

Partners



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He likes
to practice
yoga on
Tuesdays

She wants
on-site
childcare

She wants to
make partner
in 5 years

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HIRE & RETAIN THE BEST

75 percent of junior staff are contemplating a career change. Find out what it will take to keep them motivated and engaged

BEST PRACTICES IN HIRING and RETENTION

» In an era of economic change, finding ways to motivate and empower your staff can deliver a big dividend in loyalty and trust.

By Samuel Greengard

Discovering and retaining talent are never easy. In an era of rapidly changing business conditions and shifting values about work and life, a growing number of public accounting firms find themselves facing extra labor pains. “Today, there is less of an emphasis among accounting graduates on going into public accounting,” observes Josh Warborg, district president at staffing firm Robert Half International, one of the world’s largest specialized staffing firms, with \$3.18 billion in reported revenue for 2010. In addition, “many individuals are looking to quit public accounting completely.”

It’s no small problem. According to a recent survey by the Institute of Management Administration, 20 percent of junior accounting staff planned to leave their firms by the end of 2010 and 75 percent indicated that they eventually would quit accounting altogether — up from 65 percent in 2009. The fallout? As public accounting firms attempt to navigate today’s business environment, hiring and retention practices are winding up under




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the microscope. Organizations that adopt a best practice approach achieve a competitive advantage.

The challenge is finding a mix of benefits, policies and perks that mold the desired culture and values. While some firms find flexible schedules and mentoring fit the bill, others have turned to employee wellness programs, on-site child care and annual retreats. In addition, says Eric Nielsen, a managing director for Korn/Ferry International, a leading executive recruiting firm with offices in 90 countries, successful organizations place a premium on honesty, respect and transparency, and they

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He likes to practice
yoga on Tuesday
afternoons

*TIP: Retain top talent by
creating a flexible
environment*

She wants to make
partner in 5 years

*TIP: Keep her motivated by
creating a workplace that
allows staff to grow*

create an environment that engages and motivates staff. “They align their mission and business goals with their people,” Nielsen says.

A QUESTION OF WORK BALANCE

At the heart of successful hiring and retention is the ability to offer an optimal mix of pay and benefits, develop skills and knowledge internally, and build an organization that allows staff to grow and flourish. Fundamental changes in the accounting field — in part due to Sarbanes-Oxley and a growing emphasis on governance, risk management and compliance

— have thrown the traditional career track into disarray, Nielsen says. As a result, senior partners and hiring managers must focus on ways to make the field and their firms more attractive.

Warborg notes that many junior level accountants view public accounting as the first stop in their career journey. They’re increasingly looking to move into the corporate arena. Bucking the trend and holding onto talent mean paying closer attention to your staff’s needs and desires — something that senior partners sometimes hesitate to do. “You sometimes hear partners say: ‘The traditional career track has

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Best Practices

FLEXIBILITY

“The underlying thinking is: As long as I’m getting my work done well, why does it matter where I’m at or what hours I’m in the office.”

Josh Warborg
District president at staffing firm Robert Half International

COMMUNICATION

“We believe that if people have an interest and understand how the firm is doing, including financially, they will be far more engaged.”

Gary Johnson
Managing partner at Johnson Jacobson Wilcox

COMPATIBILITY

“We look for people who match the firm’s orientation and personality.”

Jim Kaufman
Managing principal at Kaufman Rossin & Co.

worked, so why change it now?” But what worked in the past isn’t necessarily what works now,” he argues.

One key consideration for younger workers is work-life balance. In a world of smart phones and 24/7 availability, these individuals increasingly desire jobs where they can establish flexible hours and locations and take time off to pursue personal interests. “The underlying thinking is: As long as I’m getting my work done well, why does it matter where I’m at or what hours I’m in the office,” Warborg says.

A flexible work environment is certainly a priority for Pittman & Brooks, a public accounting firm in Portland, Ore. Ranked No. 3 among small organizations on the *Accounting Today* “Best Places to Work” list, it has embraced practices designed to create an attractive work environment. For instance, because staff members put in 50 or more hours per week during tax season, they’re allowed to work flexible hours from April 15 through early January.

“We allow people to work pretty much wherever they want and find hours that suit them,” says managing partner Randa Brooks. “If they want to be a room mother for their child’s class or they want to go to yoga on Tuesday afternoon, that’s fine.” In addition, employees can bank up to 80 hours of time off, which they can combine with personal time off. This typically totals six to 10 weeks away per year. “Our people are professionals. They know their job, they know what they need to do, and they understand deadlines,” Brooks says. “We don’t need to micromanage them.”

Pittman & Brooks doesn’t stop there. The firm provides an annual retreat, a wellness program (it has trimmed absenteeism by 50 percent since it was instituted two years ago), workplace mentoring, social activities and spacious private offices. All this has helped the firm grow to a staff of 18 and achieve a near-zero turnover rate. In addition, Brooks has tried to accommodate staff by addressing interests and passions. For example, the firm has established a battery recycling program, installed eco-friendly lighting and adopted other green initiatives that younger workers requested.

CREATE A POSITIVE CULTURE

Although it’s essential to pay a competitive wage to employees, studies show that workers respond far



RETAIN TOP TALENT

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more favorably to a stimulating environment and good working conditions than to money. Viewing recruitment and retention as strategic initiatives and focusing on a plan that produces positive results

provide a recipe for success.

A strategic focus is a top priority at Johnson Jacobson Wilcox, a public accounting firm in Las Vegas that also ranked at the top of the *Accounting Today* “Best Places to Work” list for small companies. “The goal is to create an entrepreneurial environment that extends through the entire company — from receptionists to managers,” states Managing Partner Gary Johnson. “We believe that if people have an interest and understand how the firm is doing, including financially, they will be far more engaged.”

At weekly staff meetings, partners share information about clients and events, including 12-month trailing averages on chargeable time, revenue and net income. Financial statements are on the company’s intranet. “The focus is how the firm is doing overall,” Johnson notes. The organization places 6.5 percent of net income in a bonus pool and the money is split among non-partner accountants and administrative personnel. The firm continued to pay out the bonuses and provide pay raises during the economic downturn.

He applied to this firm for its reputation of honesty and respect

TIP: Put this approach to work by aligning your goals with your staff

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Johnson Jacobson Wilcox partners with junior accountants to identify future needs. Together, they build a development plan after staff members conduct a self-evaluation and generate a list of goals. Employees receive ongoing coaching and mentoring to help them stay on track.

The firm offers programs and perks to attract and retain talent, including flextime and reduced hours for staff who have small children or special needs. It has also established a relationship with the University of Nevada, Las Vegas. Johnson or another partner guest lectures on campus about six times each semester and the firm regularly interviews students for open positions. Candidates undergo a personality test to determine whether they're a good fit and the firm uses behavioral interviewing techniques to better understand how candidates act in the real world.

Once hired, staff members receive a \$500 clothing allowance and the latest technology required to do their job. The firm provides generous vacation benefits; medical, dental and vision coverage; and a 401(k) plan. What's more, employees receive a \$6,000 bonus for referrals leading to new hires. All of this, in conjunction with partners who tune in to employee ideas and opinions, resulted in a near-zero turnover rate and continued profitability, even during the recession.

PUTTING A BRAND ON THE BUSINESS

Great employers display common traits, states Jennifer Robin, a research fellow at The Great Place to Work Institute and co-author of *The Great Workplace: How to Build It, How to Keep It, and Why It Matters* (Jossey-Bass, 2011). Every year, the San Francisco-based organization rates the best places to work. Among the key criteria: 1. Employees trust the organization and other employees; 2. Have pride in the work they do, and 3. Enjoy the people they work with. "Now more than ever, employees are looking for work with purpose," she explains.

Robin says it's crucial to communicate the employer brand and adopt programs, perks and policies that align with the organization's goals and mission. Only then is it possible to "hire people who fit the culture" and provide the right development tools and content. Adds Bob Kelleher, CEO of The Employee Engagement Group and author of *Louder Than Words: 10 Practical Employee Engagement Steps That Drive Results* (BLKB Publishing, 2010): "Many companies have a hiring issue, not an engagement issue — they're hiring the wrong type of people to succeed in their cultures." While skills are relatively easy to learn, it's more challenging to train someone to have an aligned set of values.

At Kaufman Rossin & Co., a public accounting firm with nearly 300 employees in three offices in South Florida, hiring and retention spin a tight orbit around a strategic focus. The firm, ranked the Best Place to Work among large accounting firms by *Accounting Today*, relies on a focused interview process with personality testing and a predictive tool. "We look for people who match the firm's orientation and personality," notes managing principal Jim Kaufman. That, along with benefits, programs and perks, has helped the firm achieve a turnover rate below 5 percent.

Achieving success isn't easy, Robin says. Today's harried workplace makes strategic thinking difficult, and changing an organization's culture can prove daunting. But the time spent developing a strategic focus, along with clear hiring and retention policies, is an investment that pays dividends. In the end, "it's not what you do, it's how you do it," she says. "Values represent the 'how.' It's all about changing the way a company goes about doing business." ■

5 Ways to Put Recruitment & Retention to Work

1. Focus on a good fit.

Use personality tests and behavioral-based interviewing techniques to find people who approach problems and situations in a way that fits your business model.

2. Make work engaging.

Find ways to create a stimulating work environment and involve staff in business decisions, whenever possible. Create emotional buy-in and engagement.

3. Develop talent internally.

Establish mentoring and leadership programs. Offer training, education reimbursements and other benefits designed to boost skills and knowledge.

4. Understand the needs of different employee segments.

Boomers, Gen X and Gen Y have different needs and desires. Understand what's required to recruit and retain these segments.

5. Offer the right benefits, not necessarily the most benefits.

Listen to your employees and offer benefits that matter, including flextime, job sharing, telecommuting and phased retirement.



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