



Stop treading water, start thriving:
Tips for engaging and retaining your
firm's talent

White paper

Hiring great people is vital, but if your existing star performers are walking out of your firm as fast as you're bringing in new talent, your firm isn't growing; it's treading water.

Over the last year resignation rates have drastically increased.

"Despite the pandemic, all age groups experienced an increase in resignations between August 2019 and August 2020, except for those aged 20-25, who saw a 20.3% decrease. Employees aged 30-35 (21.5%), 35-40 (19.6%), and 40-45 (25.1%) saw large increases in resignations, signaling that workers more established in their careers have continued to shift jobs... As of December 2020, the resignation rate for managers was nearly 12% higher than the previous year."¹ We can see from the numbers that it is hard to retain your talent.

Hiring great people is vital, but if your existing star performers are walking out of your firm as fast as you're bringing in new talent, your firm isn't growing; it's treading water. As the Journal of Accountancy stated, "Well-informed employees in high demand — such as CPAs — know that they have choices about where they work. And they're looking for more than just a good paycheck and benefits."²

Consider these keys to retention.

- **Technology:** Equipping people with the tools and technology they need to get their job done effectively and efficiently is essential to keeping employees happy and engaged. In today's advisory firms, being paperless and having anytime/anywhere access is a must. It's nearly impossible to attend an industry event without hearing about automation and machine learning. Technology elevates their roles and enables efficiency and higher quality work.
- **Professional development:** Firms are beginning to understand that they can no longer put firm culture on the back burner. In fact, culture plays a crucial role in building trust, facilitating training and development initiatives, communicating strategic plans, and how your team's roles support those plans. Your employees become more active and engaged in the firm when they understand their company and their opportunities. As a leader in your firm you can help establish clear roles, responsibilities, and expectations. You can also help define and communicate career paths. The people in your firm need to see that they have a viable career path at your firm. The importance of transparency here cannot be overestimated.



Engagement

1. Technology and professional development help keep your employees engaged. They stay involved. Engaged employees are not only happier and more productive, they are also more likely to stay with your firm. In fact, a recent Employee Engagement & Retention Report by Achievers found that up to two-thirds of employees surveyed already have one foot out the door. Why? Disengagement.³ Engaged employees are not only more committed to the organization, they are also more willing to put in their best work. This means happier clients and, ultimately, greater profitability for the firm. Consider this: A survey of HR professionals found that more than 90% of respondents believe there is solid evidence linking engagement to performance, and they believe it has the strongest impact on customer service and productivity. Furthermore, highly engaged organizations are more than twice as likely to report being top financial performers in their industries.⁴ And, according to Gallup research, "Organizations that are the best in engaging their employees achieve earnings-per-share growth that is more than four times that of their competitors. Compared with business units in the bottom quartile, those in the top quartile of engagement realize substantially better customer engagement, higher productivity, better retention, fewer accidents, and 21% higher profitability."⁵

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Heather Sunderlin
Senior Consultant,
Thomson Reuters

So, how can your firm drive greater employee engagement? Through inclusion and involvement. One way to achieve this is by creating multiple teams or committees within your firm (i.e., a technology team, a recruitment team, etc.). This serves two purposes: First, you are moving your firm forward with new ideas and recommendations presented by team members and, second, you are including associates in the process of creating the firm they envision and want to work in. This can work even if you're a smaller firm of 10 or fewer associates by pairing up into teams of two to form multiple teams. Take, for example, a technology team. Staff this team with multiple people from different areas within your firm, and task them with evaluating what technologies you currently have and looking for ways to gain greater efficiencies. This enables your firm to move forward technologically and also involves your associates in the process. It's a win-win for your firm. "Employees need to feel like they are part of developing their future firm. That is so important in my mind. If you have a technology committee, a retention committee, a recruitment committee, and there are multiple people on those teams they are going to bring some amazing ideas to the table," says Heather Sunderlin, a senior consultant for the Tax and Accounting business at Thomson Reuters.⁶ Employees will also feel more engaged when they have trust in leadership, a solid relationship with their immediate supervisor, and feel recognized and appreciated for a job well done. Switching to advisory might be intimidating, but by engaging your employees you will be able to build up a firm of leaders that are dedicated to your team and dedicated to your clients.

It is interesting to note that, according to a Robert Half study, the top three drivers of happiness among accounting professionals are:⁷

1. Feeling appreciated for the work they do
2. Being treated with fairness and respect
3. A sense of accomplishment for their work



Firms that work to respect, trust, and engage their employees are going to build a firm culture that encourages retention.

Measuring engagement

Given that employee engagement is so closely correlated with organizational performance, one could argue that firms should measure it and find ways to continually improve engagement.

Research suggests, however, that just over half (54%) of organizations measure engagement. Among those organizations, most use multiple measurement methods, such as annual surveys and exit interviews to assess engagement.⁸ While annual surveys and exit interviews may be the most commonly used measurement methods, firms shouldn't overlook the value of stay interviews in driving greater engagement and retention. "I'm not a big fan of exit interviews. It's too late during the exit interview to find out why someone is leaving. I am a huge advocate for stay interviews. ... Stay interviews are critical. I believe stay interviews should be done on an annual basis," said Sunderlin. "Stay interviews are going to give you the insight into why an employee is staying, what they would like to see changed, and how you could better engage them personally in the firm. I find stay interviews to be a successful retention initiative."⁹ The insights you can gain through stay interviews are not only significant, but stay interviews also enable employees to feel heard. Listening to associates — and acting on that feedback — is very important. As in any relationship, communication is key, especially when undergoing change. Underscoring this point, Achievers' Employee Engagement and Retention Report found that 90% of survey respondents said they are more likely to stay at a company that takes and acts on feedback.¹⁰ Proactively engaging employees (and measuring your engagement success) will help your firm elevate talent and drive greater retention. In short, this means higher productivity, happier clients and, ultimately, greater profitability. Perhaps author and motivational speaker Simon Sinek summed it up best when he said, "When people are financially invested, they want a return. When people are emotionally invested, they want to contribute."¹⁰



Firm culture

Employees will also feel more engagement when they are part of a positive and inclusive workplace culture. Therefore, creating an ideal corporate culture is critical to attracting and retaining accounting firm talent.

Providing associates with a sense of empowerment and the flexibility to achieve a greater work life balance (i.e., flexible work schedules, telecommuting, compressed workweek, etc.) can also help your firm promote a positive workplace culture.

Firms that work to respect, trust, and engage their employees are going to build a firm culture that encourages retention. Providing ongoing trainings is a great way to build a good environment. You must ensure that your staff has the training they need to feel comfortable with new ways of working. Encourage and perhaps even reward questions. Make sure ongoing support is available, and let employees know that mistakes are not only okay, but they're also a normal part of learning.

Making the transition to advisory might seem difficult and retaining your staff can be a major concern during that difficulty. But, you don't have to compromise retention to become an advisory firm.

If you want to stop treading water and start thriving as an advisory firm, it is time to start building a firm culture that engages with employees and provides ongoing trainings and support.

Your firm's plan of action

The ability to attract, optimize, and retain top talent is a foundational component of growing a future-ready advisory firm. Progressive firms must think creatively to retain star employees with the right skill sets, invest in the talent they have to develop core skills, and keep staff happy and engaged by giving them the opportunity they need to feel like they can effectively handle work, family, and personal responsibilities. It's a tall order, but one that firms are better able to fulfill with the help of technology that provides flexibility and productivity.

But, you can do it! You can get your firm on the path to investing in your talent and bolstering employee engagement. By switching to an advisory model, you are able to contribute to their value and give them the tools and resources to perform their best. To retain talent, you must be willing to do what it takes to become an employer of choice and you will be better positioned to retain a staff of top performers.

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