SURVEY REPORT

REIMAGINE
DRIVE WORKFORCE TRANSFORMATION VIA AN INNOVATIVE LABOR MODEL

Photo: Getty Images

As is the case with ESG programs and other traditionally "beyond finance" areas, enterprise talent management requires the CFO's unique expertise, data-driven insights and risk management mindset. The global pandemic only elevated the need for a well-defined talent management strategy, placing greater pressures on boards and leadership teams to invest in, and optimise, the employee experience. Much of the success of an effective talent management process hinges on how well CFOs partner with their HR counterparts. CFOs need to determine staffing requirements (full-time, project, external consultants, etc.) to meet financial targets, while the HR function, in partnership with business leaders, determines what talent and/or upskilling programs (skills/experiences) are required to help meet business objectives.

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Managing and executing talent and business strategy in lockstep is the lodestar, calling for new approaches to talent assessments, talent metrics and reskilling. This integration involves the deployment of an innovative labour model and sourcing strategies – something more organisations are pursuing, as indicated in our latest findings that show greater use of managed services providers and staff augmentation for certain finance activities.

CFOs are applying their attention and expertise to three workforce transformation areas, in particular:

1. REPEATABLE TALENT PLANNING:

Leading companies conduct quarterly assessments of their teams and compare those evaluations to the talent and skills needed to execute the business strategy. These talent inventories are then evaluated based on their alignment with longer-term business objectives (for example, the skills the company needs to achieve goals six, 12 and 24 months down the line). When gaps exist, CHROs, CFOs and other senior leaders develop strategies to eliminate them.

2. NEW TALENT METRICS:

Creating and sustaining alignment between talent and business strategy requires new metrics. CFOs and CHROs are developing new measures to identify skills at risk and upskilling opportunities, as well as a range of DEI and ESG metrics that are relevant to business objectives and the health of the culture (e.g., well-being indicators).

3. NEW MODELS FOR ACQUIRING TALENT AND SKILLS:

The ongoing scarcity of in-demand talent – for example, to drive digital transformation and the use of emerging technologies – is likely to linger for years, even as unemployment rises in other talent domains. To expand the sources of labour available to them, more companies are instituting a flexible labour model consisting of a diverse talent pool of full-time employees, contract professionals, expert external consultants, and managed services and outsourcing providers. Leading organisations leverage contingent labour to achieve more strategic returns, including the development of new capabilities, rather than relegating contingent staff to discrete projects and largely task-based assignments. This trend is evident in this year's results, which indicate finance organisations are increasing their use of managed services providers to support areas including accounts payable, financial reporting and finance PMO activities (see following page).

ADVANCING A FLEXIBLE LABOUR MODEL IN FINANCE

Leveraging a flexible labour model is especially advantageous amid uncertain market conditions. Finance groups that manage a diverse talent pool of full-time employees and contingent labour, including managed services and outsourcing providers, are able to respond faster and more capably to a broader range of external disturbances, including supply chain breakdowns, extreme weather events and continued pandemic-driven challenges.

The managed services model equips CFOs with the specialised expertise, flexibility, resilience and scalability needed to make good on their mandate to forecast and report on the business amid rampant volatility, quickly materialising opportunities and changing customer expectations. As larger, well-known companies adopt a managed services model in response to changing business environments and evolving interests of workers seeking greater flexibility, we expect it to become standard operating procedure in most finance organisations.

KEY ACTION ITEMS FOR CFOS AND FINANCE LEADERS

- Institute a flexible labour model consisting of a diverse talent pool of full-time employees, contract and temporary workers, expert external consultants, and managed services and outsourcing providers, while investing more thought and effort in integrating contingent workers into the organisational culture.
- Recognise that fundamental leadership approaches are changing as non-traditional management competencies, such as empowerment and empathy, become more valuable (especially with regard to fostering employee resilience and flexibility).
- Evaluate the ways in which ESG, DEI and well-being factor into higher returns on investments in the employee experience.
- Re-evaluate the value of physical office locations, a high cost in most operating budgets, by assessing the true value the office provides to the company, its employees and its customers.
- Seek ways to blend upskilling, reskilling and retention activities in the finance group.

FOR EACH OF THESE KEY AREAS OF THE OVERALL FINANCE PROCESS, PLEASE INDICATE HOW IT IS PRIMARILY RESOURCED/STAFFED IN YOUR ORGANISATION (SHOWN: CFO/VP FINANCE RESPONSES):

	Full-time employees		Staff augmentation		Managed services		Fully outsourced	
	2022	2021	2022	2021	2022	2021	2022	2021
Accounting Operations – Accounts Payable	58%	64%	27%	25%	13%	10%	2%	1%
Accounting Operations – General Ledger	48%	55%	35%	30%	13%	13%	3%	2%
Accounting Operations – Accounts Receivable	44%	54%	35%	23%	17%	20%	5%	3%
Financial Reporting	42%	55%	32%	23%	19%	17%	6%	5%
Financial Planning & Analysis	43%	54%	32%	24%	18%	18%	7%	4%
Tax	38%	43%	35%	30%	19%	20%	8%	7%
Risk Management	40%	49%	34%	25%	20%	21%	7%	5%
Strategic Finance (M&A)	39%	48%	34%	26%	21%	20%	6%	6%
Treasury	41%	53%	34%	27%	19%	15%	6%	5%
Finance PMO	38%	56%	34%	23%	22%	16%	6%	5%

Source: Protiviti 2022 Global Finance Trends Survey
Note: Significant year-over-year changes are highlighted.

INTERESTED IN LEARNING MORE?

Read our research report, Reimagine: *From automation and cloud to ESG and talent management, CFOs are reimagining their long-term roles.*
For more information on managed business solutions and talent management, here are additional resources from Protiviti:
Managed Business Solutions
Employee Experience

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