



WHITE PAPER

# Overcoming staffing challenges



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## How to recruit and retain accounting firm staff amidst unprecedented change

With a record-breaking exodus of workers, the COVID-19 pandemic has shaken up the labor force in a way never before seen. When it comes to the tax and accounting profession, these challenges are exacerbated by an already highly competitive staffing landscape.

Given the shrinking pool of qualified workers, and the high costs of losing qualified employees, firms must find enticing new ways to recruit and retain staff. After all, a CPA firm distinguishes itself from the competition by the quality of its people — their desire, initiative, ability, creativity, and loyalty. The best firms tend to employ the best people.

Looking forward to the year ahead, it's important to understand the prevailing trends in staffing and evolve your firm's approach to ensure you have access to the qualified talent needed to sustain and grow your practice.

### A challenging landscape

The public accounting profession is constantly changing, and the need for experienced, highly technical staff is more critical than ever. Even prior to the pandemic, the shortage of accounting professionals was an increasingly pressing issue for a majority of firms. This shortage is attributable to a combination of factors working simultaneously to aggravate the situation.

Although not all-encompassing, a list of those factors include:

- Fewer experienced accounting professionals available in the market.
- Increased competition for professionals from national and regional firms.
- Improved flexibility and quality of life provided to national and regional firm staff.
- Defection of staff to higher-paying industry positions.
- More graduates forgoing public accounting and going directly into industry.
- More young professionals starting their own businesses instead of pursuing traditional business disciplines, such as accounting.
- Professionals temporarily leaving the workforce because of family or other lifestyle considerations.
- Changing attitudes of professionals from loyalty to firm to loyalty to their own careers.
- A general unwillingness of young professionals to work in work environments that do not promote work-life balance, inclusion, and regular and frequent feedback.

In the past, it was common practice to hire new, inexperienced staff, train them, get a few years of hard work, and then expect them to leave. Today, most firms cannot afford that strategy. It's too expensive to hire and train staff only to lose them in a few years. The true cost of losing a young professional staff member includes a search fee for the replacement, re-training, and the loss of morale. Retention of quality staff, therefore, is vital to your firm's success.



### Adapting your recruitment and retention practices

While many firms think of recruiting as interviewing and making offers, recruiting encompasses much more than that. To an accounting firm, recruiting should represent a comprehensive program covering the various steps that culminate in hiring a particular individual to fill an identified job position. These steps should be part of an ongoing program, even when the firm is not actively looking to hire.

Because of the need for staff, many firms now have formal, ongoing recruiting programs for both new graduates and experienced professionals at all levels. Some firms look at resumes continuously and conduct interviews all year long, even if a position is not currently available. If

a candidate looks good, the firm will work to retain that individual even before a position is open. Firms that are serious about growth know that boosting staff numbers and expertise will allow the firm to handle growth opportunities when they surface.

In addition, to respond to the demand for qualified candidates, many firms are as competitive in the recruiting process as they are for prospective clients. Recruiting is much like marketing. When marketing, the firm tries to sell services to potential clients. When recruiting, the firm tries to sell the firm as a desirable place to work to potential employees. Like marketing, recruiting should be thought of as an ongoing function.

**To recruit and retain successfully in the face of such a complex staffing landscape, consider incorporating these three steps into your outreach practices.**

### **1. Broaden your pool of candidates**

The days of the “cookie-cutter accountant” are gone. To be successful, accounting firms must realize that a fundamental paradigm shift has taken place. There are no longer strict rules that define who a public accounting professional is or should be.

The types of possible job candidates a firm might target include not only recent accounting graduates or experienced accounting professionals, but also graduates who are not accounting majors, older and retired professionals, underrepresented groups, paraprofessionals, flex-time professionals, and interns.

Historically, accounting firms have not done an adequate job of hiring and retaining an ethnically diverse staff. That said, to increase access to potential candidates from all backgrounds, firms should establish a business directive to ensure its workforce reflects the diversity of the firm’s client base and the country. Special recruiting efforts may be required to attract top candidates from diverse racial backgrounds.

As most of us know, women around the world have been deeply affected by the COVID-19 pandemic — both at work and at home — with women of color being affected disproportionately. In addition to incorporating work-from-home and flexible working arrangements permanently, consider partnering with local chapters of national affinity groups dedicated to increasing the number and the visibility of accountants and finance professionals from all ethnicities. Examples include the National Association of Black Accountants, Inc. ([www.nabainc.org](http://www.nabainc.org)), the Association of Latino Professionals for America ([www.alpfa.org](http://www.alpfa.org)), and Ascend ([www.ascendleadership.org](http://www.ascendleadership.org)).

Another idea is to sponsor a scholarship program in the local community for underrepresented groups. Doing so helps to raise the firm’s visibility in the community, while at the same time providing a valuable public service. Additionally, consider hosting recruiting events at colleges with large ethnically diverse populations, such as Historically Black Colleges and Universities (HBCUs), to expand your pool of racially diverse talent. Once the recruiting process is mastered, half the battle in a staffing crisis is won. The firm will have gained a significant strategic advantage over the competition.

### **2. Make your firm more attractive**

In today’s environment, lifestyle choices and job satisfaction are major factors that employees consider when deciding whether or not to stay with a firm.

While adequate compensation and benefits are obviously important and necessary, your firm’s culture is often just as important to an employee. Culture significantly impacts an employee’s overall perception of the firm and, in the long term, can often be the reason an employee chooses to stay or to go elsewhere.

Firms that are interested in retaining high-quality staff into the future should objectively try to answer the question, “What does our firm’s culture say to employees?” Proactive firms take the time to critically evaluate and improve the culture that surrounds their employees on a day-to-day basis.

Perhaps a quick win in addressing today's staffing challenges is the fact that the pandemic made [remote work](#) necessary. This flexibility is worth incorporating permanently and promoting as part of an ongoing recruitment and retainment policy to attract younger and more diverse staff.

Here's a high-level look at the ways you can make your firm more attractive to potential candidates.

- **Benefits and incentive rewards.** Apart from salary, benefits and incentive rewards are typically two of the top factors that influence candidates to select one employer over another. As a result, it is important to be as competitive as possible in those areas. Remote work, flextime, casual dress, and hiring bonuses are a few of the more popular benefits that CPA firms have added to attract candidates.
- **Quality of life.** For the younger generation, the hiring process is not about convincing a potential employer that they'll fit into your firm but evaluating whether your firm's values and culture fit with what is important to them. Many candidates seeking employment today, especially younger candidates, value [work-life balance](#). Firms with a work environment that does not allow some quality-of-life features may find it difficult to hire and retain younger employees.
- **Personal development.** One of the primary reasons employees change jobs today is because they're not willing to stick around if they don't believe they're receiving any personal benefit or growth. Younger generations often have an entrepreneurial mindset, and they value opportunities that will continue to move them up the ladder. It's crucial to communicate your intentions to help them grow in their career, even if that means some will grow right up and out of your firm. Consider their professional development desires and ask what CPE courses or seminars your staff members want to attend, what skills they would like to develop, and if there are any specialized industry areas that they are interested in.



### 3. Use technology to your advantage

There is no doubt that manual processes bog down productivity. If your staff is still spending hours sorting paperwork, typing numbers into spreadsheets, and entering the same data over and over, it's time to look at how technology can create a more enjoyable and appealing work experience for your staff.

When you equip your team with the [tools and technology](#) they need to get their job done effectively and efficiently, you keep them happy and engaged. For an edge in recruitment and retainment, use technology to enable paperless processes and remote access. In today's environment, this is not an option but a necessity.

Think of it from your staff's perspective. Instead of spending the first year or two of their career focused on data entry and other low-level projects, technology gives them the ability to jump right into analyzing data, exercising judgment, and working with management to resolve issues. This is a huge selling point in terms of encouraging professional expertise and growth.

If you haven't already, use technology to your advantage to free up time for your staff to spend on more high-value activities. [Automating your entire tax workflow](#) will not only provide a more rewarding work experience and allow staff to take on higher-level work sooner, but it will also dramatically improve overall productivity and accuracy.

## Conclusion

At the end of the day, choosing [the right tax technology solution](#) can act as the backbone of your firm, supporting a culture that enables flexibility and growth. When you use technology to enable work-life balance for your staff, your firm benefits both in terms of staff retention and overall profitability. Technology can help you not only meet the [demands of the changing marketplace](#), but also become the employer of choice for candidates seeking alternatives to the workplace of the past — and that gives your firm a considerable strategic advantage.

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