A question of quality

PETER WILLIAMS PUTS INTO PERSPECTIVE THE REDUNDANCY FEARS HAUNTING EVERY BUSINESS DEPARTMENT.

With recession bearing down on every department in the organisation, treasurers are under immense pressure to come up with a clear strategy for ensuring they have the right treasury personnel in place. This has added urgency to the question of what qualities treasurers should be looking for when they recruit staff.

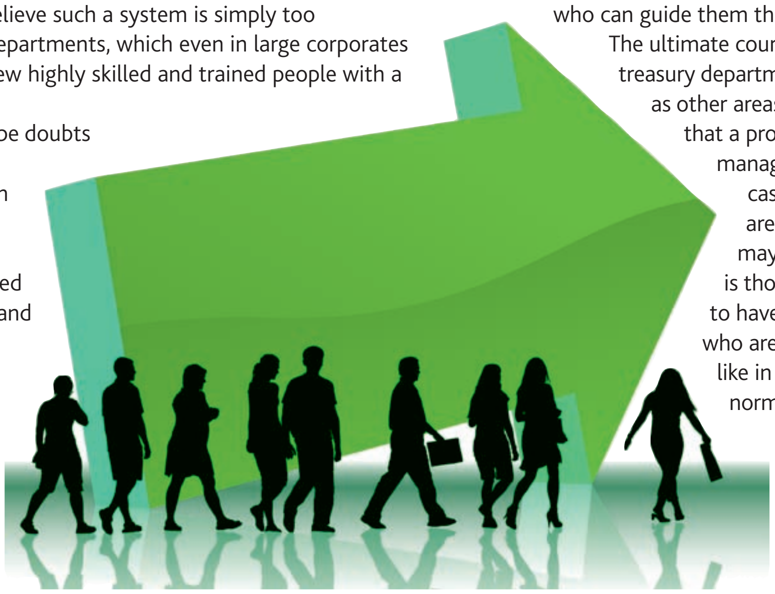
Is it, for instance, imperative that treasurers have a grounding in accountancy? Indeed, how numerate do prospective treasurers have to be? Many treasurers exhibit a high degree of numeracy, even compared with other numerate professions such as accountancy. But judging just what degree of affinity for numeracy is essential for treasury staff is not easy.

The question of recruitment and retention was discussed during one of the panel sessions at the recent ***talkingtreasury*** conference in London. One of the panellists suggested that if someone was unable to get to grips quickly with the fundamentals of a relatively simple task such as performing a bank reconciliation then they were unlikely to be cut out for the rigours of treasury.

But while many treasury departments are still heavily populated by staff with accountancy qualifications, a grounding in accountancy should not be seen as an absolute given, especially when those who have followed alternative career paths, such as banking, can also go on to highly successful treasury careers. The profile in the March issue of The Treasurer demonstrated how Stephan Sturm made the transition from banker to chief financial officer through his keen appreciation of the work of the treasury department.

One of the other key questions for any group treasurer is how integrated the department should be with the rest of the finance team. Is it possible to run a successful treasury team which has a steady flow of secondees from other areas of the company? Many finance professionals believe such a system is simply too disruptive to treasury departments, which even in large corporates often consist of just a few highly skilled and trained people with a very full workload.

But while there may be doubts over adopting a revolving-door approach to personnel, many treasurers are more convinced about the need to integrate their work and their approach with the wider finance team. At ***talkingtreasury*** one treasurer told of how the office walls had literally been knocked down to ensure that treasury became physically more integrated. All these issues have been hidden during the good years, but treasury departments are unlikely to escape the general scrutiny over headcount at a time when many corporates are under immense commercial and financial pressure.



The debate at ***talkingtreasury*** coincided with a report on talent issued by the Chartered Institute of Personnel & Development (CIPD). No department wants to lose good people at a time when their experience and knowledge could make a vital difference to the overall wellbeing of the company, and the CIPD's report, The war on Talent?, talked about talent strategies. It may not be a term familiar to treasurers but it is an easily understood phrase encompassing the idea of keeping the right headcount and experience to ensure a department can function at an acceptable level.

The CIPD survey suggests that despite the pressure on jobs exerted by the recession, many companies are still sticking by their talent strategies or are putting even more emphasis on identifying, developing and retaining the required talent. Even those companies that told the CIPD they had downsized said they had consciously protected key talent from the axe. The CIPD warns against cost-cutting in the areas that will make the biggest difference, although it acknowledges that cost-effective solutions are required as pressure mounts over proving return on investment.

An interesting light on the HR body's findings on talent is thrown by a global study from consulting firm Personnel Decisions International. It found that the pressure to cut costs and cope with a rapid market decline were the biggest business challenges and that talent management had fallen off the list. In PDI's previous studies, company leaders had said that top-line growth and talent management were the key issues. PDI argues that if companies want to be in business after the recession they need to focus on leaders who can guide them through these turbulent times.

The ultimate course of the recession is unclear, but treasury departments are not under the same pressure as other areas of the business. Companies recognise that a proper approach to issues such as liquidity management is vital to control and preserve cash in difficult circumstances. But there are other areas of a treasurer's work that may slip down the corporate agenda and it is those tasks that treasurers are most likely to have to carry out with fewer staff or staff who are not as qualified as the treasurer would like in an ideal world. Faced with the new norms, treasurers are going to have to work hard to ensure their staff are fit for purpose now and in the future.

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