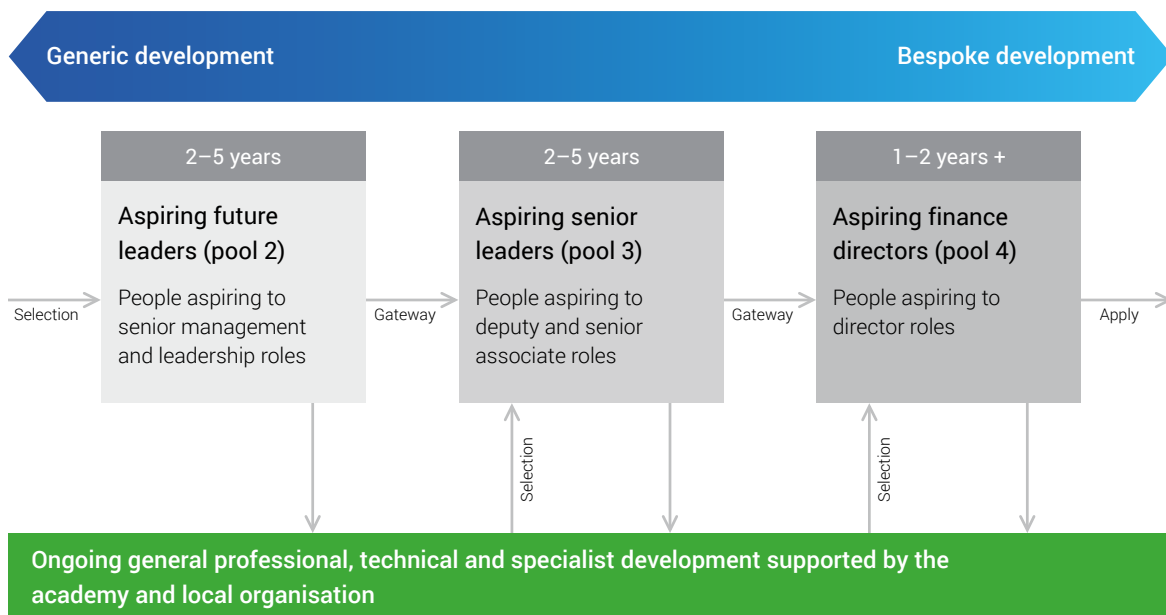
"The Finance Academy Board reflected that succession planning hadn't been properly organised or embedded for a number of years, resulting in a struggle to recruit for senior leadership positions across Wales from within the existing workforce. Further, our analysis of the workforce identified that it was ageing, leading to significant gaps on the horizon in senior leadership positions.

The reflection was stark: leadership development had not been prioritised. Immediate action was needed.

In the spring of 2017, the Finance Academy agreed to embark on a strategy purposefully targeting and providing development support for staff members across NHS Wales Finance who had leadership potential.

The pipeline would be continuous from student through to director. In effect, it would operate through five talent pools. Employees would have the option to opt in or out throughout the various stages of their careers, although they would need to secure their organisation's support to participate. Figure 5 shows an excerpt of the pipeline.

Figure 5: The talent pipeline for finance leaders



Talent pool 1 Graduate recruitment programme

Recruiting university-educated students through a three-year national development programme featuring an accountancy qualification, rotating placements to gain experience, mentoring and targeted learning opportunities.

Talent pool 2 Aspiring future leaders

Identifying talent among the newly qualified, or qualified staff in junior leadership positions, providing candidates with generic leadership development and further experiential learning.

Talent pool 3 Aspiring senior leaders

Identifying talent among middle management who aspire to future deputy/senior leadership positions. These people are supported through executive education, mentoring, experiential support and leadership-development activities.

Talent pool 4 Aspiring finance directors

Providing individual bespoke programmes of support to individuals through coaching, CEO mentoring, action learning, experiential learning and executive education.

Talent pool 5 Existing finance directors

Recognising that personal development doesn't end when one becomes a finance director, this provides individual support to those who want to take their leadership roles to the next level. It also provides cohort development opportunities through executive education, masterclasses and individual coaching.

Progress has been encouraging, with talent pool 1 having successfully recruited for its third year of graduate intake, to commence in September 2018. Talent pool 3 was launched in the spring of 2018, while talent pool 2 is expected to commence at the end of the year. The development programmes for talent pools 4 and 5 are underway, with the Finance Academy team immediately observing the positive power of bringing talented individuals together to address issues facing NHS Wales as a whole.

Further avenues are being explored, including the potential to introduce an Apprentice entry level and to develop closer partnerships with other local government and public sector bodies. Such approaches will help to fulfil the Finance Academy's ambition of creating opportunities for public sector accountants in Wales. From a healthcare perspective, the key to success is better public sector collaboration to provide more effective, joined-up care, building on the innovative approach within Wales as exemplified by the Well-being of Future Generations Act.¹⁴

By ensuring that staff have the opportunity to receive training across public sector organisations from the very beginning of their careers, and to work in partnership with finance colleagues in other parts of the public sector, the finance function in NHS Wales will be well placed to make this happen."

**Rebecca Richards CPFA, Director, NHS
Wales Finance Academy**

Conclusion

Government organisations face rising financial pressures and demands on their services. The need for skilled, adaptable finance professionals who can help them address these ongoing challenges has never been higher. But in order to compete for talent with their private sector rivals, government organisations must transform their approaches to attracting, retaining and sustaining talent.

Our research among employers has allowed us to develop a picture of good practice across every aspect of talent management and career progression in large commercial and public sector organisations. It has shown us how taking a proactive approach to career and personal development holds many benefits for employee and employer alike, both current and prospective.

During our research, it became increasingly clear that a successful talent management programme demands flexibility, enabling it to evolve in line with the needs of the organisation and the people who work for it.

One very clear message was that most organisations we spoke to, in all sectors, believed they still had scope for improvement.

The role that professional accounting qualifications have to play should not be underestimated. Even in smaller organisations, where there may be fewer job opportunities, enabling people to progress through an accountancy qualification will not only motivate staff. It will also empower them to develop skills and competences that will be of value both to themselves and the organisation as a whole.

In fact, a professional accounting qualification which builds relevant skills and competencies can play a vital role in sustaining a robust talent management programme at all levels, not just within the finance function but across the wider organisation too.

Of course, it isn't all down to employers. While they naturally play a key role in staff development, it is important to recognise that individuals ultimately remain responsible for their own CPD/CPE programmes. They can access a wide range of resources on portals like the CGMA Competency and Learning website.

Making use of these targeted resources helps finance professionals meet the requirements of their current and future roles.

The CGMA government research programme explores the transformation of public services and examines the supporting technology required to support transformation. As part of this, it considers the effectiveness of responses to public demand for greater transparency and investigates the difficulties involved in recruiting, developing and retaining talent in an increasingly competitive market.

Visit [cgma.org/government](https://www.cgma.org/government) to learn more about the programme.

Appendix

Appendix A Talent Acquisition Decision Matrix

To use this worksheet, tailor the requirements to your job description/position. Have each individual who interviews the candidate(s) enter a score for each of the key areas. Tallying the total scores and holding relevant discussions with stakeholders after the interview helps you to identify the right candidate for your position.

Job Title/Duties: Accountant – Month-end and year-end close processes, financial statement preparation, asset management operations, sales and use tax experience, property tax reporting; maintain inventory on database. 3-5 years' experience, CPA & CGMA preferred							
Rating Scale: 1 (poor) to 5 (excellent)							
Candidate Name	Technical Skills/ Expertise	Non-Technical Skills/Expertise	Personal Fit for Team	Prior Experience/ Job History/ Accomplishments	Education	Recommendations	Total Score (30 max')
Susan Amos	5	5	5	4	4	4	27

Interview Notes:

Prompt. Was in the interview room before we all walked in.
Clearly had a lot of operational financial experience; budgeting/forecasting – “loves to prepare statements”.
Has experience with platform implementation which could be helpful for the team.
Nice personality: pleasant, upfront. Communicates well.
She is at a point in her career where this position might be just right for her.
Would be a great fit for the team.

Ben Farmer	3	3	4	2	3	3	18
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Interview Notes:

Experience with requisitions/invoicing and basic financial statement prep; did some sales/use tax collection/reporting.
Pleasant personality; introverted.
Eager to grow and develop.
Just sat for CGMA exam; 3 years' experience.

Alisa Newburg	3	4	3	3	5	4	22
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Interview Notes:

Arrived on time and had professional interview/presentation skills. Very polished.
Has had lots of customer-facing experience with other departments.
Weak in financial statement prep; but does understand operations.
Not quite the fit for us.
CPA/CGMA.

*Scores may be weighted based on individual positions and organisation needs.

Appendix B

The value of professional qualifications

Professional accountancy qualifications hold significant value within the finance profession, both for employers and employees. The CIMA qualification is designed to produce competent and confident management accounting professionals who can guide and lead their organisations to sustainable success.

Value to employers

The Association of International Certified Professional Accountants (the Association) is the most influential body of professional accountants. It combines the strengths of the American Institute of CPAs (AICPA) and The Chartered Institute of Management Accountants (CIMA) to power opportunity, trust and prosperity for people, businesses and economies worldwide. It represents 650,000 members and students in public and management accounting. It also advocates on current and emerging issues to promote the public interest and business sustainability. With its broad reach, rigour and resources, the Association advances the reputation, employability and quality of CPAs, CGMA designation holders and accounting and finance professionals globally.

The CIMA syllabus and assessment is developed in partnership with employers to ensure that CIMA-qualified finance professionals are business-ready: competent in the range of skills which employers expect of a professionally qualified management accountant. Thousands of employers around the world, in all sectors, train their people with us. CIMA members are qualified to work across the business, in a wide range of finance and management roles.

Employers have the further assurance that, as members of a professional institute, management accountants are bound by a code of ethics and a commitment to lifelong learning – their CPD. Their membership confirms that they are in good standing with the institute and that they meet these obligations.

To satisfy employers' expectations, we have determined that qualified management accountants at entry level should have a firm foundation in a broad range of the competencies they might need as their careers develop. The CIMA professional syllabus has three levels, addressing requirements up to the level of a senior manager. As students progress through the levels of the qualification, they learn a blend of competencies that reflect their potential career path:

- ▶ Finance Officer (up to operational level), where tasks are more focused on technical and business skills
- ▶ Finance Manager (at management level), where higher business and people skills are developed
- ▶ Senior Finance Manager (at strategic level), where the four knowledge areas are equally balanced.

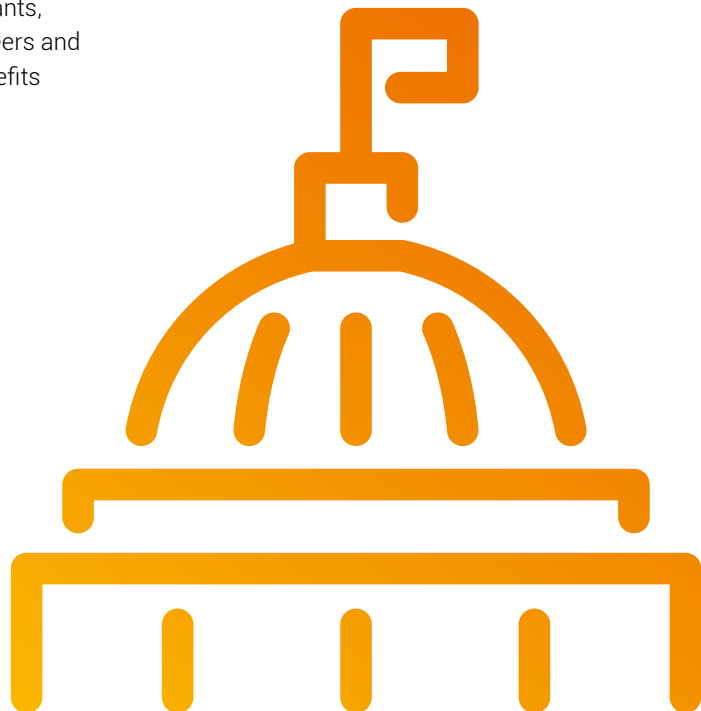
Once qualified, the development of further skills is supported by CPD and a commitment to lifelong learning. This helps ensure that the skills of our members remain relevant.

Value to the individual

The CGMA qualification has been designed to deliver the skills that employers demand by blending management accounting, financial accounting and business-focused subjects. As a result, our members work in a wide variety of business roles in all sectors. Many go on to become project managers, consultants, finance directors or chief executives, while others run their own businesses.

Our on-demand exams and flexible structure fit around other work, study and family commitments, allowing students to progress at their own pace. Our flexible entry routes give anyone with a passion for business the chance to study, regardless of their educational background.

Studying CIMA demonstrates a commitment to professional and career development. Employers worldwide recognise that CIMA students are commercially aware, hardworking and serious about their future. Even in the smallest organisation, studying CIMA offers individuals a valuable opportunity to develop new skills, knowledge and expertise as they progress through the qualification. As part of the world's largest and leading professional body of management accountants, they will join a community of like-minded peers and benefit from a wide range of resources, benefits and services.



Further resources

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