

People-focused businesses:  
**THE CHANGING  
ROLE OF CFOs**



Introduction	3
Skilled-up CFOs	4
The pressures on today's CFOs	5
The three primary challenges that modern CFOs face	7
The future of the CFO: Six steps to take today	12

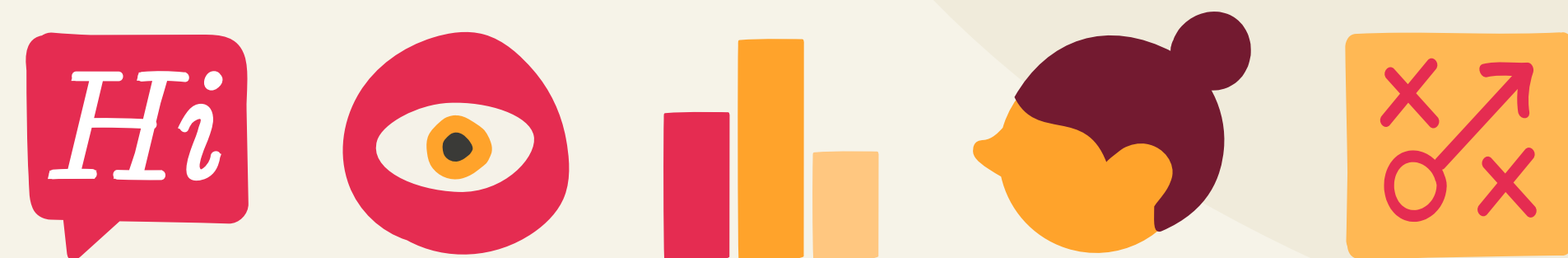
# Introduction

The world of work has evolved rapidly in recent years, fueled by a surge in remote and **hybrid work** and a highly competitive recruitment environment. Both these factors have driven global businesses to place a greater focus on the **wellbeing** and effectiveness of their people, and how they can build a more agile business.

For chief financial officers (CFO), that has meant significant changes to the role. While CFOs continue to primarily focus on forecasting and managing financial health, a digital transformation has contributed to an expanded remit. Today's most effective teams draw on the power of interconnected people data to shape the future of their organizations, using technology and ingenuity to formulate their strategies.

Similarly, the turbulent waters we live in have necessitated that leaders, including CFOs, become increasingly responsible for strategic planning, drawing on this real-time analysis, modeling, and forecasting.

In this guide, we'll explore how organizational changes to finance and HR have driven a changing role for CFOs, and look at what modern finance executives need to consider as they prepare their businesses for change. With evolution occurring at a rapid pace, it can be difficult to know exactly how to take on these new responsibilities, or how to optimize their impact.





# Skilled-up CFOs

Unsurprisingly, these organizational changes have seen many CFOs develop their skills beyond their financial management acumen. Many leading CFOs have even taken a literal step up: In the first half of 2022 alone, **8.1 percent** of Fortune 500 and S&P 500 company CFOs were promoted to CEO, an increase from 5.6 percent just a decade before.

One such CEO who previously served as CFO, **Christina Spade of AMC Networks**, said at the time of her promotion: **“I like to look at the finances of a company to drive value for the long-term... If you simply cut costs to meet a number, it will be very tough to create value with that approach on a longer-term basis.”**

Clearly, CFOs are starting to view the nature of their role differently, thinking more strategically and planning for what lies ahead. They’re also working across a wider remit, covering people-focused responsibilities on top of their financial and accounting tasks, and this experience is preparing many of them for a more central senior leadership role.



# The pressures on today's CFOs

So how exactly have things changed for CFOs in the modern workplace? The disruption of the last few years has resulted in a significant restructuring of many businesses—not merely to accommodate an increase in hybrid and **remote working**, but also in the face of economic stresses.

Not so long ago, CFOs were primarily concerned with solely financial issues. They focused on budgeting, forecasting, investor relations, and effective and accurate accounting. The responsibility of the CFO was to protect the financial health and viability of the company: to identify potential cost savings, to interrogate requested spending increases and calculate their ROI, and to keep everything in balance.

Today, most **CFOs have seen their responsibilities expand**—whether officially or de facto—to include business intelligence, corporate strategy, data analytics, and procurement, as well as parts of sales and operations.

Beyond that remit, they continue to have a strong interest in risk management and therefore IT and cybersecurity, although this is typically overseen by a chief technology officer (CTO). Environmental, social, and governance (ESG) policies are also under renewed scrutiny, which impacts the CFO's role.

Business pressures are all around us, and CFOs have to tackle these every day. Externally, CFOs have to juggle high levels of inflation, overhanging macroeconomic shocks and supply chain issues from the COVID-19 pandemic, and a challenging labor market.

Internally, many teams have experienced significant personnel changes, and global businesses have become even more widely dispersed than they were before. **Retaining talent is trickier than ever**, and as a result CFOs need to pay a lot more attention to issues which were historically the sole reserve of HR.



Today's finance leaders have found their role evolving to include an element of responsibility for both talent management and the digital transformation of their business. Not only has this required financial support for systems and data decisions but also a clear view of the right purchasing choices and workforce strategies, and how these affect future plans.





**The three primary challenges  
that modern CFOs face**



## Challenge #1

# People-focused CFO responsibilities and duties

In recent years CFOs have become responsible for a growing number of people-focused programs, particularly in global businesses.

As reported by [Ankura](#), cost of labor, access to labor, retention, wage inflation, employee burnout, and employee competencies are all high or serious concerns for finance executives. The effective management of these elements requires a careful balancing of talent management, wellbeing, and business finances—so it's no surprise that CFOs have become heavily involved.

To keep up, many organizations have added resources across their forecasting and financial planning and analysis (FP&A) teams, but **86 percent** of finance executives still have concerns about the level of their data and analytics capabilities. With technology evolving rapidly, it's becoming harder for businesses to keep up.

Similarly, CFOs have acquired a wider range of skills, including communication and people-focused “soft” skills that allow them to better interact with their people and understand how to build stronger strategies for the future.

These responsibilities go well beyond workforce planning and the need to more carefully assess the fairness of pay scales, bonuses, and benefit programs. They also include increased attention to **diversity, equity and inclusion** (DE&I), and an awareness of the budget commitment required to facilitate these programs.

Equally, building effective ESG programs that deliver maximum benefit for their budget not only serves an ethical purpose but also improves many companies' business cases and ability to attract and retain sustainability-conscious talent.

Forward-thinking CFOs understand that these programs will improve the company's bottom line, and are increasingly focused on finding ways to enhance their potential.



## Challenge #2

### A need to bridge skills gaps: Now and in the future

In the face of all of these new responsibilities, finance and HR leaders are reaping the rewards of working more closely together than ever before as they address skills shortages.

For today's leaders, **effective workforce planning and HR alignment** are crucial—across both external hiring and internal upskilling.

Traditionally, the CFO/CPO relationship has not been considered one of the most key in senior leadership, but in the modern business world, it's essential to maintain growth and stability.

**Closer collaboration can help leaders tackle some of the biggest challenges, such as:**

- An increase in the proportion of freelancers and contractors, which brings legal, financial, and company culture challenges
- A growth of remote and hybrid work, with the need to define clear policies, ensure ROI, and protect productivity by taking advantage of the right communication and collaboration tools

- Increasingly diverse, multi-generational workforces that can introduce communication challenges, but also bring huge benefits in terms of new thinking, novel ideas, and a wealth of experiences that boost the bottom line
- The need to ensure business continuity throughout unpredictable times, and to reassure people that the company will continue to protect their wellbeing

An effective workforce plan needs to be flexible enough to allow you to respond to these changing market conditions, and as a result, CFOs and CPOs are finding that increasingly regular contact helps them more closely align their efforts.

An in-depth relationship can work wonders. As **Julie Turpin**, chief people officer of Brown & Brown, says about her CFO, **“We talk every day, and everything we discuss ties back to talent... I hear things. He hears things. Then we compare notes on what's happening in the organization.”**

It takes time to build this kind of relationship, but **building a common language** between finance and HR can unlock great rewards for your business.

## Challenge #3

# An influx of new technologies

Forward-thinking CFOs are rapidly embracing new technologies that allow them to generate quantitative and qualitative metrics for their company's performance. These systems provide clear dashboards that let you track headcount, ROI, and burn rate in real time, driving evidence-based decisions as things evolve.

Using these technologies allows for a much more agile approach to planning and strategy that takes into account everyone in your business—no matter how widely dispersed—and helps you build a strong culture that improves **retention** and productivity.

Advanced **HR tech** allows modern CFOs to track metrics that can inform better decision-making, such as:

- Cost-per-hire
- Time-to-fill
- Absenteeism
- Total cost of workforce
- Headcount
- Billable hours per employee
- Turnover rate

### So what's stopping CFOs everywhere from adopting new tech?

**Eighty-three percent** of Ankura's finance executive respondents cited cybersecurity as a high or serious concern, so it's no surprise that business leaders are especially cautious about anything new. Organizations can also be held back by the lack of digital competencies in their finance teams, and the need to provide training or carry out recruitment to fill this skills gap.

However, with 79 percent expressing worries about excessive manual processes in their organization, it's clear that there are vast improvements to be made. Many CFOs are aware that their slow pace of adoption is holding back their organization, affecting their ability to attract more diverse, productive talent and enhance their operations.

As well as making the most of analysis tools, many leading competitors are embracing streamlined workflows and **automated processes** in their businesses, which help to reduce manual data errors, increase productivity, and free up resources for strategy and analysis.



As the emergence of big data and artificial intelligence (AI) is set to further transform how we do business, it's essential for CFOs and other senior leaders to get to grips with the latest technologies, and to integrate them into their company's processes.





# The future of the CFO: Six steps to take today

So what does the future of the CFO role look like, and how do CFOs tackle future challenges?

There are six key steps to take:

- 1. Embracing automation and real-time data to increase efficiency and improve the skills of your people.** Finance teams in global businesses need to become more efficient and more accurate in their day-to-day work in order to support an increased remit and maintain ROI.
- 2. Continuing to focus on strategy and commercial risk management.** Cybersecurity, DE&I, and ESG remain key—whether or not you are directly responsible for them.
- 3. Focusing on building a people-first organization with a healthy culture and approach to wellbeing.** Considering the continued impact of the last few years on talent acquisition, this is the best way to **improve retention** and

reduce wasted expenditure on hiring and onboarding. Take the time to create and invest in purpose-driven, people-focused programs.

- 4. Embracing the “soft skills” that CFOs are increasingly learning.** By growing your expertise and expanding your focus to driving value now and in the future, you can make better decisions and lay the foundations for a more sustainable enterprise.
- 5. Recruiting the right people to help you usher in the digital transformation.** Effective systems require people with the right skills to make them truly valuable: recruiting or upskilling is key to supporting your business growth.
- 6. Forging a stronger connection with your chief people officer (CPO) and HR leadership.** Together you can compile clearer insights, and better prepare for the future needs of your organization.

Ultimately, the key to all of these approaches is to remain flexible and agile and to use the power of real-time data analytics and interconnected **HR systems** to plan for—and react to—whatever the future might hold.

**With the power of HR tech behind you, you can be truly unstoppable.**

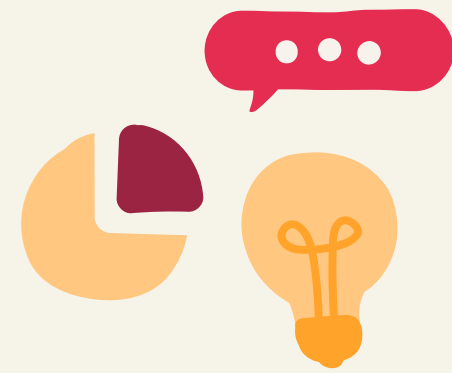


# Meet Bob

At HiBob, we've built a modern HR platform designed for modern business needs—today and beyond.

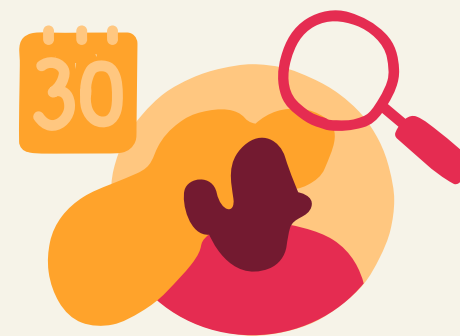
An HR platform such as Bob offers a one-stop shop for all things HR. It sits at the center of your HR ecosystem, is fully customizable, and grows with your organization.

In a short time, Bob can be deployed to enable communication, collaboration, and connectivity that drives stronger engagement, productivity, and business outcomes.



## For managers

It provides access to data and insights to help them lead more effectively and streamline processes.



## For HR

It delivers **automation** of many common processes, allows greater oversight and visibility of the business, and centralizes all people data in a secure, user-friendly environment.



## For employees

It's the tools and information they need to connect, develop, and grow throughout their journey.



# Now is the time to make smarter decisions when it comes to your people and organization

To learn more about HiBob and our data-driven tools, get in touch with us at [contact@hibob.com](mailto:contact@hibob.com)

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