

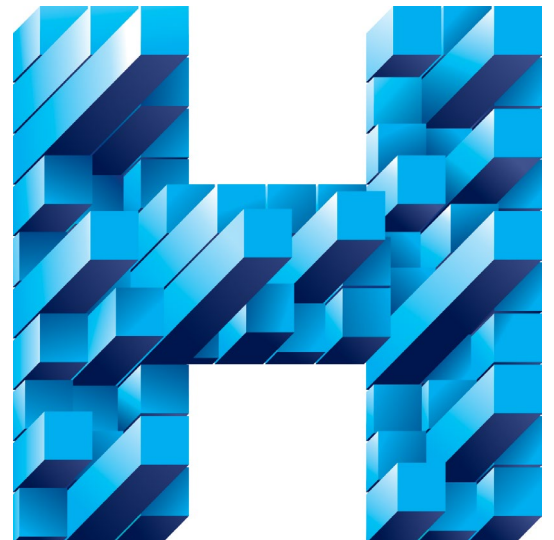


HAYS Recruiting experts
in Accountancy & Finance

DNA OF A CFO

The Makings of a Chief Financial Officer in Mainland China

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ABOUT THIS REPORT

The makings of a Chief Financial Officer in Mainland China

This report is designed to give insight into what it takes to reach a leadership role in finance in Mainland China. It is based on surveys and one-on-one interviews with finance leaders.

In this report, we identify paths aspiring CFOs can follow to reach their career ambitions. We first look at the backgrounds of current CFOs. Then, we follow the career development steps taken by CFOs and how it has helped them to achieve a leadership role in finance. Afterwards, we consider the critical skills required of CFOs, and then we explore the business and professional challenges facing them. Finally, we look at how CFOs manage work and personal responsibilities.

We hope the insights contained in this report will help aspiring CFOs map out their career paths and achieve their goals.

Survey methodology

A total of 161 CFOs and finance leaders were surveyed to produce this report. Survey questions were related to education and qualifications, career paths, international experience, skills and attributes, responsibilities, challenges in the field and personal lives.

Our expertise

At Hays, we have been recruiting finance professionals globally for 50 years. We source talented finance professionals at all levels, and in this report, we look at the commonalities and trends that CFOs in Mainland China share.

About our respondents

Out of 161 respondents working in Mainland China, 42 per cent worked for a company headquartered in Asia, 19 per cent of the respondents' company headquarters were in Europe, 28 per cent in North America and 11 per cent elsewhere.

92 per cent of respondents currently work for commerce and industry companies, either listed (47 per cent) or non-listed (45 per cent). Only two per cent were bank or financial services institutions and six per cent were from other industries.

41 per cent of the respondents worked for a company with over 1,000 employees, while only 26 per cent worked for a company with fewer than 250 employees. The turnover of the majority (33 per cent) of all companies was more than 500 million USD, although 13 per cent preferred not to disclose any figures.

61 per cent were male and 46 per cent of all the respondents were between 41 and 45 years old.

Job title

We exclusively refer to Chief Financial Officers (CFOs) throughout this report, though the titles of people who reached this position vary widely, 38 per cent of the respondents surveyed are CFOs; 27 per cent are Finance Directors (FD); 11 per cent are Vice President or Senior Vice President of Finance; and 24 per cent hold other titles, including Heads of Finance and Divisional or Regional Finance Directors.

*For the purposes of this survey, commerce and industry includes any sector not including the public sector, and includes financial services.

ESTABLISHING A STRONG FOUNDATION IN FINANCE

A strong foundation in finance is necessary for CFOs in Mainland China. This foundation is built through education, additional qualifications, and work experience, both at home and abroad.

The majority (84 per cent) of CFOs in Mainland China hold a bachelor's degree in business, commerce, finance or economics. Many also choose to pursue additional certifications like the CPA and Masters degrees.

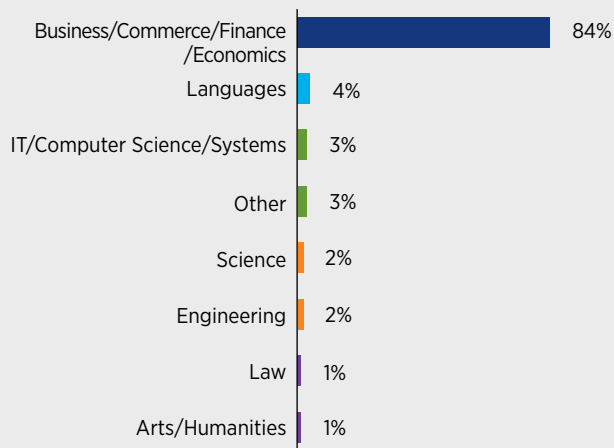
Substantial work experience is also necessary for CFOs. 80 per cent of respondents have always worked in finance, and the vast majority (92 per cent) have worked in the commerce and industry sector (both listed and unlisted). 46 per cent of CFOs had more than 11 years of post-qualification experience before assuming the CFO role.

Background and qualifications

Although the CFO role continues to be male-dominated, the ratio of men to women in Mainland China is the most equitable out of all surveyed Asian countries - 39 per cent of CFOs in Mainland China are women. CFOs in Mainland China are also younger than in many other Asian countries, with 79 per cent of respondents younger than 46 years.

46 per cent of the survey respondents are CPA certified, the most popular accounting qualification, followed by ACCA and CIMA, accounting for 15 per cent and ten per cent, respectively. The majority of respondents hold an MBA degree (59 per cent), while 30 per cent hold a Masters degree.

If you hold a bachelor's degree, what discipline did you study?



International experience

All of the respondents who worked overseas believe that the experience was beneficial to them and their careers. 49 per cent worked in North America, 38 per cent worked in Europe and 18 per cent worked in the UK.

If presented with the opportunity, 53 per cent would choose to work overseas. The most preferred destination is North America (68 per cent), followed by Europe (45 per cent) and Australia and New Zealand (37 per cent).

Of the respondents considering working outside Asia, 44 per cent believe that the international experience is necessary for their career development, while 33 per cent believe that the move would help them balance their work-life and family obligations.

Why are you currently considering working outside Asia?



SURVEY FINDINGS

Besides having finance knowledge and experience, it is important for CFOs in Mainland China to have the right skillset, including strategic planning and commercial awareness. Collaboration and working with other people, both in the organisation and out, is also necessary for CFOs. More and more, CFOs in Mainland China are expected to collaborate across departments, and to network through industry events. CFOs in Mainland China are faced with a dynamic economic landscape as well as changing regulations, both of which are major challenges for the next 12 months. The key findings of our survey, outlined below, help to explain just what makes up a CFO's DNA in Mainland China.

Education plus work experience

In addition to a strong background in finance, obtaining a post-graduate or accounting degree and a work experience of more than a decade in the industry, is key to achieving a leadership role in finance.

Overseas work experience

While only 32 per cent of CFOs have overseas work experience, 53 per cent are currently considering moving abroad, as they believe it will aid their career development (44 per cent) and offer a better work-life balance (33 per cent).

Experience helps

43 per cent of the respondents had between 11 to 20 years of Post-Qualification Experience (PQE), before they became a CFO.

International experience

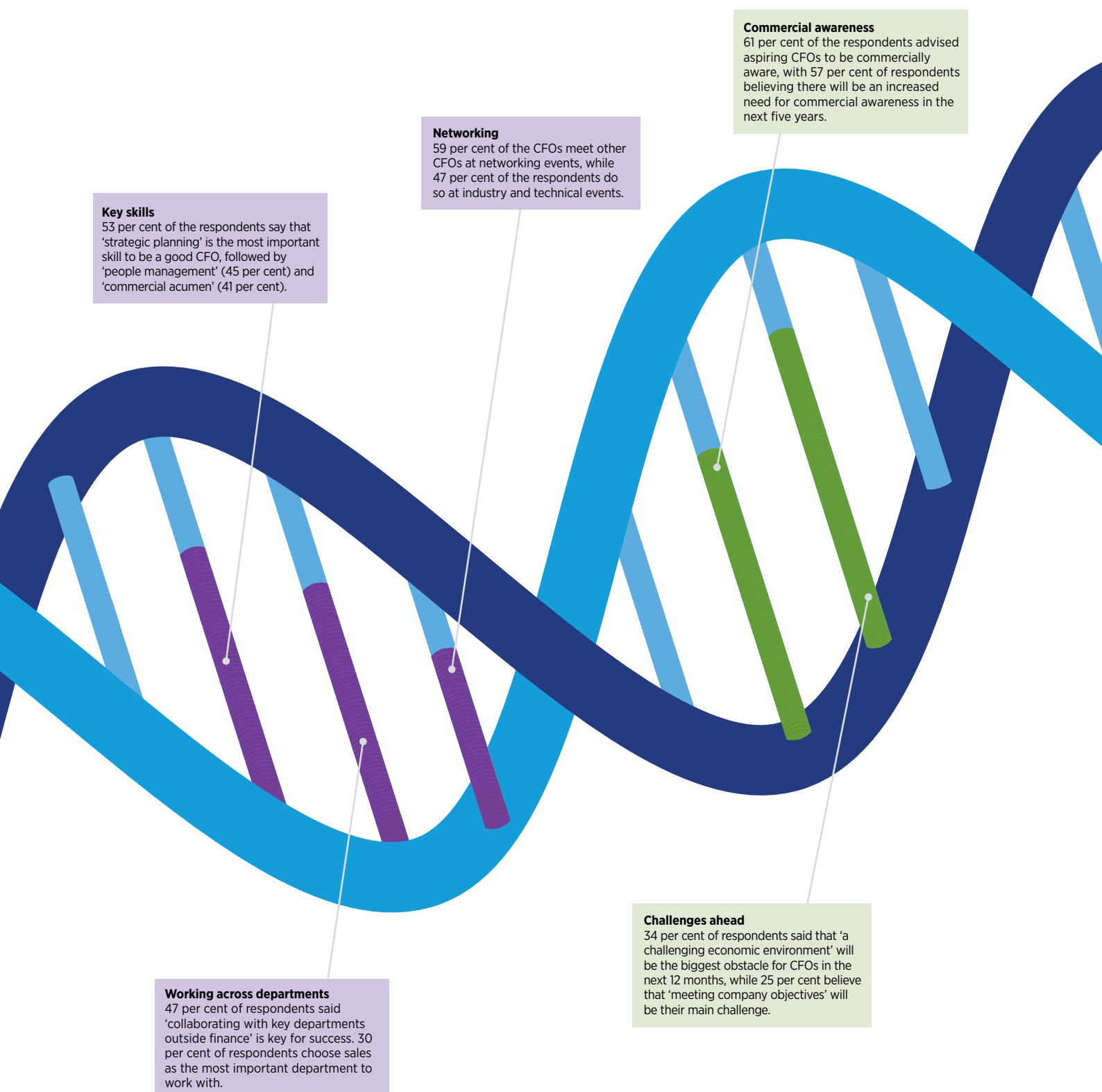
If they could work overseas, most CFOs would choose to go to North America (68 per cent), followed by Europe (45 per cent).

Relevant educational degrees

84 per cent of CFOs have degrees in business/commerce/finance/economics, while 59 per cent have a MBA degree and about one-third (30 per cent) have a Masters.

Benefits of a global background

82 per cent of the surveyed CFOs with international experience believe that the experience was beneficial to their career. 44 per cent of respondents are considering working overseas to aid their career development.



Key skills
53 per cent of the respondents say that 'strategic planning' is the most important skill to be a good CFO, followed by 'people management' (45 per cent) and 'commercial acumen' (41 per cent).

Networking
59 per cent of the CFOs meet other CFOs at networking events, while 47 per cent of the respondents do so at industry and technical events.

Commercial awareness
61 per cent of the respondents advised aspiring CFOs to be commercially aware, with 57 per cent of respondents believing there will be an increased need for commercial awareness in the next five years.

Working across departments
47 per cent of respondents said 'collaborating with key departments outside finance' is key for success. 30 per cent of respondents choose sales as the most important department to work with.

Challenges ahead
34 per cent of respondents said that 'a challenging economic environment' will be the biggest obstacle for CFOs in the next 12 months, while 25 per cent believe that 'meeting company objectives' will be their main challenge.

Building a network and business skills

The key skills for a successful CFO career are strategic planning and people management. In addition, CFOs need to develop an extensive network with other CFOs to stay updated about what is occurring within their industry and work closely with other departments, especially sales to further their career.

Business acumen

According to 61 per cent of respondents, aspiring CFOs should now be taking steps to become more commercially aware with 37 per cent indicating they should also involve themselves more in their organisation's operations beyond finance. In addition, aspiring CFOs should also try to develop their people skills (35 per cent) and 'focus on learning and development' (30 per cent) for a successful career.

DEVELOPING A CAREER IN FINANCE

After obtaining necessary skills, knowledge and work experience in finance, CFOs have to continue to learn and develop in order to keep up with a dynamic Asian market. CFOs in Mainland China have to build interpersonal skills and networks, while also adapting to industry changes.

CFOs in Mainland China must be proactive about their careers, and continue to develop their skills and roles. 47 per cent of respondents partnered with different departments outside of finance, building on their knowledge of their organisation. 30 per cent underwent training in order to better understand how these departments work.

37 per cent of CFOs indicated it is important to work with all other departments, but 30 per cent singled out the sales department as the most critical.

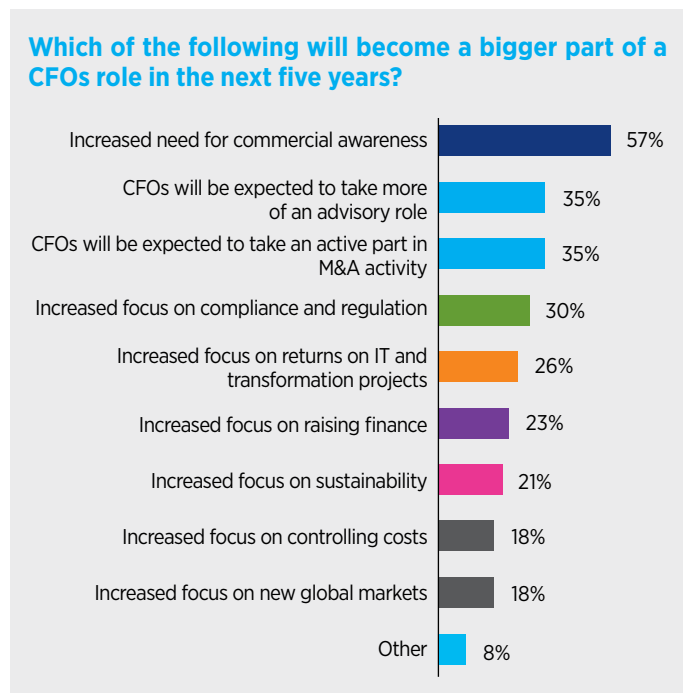
Additionally, it is key for CFOs in Mainland China to have insights into their market. 40 per cent keep up to date with the latest industry changes through professional associations (47 per cent), free news websites (45 per cent) and subscriptions to news websites (40 per cent).



Overall, CFOs in Mainland China are happy with their careers, but 47 per cent aspire to a bigger CFO role, such as being appointed to Group CFO or taking on the position in a larger organisation. 14 per cent have ambitions of becoming a CEO.

However, CFOs do have to prepare themselves for changes in the field. 57 per cent expect that CFOs will need to become more business savvy and engage in the commercial aspects of their organisation.

35 per cent believe CFOs will take on greater advisory roles, part of which may include weighing in on their organisation's M&A activities (35 per cent). Respondents also believe that the CFO role will also encompass an increased focus on 'compliance and regulation' (30 per cent) and 'returns on IT and transformation projects' (26 per cent) within the next five years.



THE BIGGEST CHALLENGES FACING CFOs

Due to changing market conditions and evolving regulations, CFOs have to deal with a number of challenges in the near future. Many of these challenges require CFOs to utilise non-technical skills, and be outgoing and communicative both with their teams and their partners.

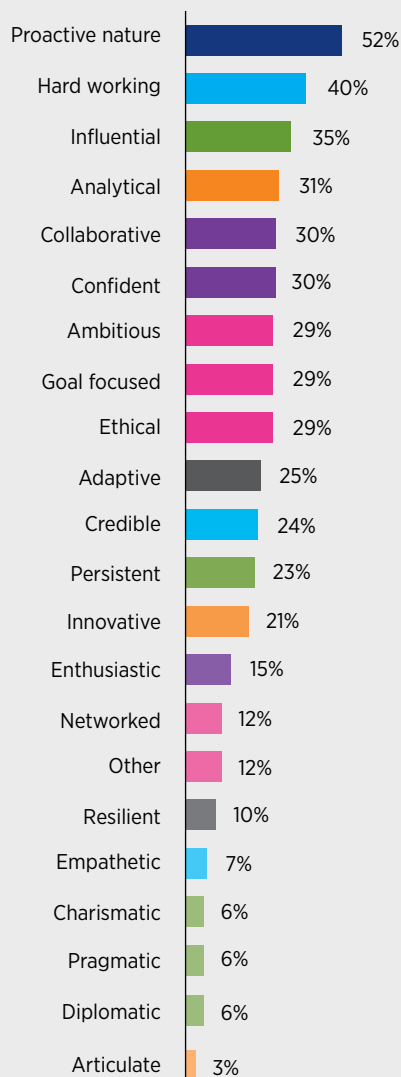
34 per cent of CFOs expect the next 12 months to be an especially difficult economic environment to work in. This means that the CFO role will be even more important for their respective organisations. 24 per cent of respondents said that 'business partnering with other functions' will be particularly difficult, requiring additional efforts for communication and teamwork.

People management and human resources is a recurring issue for CFOs - 22 per cent indicated that the 'skills and knowledge gap' of their teams is an issue, and 22 per cent also expressed concern about how to align 'strategic requirements with operational budget and workforce'. Employee retention, recruitment and attraction and employee engagement are also challenging issues for CFOs.

These challenges are not uncommon for CFOs, and they require not only professional skills but also personal traits. According to surveyed CFOs, the most useful characteristic for them has been their 'proactive nature' (52 per cent). 40 per cent of respondents also indicated that being 'hard working' is a critical trait.

Additionally, CFOs in Mainland China should be 'influential' (35 per cent) as well as 'analytical' (31 per cent).

What personal characteristics do you think have helped you succeed in your career so far?



What factors do you believe present the biggest business challenges to CFOs over the next 12 months?



CFO PROFILE



John Jin
CFO
PayPal
Greater China

“As a CFO, you must have interest in people, and know how to engage with them.”

The career path

John Jin knew that he wanted to become a CFO at the very beginning of his career. After completing his Master’s degree in the United Kingdom, John returned to Mainland China to work in GE, and joined their Financial Management Program (FMP). The program allowed him to undertake different module trainings and rotations, which opened his eyes to a wide variety of roles and responsibilities.

John eventually spent over ten years in the company, working as a Corporate Audit Staff, FP&A manager, and finance manager. He eventually became the regional CFO, and then took a leap to transition to PayPal as the CFO and Deputy General Manager.

Unlike GE, PayPal plays in a fast-paced service industry with a more flat organisational structure and a more open culture. In his newly assumed role as Deputy General Manager, John is responsible for a multitude of business aspects outside of finance, such as corporate governance and compliance.

“My challenge in my new role is to prioritise my work, build up trust with the key players in different functions, and get to learn all the new areas as soon as possible,” John said.

The ingredients of a CFO

For John, there are two main requirements that all future CFOs must check.

First, you must have the prerequisite technical skills. These include basic foundations, like accounting, reporting, controllership, corporate governance and more. Future CFOs must know how to influence to achieve the business targets, as well as drive strategic partnerships towards achieving company goals.

Second, aspiring CFOs have to clearly set out their goals at each stage of their careers. “You need to be clear about your short-term and long-term career goals, and then find the right job opportunity to practice yourself,” John said.

Once you have the technical skills, and the career path largely laid out, the next stage of development should focus on developing your soft skills, and commercial depth. This is particularly important for people that seek to work for corporations, where industry knowledge is key.

Partnerships and people

Like many other CFOs and survey respondents, John agrees that knowing how to work with other people is a critical factor for a CFO’s success. “EQ [emotional intelligence] is key,” he said. By this, he means a wide range of interpersonal and communication skills that help to unify a team, clarify a goal, and foster a sense of unity and cooperation.

Beyond the main skillsets, however, John also believes that CFOs must be interested in the people that they are working with, have insight into how they work, and then have a good method of engaging with them and cooperating between them.

This also means that CFOs need to be flexible and open-minded. In stressful situations, an open mindset can help resolve the issue at hand.

Those that are more open minded are better adapted at knowing how to respond to emergencies and communicating it to the right people.

Gaining opportunities

Given the importance of people for the position, John thinks that retention is an immediate to medium term challenge to many organisations. According to John, it is core to the single most cited

challenge facing CFOs within the next 12 months – achieving company objectives.

“The key thing I am now paying attention on is to develop my next generation leaders,” John said, “Currently, the Mainland China platform may not be big enough to create enough opportunities for good performers who do not currently have regional mobility. In the next few years, I believe the situation will improve as the business grows.”

In order to best position yourself for these opportunities, John suggests being open to all feedback you receive, and then using that feedback to learn and practice.

“Networking can be a source of feedback and industry insight. Through my ex GE staff network, I got connected to several executives from the same industry. It’s a great way to know more about the industry and the economic environment,” John said.

Finding career fulfillment

For most CFOs, job satisfaction is high. For many, fulfilment comes from knowing that you have an integral understanding of the company and being able to influence the business in a profound way.

“For me, as CFO, it is the sense of achievement which means I do have the necessary skills and experience at executive level and be able to influence the company’s operations and future.” But while John is happy as a CFO, he admits that it may not be the best option for others. “It’s not necessary for everyone to become a CFO,” said John, “You must find the career you fit best.”

In order to keep up with the responsibilities of the position, John offers one last suggestion. “As a CFO, you need to learn to release yourself from pressures

and tensions,” he said. This includes taking time to exercise, read books and relax in order to keep yourself calm and your energy level high. “These helped me to get out of pressing situations, remain positive, refresh and recharge myself.”

MAINLAND CHINA VS ASIA SURVEY FINDINGS

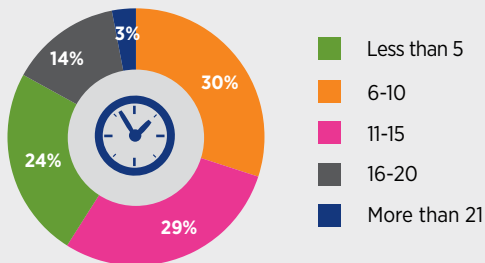
MAINLAND CHINA

Have you worked outside Asia at any point in your career?

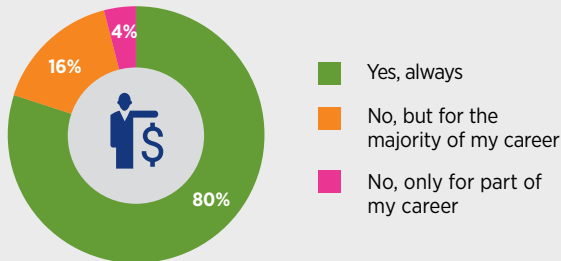
 YES 32%

 NO 68%

How many years PQE did you have before you became a CFO?



Have you always worked in finance?



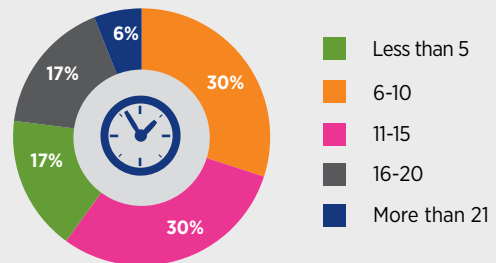
ASIA (HK, JP, MY, SG)

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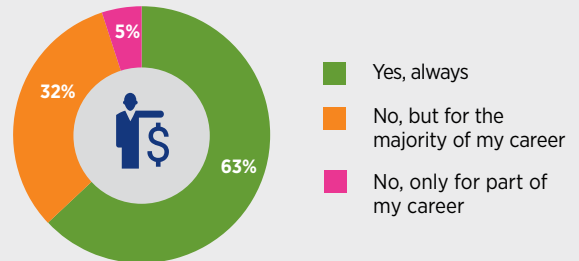
 YES 58%

 NO 42%

How many years PQE did you have before you became a CFO?

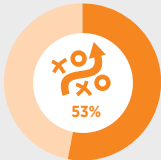


Have you always worked in finance?

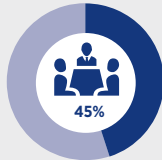


MAINLAND CHINA

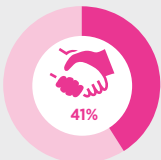
What do you think are the top four skills needed to be a CFO?



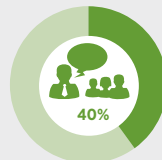
Strategic planning



People management

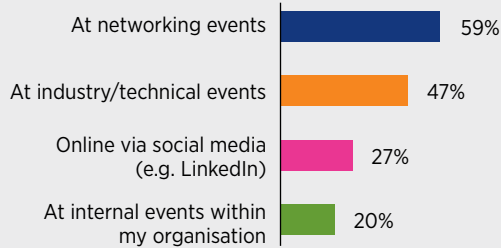


Commercial acumen



Communication

How do you meet and network with other CFOs?

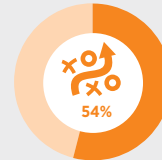


ASIA (HK, JP, MY, SG)

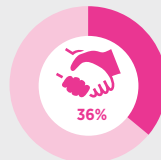
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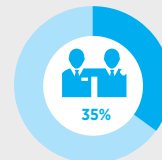
People management



Strategic planning

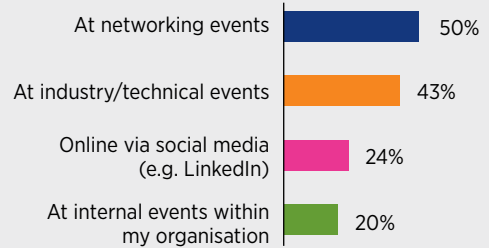


Commercial acumen



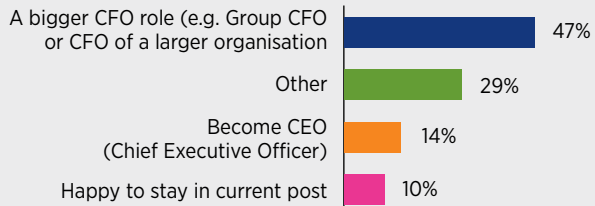
Stakeholder engagement/
influencing

How do you meet and network with other CFOs?



MAINLAND CHINA

What is your ultimate career goal?



What are your top three tips for the next generation of CFOs?

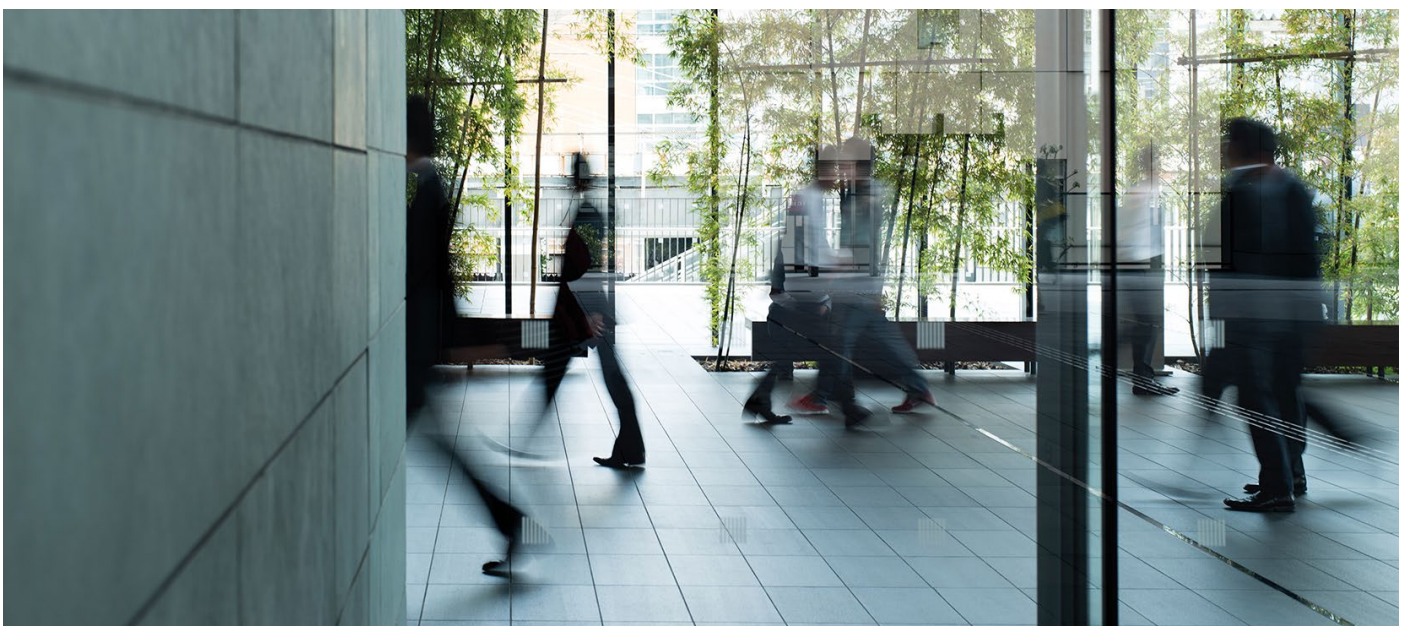


ASIA (HK, JP, MY, SG)

What is your ultimate career goal?



What are your top three tips for the next generation of CFOs?



CONTACT US

Mainland China

Beijing

601, Tower 1, China Central Plaza,
81, Jianguo Road, Chaoyang District,
Beijing, 100025
T: +86 10 5765 2688
E: beijing@hays.cn

Guangzhou

Rm1508, Level 15, No.26 Huaxia Road,
Zhujiang New Town,
Tianhe District, 510620
T: +86 20 3811 0333
E: guangzhou@hays.cn

Shanghai

Unit 1205-1212, HKRI Centre One, HKRI Taikoo
Hui, 288 Shimen Road (No.1),
Shanghai, 200041
T: +86 21 2322 9600
E: shanghai@hays.cn

Shenzhen

Unit 1469, 70 14/F, Times Financial Centre
No. 4001 Shennan Avenue, Futian District,
Shenzhen,
T: +86 755 8435 6266
E: shenzhen@hays.cn

Suzhou

Unit 1506, 24th Building, Times Square
Hua Chi Street, Suzhou Industrial Park
Suzhou
T: +86 512 6289 0288
E: suzhou@hays.cn

Hong Kong

6604-06,66/F, ICC, 1 Austin Road West,
West Kowloon
Hong Kong
T: +852 2521 8884
E: hongkong@hays.com.hk

Japan

Head Office

Izumi Garden Tower 28th Floor
1-6-1 Roppongi, Minato-ku,
Tokyo 106-6028
T: +81 3 3560 1188
E: info@hays.co.jp

Yokohama

NMF Yokohama Nishiguchi Building 2F
1-11-11 Kitasaiwai, Nishi-ku,
Yokohama, Kanagawa 220-0004
T: +81 45 326 3130
E: yokohama@hays.co.jp

Osaka

Dojima Avanza 6F
1-6-20 Dojima, Kita-ku
Osaka 530-0003
T: +81 6 6457 7272
E: osaka@hays.co.jp

Malaysia

Kuala Lumpur

Suite 4 & 5, Level 23, Menara 3,
Petronas, Kuala Lumpur City Centre, 50088
T: +60 3 2786 8600
E: kualalumpur@hays.com.my

Sunway

Suite 20-02A, Level 20, The Pinnacle,
Persiaran Lagoon, Bandar Sunway,
Subang Jaya, Selangor, 47500
T: +60 3 7611 8600
E: sunway@hays.com.my

Singapore

80 Raffles Place #27-20
UOB Plaza 2
Singapore 048624
T: +65 6223 4535
E: singapore@hays.com.sg

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