

## Why can't finance and HR just get along?

*Finance and human resources have more in common than they care to admit – here's how HR can improve its relationship with the CFO*

I have been fortunate enough in my career to deal with organizational leaders in finance as well as human resources. For as far back as I can remember, I have noticed the friction that exists between these two groups and it has always fascinated me.

Finance and HR have more in common than they care to admit. The CFO's role is to manage the financial assets of the company while the CHRO is mandated with managing the company's human capital.

Both finance and HR are important support functions for any enterprise. However, neither finance nor HR drive revenue — they support it. In organizations where finance and HR work well together, they provide solid support to corporate objectives.

The biggest point of this interdepartmental friction comes from the intersection of their interests — HR deals with people, whose costs are usually the largest expenditure in a company, while finance is mandated with managing costs.

So why can't finance and HR work well together? The truth is they can — it just takes effort from both sides to make the relationship work.

Here's a rundown of what HR professionals can do to improve their relationship with finance:

**Communicate:** A CFO needs to understand what you do, how you do it and how you can help her. HR needs to be proactive to understand the needs of the CFO and work together with her to provide appropriate solutions.



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appropriate solutions.

It sounds simple yet how many HR groups really have an open and effective line of communication with finance?

**Treat finance like a business unit:** A successful CFO needs a strong team to support him to meet objectives. As an HR professional, you understand what is involved in building, developing and sustaining a solid team, so help the CFO in his quest for having the most efficient and effective team. This is one sure way to get on the same side as the CFO.

**Give finance what it wants:** In the spring, my firm conducted an online survey of 40 CFOs to find out if they were willing to

commit internal resources for the development of their finance teams.

More than one-half (56 per cent) said they want support for succession planning, 83 per cent want help with talent management and 94 per cent want a more effective and efficient structure for their finance team. We asked them if they were willing to invest resources in these areas and the majority of them said yes. Who can better solve these challenges than human resources?

**Finance training:** Ask your CFO to help develop the financial literacy skills of the HR team. Imagine the synergy that can exist internally when your team better understands the financial aspects of the business, how it applies to the corporate objectives and what it means within the context of delivering strategic and tactical HR functions.

These are just some examples. To make the relationship with finance work, HR needs to take steps to build relationships — with the focus on adding value.

Do you have examples of how you were able to bridge the divide between finance and HR and have a positive impact on your organization?

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