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Topic	Discussion on how to enhance the IFRS Foundation's value proposition to attract talent and how global talent can be better mobilised to support the IFRS Foundation
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Purpose

1. The purpose of this paper is to prepare a discussion on how to enhance the IFRS Foundation's value proposition to attract talent and how global talent can be better mobilised to support the IFRS Foundation.
2. Structure of the paper:
 - (4 – 6) Background
 - (7 – 8) Challenges and strategy for talent attraction
 - (9 – 10) Challenges and strategy for talent retention
 - (11 - 12) Culture framework
 - (13 – 17) IFRS Foundation Employer Value Proposition
3. In the discussion, Advisory Council members are asked for their comments and recommendations.

Background

4. Staff is the most critical resource for the IFRS Foundation because it directly influences the IFRS Foundation's ability to develop, maintain, and promote high-quality financial reporting standards used globally. Without a knowledgeable and dedicated team, the IFRS Foundation would struggle to fulfil its complex and global mandate.

5. It is therefore particularly important that we place significant emphasis on the recruitment and retention of talent. This not only ensures that we meet the high professional requirements but also that the organisation remains adaptable and future-proof. Through strategic initiatives for talent acquisition and development, we can attract top professionals who possess not only the necessary technical expertise but also the intercultural competence and language skills essential for our international collaboration. Moreover, it is crucial to implement effective employee retention measures to preserve the valuable knowledge and experience of our staff and ensure continuity in our projects.
6. These efforts help us tackle the challenges of global recruitment and position the IFRS Foundation as an attractive employer capable of fulfilling its mission at the highest level.

Attracting Talent

7. Attracting the right talent is a key challenge for the IFRS Foundation. Especially in our niche and specialised environment, the pool of talent available is comparably small. Here are several reasons why:
 - (a) **High Professional Requirements:** The IFRS Foundation is responsible for developing complex, globally applicable accounting standards. This necessitates profound expertise in financial reporting, international accounting regulations, and practical experience with these standards across diverse industries and regions. Professionals with such qualifications are rare and often already employed by major audit firms, corporations, or regulatory authorities.
 - (b) **International Experience and Expertise:** As the IFRS Foundation sets international standards, staff must have experience with various national accounting and reporting systems, alongside an understanding of the impacts on different legal systems and markets. Finding candidates who possess this blend of specialised knowledge, and a global perspective is particularly challenging.
 - (c) **Stringent Requirements for Independence and Neutrality:** IFRS Foundation employees must operate independently and without bias, with no

conflicts of interest involving other companies or organisations. These high standards of impartiality further narrow the pool of potential candidates.

- (d) **Intense Competition for Talent:** Experts in the field of accounting and financial standards are in high demand worldwide, particularly by major accounting firms, financial institutions, and multinational corporations. Such organisations are often able to offer higher salaries and additional benefits, making recruitment for a non-profit organisation such as the IFRS Foundation more challenging.
 - (e) **Interdisciplinary Competency Requirements:** In addition to expertise in accounting, many roles at the IFRS Foundation require skills in areas such as regulatory matters, sustainability reporting (through the ISSB), communication, and stakeholder management. This combination of competencies is rare, which complicates the search for ideal candidates.
 - (f) **Intercultural Competencies and Language Proficiency:** As an international organisation, the IFRS Foundation requires personnel with intercultural competence and, often, multilingual abilities to collaborate effectively with professionals and stakeholders worldwide. This increases the demand for candidates with strong interpersonal and communication skills.
 - (g) **Specific Location Requirements:** The IFRS Foundation is headquartered in London and has only a few additional locations (e.g. Frankfurt, Montréal, San Francisco, Tokyo, and Beijing) which may require potential candidates to relocate to a particular city or country. Especially in an era of remote working, this may be less attractive to professionals who prefer flexible working arrangements.
8. Early 2024, the HR team introduced a new recruitment process that aims to attract, identify, and hire qualified candidates to fill open positions. The process covers the following areas:
- (a) **Needs Assessment:** The recruitment process begins with a thorough assessment of the organisation's workforce needs. This involves identifying the positions that need to be filled, as well as analysing factors such as anticipated growth, turnover rates, and skill gaps within the existing workforce. This

assessment also supports the yearly budget process and will be a key element of strategic workforce planning.

- (b) **Job Analysis and Description:** Each open position must have a clear and detailed job description that outlines the roles, responsibilities, qualifications, and expectations associated with the role. This document serves as the foundation for attracting suitable candidates and aligning expectations throughout the hiring process. In addition, it is the basis for a reliable benchmark process.
- (c) **Compensation and Benefits:** To be able to attract top-talent, the IFRS Foundation has to ensure that it offers competitive packages, ensures internal equity, and acts in line with legal and tax requirements. Therefore, every position is benchmarked against industry standards and best practices to maintain competitiveness.
- (d) **Sourcing Strategy:** To broaden the pool of talent available, the Talent Acquisition (TA) team has identified additional channels and methods to attract candidates. This includes job boards, social media platforms, professional networks, employee referrals, recruitment agencies, career fairs, and other sources. The sourcing strategy also considers diversity and inclusion initiatives to attract a diverse pool of candidates.
- (e) **Selection Process:** Consistent selection criteria and process are used to evaluate candidates. This includes screening resumes, conducting interviews, skills assessments, reference checks, background checks, and other evaluation methods. It ensures that the selection process is fair, consistent, and compliant with legal and regulatory requirements. Currently, the TA team is evaluating the benefit of using competency tests in our recruiting process.
- (f) **Metrics and Evaluation:** Tracking and measuring recruitment metrics is essential for assessing the effectiveness of our recruitment strategy and identifying areas for improvement. Key metrics include time-to-fill, cost-per-hire, applicant conversion rates, quality of hire, and candidate satisfaction scores and others. The implementation of an Application Tracking System (ATS) will be completed by the end of the year. We will then be able to provide Recruiting KPI's on an ongoing basis.

- (g) **Candidate Experience:** The IFRS Foundation aims to provide a positive candidate experience, as this is critical for attracting and retaining top talent. As part of the recruiting policy, a process is implemented that ensures that candidates are treated with respect, communication is timely and transparent, and the overall process is efficient and professional.

Retaining Talent

9. The need for strong employee retention is particularly crucial for the IFRS Foundation, given the complexities involved in recruiting suitable professionals. This need has several specific reasons:
 - (a) **Value of Expertise:** The extensive knowledge required by IFRS Foundation employees is challenging to replace. Well-integrated staff members who bring technical expertise and intercultural experience are valuable assets. Focused retention efforts help preserve this critical knowledge base.
 - (b) **Competitive Edge over Other Employers:** As accounting firms and large corporations can often offer higher salaries and additional benefits, the IFRS Foundation benefits from creating a work environment that fosters loyalty and satisfaction. Strong employee retention can help maintain competitiveness in the talent market and reduce turnover.
 - (c) **Preservation of Organisational Culture and Values:** The IFRS Foundation must promote an environment that respects independence and neutrality. When employees feel a sense of commitment to the IFRS Foundation's culture, the organisation's core values remain strong. A stable workforce helps preserve and advance this culture over time.
 - (d) **Cost Savings through Reduced Turnover:** Employee turnover incurs significant costs, not only in recruitment and training but also in the loss of knowledge and experience. Long-term retention minimises these expenses, bolstering continuity and stability within the organisation.
 - (e) **Increased Efficiency and Productivity:** Employees who stay with the organisation long-term typically work more efficiently and contribute more

readily to critical projects. Strong retention thus supports both productivity and employee commitment to the IFRS Foundation's mission.

- (f) **Adaptability to Future Challenges:** As the IFRS Foundation continuously responds to new developments, such as sustainability standards, experienced and committed staff are invaluable in addressing these challenges. Strong retention builds a foundation of knowledge and innovation, making the organisation more agile and resilient.

10. The IFRS Foundation already has taken various actions to foster employee retention. These elements need to connect to each other, so an implementation cannot be done at once. Missing elements are identified and will be introduced in due course.

- (a) **Performance Management:** By implementing a global, comprehensive performance management process, we can effectively align employee performance with organisational objectives, foster a culture of continuous improvement and development, and drive overall business success. It will be linked with pay process and contains:

- (i) Objective setting and performance review for all staff
- (ii) Performance Metrics and Key Performance Indicators (KPIs)
- (iii) Performance Improvement Plans (PIPs)
- (iv) 360-Degree Feedback

- (b) **Succession Management** is the process of identifying and developing internal employees with the potential to fill key (leadership) positions within our organisation as they become vacant due to retirement, promotion, or other reasons. Our succession management aims to identify, develop, and prepare high-potential employees to assume new roles in the future. This is how we structure this process (to be piloted within the Operations team this year):

- (i) Identification of key positions
- (ii) Talent reviews / Creating a talent pool
- (iii) Develop succession criteria
- (iv) Identify high-potential employees
- (v) Create individual development plans

- (c) **Employee and Leadership Development:** The IFRS Foundation supports the continuous growth, development, and success of both individuals and the organisation, ultimately contributing to enhanced performance, innovation, and competitiveness. The key pillars of this area are:
- (i) Need assessment
 - (ii) Strategic training and development objectives
 - (iii) Training methods and modalities
 - (iv) Curriculum development
 - (v) Continuous learning culture
 - (vi) Leadership development

Culture Framework

11. After the creation of the ISSB and the consolidation of VRF and CDSB, a Culture project was developed and launched a Culture Framework¹, aimed at building on existing strengths in the cultures of all the consolidating bodies and to stretch the enlarged organisation with the more aspirational elements considered necessary in delivering our mission.
12. The Culture Framework articulates the IFRS Foundation's desired culture and its completion marks an important step towards a strengthened 'One Foundation' culture. As a key internal asset, it guides staff on how to act and interact to support the delivery of our mission and shared goals (ambition, values and behaviours). After several workshops, engagement and communication sessions, the Culture Framework was launched. It consists of 4 values:
- Serve the public interest;
 - Deliver as one;
 - Shape the future; and
 - Thrive together.
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They are embedded in the HR processes and are measured through the engagement survey:

- (a) **Recruitment and Selection:** During the recruitment process, we assess candidates not only based on their skills and qualifications but also on their alignment with the IFRS Foundation's values and desired behaviours.
- (b) **Onboarding and Orientation:** Introducing new employees to the Foundation's Culture Framework will be an integral part of the onboarding process. We incorporate values-based orientation sessions, training modules, and materials to help new hires understand the IFRS Foundation culture, mission, vision, and core values from the outset. A culture induction module for new joiners, to be led by culture champions and HR, has also been designed.
- (c) **Performance Management:** Values and behaviours will be integrated into the performance management process through the establishment of clear performance expectations and behavioural competencies aligned with the culture framework. We already develop performance appraisal forms, competency frameworks, and evaluation criteria that incorporate behavioural indicators and assess employees' demonstration of desired values in their work.
- (d) **Employee Engagement:** HR plays a critical role in fostering employee engagement and communication by facilitating open and transparent communication channels that promote dialogue, feedback, and collaboration. We have embedded the Culture Framework in our engagement survey, where employees can voice their opinions, share ideas, and contribute to shaping the organisation's culture and values. The results of the 2024 engagement survey are very positive and will be shared with staff in due course.

The IFRS Foundation's Employer Value Proposition

13. An Employer Value Proposition (EVP) is a set of unique benefits and values that an organisation offers to its employees in exchange for their skills, capabilities, and experiences. It's the answer to the question, "*Why would someone want to work here?*" and serves as a guiding message to attract, retain, and engage talent.

14. A strong EVP typically includes elements such as Career Development (opportunities for growth, promotion, and learning), Compensation and Benefits (competitive salary, bonuses, healthcare, retirement plans, and other perks), Company Culture (the values, work environment, and personality of the organisation), Work-Life Balance (policies and programmes that support a balance between work and personal life), and Purpose and Impact (how employees can contribute to a mission that matters, creating a sense of pride and fulfillment).
15. A well-defined EVP helps an organisation stand out in a competitive job market, aligning what employees expect with what the employer provides, fostering loyalty, and boosting employee satisfaction.
16. The EVP for the IFRS Foundation would highlight its unique role as an international standard-setter that combines professional impact with a commitment to global transparency and accountability. This is how the IFRS Foundation's EVP can be articulated:
 - (a) **Global Influence and Impact:** Joining the IFRS Foundation means contributing to internationally recognised standards that drive transparency and comparability in financial reporting across over 140 countries. Employees have the rare opportunity to impact global financial markets and shape sustainable business practices worldwide.
 - (b) **Professional Excellence and Innovation:** The IFRS Foundation is committed to the highest standards of technical expertise, intellectual rigour, and ethical conduct. Employees work alongside leading professionals in accounting, finance, and sustainability reporting, with opportunities for continual learning and exposure to cutting-edge developments, including emerging areas like sustainability standards through the ISSB.
 - (c) **Commitment to Independence and Integrity:** At the IFRS Foundation, integrity and independence are paramount. Employees can take pride in working for an organisation known for its impartiality and dedication to providing unbiased financial reporting standards, free from conflicts of interest.
 - (d) **Collaborative, Multicultural Environment:** With stakeholders worldwide, the IFRS Foundation offers a truly international workplace. Employees engage with diverse cultures and viewpoints, fostering an inclusive environment that

encourages open communication and mutual respect, enhancing both personal and professional growth.

- (e) **Opportunity for Societal Impact:** Employees at the IFRS Foundation play a role in advancing the public interest by supporting transparency and accountability, helping investors, regulators, and the public make informed decisions. This mission-driven work allows employees to make a meaningful impact on society and promote trust in the global financial system.
- (f) **Professional Development and Career Growth:** The IFRS Foundation invests in its employees' continuous development, providing access to specialised training, seminars, and collaborative projects that support skill enhancement and leadership development, empowering employees to grow within the organisation.

17. In summary, the IFRS Foundation's EVP centres on the unique opportunity to drive global impact in financial standards, work in a multicultural and independent environment, and contribute to a mission that promotes trust and transparency in the global economy. This distinctive blend of purpose, impact, and professional growth makes the IFRS Foundation a compelling place to work.

Question for Advisory Council Members:

AC Members are asked for their views and comments about the following questions:

- a) Which best practises do you recommend improving our capability to attract and retain talent – especially in the unique environment the IFRS Foundation operates in?
- b) What can we do to strengthen our Employer Value Proposition? Are there best-practises we should incorporate?
- c) Do you recommend to differentiate between staff and Board Members on the above questions?