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EXCLUSIVE IOMA SURVEY

Heading Off CPA Firm Staff Turnover: Retention Strategies That Work

It may be turnover—not the economy—that is your CPA firm's greatest enemy right now. Losing key staff can harm your efforts to provide cohesive and continuous client service and to build a next-generation leadership pool. Other opportunities may tempt staff, but there are steps your firm can take to fight turnover and retain your most valuable talent.

At this time of year, firm leaders are homing in on assessing staff and planning for the months ahead, so this is an excellent occasion to consider tactics that can help control turnover. No turnover problem at your firm? Count your blessings—and be aware of what it is that you are doing that makes this the case so your firm can be sure to keep doing it!

AOMAR's parent company, IOMA, has recently completed in-depth research into turnover to find out how organizations are learning about—and controlling—turnover. There's a lot to learn from your clients and other organizations that are facing similar challenges when it comes to keeping the best talent.

Learn the reasons for departures. Voluntary turnover always has a reason or reasons—do you know what is driving turnover at your organization?

Asking is the easiest way to find out and, as it turns out, the most common—used by 88

percent of the organizations that responded to the *IOMA Recruitment, Turnover & Retention Survey 2007*. (The survey data are part of IOMA's newly released *Guide to HR Benchmarks 2008*. More information about the report is at the end of this article).

Exit interviews are certainly a good idea, but they approach staff when they have one foot out the door—too late to stop the departure. Finding out what may be attracting staff to job boards and headhunters before they step over the threshold is a much better way, if you can do it.

Common reasons for employees to depart, the IOMA survey found, include career opportunities (cited as a reason they have been given for turnover by 70 percent of the respondents); personal reasons (52 percent); more pay (49 percent); work-life bal-

Why Staff Leave, Overall & by Professional Services Firms

	Overall	Professional Service Firms*
More pay	49%	33%
Benefits	4	0
Layoffs	4	4
Career opportunities	70	54
Work-life balance	29	33
Personal reasons	52	54
Other	22	17

* Includes CPA Firms

(Source: IOMA)

ance (29 percent); other (22 percent); and benefits (just 4 percent) (see the table).

Among respondents that are professional services firms, including CPA firms, career opportunities and personal reasons tied for first place, both with 54 percent, followed by more pay and work-life balance that tied for second place at 33 percent.

Current strategies. The survey asked respondents to reveal their current approaches to stemming turnover. Among the professional services firms' respondents, it is clear that a number of firms were targeting the issue and attempting to take action.

A Southeast firm with one to 199 full-time-equivalent employees reports that it is taking a "SWOT" approach (strengths, weaknesses, opportunities, and threats) through meetings, "trying to identify the issues so we can begin to develop programs, benefits, etc. to address the issues that concern our staff most," wrote the respondent from that firm.

Another firm in the Southeast with 200 to 599 FTEs reports that it is taking a broad approach, including: "confirm competitive compensation; improve quality of coaching and mentoring provided by managers; stop hiring candidates who have history of job hopping; and looking for other common factors among those who leave."

Compensation featured in the strategies mentioned by several respondents. "Keep employees happy by offering fair pay, growth potential, and good benefits" is the approach at a North Central region firm with 200 to 599 FTEs. "Increase in base pay; outsource benefits to increase menu of selections and cost" is how a Northeast firm with 200 to 599 FTEs is approaching the issue. And another Northeast firm with one to 199 FTEs implemented "pay increases every 3 months during someone's first year."

More than just pay is being used to retain by some other firms. For instance, a South Central firm with one to 199 FTEs "increased coaching and communication between managers and employees and increased pay levels for several key positions."

"We are continuing our 100 percent telecommuting, 100 percent flex/part-time schedule which

our small staff love!" wrote the respondent for a Northeast firm with one to 199 FTEs. "We do offer service anniversary bonuses, but believe they are rewards, not motivators."

Others are taking a nonfinancial approach. A West Coast firm with one to 199 FTEs "improved communication by assigning a coach to each new employee and improved training to alleviate frustration and burnout." Another West Coast firm, with 200 to 599 FTEs, is "implementing change initiatives, listening to staff, and implementing employee advisory committees."

Future steps. The survey also asked respondents to identify what they believe to be the best ways to decrease turnover and increase retention—whether or not they are now able to put those strategies into place.

Here are some of the responses:

- "Recruiting additional experienced staff. Reducing total workload expectations and delivering on that promise."—Southeast firm, 1-199 FTEs.
- "We strongly endorse employee satisfaction surveys with appropriate demographics to discover the climate of employee morale, commitment, etc."—Northeast firm, 1-199 FTEs.
- "Employee involvement in planning."—Northeast firm, 200-599 FTEs.
- "We need to take a look at reviewing the attendance policy and possibly modifying it. Continue to provide training and development opportunities."—Southeast firm, 7,000 FTEs or more.
- "Career and succession planning with key people."—Northeast firm, 200-599 FTEs.
- "I think that the Employee Advisory Committee will increase communication and assist our retention efforts."—West Coast firm, 200-599 FTEs.
- "Perfect match between person and job. No one would say 'this job doesn't meet my skills,' or 'this isn't the job I thought it would be.'"—Northeast firm, 1-199 FTEs.

- "Communication, honesty, and trust with management."—South Central firm, 1-199 FTEs.
- "Improve communication, increase feedback, and increase showing appreciation."—West Coast firm, 1-199 FTEs.

The sidebar offers additional ideas to enhance retention initiatives.

For more information:

Complete results of the *IOMA Recruitment, Turnover & Retention Survey 2007* are in the *Guide to HR Benchmarks 2008*, along with many other benchmarks and metrics related to HR, benefits, and compensation. For more information and to order, visit www.ioma.com/hr, subserve@ioma.com, or call 973-718-4700. Ask for product number 2790N. Cost: \$459 plus shipping and handling. □

8 Retention Tips to Use Immediately

Better retention means less turnover. AOMAR likes these retention suggestions from Jim Welch, founder and president of The Growth Leader Inc., a business leadership consulting firm. Welch works with *Fortune* 500 clients and entrepreneurs.

Welch notes that the leading reason people leave their current jobs is a failure to connect with their bosses as leaders—and as people. It is wise to keep this in mind in planning and retooling your firm's retention initiatives.

"The power of the 'unexpected' is the most powerful way to emotionally connect with another person," Welch explained. "The 'unexpected' things a leader does really make the difference," he added. Some examples:

1. Handwrite a personal note or send a greeting card to spouses or significant others telling them what a difference their partner is making to your firm's success.

2. Take staff to breakfast, lunch, or dinner. And ask "what really matters" to them and what you can do as a leader to help them build their future dreams.

3. Take your entire team out to celebrate a special event. The end of busy season, obtaining a key engagement, holidays, or other reasons to celebrate should be enjoyed by the group. Use these occasions to single out those who have made special contributions, as well as to thank the team for its efforts.

4. Place a call to a significant influencer or key family member in your team members' lives. You should make phone calls to fathers and mothers if you believe it will make a difference to your best people. But always ask permission

first if you are going to contact anyone beyond the spouse. It is impossible to know without asking whether a call to someone's parents would be comfortable or not. You should also follow any laws regarding employee privacy.

5. Create a surprise, fun outing as part of a team business trip. A side trip for a few hours while onsite at a client can build rapport with your team.

6. Create local, fun activities for the team. These events should be during regular business hours to be truly appreciated. "Weekend team activities that cut into personal time are almost always guaranteed to land with a giant thud," Welch said.

7. Get other partners involved to deliver special praise for a job well done in a one-on-one meeting with team members. Engage the person to whom you report to conduct a one-on-one meeting with your best-performing team members. Again, this meeting should be unexpected and focus on results and accomplishments, as well as the recognition of the unique strengths of the individual.

8. Create an unexpected personalized memento for individual team members celebrating a major event. Finally, remember that little things can make a huge difference. "For example, instead of always having your people meet with you in your office, go visit them on their home turf—this is a sign of mutual respect," Welch said.

(Source: Jim Welch, president, The Growth Leader Inc., www.thegrowthleader.com)

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