



# **Finance and HR are moving closer**

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“The past is a foreign  
country. They do things  
differently there.”

LP Hartley *The Go Between*



**There was a time in a far away world ...**

“You keep the people happy,  
we’ll make the money.”

**That was when ...**

lines were **clearly drawn** and  
people worked in **silos**.

**But that was in the past.**



In the present ...

things are complicated,

lines are *blurred*, and

multinationals compete with  
15-year-old  
**kids with laptops.**



**When the future arrived,**

people became

**our greatest asset**

**which  
begs the question ...**

If people really are our greatest asset, shouldn't those managing that asset have some financial skills?



**Finance and people functions started becoming equally valued.**

**So started the convergence of Finance and HR.**



## What do people say?

*"Both have the role of the conscience of the company."*

Christina Hartley, HR Manager,  
SHI-APD Cryogenics Inc

*"Companies increasingly want people in HR who understand finance and business."*

David de Wetter, head of HR transformation,  
Watson Wyatt Worldwide

*"The HR and finance professions work better together than separately."*

CFO Research Services survey



- In the US, a small but growing number of finance professionals are moving into HR functions.
- Some mid-level finance people are moved into HR (three to five years) to prepare them for a promotion to a higher level.
- "Over 90 percent of senior executives say HR should be strategic, but only 22 percent say that it's delivering."

David de Wetter



- HR Directors are starting to view the disciplines of financial procedures and problem-solving as being of value in their own activities.
- HR departments could apply techniques learned from financial modeling to better predict future workforce shortfalls.
- Many HR leaders share the view of other senior executives that their staff are not up to the challenge.



- More than half of HR leaders judge their staff to be weak in financial skills.

(HR consultancy, Mercer, 2006)

- "Some people in HR are still struggling to read an annual report."

Bob Schuetz, principal  
Mercer

## **Silo mentalities belong to the 20th century.**

Ultimately HR and finance people do similar roles:

1. They acquire resources (people and money) from the market.
2. They deploy and manage those resources.
3. They develop them and invest in them.
4. They measure the return on the investment.



Top challenges facing the Head of HR and Head of Finance are almost exactly the same:

1. Managing assets (war for talent)
2. Managing technology (rapid change)
3. Managing the future (uncertainty)



As more HR people understand how their companies generate cash, they will be able to align the HR strategy to help achieve the business goals.

*"I think a stint in HR is good for anybody who wants to grow a career, because HR plays such an invaluable role in an organisation."*

Stephanie Fore, senior VP: HR  
Hines Real Estate, US



“One of the most common reasons for failing to meet targets is not having the right people.”

Article: ‘The seven issues facing Finance Directors’  
Malcolm Durham  
*Corporate Sector Review* (UK Accountants’ mag)  
March 2009



It's time that  
**Finance and HR**  
**sat down together**  
**and shared some ideas.**



## **Finance people can teach HR people how to:**

- use spreadsheets
- read monthly financial reports and understand them
- determine costs
- establish ROI
- measure how the company/people are doing



## **HR people can teach finance people about:**

- talent management
- wellness
- employer branding
- disciplinary procedures
- management and leadership



# **What about developing some joint strategies?**

Accountants are probably interested in  
measuring the value  
of Human Capital!



**What if ...**

we engendered a  
new **spirit of collaboration**  
between two **key functions** in business?



**Thank you!**

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