



CGMA Competency Framework guide: Generate value for long-term success

Contents

Introduction	4
Why implement a Competency Framework?	
<hr/>	
Overview	6
<hr/>	
Benefits	8
<hr/>	
Applicability	9
<hr/>	
Attraction and recruitment	10
<hr/>	
Performance management	11
<hr/>	
Learning and development	12
<hr/>	
Conclusion	13
<hr/>	
Appendix A -	14
How the CGMA Competency Framework was developed	
<hr/>	
Appendix B -	15
The questions leadership teams need to ask themselves	
<hr/>	
Appendix C -	16
The Framework and the Global Management Accounting Principles – working together	
<hr/>	
Further resources	17

Introduction

Why implement a Competency Framework?

Managing a successful business is more challenging than ever. Organisations of all types and sizes in every sector are confronted with increasing global, political, technological and regulatory change. Consequently, they are facing an unprecedented level of emerging and disruptive risk.

The role of Finance is expanding and evolving.

The complexity of business activities and the demand for those skills required to deliver strategic business objectives are both at an all-time high. Businesses are struggling to keep up with the constant flow of information, rapid advances in technology, rising pools of competitors and supply-chain complexity.

The competencies required by individuals in finance to support this role are changing to keep up with the evolution.

Amid all this, one question looms above all: how can organisations prepare to meet ever-shifting market demands?

As the business landscape becomes more complex, the skills and competencies required to keep up with and ahead of this complexity are becoming more sophisticated and wide-ranging. As a result, the competencies employers expect from their finance specialists include much more than core technical accounting and finance skills alone. Qualities including business acumen, people skills and leadership skills are in growing demand, all underpinned by ethics, integrity and professionalism.

A systematic framework is required to define, articulate, target, measure and develop competencies.

The **CGMA Competency Framework** (Figure 1) is designed to address the many challenges that accounting and finance professionals face today in organisations of all kinds.

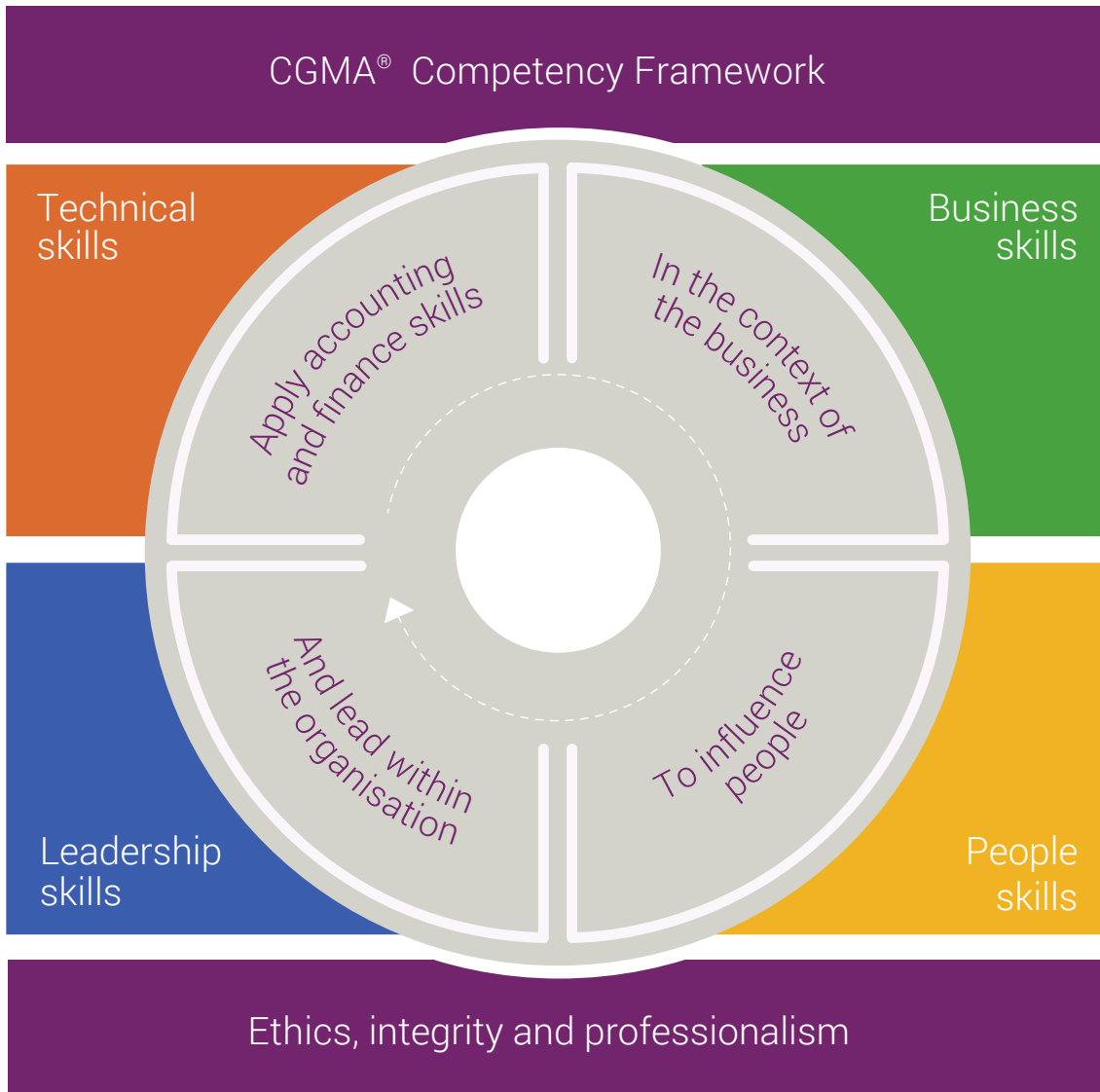
The Framework is geared towards individual development, but it also plays a key organisational role. As well as enabling finance professionals to develop and improve themselves, it enables organisations to plan and develop the skillsets required by their finance teams, now and into the future.

This guide has been designed for you, your finance professionals and your organisation, whether you have as yet to develop a competency framework or are planning to update an existing one. It will provide a platform for identifying the many ways in which you can draw on the CGMA Competency Framework to generate value and position your organisation for long-term success. And it will help you identify at which stage of the process you are, enabling you to plan and implement the next steps.

The CGMA Competency Framework has been developed after consultation with 300 organisations and 3,000 professionals. Their inputs have been based upon 'on-the-job' requirements, which have led to defining and articulating each specific competency contained within the framework.

This guide has been developed with advice from a number of employers who are familiar with the issues it addresses. This assures its practical relevance to business today, and we are extremely grateful for their input.

Figure 1: CGMA Competency Framework



Overview

The **CGMA Competency Framework** defines the range of skills and competencies that accounting and financial professionals need to lead their organisations to success. It is a guide to assessing the knowledge needed for current and future roles. It articulates the competencies that accounting and finance professionals need to enhance their careers and remain valuable in this fast-paced business environment.

The Framework consists of four knowledge areas (Figure 2): technical skills, business skills, people skills and leadership skills. Each of these includes a series of competencies that are defined at four proficiency levels: foundational, intermediate, advanced and expert.

Figure 2: CGMA Competency Framework outline

Knowledge areas	Competencies
Technical skills	<ul style="list-style-type: none">• Financial accounting and reporting• Cost accounting and management• Business planning• Management reporting and analysis• Corporate finance and treasury management• Risk management and internal control• Accounting information systems• Tax strategy, planning and compliance
Business skills	<ul style="list-style-type: none">• Strategy• Market and regulatory environment• Process management• Business relations• Project management• Macroeconomic analysis
People skills	<ul style="list-style-type: none">• Influence• Negotiation and decision-making• Communication• Collaboration and partnering
Leadership skills	<ul style="list-style-type: none">• Team building• Coaching and mentoring• Driving performance• Motivating and inspiring• Change management

Technical skills enable finance professionals to identify, collect, store, process and analyse the information to be shared with various stakeholders. They include the preparation and dissemination of external and internal reports in line with professional accounting standards.

Business skills enable finance professionals to use their knowledge of the business and its environment to transform data into business insight. This enables organisations to evaluate their strategic positioning, how their business model is aligned to their strategy, their performance and opportunities for the future.

People skills, particularly in communication, are used to influence the decisions, actions and behaviours of decision makers and others throughout the organisation and among its wider stakeholders.

Leadership skills are required at various levels. The three types of leadership can be identified as peer, functional and strategic. Peer leadership involves leading peers, both within and outside the finance function, on issues that require an understanding of the financial implications of events and issues affecting the organisation's internal and external operating environments. Functional leadership ensures that the finance function delivers its objectives to the organisation. It occupies the intermediate level and above, but is mostly concentrated at the advanced level. Strategic leadership is exercised at the strategic level: experts join with leaders in other functional areas to define, formulate and oversee the implementation of the organisation's strategy.

You can download the CGMA Competency Framework and tool by clicking on the links below:

[CGMA Competency Framework](#) →

[CGMA Competency Framework tool](#) →

See **Appendix A** for an explanation of how the CGMA Competency Framework was developed.

Benefits

Ultimately, the CGMA Competency Framework helps organisations equip their finance functions with skills and competencies needed for sustainable success.

It is therefore designed to help finance professionals and their employers understand the knowledge required and assess the skills needed for professionals in existing and desired accounting and finance roles. The need for objectivity, integrity and ethical behaviour underpins the Framework, which also supports a commitment to the continuous acquisition of new skills and knowledge.

Application of the CGMA Competency Framework is flexible, determined by your organisation's specific needs. You can adopt it in its entirety, or remove any inapplicable elements. If you already have a competency framework in place, you can compare the two and select the best from both.

The table below shows some of the benefits of the CGMA Competency Framework.

The activities that will add value to your organisation under the Framework	What is meant by this activity?	What are some of the benefits and outcomes?
Attraction and recruitment	Recruiting finance professionals and providing the business with relevant data about the human capital that is available to it.	<p>Strengthening overall recruitment practices for the finance functions by:</p> <ul style="list-style-type: none"> • developing new job roles and descriptions • articulating specific competencies for job roles • comparing competency levels across job categories • standardising or customising existing job roles and functions • developing interview questions or scenarios to challenge applicants • gauging applicants' skill sets compared to desired standards • identifying the right talent
Performance management	Assessing employees' performance against predefined goals and behaviours.	<p>Strengthening the overall effectiveness of performance management and the efficiency of the finance organisation by:</p> <ul style="list-style-type: none"> • clearly communicating the required standards of competency • identifying the right talent in the existing team with the required competencies • better matching of needs to talent by deploying the right talent in areas where needed • improving workforce and succession-planning efforts • managing employees' performance and measuring their contributions • boosting performance review discussions by providing structured feedback to employees • assessing gaps in employees' knowledge and skills
Learning and development	Building those capabilities, skills and competencies that the finance workforce needs to ensure and maintain organisational success.	<p>Strengthening organisational resilience through a skilled workforce within the finance function by:</p> <ul style="list-style-type: none"> • setting required standards of competency • measuring knowledge gaps for remediation • developing a structured plan to address remediation • unlocking workforce potential and motivation • aligning job-related capabilities to improve performance • aligning employees' behaviours with organisational objectives and vision • improving workforce and succession-planning efforts

Applicability

As the previous section on benefits shows, the CGMA Competency Framework can help organisations do more than ensure they continuously meet their objectives and generate value over the short, medium and long terms. You can also use it to meet a range of specific business needs. This section focuses on three business functions where finance professionals partner with their organisations:

Attraction and recruitment



Performance management



Learning and development



See 'The questions to ask' section (**Appendix B**) for a series of questions that help the senior leadership team start the conversation on developing, implementing and maturing the organisational competency framework.

Attraction and recruitment

The key priority for all organisations is building and maintaining success – and the workforce is the key to achieving this. Recruiting the right talent with the right skill sets, from within the organisation as well as the external labour market, is what drives the performance, satisfaction and long-term success of your employees and, therefore, your organisation.

Finance professionals have an important role to play, contributing via their technical skills, their understanding of business and their ability to influence and lead people in the management of organisational performance.

Most organisations have defined roles, responsibilities and targets for their finance positions. However, they often do not detail the competencies required to effectively carry out those responsibilities. This is where using the CGMA Competency Framework is extremely useful, enabling you to define and articulate the competencies and skillsets needed for the roles in your finance function. This then enables recruiting managers to identify the right talent.

The ways in which organisations advertise their job roles and approach the interview process are further critical aspects of the recruitment process. If done well, these are not just positive ways to set you apart from your competitors – more importantly, they can also give you greater assurance that you have employed the most suitable candidates.

Benefits

- Develop new job roles and descriptions
- Articulate specific competencies for job roles
- Compare competency levels across job categories
- Standardise or customise existing job roles and functions
- Develop interview questions or scenarios to challenge applicants
- Gauge applicants' skill sets compared to desired standards
- Identify the right talent

Scenario – attraction and recruitment

You are a Controller, and you need to fill a vacancy for a Senior Finance Manager in your team. When you look at the job description for the role, you see it was last updated over five years ago. You have greatly developed your team since then and the description no longer reflects the profile of the candidate that you need.

Download the CGMA Competency Framework tool to work through the described scenario and get a list of competencies around which you can build your job description.

Download the tool



Performance management

The CGMA Competency Framework gives you a structured approach to defining, measuring and tracking the development of competencies in the finance function. This makes it easier to identify the competencies that will best enable your finance and accounting professionals to achieve organisational and personal goals.

Benefits

- Clearly communicate the standards of competency required
- Identify the right talent in the existing team with the required competencies
- Deploy the right talent in the areas of need, better matching of needs to talent
- Improve workforce and succession-planning efforts
- Manage employees' performance and measure their contributions
- Boost performance review discussions by providing structured feedback to employees
- Assess knowledge and skills gaps among employees

Scenario – performance management

You need to appoint a project manager for a mission-critical system implementation. You want to ensure that the person you appoint has the right personal objectives to help them succeed and to enable you to support and manage their performance.

Download the CGMA Competency Framework tool to work through the described scenario and get a list of competencies on which you can base your selection and development plans.

Download the tool



Learning and development

For every organisation, meeting the learning and development needs of its employees is of great importance. It promotes knowledge, skills and attributes that drive business performance, long-term survival and sustainable success. It is also important that employees are empowered to discover learning opportunities for themselves, making it vital that you provide an environment that fosters such discussion. Doing so is a key element of an organisation's talent-retention strategy.

Developing various sets of skills and competencies across different teams requires a carefully structured approach that takes into account factors including:

- the organisation's and employees' objectives
- the skill sets required to meet those objectives
- the knowledge gaps in meeting those objectives
- the resources needed to address identified gaps.

Learning methods can include courses (both in-house and external), webinars and events. It is also important that the learning enables employees to apply the concepts they learn in the context of the business and their own day-to-day roles.

The CGMA Competency Framework is very helpful in this area. It provides a structured plan for identifying gaps. Employees and employers can use it to identify areas of growth and development, whether these are needed in a current or future role or in developing specific skills as part of a project team or working group.

Benefits

- Set required standards of competency
- Measure knowledge gaps for remediation
- Develop a structured plan to address remediation
- Unlock workforce potential and motivation
- Align job-related capabilities to improve performance
- Align employees' behaviours with organisational objectives and vision
- Improve workforce and succession-planning efforts

Scenario – learning and development

You are a Controller and want to improve your readiness for a CFO role. You consider yourself technically proficient in your role, but you want to be sure about the other skills you will need to progress.

Having reviewed the Statements of competence, you are satisfied that you have the technical skills needed to be credible in a CFO role, but you want to check the other competencies that are typically required.

[Download the CGMA Competency Framework tool to work through the described scenario and get a list of competencies required for a CFO role.](#)

[Download the tool](#)



If you are looking for learning and development resources, visit the [AICPA | CIMA Competency and Learning](#) website. This brings together a plethora of learning resources and self-assessment tools to guide and empower you in the journey of lifelong learning and career development.

Conclusion

The CGMA Competency Framework is designed to help organisations ensure that their finance functions are fit for purpose in today's complex and fast-changing business environment.

Having read this guide and undertaken the exercises it contains, you should:

- understand the role and scope of the CGMA Competency Framework
- be able to assess its relevance and value to your organisation
- understand how to adapt its use to the specific needs of your organisation at its current stage of development
- use the framework to fulfil some basic tasks in the areas of attracting and recruiting new team members, performance management, and learning and development.

Appendix A

How the CGMA Competency Framework was developed

The American Institute of CPAs (AICPA) and the Chartered Institute of Management Accountants (CIMA) joined together to create the CGMA Competency Framework and the CGMA designation to elevate competencies worldwide. The CGMA Competency Framework is the foundation that will demonstrate the relevance and capabilities of a CGMA as a trusted finance and business strategist.

The CGMA Competency Framework was developed through three phases of research: face-to-face interviews, roundtables and an online survey. The participants ranged from finance and non-finance staff in mid- to senior-levels, covering diverse industries from both the private and public sectors.

The face-to-face interviews took place at 67 organisations in Malaysia, South Africa, the United Kingdom and the United States.

The roundtables were held in 13 countries in Asia, Europe, Africa and the Americas. The findings of the first and second roundtable phases were validated and extended in subsequent phases. This approach was used to ensure the rigour of the research and thus enhance its credibility and relevance.

The online survey was taken by nearly 3,400 CIMA members, student participants and academics. It was an example of qualitative research that is appropriate where a significant body of knowledge exists. It aimed to confirm the initial findings by using larger samples and suitable techniques.

Participants in all three phases of the research also affirmed the need for all the competencies to be underpinned by ethics, integrity and professionalism.

Appendix B

The questions leadership teams need to ask themselves

Below is a series of questions to help the senior leadership team get started on the journey of developing, implementing and maturing a competency framework for their organisation.

Plan to develop competency framework				
Developed competency framework but not yet implemented				
Implemented competency framework but need to assess results				
Need to update existing competency framework				
Making the case	Developmental competencies	The implementation project	Review of competency framework	Continuous improvement
<ul style="list-style-type: none"> • What business priorities and critical competencies do we require to meet the priorities? • What are the different roles and types of competencies we need to perform each role and provide value? • What competencies do we have and which need to be developed? • How can we engage key stakeholders in initial conversations on developing a competency framework? • How influential is Finance around the business? Is it involved in the decision-making process on the strategic goals and objectives of the organisation? • Is it clear from the management information how non-financial results drive financial outcomes? 	<ul style="list-style-type: none"> • How can we develop the team from ledger stewards to leaders around the business? • Do we have a deep understanding of the organisation we serve? • Are we able to articulate our business model clearly? • Do we have ideas about how to connect organisational activities to financial outcomes across our business model? • Do we have the technical skills to become respected by decision makers? • Can we identify the competencies that would be valued enough by decision makers to compel them to invite members of our team to key operational meetings? 	<ul style="list-style-type: none"> • How can we secure top-level support and buy-in for the implementation of our competency framework? • Have we cross-checked our competencies with leaders and decision makers across our organisation? • Do we have the resources we need to successfully implement our framework? • How should we roll out the implementation of our framework? Should we stage a roll-out by location, business unit or role? How should it be communicated to employees? • What risks do we face in implementing a competency framework? • How will our competency framework affect employees at all levels? What are the cultural issues and implications? 	<ul style="list-style-type: none"> • How well does our framework compare to best practice, e.g. the CGMA Competency Framework? • Do we have a trustworthy way of assessing individuals' competencies, for example 360 appraisal? • Do we have individuals in the finance team who are not embracing the competencies? • Do we have individuals in the team who exemplify our competencies? • Which of our business unit(s) have most-improved post-implementation? How? • Which training courses and mechanisms work best for our people (online and/or classroom)? 	<ul style="list-style-type: none"> • What plans do we have for maintenance and ongoing ownership beyond implementation? • How well does our framework compare to latest practices? • Are the existing job roles and functions still in alignment with the development of our business? • How relevant are the existing competencies in helping us carry out the strategic objectives of the business? • Do we need new skill sets and competencies within certain teams? • What are the new and/or recurring skill gaps? And how do we need to address them?

Appendix C

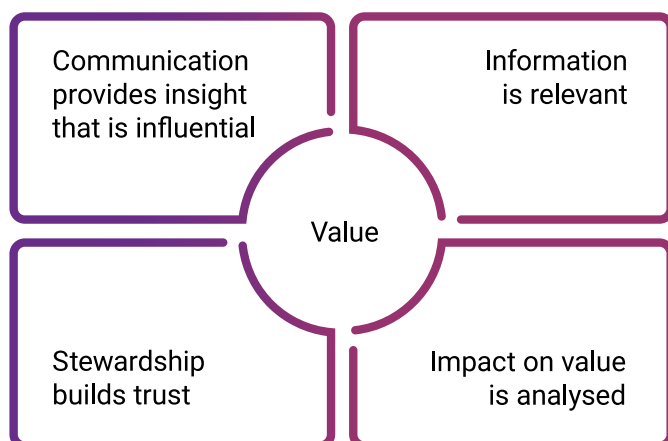
The Framework and the Global Management Accounting Principles – working together

The **CGMA Competency Framework** is geared towards individual development. The **CGMA Global Management Accounting Principles** are instead focused on the effectiveness of the finance function. The four Principles reflected in Figure 3 are designed to help finance functions:

- improve decision-making in organisations
- respond appropriately to the risks they face
- ultimately protect the value they generate.

The Principles encapsulate the areas of practice of management accounting, how these relate to corporate performance management and what skills and competencies management accountants need to help businesses succeed over time.

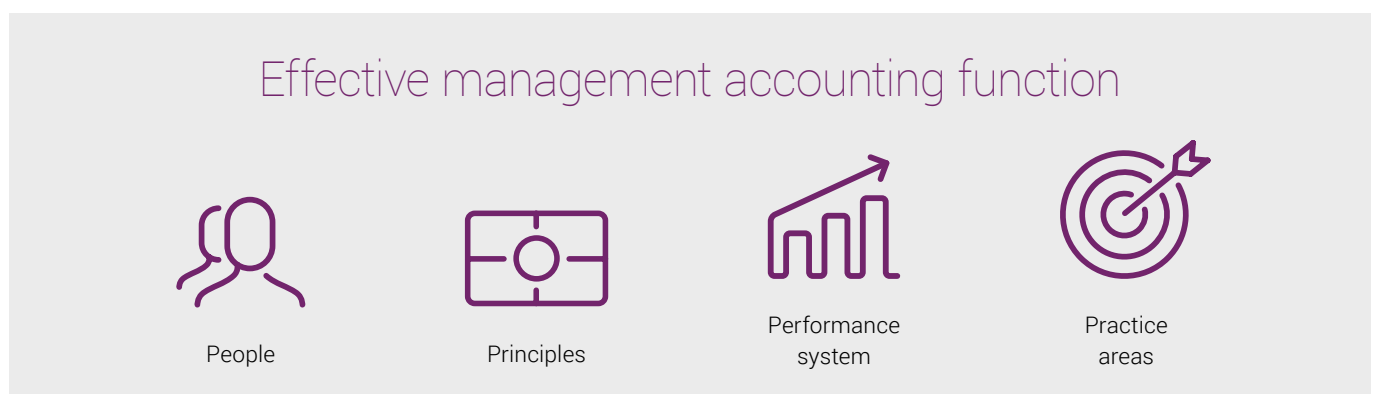
Figure 3: The CGMA Global Management Accounting Principles® help finance functions make better decisions, respond to risk and protect the value they generate



The core practice areas that make up the management accounting function are shown in Figure 4. An effective management accounting function comprises a winning

combination of competent people who apply the four Principles to manage organisational performance through their areas of practice.

Figure 4: The people in effective management accounting function apply the Principles to manage organisational performance through their practice areas



Further resources

[AICPA | CIMA Competency and Learning website](#)

[CGMA Competency Framework](#)

[CGMA Competency Framework tool](#)

[CGMA Global Management Accounting Principles](#)

[CGMA Resources](#)

[CGMA Store](#)



ISBN: 978-1-85971-854-4

© 2018 Association of International Certified Professional Accountants. All rights reserved. CGMA and Chartered Global Management Accountant are trademarks of the Association of International Certified Professional Accountants and are registered in the United States and other jurisdictions. The design mark is a trademark of the Association of International Certified Professional Accountants.

For information about obtaining permission to use this material other than for personal use, please email mary.walter@aicpa-cima.com. All other rights are hereby expressly reserved. The information provided in this publication is general and may not apply in a specific situation. Legal advice should always be sought before taking any legal action based on the information provided. Although the information provided is believed to be correct as of the publication date, be advised that this is a developing area. The Association, AICPA, and CIMA cannot accept responsibility for the consequences of its use for other purposes or other contexts.

The information and any opinions expressed in this material do not represent official pronouncements of or on behalf of the AICPA, CIMA, or the Association of International Certified Professional Accountants. This material is offered with the understanding that it does not constitute legal, accounting, or other professional services or advice. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

The information contained herein is provided to assist the reader in developing a general understanding of the topics discussed but no attempt has been made to cover the subjects or issues exhaustively. While every attempt to verify the timeliness and accuracy of the information herein as of the date of issuance has been made, no guarantee is or can be given regarding the applicability of the information found within to any given set of facts and circumstances.

aicpa.org

aicpa-cima.com

cgma.org

cimaglobal.com