ON TARGET

e-Mag of the Institute of Certified Management Accountants Jan Feb 2016 Vol 20, No.1

PNG Prime Minister Bestowed with Fellowship of the ICMA

CEO Message: Time for CSR Reporting Standards?

Opinion: The Death of Employment?

Leadership is Always about People Orientation

MoUs with Six Leading Universities in Indonesia

CMA AUSTRALIA

CERTIFIED Management Accountant ®

Contents

CMA AUSTRALIA

Member News

Papua New Guinea Prime Minister Bestowed with Fellowship of the ICMA

The Prime Minister of Papua New Guinea, the Honourable Peter O'Neill was bestowed with Fellowship of the ICMA, in a ceremony at the Prime Minister's Office in Port Moresby.

Professor Janek Ratnatunga presented the award saying that "the award is for the Man (O'Neill) and not the Office (the office of the Prime Minister). The Prime Minister was specifically honoured for his contribution towards management accounting education via the recognition of the *Jubilee Institute of Higher Education (JIHE)* by his government. The ICMA has worked closely with the JIHE for many years, and over 200 finance professionals have undertaken the CMA program in the country. The ICMA also was instrumental in legislating the *Institute of Chartered Management Accountants of PNG*, and all ICMA(PNG) members must undertake the Australian CMA Program (by legislation)".

The Prime Minister, who is a CPA by profession, was the President of CPA(PNG) for many years. He is now the first and only management accountant to be a leader of a country. He was nominated for the Fellowship award by fellow countryman and accountant, and former Finance Secretary Dr Thaddeus Kambanei. Dr. Kambanei is the Regional Director of ICMA in PNG.

Left to Right: Mr Paul Dorpse, Executive Manager Corporate Services Department of Health, Prof Janek Ratnatunga, Dr Thaddeus Kambanei, The Honourable Peter O'Neill, Prime Minister of PNG, Rev. Joe Pandu, the General Superintendent of the Assemblies of God of PNG; Pastor John Apami, the Executive Officer of AOG PNG.

CEO Message

Time for CSR Reporting Standards?

Samarco Mineiracoes, a 50-50 joint venture between Australia's BHP Billiton and Brazil's Vale, operates three iron ore mine in Mariana, Brazil. One of the dams burst on November 5, 2015, unleashing 62 million cubic metres of sludge into the Doce River at about 70km/h. It destroyed the town of Bento Rodrigues, killing at least 13 people, displaced thousands of others, affected water supplies to an estimated 250,000 people and killed fish stocks along 600 kilometres of river in two states.

Samarco, which has been fined 250 million Brazilian reals ($92 million) by Brazil's environmental watchdog, IBAMA, has agreed with the Brazilian government to put R$1 billion ($366 million) into a preliminary fund for compensation and clean-up costs, and risks additional daily fines of R$10 million ($3.7 million) if does not take steps to mitigate the ecological damage. In addition, a lawsuit filed in federal court in Brasilia seeks at least $7.2 billion that would be administered by a private fund over 10 years for environmental recovery and compensation. BHP shares have fallen 20 per cent since the dam burst.

It now appears that on-site engineers had warned BHP well in time that the Dams were unsafe. And certainly, none of these concerns appeared in BHP's Corporate Social Responsibility (CSR) Reports.

In an excellent article in *The New York Times* (reproduced in The Age Friday October 9 2015 Opinion p.28) Chris Tomlinson shows good evidence that corporates pick ethics best suited for them; and get away with it, as there is no auditing done of what they claim in their CSR reports. In fact, 93 per cent of Fortune 250 companies report how well they treat the environment. They promise that they care about our community, our future. But too often, these CSR reports are nothing more than public relations exercises with little substance.

Two recent cases highlight this. For years, Volkswagen's record for ethics and sustainability were exemplary; at least according to the company's CSR reports, says Tomlinson. Then, the world learned that the company was cheating on emission tests.

British Petroleum changed its name to BP in 1998 and soon began promoting that it was moving Beyond Petroleum. The company portrayed itself as the world's socially responsible large oil company. Then the Deepwater Horizon exploded, and the world learned how the company prioritised profits over safety.

Volkswagen's deception gives cynics another reason to be sceptical at the idea of mega-corporations balancing profit-making with protecting the environment and respecting societies expectations. But that shouldn't stop us, says Tomlinson, from demanding that corporations respect the social contract that they provide goods and services in a way that doesn't come with societal costs. But what is the legal or economic basis on which society can get corporates to listen? Do we have a big stick?

There is a case that the shareholders in the companies should demand this because there is some research evidence that companies that respect environmental laws and society's expectations can generate more profits. Share portfolios consisting of companies that take environmental, social and governance issues seriously has been shown in some academic research to outperform benchmark indexes. Depending on the portfolio's risk profile, responsible companies can beat benchmarks by 1 per cent to 2 per cent, such research has found. Some of the reasons given for such observations are that waste and pollution increase costs and risks, while efficiency and cleanliness improve profitability. Consumers, particularly younger ones, also find responsible companies more appealing, which explains Volkswagen's and BP's marketing campaigns.

As such, one could argue that the shareholders could require corporations to report their attempts to minimise environmental impacts in a more transparent and meaningful way. Unfortunately, since all reporting is voluntary, there are no universal standards, and often only the most flattering data make it into company news releases. Therefore, it is up to trained finance professionals such as management accountants who have the tools and techniques to seek out the truth. Their CSR audit services would be invaluable to the many "Ethical Investment Funds" that have emerged in recent times; managing funds for investors who don't want to sacrifice their ethics to earn a high rate of return. These investment funds control trillions in assets under their management. The problem is that there is always going to be fraud – companies that simply lie, and it's really hard to find that out before a disaster such as what BHP, VW and BP were involved in. Therefore management accountants should read not only read corporate reports (sceptically); but also examine ASX and SEC filings, activist ratings and dozens of other sources before giving advice about ethical investment decisions.

The biggest problem for investors is the lack of a single international standard for comparing companies with their peers. Corporations pick and choose which standards they want to comply with, and they always choose the one that makes them look best. There are numerous organisations that offer ratings, but each has limitations. Even the ICMA, via its *Institute for the Advancement Corporate*

*Reporting and Assurance (*IACRA) has a rating scheme called the *5-Star Rating scheme* which comes up with a single score that combines the Economic, Environmental, Social, Governance and Empowerment reporting of companies. Higher scores are achieved for the reporting of actual implementation and results in achieving an organisation's CSR objectives. However, this approach, like many others, are voluntary.

One effort to overcome this problem is the *Sustainability Accounting Standards Board*, a non-profit backed by former New York Mayor Michael Bloomberg, which has two former SEC chairs serving on the board. The group is drafting methods for measuring how well companies manage sustainability in 80 industries. The guiding principle is that sustainability is important to investors trying to make informed decisions. Once the board finalises the standards, the hope is the corporate and market regulator will require companies to include them in annual reports.

This would be a huge help to all investors, says Tomlinson, who want to compare corporations and decide which management teams are thinking about the long term, not just next quarter's profits. Corporations should also welcome a level playing field that compares apples to apples.

Warm Regards,

Professor Janek Ratnatunga, CMA, CGBA

CEO, ICMA Australia

Opinion

The Death of Employment?

Machine intelligence and autonomy have received a fair share of space and time in the media in 2015. There have been no less than 30 articles in the Economic Times of India and the Financial Times of the UK combined, not to mention many more in the other leading international dailies. The leading bookstores too are keeping pace. In the past few weeks a number of books on autonomous machines have taken prime space on shelves reserved for merchandising new releases. At least three of these – 'Machines of Loving Grace', 'Rise of the Robots' and 'Our Robots, Ourselves' – have been the focus of review in a recent issue of the reputable 'Nature' magazine. This surge in literature cannot be termed as a profligate expenditure of time and ink. There is a genuine attempt to fathom the imminent impact of robotic revolution on the demand for human workforce in the future workplace.

A number of economists and sociologists believe that employers' increasing preference for one time capital investment in an 'intelligent' machine over monthly periodic payouts in wages and salaries will lead to the demise of a number of jobs currently performed by humans. The unfolding scenario offers enough evidence that humans will be sharing space and time with machines that have – what John Markoff calls – 'amplified intelligence'. And this will happen in near future. The promise of productivity gains through employment of efficient and undemanding autonomous agents is real.

The nerve centre of the autonomous behaviour in a machine – or 'robot' in popular parlance – is contrived with artificial intelligence (AI). AI is an eclectic discipline; a convergence point for computer science and cognitive science. After a series of missteps in the last century the exponents of AI are showing a renewed purposefulness and pragmatism, albeit the effort now spans a broad spectrum; with passable machine intelligence on one end and preternatural 'singularity' on the other. While the latter remains a holy grail, there is no denying that the algorithms have come of age, and self-governance exhibited by the machine – as it flies, walks, talks, suggests, decides and performs – is not an off-kilter spectacle. There is a sure-footed advance towards creating the armature for fabricating digital gray matter – an essential factor for the enterprise of robotics.

Policy makers in India should take note of the developments in automation because it is a phenomenon that exhibits the properties of – what Joshua Cooper Ramo terms as – "irreducible unknowns"; phenomena capable of swift diffusion, and potent enough to test the resilience of the system, which, in this particular context, comprise of the semi-skilled and unskilled workforce in the organised and unorganised labour market of the country with 1.25 billion population. It is imperative that, in view of this imminent technological "perplexity", India's policy makers should make a genuine effort in developing scenarios focused on real-wage and structural unemployment when the purchase of industrial and domestic robots becomes as commonplace as purchase of desktops and mobile devices. Philip Van Notten defines scenarios as "consistent and coherent descriptions of alternative hypothetical futures that reflect different perspectives on past, present, and future developments, which can serve as a basis for action." In light of this definition, an argument, that plethoric availability of cheap workforce in India is a robust deterrent against large scale automation, is untenable.

Historically, the manufacturing sector has been the biggest employer of robots since the intelligent 'electromechanical muscles' made their commercial debut. In his article 'Made by Robots' published recently in the Indian daily 'Business Standard', Subir Gokarn has highlighted that robot penetration in India trails China significantly. He attributes this to the combination of a relatively small size of manufacturing sector in India, and to the structural shift in China, i.e. disappearance of the country's low wage advantage. However data indicates that industrial robot sector is in a healthy growth phase all over the world, and India is not insulated from penetration.

The current Indian government has two notable missions: 'Make in India' and 'Skill India'. The former is driven by the premise that manufacturing is the bedrock of economic development, and if MNCs are offered a market friendly environment, India's demographic dividend will attract FDI. The latter takes a serious view on development of human capital to meet the needs of the potential employers, and increase employability quotient of the workforce. Prima facie these are sound directions, but only if their outcome assessed for sustainability in light of the advancing automation. Cost efficiencies are already an integral ingredient of contemporary MNCs growth strategy. In a fast evolving socio-legal environment, in which decent living wages and wholesome working conditions impinge on costs, captains – across industries – will realise that intelligent machines fulfil the organisational needs for minimum cost, maximum quality, and productivity without fuss.

Technology is the driver of economic growth. While it is an augmenter of individual and collective productivity, many of its strains have the potential to become an integrant part of individual lifestyle. Henry Ford drove the automobile into the mass market and its influence on labour market was almost instant. Hitherto, the four-wheeler has been a job generator. In recent years, particularly post-recession, many – including the well-educated – have taken up the role of transporting other people as their second vocation. But now the longevity of this vocation is under threat. Google is completing the transformation of the conventional subservient hatchback into the self-driving robot. Apple will follow soon. Once the self driving vehicle technology is packaged for mass market, the scenario will start unfolding. This has serious implications, particularly for the segment of the workforce whose sole skill is driving, and the only means of monetising this skill is by transporting other people. Cab-drivers and private chauffeurs – the ubiquitous workers in any economy – will be at the receiving end of this structural shift. To argue that India's driving conditions are safeguards against this type of automation is not an alternative to long term scenario building; a sagacious planner would rather look beyond this factor.

Now evaluate the employment potential offered by the contemporary urban middle income Indian households to the ones who populate the lower income strata of society. An urban household that sustains itself on a daily basis without employing a full-time or part-time domestic help – whose services include dishwashing and mopping etc. – is a rarity. Indian households, therefore, make a significant contribution to the Indian economy as employers of unskilled, unorganised workforce. Now envisage a scenario, in, say 2025: the year in which the big four Indian metros join the list of 25 most populated cities in the world; a domestic help's minimum statutory salary exceeds Rs. 10000 per month; 'Roomba', the self-governing domestic vacuum cleaner is available off-the-shelf at an affordable price, à la washing machine; and the Internet-of-Things (IoT) pervades everyday life. In these circumstances what could stop an urban household from evaluating the trade-off between, one time expenditure required to 'employ' the intelligent, non-whimsical Roomba, and the monthly payout plus benefits to the house maid? Once the number of households that perceive more value in the former crosses the critical mass, the decimation of household work as a job will only accelerate. The loss of one income in many of the low-income social strata will become a sad reality. Similar fate awaits the service sector when fast food sector employs robotic waiters to serve, and drones to deliver food. Once automation crosses the threshold – both, vertically and horizontally – then the relative ineffectuality of human capabilities and skills will be exposed, redundancies will accelerate and conditions for social unrest may emerge. Ignoring this scenario as a figment of idle doomsayers is fraught with risk.

About the Author

Rajesh Raheja, the European Union CMA Branch President is a freelance writer based in Cambridge, UK

‘Make or Break’ Year for Australia’s Future Prosperity

Australian CEOs are less confident about their companies’ growth prospects than a year ago, and less optimistic about growth in the global economy, according to a PwC report released today.

PwC’s 19th Annual Global CEO Survey, launched at the World Economic Forum in Davos today, showed that just over one third of Australian CEOs are ‘very confident’ they will see revenue growth in the next 12 months, down from 43 per cent last year.

Just 31 percent of Australian CEOs are expecting an increase in global economic growth this year, down from 38 per cent in 2015. The majority (57 per cent) expect growth to remain the same.

Forty-nine Australian CEOs and over 1,400 globally were involved in the survey, including Wesfarmers boss Richard Goyder, Mirvac chief Susan Lloyd-Hurwitz, and Airtasker head Tim Fung.

PwC CEO Luke Sayers said the combination of tough operating conditions, an uncertain global outlook, and the growing fiscal deficit have set up 2016 as a ‘make or break’ year for Australia’s future prosperity.

“Australia’s twenty-four years of uninterrupted economic growth is frequently highlighted, but we mustn’t forget the history of difficult reforms that made this record possible,” he said. “If the next quarter-century is going to look anything like the last, it’s crucial that the lessons of the past are applied. In 2016 we need to see a shared vision and a long-term economic and fiscal plan that outlives the next election cycle.”

“The Innovation Statement was a strong start, but the ‘ideas boom’ must be followed by action from both business and government in areas including tax reform, infrastructure development, investment in science, technology, engineering, and maths education, and deeper engagement, beyond simply trade, with our neighbours in Asia.”

“We have a tremendous opportunity this year to address these issues and lay the foundation of a future for our children and grandchildren of rising employment, higher real incomes, and better living standards.”

Mr Sayers’ sentiments are reflected by the findings of the Australian CEO report, which show:

- Australian CEOs overwhelmingly ranked (82 per cent) the Government’s response to debt and fiscal deficits as the top economic, social, policy or environmental threat to their organisations’ growth, compared to 71 per cent globally, and ahead of their US, Chinese and Japanese counterparts.

- 61 per cent of Australian CEOs rank a clearly understood, stable and effective tax system as the top priority for government. However only 18 per cent of CEOs see government as effective in delivering on this.

- China was named as the top overseas growth market by a majority of Australian CEOs (63 per cent), behind the USA (51 per cent).

The survey also canvassed CEOs on how they plan to respond to the clouded global economic outlook and domestic growth prospects.

A top priority for the majority of Australian CEOs (73 per cent) is implementing a cost-reduction initiative, ahead of entering into a new joint-venture or alliance (53 per cent).

This focus on cost-control has played out as a substantial shift in hiring intentions, with 41 per cent of CEOs saying they will reduce headcount in 2016, compared with just 12 per cent in 2015.

However, according to Mr Sayers, corporate Australia may be reaching the point where the balance has gone too far in favour of cost management over investment.

“The cost-cutting cycle has more or less continued since the financial crisis, so you have to question whether organisations are now starting to cut muscle rather than fat,” he said. “You can’t cut your way to growth, so companies that want to prosper over the longer term should be looking at where they can make judicious investments, particularly in innovation, technology, and entering Asian markets.”

Encouragingly, the report shows that Australian CEOs are acknowledging and responding to technological disruption, with all of the Australian CEOs surveyed indicating they will make changes in how they use technology in response to changing stakeholder expectations.

However, one area where Australia’s CEO were significantly behind the rest of the world was their attitudes towards research and development (R&D) and innovation. More than half of CEOs globally said that in terms of engagement with customers and stakeholders, R&D and innovation generated the greatest return. But less than one quarter of Australia’s CEOs agreed.

“Technology plays a critical role, but without a commensurate focus on innovation companies won’t realise the full potential of their investments in this area,” Mr Sayers said. “Often it’s not the underlying technology that delivers the value to the organisation, but the business model innovation that goes with it. A more holistic understanding of the interplay between innovation and technology will help companies address their growth challenges.”

One area that bodes well for innovation is the focus that Australian CEOs have on workplace culture, behaviours, and diversity. Almost 4 in 10 of the Australian CEOs surveyed said they are making changes to their diversity and inclusion strategy in order to attract and retain talent, compared to just 22 per cent of their global counterparts.

“A culture that values diversity is critical for any organisation looking to experiment and try new things,” said Mr Sayers. “People that think differently and a culture that supports agility, experimentation and ‘failing fast,’ will be critical for organisations looking to navigate an environment where volatility, subdued growth, and ever-increasing stakeholder expectations have become the norm.”

New Lease Accounting Standard Brings Added Transparency to Balance Sheet

A new lease accounting standard published by the International Accounting Standards Board (IASB) will bring added transparency to the balance sheet of Australian companies, says KPMG.

The new standard requires companies to bring most leases on-balance sheet, recognising new assets and liabilities. At present, many analysts adjust financial statements to reflect lease transactions that companies hold off-balance sheet.
Patricia Stebbens, Audit Partner, KPMG Australia, said: “All companies that lease major assets for use in their business will see an increase in reported assets and liabilities. This will affect a wide variety of sectors, from airlines that lease aircraft to retailers that lease stores. The larger the lease portfolio, the greater the impact on key reporting metrics.”

Companies are currently required to disclose details of their off-balance sheet leases and analysts use this information to adjust published financial statements.

Patricia Stebbens commented: “Current lease accounting requires financial statement users to adjust for off-balance-sheet leases. The key change will be the increase in transparency and comparability. For the first time, analysts will be able to see a company’s own assessment of its lease liabilities, calculated using a prescribed methodology that all companies reporting under IFRS will be required to follow.”

The impacts are not limited to the balance sheet. There are also changes in accounting over the life of the lease. In particular, companies will now recognise a front-loaded pattern of expense for most leases, even when they pay constant annual rentals. And the new requirements introduce a stark dividing line between leases and service contracts – the former will be brought on-balance sheet, while service contracts will remain off-balance sheet.

The new standard takes effect in January 2019. Before that, companies will need to gather significant additional data about their leases, and make new estimates and calculations that will need to be updated periodically. The Australian Accounting Standards Board (AASB) is expected to publish its own version of the IASB standard next month.

Patricia Stebbens said: “The new requirements are less complex and less costly to apply than the IASB’s earlier proposals. However, there will still be a compliance cost. For some companies, a key challenge will be gathering the required data. For others, more judgemental issues will dominate – for example, identifying which transactions contain leases.”

The accounting changes do not affect cash flows directly. However, given the scale of the accounting change, KPMG expects that companies will be keen to understand the size of the lease liabilities arising from transactions they enter into between now and 2019.

Patricia Stebbens said: “No-one wants to see accounting drive business behaviours – the tail should not wag the dog. But if accounting consequences are in the mix when a company is considering a deal, then the mix will change. For example, this standard essentially kills sale-and-leaseback as an off-balance-sheet financing proposition.”

She added: “Some key impacts cannot yet be quantified. Companies won’t have the full picture until other accounting and regulatory bodies have responded. For example, the new accounting could prompt changes in the tax treatment of leases. And a key question for the financial sector is how the prudential regulators will treat the new assets and liabilities for regulatory capital purposes.”

Information Security: Shrinking the Elephant in the Room

When it comes to information security, the notion of the insider threat is increasingly rearing its head. The sensational idea that immediately springs to mind is of corporate espionage – competitors going incognito or rogue employees stealing information. Though this certainly does happen, the reality of true insider threats is one that is far less thrilling, yet just as serious. It's the great, big elephant in the room: employee misjudgement. Sure, you may run training courses, teach them how to spot a phishing email and run awareness programmes, but mistakes are made (we're all human after all). In fact, the majority (60%) of insider threats, according to the 2014 DBIR, were not malicious, but due to employee mistakes, which can leave an organisation to foot bills of $800k on average. A common example is that of the 'copy and pasters' of the world. The employees who, by trying to make life easier for themselves, inadvertently leave private or sensitive data dotted about the corporate network just waiting to be found.

While pure human nature makes us more biased toward fearing the more dramatic of risks, in truth, the frequent mundane threats that stare us in the face every day will be the ones that take us down. So it's time to shrink the elephant in the room. Here are five tips that organisations can implement to help take the emphasis off of employees and put it on something easier to control: the data.

TIP #1: ELIMINATE GLOBAL ACCESS

Global access is a big, blunt weapon that should not be used except for information that is 100% public. Many systems give the option to grant global access to information via a special group like the 'Everyone' group or 'Authenticated Users' in Windows. When organisations grant access via a global access group, they're effectively saying, "I don't care what happens to this data." It's not even unheard of to see global access applied to folders with millions of credit card numbers, socials, and more. This is absurd. Seriously, stop using global access groups.

TIP #2: ELIMINATE EXCESSIVE PERMISSIONS

According to a recent study with the Ponemon Institute, four out of five IT professionals say their organisations don't enforce a strict need-to-know data security model.

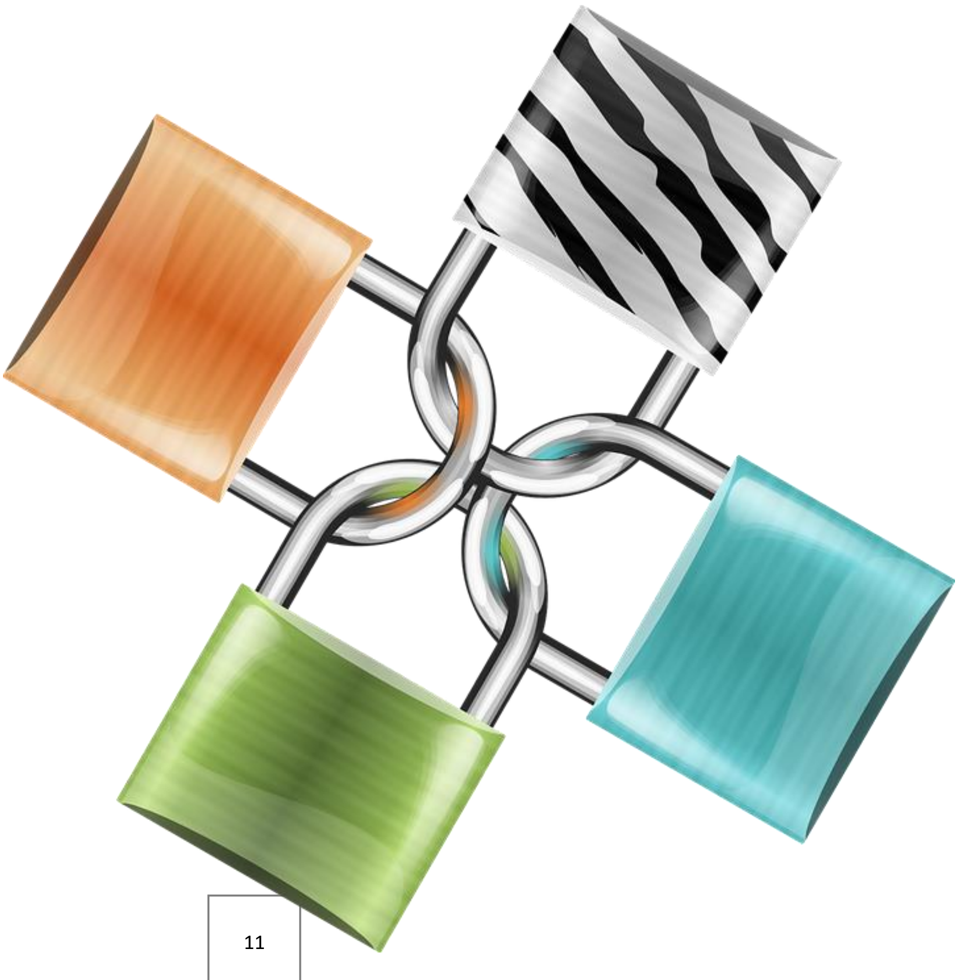
This means that, in most organisations, employees have way more access than they need and, ultimately, the surface area for employee privilege abuse is way bigger than it has any right to be.

This is because:

- People change jobs, departments and responsibilities
- Temporary projects often require temporary access
- Consulting contracts start and end
- Permissions are granted accidentally
- People leave the company

Permissions creep plagues most companies. It's hard to prevent and can be even harder to remediate. Excessive access applies to both people and software. If the web server has a vulnerability and it's running under a privileged domain user that has access to the file system or, worse yet, network shares, any vulnerability in that web server software is now YOUR problem. Consider software an insider and limit its access to need-to-know.

For temporary employees, contractors, consultants and project teams, entitlements should always be assigned an expiration date a*t the time they are granted*. This is the best shot at eliminating permissions creep.



Furthermore, even with auto-expiry at your disposal, it still pays to have business users do periodic reviews. After all, they know the people who use the data. IT admins might not. Put the decisions in the hands of the people with the most context, and give them the power to make changes.

TIP #3: ALERT ON PRIVILEGE ESCALATIONS AND BEHAVIOURAL DEVIATIONS

Not only should you frequently perform an entitlement review on the Domain Admin group to ensure its members are legitimate, but it is also extremely helpful to set up alerts for additions to that group. Additions to privileged groups should be extremely rare, so it's nice to get an email alert or SMS message anytime that happens – especially if it happens outside of a change window.

Auditing Active Directory is also vital as it is the heart and soul of access control for many companies. If someone gets access to critical information via an Active Directory group, the organisation will want to know who did it, when and why. Then use file analysis logs to figure out exactly what the user did with their newfound access.

Another useful tool is behavioural analytics. According to Avivah Litan of Gartner, the Target breach and the Snowden disclosures could have been prevented by behavioural analytics. Who are we to argue? It's not enough to look at one element out of context, the way traditional IPS systems do. You have to look at events in situ; for example, Joe deleted 250 legal contracts five minutes ago and he works in the coffee shop – big red flag.

Creating profiles of normal behaviour on a per-user basis helps build this context. If each user's normal activity is given a baseline, then alerts can be triggered when that activity spikes or they start behaving uncharacteristically.

Note: this can only be done if, and only if, you have file analysis software in place to record and analyse every event across your file sharing (and email) infrastructure. However, once file analysis is implemented, you can do all sorts of cool things like:

- Detect when a sensitive file is created in a public folder and auto-quarantine it
- Set up threshold alerts to sound when say, thousands of file copy events are firing within a minute

This will usually indicate that a user is doing a massive copy/paste from a network share to a potentially unmonitored endpoint: exfiltration.

- Monitor for normal business users creating or running EXE files on a server

It's also a best practice to monitor for excessive activity outside of normal operating hours and information beyond a person's normal departmental data stores.

TIP #4: SET UP HONEYPOTS

A honeypot is a shared folder with data that looks lucrative and is open to everyone. It is set up purely to be monitored to see who tries to access it. The recipe is simple. First, set up a shared folder that is open to everyone. Something like:

X:\Share\Payroll or X:\Share\CEO.

Then sit back and see who abuses it. You might find curious employees just snooping around or catch malware in action.

TIP #5: MONITOR HIGH-RISK PEOPLE AND DATA

It's very important to know where your crown jewels are, and that typically requires some sort of data classification technology. But it shouldn't end at discovery. Knowing that 700,000 files in the organisation's environment contain unencrypted credit card numbers is nice (though it may induce a panic attack), but it's not actionable. The classification software should also answer questions like: Who owns the files (not the creator/owner attribute – who really owns them)? Who has access to them? What are they doing with it? Have they been opened? Copied? By whom? When?

Once context is added through metadata, the classification results become much more actionable, and it is possible to find and prioritise the riskiest data sets, keeping close tabs on the permissions, review access often (as mentioned earlier), and set up some alerts to detect abuse and leakage.

In addition to monitoring high-risk data, keep a very close watch on high-risk people, such as IT administrators. It can be very difficult to monitor and police admin accounts because they usually need lots of access, but if domain admins are reading email in other people's inboxes and marking them unread, that's a red flag.

Whether organisations care to admit it or not, one of the biggest and most common threats to their businesses comes from within; and it isn't usually best-seller material. While considerable time and money may be spent on contingency plans for the next big catastrophe or installing the latest and greatest security technology that promises to prevent another Heartbleed-esque disaster, many organisations completely overlook and underestimate the simple, albeit no less important, threats that can result from human error or privilege abuse. Following the above security guidelines will go a long way towards cutting back on the number of security incidents that are allowed to happen by focusing on the data itself rather than getting people to change their ways, thus significantly shrinking that elephant in the room.

CMU Study Source: BVE

P&G's Ex-CEO Used A 5-Step Formula to Make Billion Dollar Decisions

The premise of legendary P&G CEO A.G. Lafley's new book is that strategy is actually pretty simple.

It should be made by answering 5 essential questions, according to"Playing To Win," which Lafley co-wrote with Rotman School of Management Dean Roger Martin.

Answering those questions requires deep knowledge of your business and market, and you have to make sure they're integrated, but the framework is extremely easy.

People just avoid strategy because they hate making real choices. Hence the proliferation of advice that doesn't actually lead to anything concrete.

"When I went on Google at 4:30 in the morning, there were 772 million business strategy references in their search engine," Lafley told Business Insider. "What Roger and I tried to do was to distill a simple but powerful approach to strategy that the two of us have seen work in 75 years of experience … We tried to demystify this whole thing called business, distill it down to five choices for winning."

Here are Lafley and Martin's 5 essential questions every business has to be able to answer:

What is winning?

If you aren't trying to win, if you're just trying to participate, you are wasting the time of your people and the money of your investors. A company has to define its purpose strategically, decide what specific victories would lead to its ideal future.

Where am I going to play to win?

You can't win the whole world or please everybody. Trying to be all things to all people is a recipe for failure. You have to strategically narrow the field to the geographies, demographics, and channels where your company is most competitive, and can get the best possible results.

How am I going to win where I play?

This choice is intimately connected with the former. It's deciding how to create unique value, and how the company can deliver it over a long period to create a superior return.

What are my core competencies that are going to enable me to win?

In order to make the above decisions work, they have to be based on and supported by the things that a company's best at. For P&G, it was innovating quickly and understanding consumers.

What management systems and measures are going to help me execute?

Strategies have to be measured and executed by people. Companies have to decide who they need, how to enable them, and how they can tell whether the strategy's succeeding.

This framework helped Lafley make the extraordinarily difficult choice to completely change his company.

"One of the toughest choices we had to make was to abandon and eventually divest all of our food and beverage businesses, Lafley said. "We divested 7 or 8 billion dollars worth of leading food and beverage brands, the Folgers coffee brand, number one in America and Canada, the Pringles chips brand number 2 to Frito-Lay, the Jif peanut butter brand, the Crisco shortening and oils brand, number one."

They did it because though they were profitable businesses, they weren't ones Lafley saw as winners in the long term, or where the business could continue to grow and win.

We chose for good strategic reasons to abandon and get out of those businesses so we could invest our resources, primarily our people but also our cash, in businesses like home care, personal care, beauty care and health care, all of which looked strategically more attractive."

All of the above questions played a role in the decision to divest; these were areas in which P&G could win, Lafley said. "They were demographically more attractive, they were structurally more attractive, lower capital, higher margin, and frankly they were better fit with our core competencies, deep understanding of consumers, the creation of known brands, and innovation, they were just a better fit with where we wanted to go and where we were going."

It's a simple 5-step framework that's robust enough to make an $8 billion dollar decision.

Strategic Planning That Produces Real Strategy

The email arrives and your jaw clenches: It's planning time again and there's nothing you can do about it. No matter what else is on your plate, you know that the next month or so will be dominated by filling out templates and sitting through endless planning sessions. The irony is that you have some strategic ideas you're really excited about but you figure you'll have to work the back channels to get them in front of the right people. Previous experience has taught you that your company's formal planning process is where the best ideas go to die.

If this sounds familiar it's because the typical strategic planning process is not delivering what it should at most companies. When we asked nearly 300 global executives to rate their company's planning process, only one in three said that the strategy it produced met three vital criteria: bold ambition, adaptability in the face of changing market conditions and concrete guidance for management and the front line (see Figure 1).

In our experience, few companies have a strong strategic planning process that is well-supported across the organization. Yet more than 60% of the executives we surveyed said they are satisfied with the very processes that lead to such mediocre strategy. Why? Some executives may have a different conception of what a good strategy looks like, but most have simply lowered their expectations. They either believe their strategic planning process is as good as it's ever going to get, or they feel that fixing it would mean devoting even more time and effort to a difficult and tedious process—the last thing they want to do.

The companies that produce great strategy take a different approach. They treat strategic planning as a critical capability that can and should be world class. It is as much a reason for their success as continuous improvement is for a low-cost manufacturer or service excellence is for a high-end retailer. These companies have invested in the people, processes and tools that allow them to identify the most important strategic priorities and adjust as needed to remain sharp and relevant as conditions change. The process creates time for focused strategic debates, dials up the cadence of decision making, and engages the organization at all levels to both think strategically and translate strategy into action.

There is no one-size-fits-all approach. But we find that world-class strategic planning incorporates five key principles.

Principle 1: Strategic planning and budgeting are both essential, but they aren't the same thing

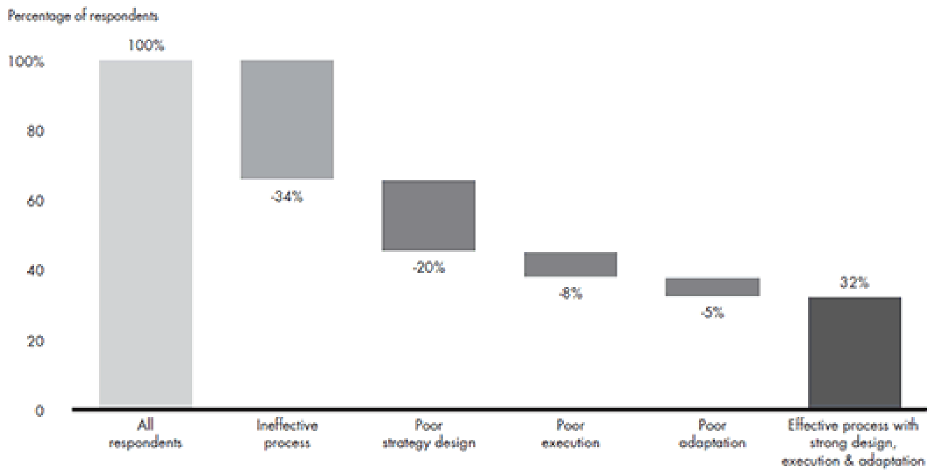
A great strategy strikes a careful balance between bold ambition and practical implementation, but ambition leads the way. Too many companies conflate strategy and budgeting in a single process that muddies the discussion and turns priorities on their head. Instead of the smartest, most ambitious strategic ideas determining where the company should invest to support both today's growth engine and tomorrow's, the organization spends an inordinate amount of time debating math and updating budget targets, resulting in only incremental improvement each year. At the other end of the spectrum, the top leaders at some companies devise strategy in a bubble, coming up with big, lofty ideas that they never ground in operational reality.

Our research suggests that separating strategic planning and budgeting can improve the quality of strategy dramatically—as much as 40% (see Figure 2). That's because it forces leadership teams to schedule ample time for healthy debate about customer needs, competitive dynamics and business conditions. The most effective teams are careful to develop processes that link strategy to budgetary and operational planning. But the budget is always an outcome of the strategic aspiration, not the other way around.

Top leadership at one global resource company, for instance, focuses the first part of each year on strategy development. This is the company's chance to take stock—to train its sights outward and debate how markets are changing and what opportunities are emerging. Executives then spend the next few months on the practical implications of strategy, developing detailed budgets, operational plans and goals against key performance indicators.

Budgeting remains a top priority, but it doesn't get in the way of more expansive thinking.

Figure 1: Few business executives believe their strategic planning process delivers a strong strategy



Source: Bain survey of executives in North America, Western Europe and Asia, November 2014 (n=291)

Principle 2: Strategy amplifies the voices of the front line and customers

Strategic planning is traditionally viewed as the realm of the C-suite executive. Planners and analysts set the agenda and top executives mull over alternatives, eventually meting out decisions that will guide action for the next 12 months or longer. The problem with this approach is that it isolates decision makers from the customers they are trying to serve. The company's "doers"—those on the front line who execute strategy—are separated from the "thinkers"—those who make decisions. Not surprisingly, this very often leads to strategy that lacks real customer insight and is exceptionally difficult to execute.

The most effective strategic development processes amplify the voice of the customer. They tap the best thinking of those closest to the market by establishing deep ties to the people on the front line who deliver the customer promise every day. Instead of pushing a fully formed strategy down through the organization, these processes incorporate the voice of the customer and translate it into a set of behaviors that the front line can embrace wholeheartedly. This eliminates distance between the C-suite and customers and builds the kind of organizational will that leads to strong execution.

Principle 3: Resource allocation is purposely undemocratic

Many planning processes default to "last year plus" when allocating resources across the organization. Planners spread investment around democratically, divvying up precious resources among every unit that has received an allocation in the past with little regard to real future potential. As each unit lobbies on its own behalf, it only seems "fair" to reward satisfactory performance.

But a winning strategy demands ruthless prioritization; satisfactory is not good enough. The planning process should be biased toward defining the company's most critical future growth opportunities and purposely allocating the largest share of dollars, time and even talent against them. It should encourage the company to staff "big jobs with big people"—recruiting the best performers from the lower-value areas where they may have become entrenched. Strategy isn't figuring out how to make the most of every opportunity but a rigorous exercise to determine how the company can redeploy trapped resources and overwhelm the opportunities that really matter.

Principle 4: Don't let the earth's rotation around the sun determine when you make decisions

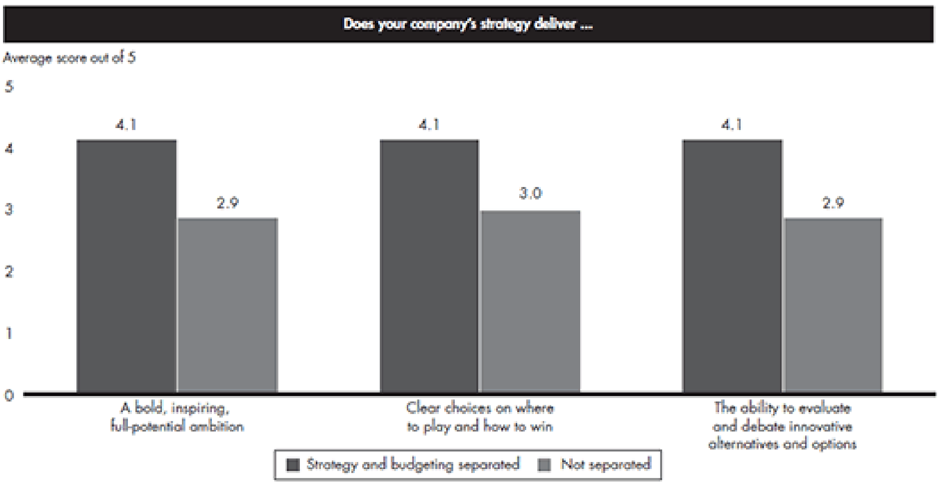
Most strategic planning processes leave little opportunity for free-flowing debate outside of the annual planning window, which is typically highly formal and jam-packed with other priorities. Many important issues receive minimal airtime or never see the light of day. This tends to encourage a parallel, informal process in which leaders make many critical decisions ad hoc, influenced by those with the loudest voices—not necessarily those with the best ideas or the most critical priorities.

Keeping pace with today's dynamic markets requires breaking the stranglehold of the typical annual planning cycle. Our research shows that companies are 60% more likely to make timely, high-stakes decisions if business needs, not the calendar, determine the cadence of their strategic planning process. That often means creating a continuous, issues-based strategic agenda that runs throughout the year. Top decision makers need regularly scheduled opportunities for real, no-holds-barred debates on strategic alternatives ranked by dollar value and urgency. This avoids one-and-done thinking and promotes a more flexible cycle in which critical initiatives are deployed, monitored and adjusted in real time.

One large software company discovered the limitations of a static, calendar-based planning process several years ago when market changes during the year created a sudden disconnect between strategic needs and the resources required to pursue them. A year-end shortfall forced the company to make a number of decisions that were both painful and distracting. The solution was to create a process that set ambitious multiyear goals but then institute a continuous planning forum to debate and resolve the highest value issues on a real-time basis—tracking, tuning and reconciling resource allocation along the way. The new process created a rolling, decision-focused dialogue around the most critical strategic and operational issues facing the company. And it enabled the organization to respond to changes in the market or competitive landscape more quickly and effectively.

Principle 5: Leaders focus on the most important decisions and simplify the rest

Figure 2: Separating strategy development from business planning and budgeting leads to better strategies



Source: Survey of executives in North America, Western Europe and Asia, November 2014 (n=291)

How do companies create time for a regular cadence of strategic debate? They radically simplify the leadership agenda to exclude many of the "business as usual" issues that tend to drag strategic discussions into the weeds. That means empowering the finance function and business units to make decisions about budgeting and operational issues that are important but can be handled just as effectively by capable staff.

Companies also need to zero-base the planning process itself. One particularly noteworthy finding in our research was that C-level executives were 37% more likely to declare satisfaction with their company's strategic planning process than others we surveyed. The reason: Top leaders are very often isolated from the worst of the annual planning ritual—the thousands of hours spent filling out templates or preparing the boss for meetings with thick binders of information. Zero-basing forces leaders to imagine the process with a clean sheet of paper and determine what information is truly critical to making robust strategic decisions. Leadership can't afford a planning process layered with bureaucratic complexity that just diverts focus from what really matters: figuring out how to serve customers better than the competition, both now and in the future.

Conclusion

A world-class strategic planning capability based on these five principles eliminates the noise from the planning process, creating essential time for debate and distilling the agenda down to the critical issues that will truly propel the company to sustained profitability and leadership. However, hardwiring a strategic capability at any company is a multiyear, multiphase process. Through our client work and research, we have found that many companies are still struggling with the basics. And not every organization will want—or need—to develop a world-class capability across the board. Market dynamics, cultural issues and other organization-specific considerations will likely determine what the end state should look like for any particular company.

A critical first step is self-diagnosis: Is your strategic planning process an annual ritual that your organization reluctantly endures? Or is it a means to empower the entire company—from the front line to the C-suite—to dream big, define a mission and drive toward it relentlessly? At a time when unprecedented turbulence in global markets requires bold vision, world-class execution and quick adaptation, the answer can be a game changer. It may spell the difference between settling for satisfactory underperformance or stretching toward full potential.

Mark Judah is a Bain partner based in Sydney and a leader in the firm's Strategy practice in the Asia-Pacific region. Dunigan O'Keeffe is a partner based in Mumbai and leads Bain's Asia-Pacific Strategy practice. David Zehner is the managing partner of Bain's Australia and New Zealand offices and a Strategy practice leader. Lucy Cummings is a director in Bain's Global Strategy practice based in Washington, DC.

Source: *Bain Brief*

Leadership is Always about People Orientation

Certainly, leadership in the context of managing, motivating and high-performance business units is about People orientation. Whether managing a work unit, a team of senior managers or top executives, achieving top performance and outstanding productivity is highly influenced by the leaders approach to their people.

The leaders must conduct “high credibility communications”, both with individuals on their team and the team as a whole. For our purposes, we will focus on the conversations and communications with individuals. Interaction dialogues that build trust, encourage and generate energy for accomplishment.

It is not so much about the amount of time a leader or manager spends in these conversations, it’s about the focus and depth of the interchange. Ant the manager must lead the effort.

In the effort to manage people to get results, the high-value dialogues are about four things;

1. Who are you and what can you contribute to the team? This may be more related to new members of the team but not always. People are complex and ever changing or evolving.

The leader must stay in touch with that evolution and continue to closely monitor the persons current state. Have they gained experience or new training that would allow them to contribute at a new or different level?

2. Relationship building conversations. Sharing the leaders beliefs and vision and the employees understanding and buy-in. In the vernacular of the new generation, “do you feel me?”

And the manager must “feel” the aspirations and goals, fears and concerns of each member of their team. What are the hoping to achieve and what do they believe stands in their way. The manage can find personal anecdotes to share from their own experience. This all builds trust.

3. These high-value dialogues can also be about choice and decisions. Options for the plans and goals of the business unit can be hashed over and ideas bounced around.

Getting individual input to potential options or to actually forming options is a real buy-in builder. The 3 power words in a managers relationship building efforts are “What Do You Think.” Ask them to share their best ideas.

4. One really important dialogue is the “We Have A Problem” discussion. The very top leaders have developed the ability to conduct the tough discussions.

They may not like them but the am interested in your take on what/why this went south and Jim, the XYZ project has not gone well. You can do better and I believe in your ability to make a contribution. I would like to get your take on this and then work together to find a better direction.”

There are many examples but a focus on creating these purposeful dialogues is at the core of effective leadership. Not just creating these conversations but being a totally focused and effective leader.

A leader wants this reaction after a purposeful dialogue. “Jane, how did you meeting go with the Leader?” “He asked me for my views and listened like I was the only person that mattered!” You know what? They should be the only person that matters in such a meeting.

The key to the process of constructive dialogue management is preparation, focus, energy and sincerity. these characteristics, when folded in to individual communications, are exactly what leadership is all about. These interactions create performance and they create people who want to follow that leadership. Plan the meeting and the objectives.

Go into them fully compared and with as much energy and intent as can be mustered. Make each meeting memorable in some way. The leader believes if the meeting has purpose and is worth doing it is worth doing with total dedication.

50% of Millennials Plan to Move Jobs within Two Years

Unless Australian businesses rethink their retention strategies for millennial workers they risk losing a large percentage of their workforce, according to Deloitte's fifth annual Millennial Survey.

"The findings of the Millennial Survey are critical for business leaders," said David Hill, Deloitte Australia Chief Operating Officer. "The 7,700 tertiary educated and employed millennials (aged up to 31) we interviewed globally place great importance on working for an organisation with innovative leaders who offer meaningful work, opportunities for professional development and a good work-life balance.

"They also want their leaders to listen and consider their views. In my experience we have a lot to learn from these bright, young future leaders. The best leaders value their ideas and energy. Those who don't are likely to find their millennial workers quickly looking elsewhere."

Deloitte interviewed 300 Australians as part of its global survey of millennials across 29 countries. Almost half (46%) of the Australian millennials interviewed said they expect to leave their current employer in the next two years (up from 44% globally). The data is even starker over the longer-term, with only 19% of Australian millennials saying they expect to stay with their current employer for more than five years (compared with 27% globally).

Born after 1982, millennials make up a significant proportion of young professionals and are already emerging as senior leaders in the technology sector and other industries. They will comprise 75 per cent of the global workforce by 2025. Their loyalty to their employer is strongly linked to leadership development opportunities, workplace flexibility and, importantly, a sense of purpose beyond profit.

Investing in leaders builds loyalty

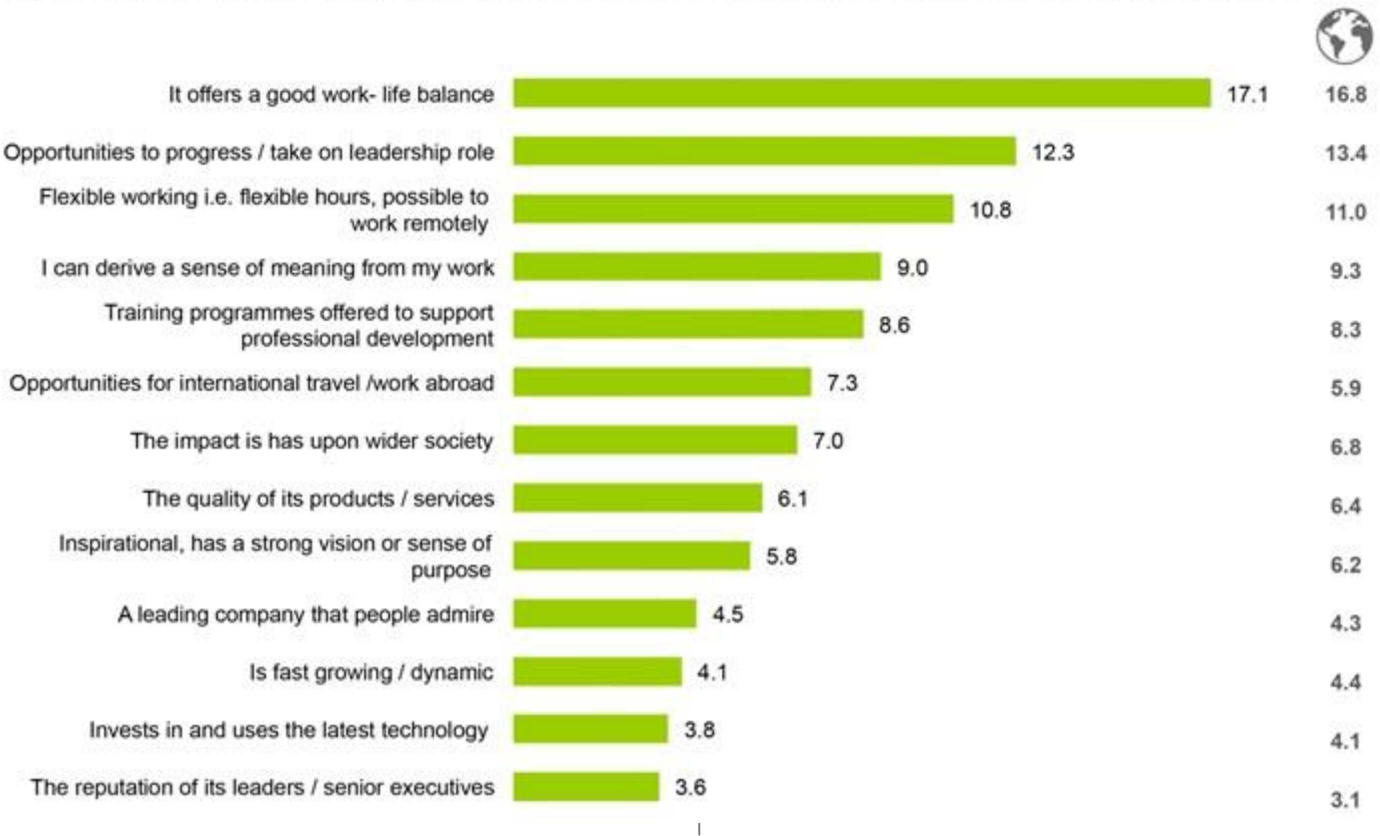
The Deloitte survey presented each year at the World Economic Forum's Davos meeting found that 69% of the Australian Millennials likely to leave their employer in the next two years are unhappy with how their leadership skills are being developed. The most loyal employees will be those who feel that:

- There is support/training on offer for those wishing to take on leadership roles
- Younger employees are actively encouraged to aim for leadership roles.

"Leadership skills can and should be developed at every level of an organisation," said David Brown, Human Capital Leader for Deloitte. "With the shift from positional power to personal power the importance of being able to influence

Relative degree of importance when choosing to work for an organization (excluding salary)

Q23. For each of the following groups of four, please indicate what would be the strongest reason for choosing to work for an organization and what would be the weakest. Results calculated through a process of maximum differentiation. Base: Australia 300, Global 7,692



and lead others is important for everyone in an organisation, irrespective of generation."

Putting purpose before profit

The survey finds that millennials are guided by strong personal values at all stages of their careers. This is evidenced by the employers they choose and the assignments they're willing to accept.

Deloitte Sustainability Services partner, Paul Dobson, said: "While 73% of millennials believe business has a positive impact on society, they still want businesses to focus more on people (employees, customers and society), products and purpose – and less on profits.

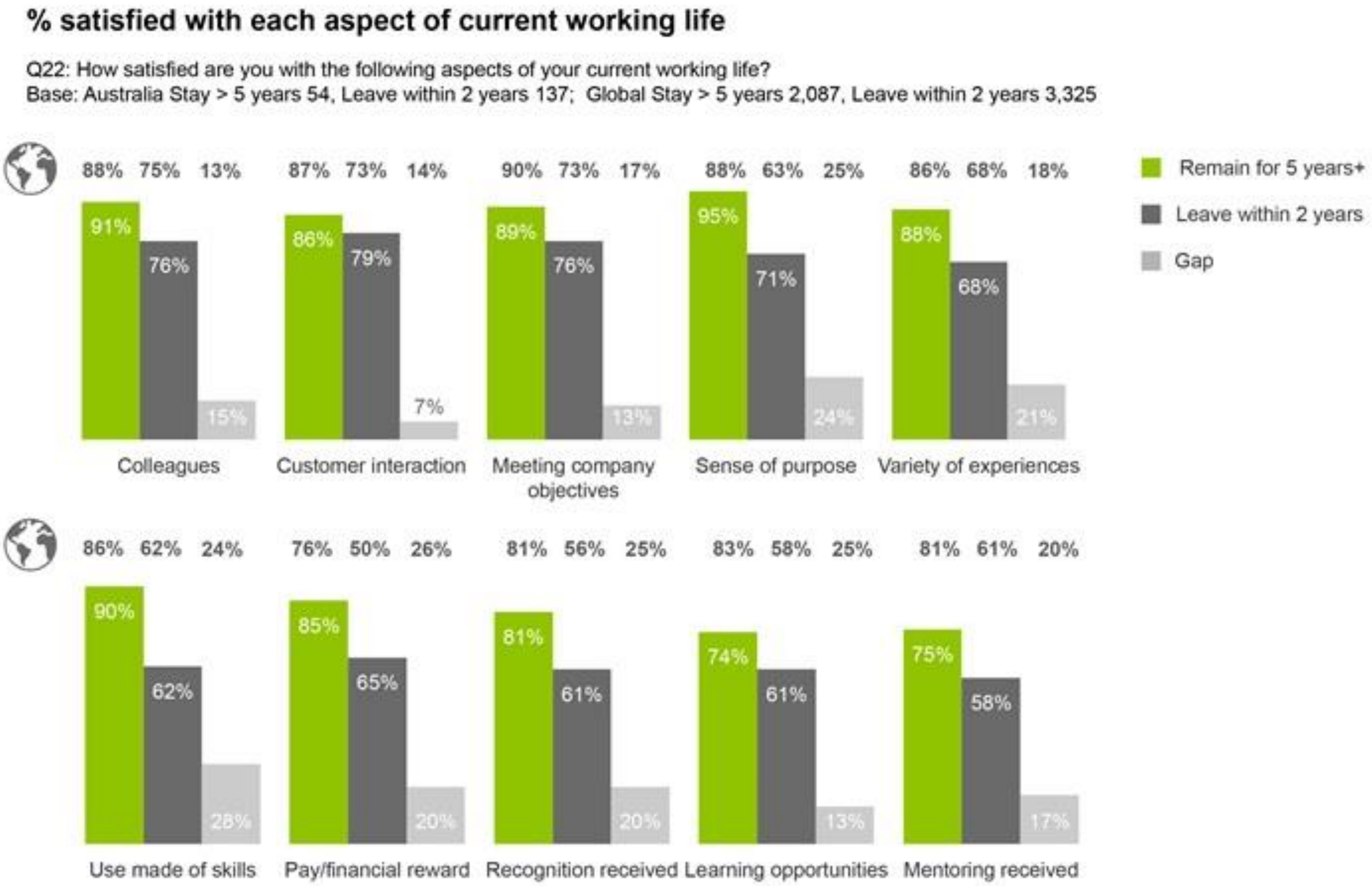
"More than three quarters (83%) of the next generation of Australian leaders say business success should be measured by more than financial performance. 73% rate having satisfied/loyal customers as the next most important measure of business success, followed by the quality of a company's products and services (69%) and being a great place to work (67%).

"For the most loyal millennials a sense of corporate purpose is incredibly important, with 95% of those who remain with their employer more than five years saying it keeps them satisfied.

"Less than a generation ago, most professionals sought long-term relationships with employers, and the majority would never dream of saying 'no' to supervisors who asked them to take on projects," said David Hill. "Millennials are more independent and more likely to put their personal values ahead of organisational goals. They are re-defining professional success and proactively managing their careers and it would appear their values do not change dramatically as they progress professionally, which will have a significant impact on business and society in the future."

Keeping Millennials engaged

The second graph within this media release compares work satisfaction levels for Australian millennials (% numbers on bars) and their global counterparts (top of bars).



Sweden Moves towards Cash-Free Economy

Parishioners text tithes to their churches. Homeless street vendors carry mobile credit-card readers. Even the Abba Museum, despite being a shrine to the 1970s pop group that wrote Money, Money, Money, considers cash so last-century that it does not accept bills and coins.

Few places are tilting toward a cashless future as quickly as Sweden, which has become hooked on the convenience of paying by app and plastic.

This tech-forward country, home to the music streaming service Spotify and the maker of the Candy Crush mobile games, has been lured by the innovations that make digital payments easier. It is also a practical matter, as many of the country's banks no longer accept or dispense cash.

At the Abba Museum, "we don't want to be behind the times by taking cash while cash is dying out," said Bjorn Ulvaeus, a former Abba member who has leveraged the band's legacy into a sprawling business empire, including the museum.

Not everyone is cheering. Sweden's embrace of electronic payments has alarmed consumer organisations and critics who warn of a rising threat to privacy and increased vulnerability to sophisticated Internet crimes.

Electronic fraud cases surge – Last year, the number of electronic fraud cases surged to 140,000, more than double the amount a decade ago, according to Sweden's Ministry of Justice.

Older adults and refugees in Sweden who use cash may be marginalised, critics say. And young people who use apps to pay for everything or take out loans via their mobile phones risk falling into debt.

"It might be trendy," said Bjorn Eriksson, a former director of the Swedish police force and former president of Interpol. "But there are all sorts of risks when a society starts to go cashless."

But advocates like Ulvaeus cite personal safety as a reason that countries should go cash-free. He switched to using only card and electronic payments after his son's Stockholm apartment was burglarised twice several years ago.
"There was such a feeling of insecurity," said Ulvaeus, who carries no cash at all. "It made me think: What would happen if this was a cashless society, and the robbers couldn't sell what they stole?"

Bills and coins now represent just 2 per cent of Sweden's economy, compared with 7.7 per cent in the United States and 10 per cent in the euro area. This year, only a fifth of all consumer payments in Sweden have been made in cash, compared with an average of 75 per cent in the rest of the world, according to Euromonitor International.

Cards are still king in Sweden with nearly 2.4 billion credit and debit transactions in 2013, compared with 213 million 15 years earlier. But even plastic is facing competition, as a rising number of Swedes use apps for everyday commerce.

Cash not accepted – At more than half of the branches of the country's biggest banks, including SEB, Swedbank, Nordea Bank and others, no cash is kept on hand, nor are cash deposits accepted. They say they are saving a significant amount on security by removing the incentive for bank robberies.

Last year, Swedish bank vaults held around 3.6 billion krona in notes and coins, down from 8.7 billion in 2010, according to the Bank for International Settlements. Cash machines, which are controlled by a Swedish bank consortium, are being dismantled by the hundreds, especially in rural areas.

Eriksson, who now heads the Association of Swedish Private Security Companies, a lobbying group for firms providing security for cash transfers, accuses banks and credit card companies of trying to "price cash out of the market" to make way for cards and electronic payments, which generate fee income.

"I don't think that's something they should decide on their own," he said. "Should they really be able to use their market force to turn Sweden into a cashless society?"

The government has not sought to stem the cashless tide. If anything, it has benefited from more efficient tax collection, because electronic transactions leave a trail; in countries like Greece and Italy, where cash is still heavily used, tax evasion remains a big problem.

Leif Trogen, an official at the Swedish Bankers' Association, acknowledged that banks were earning substantial fee income from the cashless revolution. But because it costs money for banks and businesses to conduct commerce in cash, reducing its use makes financial sense, Trogen said.

Cash is certainly not dead. The Swedish central bank, the Riksbank, predicts it will decline fast but still be circulating in 20 years.

Stefan Wikberg, 65, was homeless for four years after losing his job as an IT technician.
He sells magazines for Situation Stockholm, a charitable organisation, and began using a mobile card reader to take payments, after noticing that almost no one carried cash.

"Now people can't get away," said Wikberg.

"When they say, 'I don't have change,' I tell them they can pay with card or even by SMS," he said. His sales have grown by 30 percent since he adopted the card reader two years ago.

At the Filadelfia Stockholm church, so few of the 1,000 parishioners now carry cash that the church had to adapt, said Soren Eskilsson, the executive pastor.

During a recent Sunday service, the church's bank account number was projected onto a large screen. Worshippers pulled out cell phones and tithed through an app called Swish, a payment system set up by Sweden's biggest banks that is fast becoming a rival to cards.

Last year, out of 20 million krona in tithes collected, more than 85 percent came in by card or digital payment.
"People give more money to the church now because it's electronic and easy," said Eskilsson, adding that the church saved on security costs by handling less cash.

Despite the convenience, even some who stand to gain from a cashless society see drawbacks.

"Big Brother can watch exactly what you're doing if you purchase things only electronically," said Jacob de Geer, a founder of iZette, which makes a mobile-powered card reader.

But for Ulvaeus, the music magnate, such concerns are overblown.
"Everything speaks in favor of a cashless society," he said as he strolled past the Abba Museum to retrieve his car. "It's a utopian thought, but we're very close to it."
He paused at a hot-dog stand for a snack. But when he was ready to pay, the card reader was broken.
"Sorry," the vendor said. "You'll have to use cash."

Source: NEW YORK TIMES

Best Practices When Using Social Networks to Recruit

Social networking has not only become a great place to follow the news of the day, your favorite celebrities or keep in touch with family and friends; it has also become a great way for companies to recruit candidates for open jobs. There are, however, improper ways to use social media that harm a company's chances of landing top talent.

We are going to discuss the best practices to employ when recruiting using social networks, so that you get the most from this resource.

Expand Your Social Media Presence

Never limit yourself when it comes to participating in social networks. Your company should post content to Twitter, LinkedIn and Facebook, as well as other popular networks. Utilize all of the social media networks out there to expand your company's brand as much as possible. This includes posting videos to YouTube, pictures to Instagram, ideas to Pinterest and videos to Vine. The more social media networks you use, the more followers you will have who might turn into job candidates in the near future. Just be sure that all of the content you post is relevant to your company and useful to your followers.

Take Part in the Conversation

Social media networks are perfect for having conversations, no matter how short they are. When potential candidates reach out to your company via social media, make sure a response is issued in order to start a dialogue. When you leave questions unanswered or fail to respond to comments, you give the impression that followers are not important to your company. Consider posting to the social media pages of job candidates before they reach out to you. This proactivity helps break the ice.

Get Active in Communities and Groups

When one thinks of social media, the regular sites like Twitter and Facebook come to mind. But there are forums out there that can really help companies find top talent.

LinkedIn provides a targeted outlet to reach candidates with interests similar to your job postings. The background of job candidates (active and passive) is readily available. Recruiters can join LinkedIn groups based around an industry (human resources) or a location (Chicago). The members of those groups are already connected to the content you are posting, so it can be a successful targeted approach.

Another example is Quora, which is a great place for companies to interact with experts in specific industries. Not only can you keep up with the news of the industry, but you can also get in touch with top members of your industry who might be ready for a new challenge.

Promote the Company Brand

Companies that promote their brand on social media, for both customers and employees, find it easier to recruit using this platform. Use social media to promote company events, both public and just for employees, while also talking about any significant goals reached by the organization lately. Get permission from employees to post pictures and videos of them on your social media networks, so followers know what it is like to work at your company.

Social media has become a powerful tool for hiring and human resource managers when it comes to recruiting new employees. The best practices outlined above are just the tip of the iceberg. Make sure your company is using at least two-to-three social networks in order to attract top talent.

Creating a Culture of Entrepreneurship and Innovation

The Turnbull Government's National Innovation and Science Agenda (NISA) contains a number of significant reforms which will assist businesses by encouraging entrepreneurship and innovation, Minister for Small Business and Assistant Treasurer, the Hon Kelly O'Dwyer MP said.

"This Government is aiming to make it easier for start-ups and small businesses to attract the funding and investment they need by providing Australia's first dedicated framework to enable crowd-sourced equity funding (CSEF)," Minister O'Dwyer said.

"The changes will also maintain adequate protections for mum and dad investors who share in the risks and successes of these businesses. The Government last Thursday introduced legislation into the Parliament to ensure we meet this emerging market.

"We've also committed to changing the laws around Employee Share Schemes (ESS) to help businesses attract and retain quality staff.

"Currently, offer documents to employees have to be lodged with ASIC and could result in the release of commercially sensitive information. We plan to limit the requirement for these documents to be made publicly available. The Government will also consult with industry on options to amend the disclosure requirements to make ESS more user-friendly.

"It's also important that if a business gets into trouble, the operators and owners have a real opportunity to get themselves out of it.

"After considering the Productivity Commission's Report on Business Set-up, Transfer and Closure, the Government has committed to making some initial changes to Australia's insolvency laws, which currently focus too much on penalising and stigmatising business failure," Minister O'Dwyer said.

The Government will:

- introduce a safe harbour for directors from personal liability for insolvent trading if they appoint a restructuring adviser to develop a turnaround plan for the company; and
- make 'ipso facto' clauses, which have the purpose of allowing contracts to be terminated solely due to an insolvency event, unenforceable if a company is undertaking a restructure.

"The Government is considering all the recommendations of the Productivity Commission and will have a full response in 2016.

"The Turnbull Government is implementing a National Platform for Economic Growth and Jobs and the NISA is a central part of this. These important measures will help build a stronger entrepreneurial culture in Australia," Minister O'Dwyer said.

More information is available on the NISA website.

Mutual Collaboration Agreements

ICMA Signs MoU with Cambodia Chamber of Commerce

On January 5, 2016, Dr. Ruwan Hulugalle CMA, Regional Director for Cambodia and Managing Director of Ruwan Hulugalle & Company (RHC), signed a Memorandum of Understanding with His Excellency Ngoun Meng Tech, Secretary General of the Cambodia Chamber of Commerce, to collaborate on human resource development by introducing ICMA programs to qualified members of the Chamber.

MoUs with Six Leading Universities in Indonesia

The Institute of Certified Management Accountants (ICMA) and six leading universities in Indonesia entered into agreements for the mutual collaboration of research and practices on management accounting. The six universities are: (1) Udayana University; (2) Warmadewa University; (3) Mercu Buana University; (4) Hasanuddin University; (5) Trisakti University and (6) Merdeka Malang University.

The agreements covered; (1) Collaboration in terms of the refereeing of articles submitted for publication in the ICMA Journal; (2) Promoting the symposiums/conferences/seminars of the institutions: (3) Promoting the ICMA 'Emerging Scholarship Scheme' with the accounting students of the universities and (4) Other activities that contribute to the research and professional development between the institutions.

Left to Right: Professor Michael Tse, President ICMA signing with Dr Sekar Mayangsari of Trisakti University

Regional Office News

Hong Kong News

All the Committees of the Hong Kong Branch gathered at the CMA Hong Kong headquarters to be briefed on the latest developments of ICMA in the Region. Prof Allen Wong, the Vice-President (Global) and Regional Director Hong Kong conducted meetings.

Prof Allen Wong, the Vice-President (Global) and Regional Director Hong Kong addressing the Committee Members.

Elections of CMA Indonesian Branch

The elections of the Indonesian Branch of ICMA was held in Jakarta for the 2016 Year.

The Following are the office Bearers for the Year 2016:

Advisory Board*:* Heru Muara Sidik, Ak., CMA, CA. *(*Chairman*)* A. Agus Susanto, BA, CMA *and*Herwan Ng, Ak, CPA, CIA, CMA, CTP, PMP, ERMCP, CertIFR, CA, CPA. *(*Members*)*

Executive Board: Ir. Joni Pathibang, MBA, CMA, QIA ***(***President*);* Stephen Then, MBA, CMA, CPA*(*Secretary*):* Henry Waidan Frederick, SE,MM, CertIFR, CMA *(*Treasurer*);* Toni Darmawan, SE, M.Si, Ak, CPA, CMA, CA, CertIFR, CSA, CIMBA *(Head of Development Members & Organizations); and* Ratna Utami, SE, MM, CertIFR, CMA*;* David Kiki Baringin MT Samosir, SE, MM, CMA*; and*Santi Yopie, S.E, MM, CMA *(*Members*)*

Other Sections:

Continuing Professional Training

Edy Santoso, SE, MBA, Ak, CA, CMA*, CRMP (*Head) with Anita Widyastuty, SE, CMA*, Ak, CA, CPA;*Alphieza Syam, SE. M.Ak, CMA, ERMAP, CAC*;* Drs. Danny Wibowo, MM, Ak, CMA, BKP, CA, CPAI *(Members)*

Research, Partnerships and Business

Dr. Rovila El Maghviroh, M.Si, Ak, CA, CMA, CIBA. *(*Head) with Bambang Hermanto, SE, MM, MBA, CMA, CIBA*;* Mohammad Syaifuddin Ali Sahidu, SE, Ak, CA, CMA, CIBA*;* Sulis Rochayatun, SE, Ak, CA, CMA, CIBA*;* Doddy Affandy, SE, CMA, CIBA *(*Members*)*.

Information & Communication

Daniel Godwin Sihotang, SE, Ak, CA, CMA, CIBA *(*Head) with Andi Rahardja, SE, Ak, CA, CMA, MM, MBA*;* Tri Gunawan Bayu Aji, SE, Ak, CA, CMA, MM, CFM, CIBA*;* Imanesa Haque Dinasti, SE, CMA*(Members)*

Chapter*s:*

Ikin Solikhin, ST, MBA, FRM, SAS, CFP, ICC, CFP, CTP, CMA *(*Head of Chapter Jakarta*)*

Pauline Permatasari, SE, M.Ak, CMA *(*Head of Chapter Bandung*)*.

Drs. Basuki, *MCom (Hons), PhD, Ak, CMA, CA (*Head of Chapter Surabaya*)*

What's On in the World of the CMA?

- January 13-25: CMA Preparatory Program, Institute of Finance and management (CMA Regional Office) Port Moresby, Papua New Guniea.
- February 10-16, 2016: CMA Preparatory Program, Segal Training Institute, Tehran, Iran.
- February 20-22 & 25-28, 2016: CMA Preparatory Program, Academy of Finance, Colombo, Sri Lanka.
- Feb 23-March 3 2016: CMA Preparatory Program, TOP Academy, Malaysia.
- March 5-13, 2016: CMA Preparatory Program, Ruwan Hulugalle and Company, Phnom Penh, Cambodia.
- May 9-15, 2016: CMA Preparatory Program, IPMI, Jakarta, Indonesia.
- May 20-June 4: CMA Preparatory Program, Centre for SMART, Yogyakarta, Indonesia.
- June 1-7, 2016: CGBA Preparatory Program, MMU Foundation (YUM), Melbourne, Australia.

Private Providers

Navitas Workforce Solutions, Australia

Wharton Institute of Technology and Science (WITS), Australia

Academy of Professional Education, India

Academy of Finance, Sri Lanka

IPMI (Indonesian Institute for Management Development), Indonesia

Multimedia College (MMC), Malaysia

Business Sense, Inc. Philippines

HBS for Certification and Training, Lebanon

Wisdom Group of Institutions (UAE)

Institute of Professional and Executive Management, Hong Kong

AFA Research and Education, Vietnam

Institute of Finance and Management PNG

TOP Academy, Malaysia

Segal Training Institute, Iran

Centre for SMART, Salatiga, Indonesia

Ruwan Hulugalle & Company, Cambodia

AUSTRALIA

Global Head Office

ICMA Australia

CMA House
Monash Corporate Centre
Unit 5, 20 Duerdin Street
Clayton North, Victoria 3168
Australia
Tel: 61 3 85550358
Fax: 61 3 85550387
Email: info@cmaweb line.org
Web: www.cmawebline.org

Australian Contacts

New South Wales
Professor Chris Patel , PhD, CMA
Branch President
Macquarie University

Northern Territory
Professor Lisa McManus, PhD, CMA
Branch President
Charles Darwin University

South Australia
Prof Carol Tilt, PhD, CMA
Branch President
Australian Institute of Business

Western Australia
Dr. Vincent Ken Keang Chong
Branch President
UWA Business School

Queensland
Dr. Gregory Laing, PhD CMA
Branch President
University of the Sunshine Coast

Published by:
The Institute of Certified
Management Accountants
Unit 5, 20 Duerdin Street
Clayton North 3168, Victoria, AUS

© 2015 - The contents of this e-Mag are for distribution with ICMA acknowledgements.

OVERSEAS REGIONAL OFFICES

CHINA (including Hong Kong and Macau)
Prof. Allen Wong, FCMA
Regional Director and Chief Executive - Greater China
12/F, Tai Yip Building, 141 Thomson Road,
Wanchai, Hong Kong Tel: (852) 2574 1555
Fax: (852) 2574 1455
Cell: (852) 9156 7561
Email: info@cmaaustralia.org
allen.wong@cmaaustralia.org

INDIA (Including India, Pakistan, Bangladesh, Nepal and African subcontinent)
Main Regional Office (Mumbai)
Dr. Chintan Bharwada, FCMA
Regional Director - India
148, Juhu Harshal,
8 Gulmohar Road, JVPD,
Juhu Mumbai 4000049, MAH, India
Tel +91 8108440817
Website: icmaindia.org
Email: info@cmaindia.co.in

INDONESIA
Special Capital Region (Jakarta) Regional Office
Ms. Arum Indriasari – Jakarta Centre

IPMI Business School
Jl. Rawajati Timur I/1
Kalibata, Jakarta, Indonesia
Tel +62 21 7970419
E-mail : arum.indriasari@ipmi.ac.id

West Java Regional Office
Ms. Paulina Permatasari, FCMA
Regional Director - West Java
Jl. Pagarsih # 156
Bandung, West Java, Indonesia
Email: paulinapssj@gmail.com

East Java Regional Office
Dr. Ana Sopanah, CMA
Regional Director - East Java
GRAHA Inspire
Jalan Cakalang Kavling AURI No 16
Malang, Indonesia
Email: anasopanah@gmail.com

Central Java Regional Office
Dr. Intiyas Utami, CMA
Regional Director - Central Java
Jl. Sinoman Tempel No. 256
Salatiga, Central Java, Indonesia
Email: intiyas@staff.uksw.edu

LEBANON
Mr. Fawaz Hamidi, CMA
Regional Director - Lebanon
Boulevard Centre-136
PO Box 171, Tripoli, Lebanon
Tel: 06-433761
Email: hbs@cmamena.com
www.cmamena.com

MALAYSIA
Dr Wan Fadzilah Wan Yosuff, CMA
Regional Director - East Malaysia
53 Jalan 9/9A, Seksyen 9
43650 Bandar Baru Bangi
Selangor, Malaysia
Email: wanfadzilah@live.com

PAPUA NEW GUINEA
Dr Thaddeus Kambanei, CMA
Regional Director - PNG
Malagan Haus, Suite 02, Level 2
Section 15, Lot 8, Reke street, Boroko
P.O.Box 1581, Vision City, Waigani
National Capital District, Papua New Guinea
Email: Thaddeus.Kambanei@yahoo.com
http://www.cmapng.com

PHILIPPINES
Mr. Henry Ong, FCMA
Regional Director - Philippines
2502B East Tower Tektite Building
Philippine Stock Exchange Center,
Exchange Road
Ortigas, Pasig City 1600, Philippines
Tel: (+63) 631-6241 or 634-6476
Email: hong@businesssense.com.ph
http://www.cmaphilippines.com

SRI LANKA
Mr Kapila Dodamgoda, CMA
Regional Director - Sri Lanka
No. 3, St Kilda's Lane, Colombo 3, Sri Lanka
Tel: +94 114 515253 or +94 112590113
Email: kapiladodamgoda@yahoo.com
http://www.cmasrilanka.com

UNITED ARAB EMIRATES
Mr. Shakeeb Ahmed, CMA
Regional Director - U.A.E.
Flat 101, Al Kazim Building
Khalid Bin Waleed Street
Bur Dubai, P.O. Box: 26791
Dubai, United Arab Emirates
Email: a hmed.shakeeb@gmail.com
Website: www.cmadubai.org

CYPRUS
Mr. Christos Ioannou BA (Hons), MBA (Finance), CMA
Regional Director-Cyprus
11A Dafnidos 6041, Larnaca, Cyprus
Email: chioanou@cytanet.com.cy

VIETNAM
Mr. Long Phan MBusAcc, CPA, CMA
Regional Director- Vietnam
Level 3, GP Invest Building, 170 La Thanh Street
Dong Da District, Hanoi, Vietnam
Email: longplt@afa.edu.vn

IRAN
Mr. Alireza Sarraf, CMA
Regional Director- Iran
Unit.4, No.3 Koozegar Alley (after Beheshti Str);
Vali-e-asar Str,
Tehran, Iran
Email: sarraf@experform.com