

Finance professionals need to develop strategic influence

Finance professionals need to gain a more strategic influence and role in their business, a new study from PwC has found.

One of the unexpected costs of the pandemic has been a slip in the strategic role played by financial professionals in their business.

A [global study](#) of more than 3,000 finance professionals, including 150 in Ireland, by [PwC](#) and the [Association of Chartered Certified Accountants](#) (ACCA), has found that despite finance being more relevant as a result of the pandemic, the vast majority (75pc) feel they have been unable to improve their influence and relevance amongst stakeholders.

Less than one in three (28pc) believe the role of finance has become more relevant in their organisations compared to a global average of 34pc.

How to make friends and influence people

Over half (58pc) of Irish respondents said that the most significant issue facing their finance function is the mental health and well-being of their employees - much higher than global counterparts (48pc). Finance leaders need to continue to manage this issue, especially as they plan a potential return to the office. But there are signs that this may be impacting productivity.

Less than one fifth (19pc) of Irish finance leaders participating said that environmental, social and corporate governance (ESG) considerations were the top priority for their finance function (Global: 22pc), raising a concern that issues such as the climate crisis have taken a back seat while organisations fire-fight the global pandemic. However, stakeholder interest in this area is growing rapidly and finance teams have an important part to play in explaining the organisation's journey.

“Finance professionals must concentrate on investing in their own capabilities in data, technology, innovation, collaboration and strategy to step-up their pivotal role in the post-pandemic era,” recommended Clive Webb, head of Business Management at ACCA.

“Those organisations that had already started to adopt a digital transformation strategy had managed the pandemic better. There is an opportunity to build an even more relevant function, based on data, insights and collaboration. Finance teams cannot afford to lose sight of this.”

73pc of Irish respondents said that the pandemic has had a lasting impact on the technologies used in the finance function (Global:66pc). For example, there will be even greater focus on cyber risk, cloud based solutions, cloud based computing, scenario modelling and predictive analytics.

36pc of Irish respondents said that the pandemic has had lasting impacts on the mix of skills needed in the finance function (Global: 41pc). The report reveals how people strategies in the finance function will change in the year ahead: 32pc of Irish respondents will ramp up digital upskilling; 25pc will redesign roles and career paths; 22pc will establish virtual teams for the long term and 21pc will introduce more flexible working.

“We have seen many finance teams step-up to the challenge, gaining greater respect and influence in the boardroom by bringing valuable insight to help tackle a wide range of business issues,” said Jens Gladikowski, director of Advisory Consulting at PwC Ireland.

“Those who have invested in their people, technology and processes over recent years were clearly best able to adapt.

“The challenge now for finance functions is to build on the progress made during the pandemic and take a central role in defining business strategy and direction. It is critically important they do this at a time when business models are changing and stakeholder interest in broader measures of business performance is increasing.”