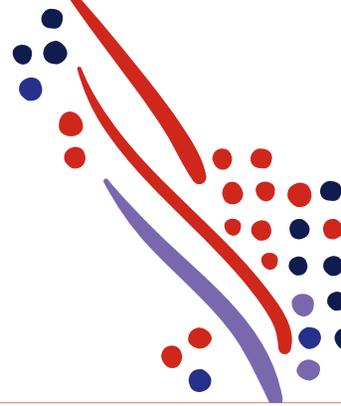


# Becoming an employer of choice

How leadership, talent development, technology, processes and growth help organizations attract and retain quality talent



Always Designing  
for People™

“Trust [people] and they will be true to you: treat them greatly and they will show themselves great.”

– Ralph Waldo Emerson





In this guide, we will explore the areas of Leadership, Talent Development, Technology, Processes and Growth to uncover the steps organizations should take to become an employer of choice.

— Tara Wolckenhauer, Vice President Global HR Strategy and Planning

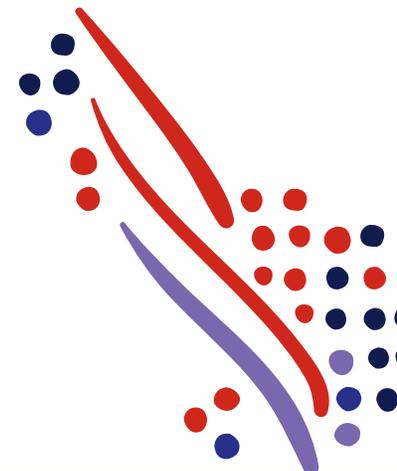
Talent is the lifeblood of any company. In the current competitive environment, CPA firms face plenty of challenges to not only attain the status of an Employer of Choice but more importantly, to sustain that designation. "Being an employer of choice is as much a benefit to the company as it is to its employees," said Tara Wolckenhauer, ADP's vice president of human resources – global strategy and planning.

Why is this so critical? Most firm leaders can tell you the profession is already in a war for talent, but the war is expected to head into a full-blown crisis within the next 15 years. As ADP's ebook on the Evolution of Work noted:

Forward-thinking firms don't just need to fill positions. To provide high-value advisory services to their clients, not just highly-commoditized tax and audit compliance work, firms need to attract and retain experienced employees that are well-equipped to work with changing technology with analytics to make informed decisions.

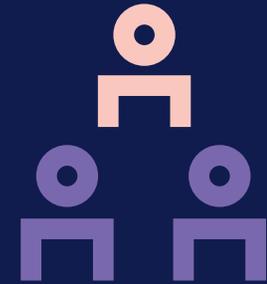
How will organizations attract and retain quality talent? The strategic advantage occurs when they prioritize five crucial areas.

"The AICPA expects more than **75 percent** of today's CPA's will retire within the next **15 years**, eligible as early as 2020. That's one of the highest percentages of any subgroup within any other field over the same timeframe."



# Leadership

Becoming an employer of choice starts with leadership. This quality is so important that without it, success in any of the other focus areas is difficult if not impossible to achieve. Without great leadership, employers tend to fail in talent development, technology, processes and growth.



## A strong vision of the future.

Some firms fail to differentiate between management and leadership, but there are significant differences. Management is task-based and mechanical, focused on assigning work and evaluating it. Managers chase goals, while leaders chase a vision. Organizations need both, but the differentiator is the vision.

Leaders must have a compelling vision and consistently communicate that vision. People want to be their best. They want to buy into an idea, be inspired and feel like they are contributing to something bigger than themselves.

## Viable, sustainable business model.

Technology will continue to commoditize the core services of tax preparation and audit. Focusing on those services is no longer a viable business model, yet firms struggle to transform from compliance to advisory services.

Collaboration and a common technology platform are necessary to compete and offer timely service. Cloud-based platforms allow firms to communicate with clients and avoid the transferring of files, maintaining multiple versions, backups and unnecessary travel.

## Work/life integration

Work/life integration is about people having a measure of control over when, where and how they work, allowing them to enjoy an optimal quality of life. Integration is achieved when a fulfilled life inside and outside of work is accepted and respected as the norm, mutually benefitting the person and the firm. When people are given the opportunity to integrate work and personal lives, they give their best effort in all that they do.

## Diversity and inclusion

In its 2016 report Global Human Capital Trends 2016, Deloitte outlined the requirements for new organizations seeking to drive employee engagement and retention. These new organizations will be made up of more globally diverse leaders, recognizing diversity and inclusion as a business strategy. Digital technology and “the global nature of business [have] made the workforce more diverse, demanding a focus on inclusion and shared beliefs to tie people together.”

## Access to information/transparency

Transparency is one of the greatest differentiators for your firm when recruiting, retaining and motivating employees. Transparency ultimately means raising the bar for clarity inside your firm. Seek transparent conversations and use the insights garnered from those conversations to improve overall decision making. Such transparency creates an intentional system of information sharing that leads to better decisions, education and understanding across all levels of the firm.

# Transparency

## What should you share?

### Vision.

What do you want the firm to look like in one, three, five, ten and twenty years?

### Mission.

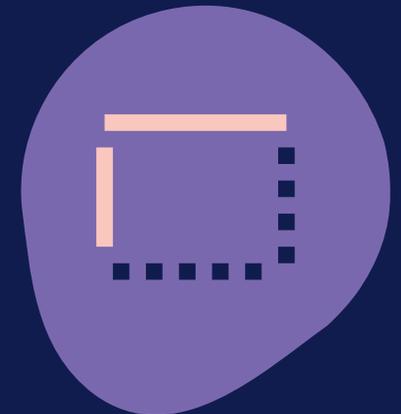
Inspires commitment to the vision. It should be clear and concise so employees can remember and communicate it consistently.

### Strategic Plan.

Serves as a roadmap for accomplishing your vision.

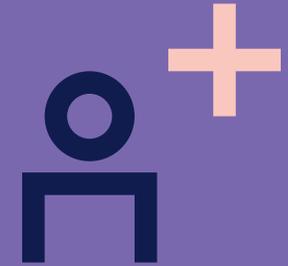
### Financial Information.

A firm filled with financial professionals should be clear on its professional goals. Know what you are measuring and why it's important.



# Talent Development

Many firms claim that their people are their number one asset, but the amount of time and money they allocate to training tell a different story. If you want your people to stay with the firm for the rest of their career, you need to offer them a career. That means providing a clear path to promotions, regular and fair evaluations, training for new skills and mentorship.



## Promotion and reward

Promoting and rewarding good work is important for being an employer of choice, but knowing who to promote and when is just as crucial. Writing for Harvard Business Review, Amy Gallo points out that who an organization promotes provides insight into company culture. "Managers should recognize that who they reward sends a signal to the rest of the organization. Therefore, they need to be sure that they are endorsing behavior that is in line with the organization's values."

## Lifelong learning

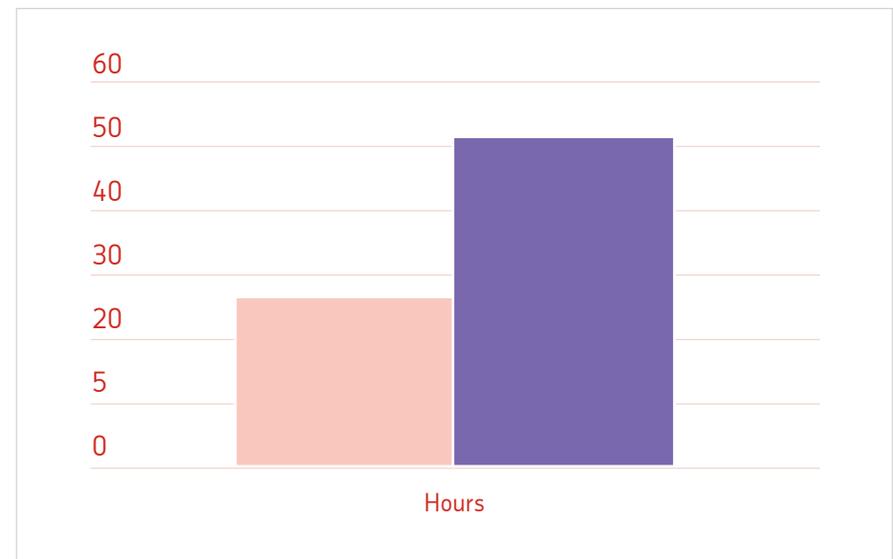
A culture of learning and development is crucial to the attraction, retention and development of key employees. Talented employees desire opportunities to learn and develop their potential. They want to feel that they are important enough for their employers to invest in. When you continually invest in the development of talent, you no longer have to worry about retention and attraction. The best and brightest employees are naturally drawn to an organization that invests in their future.



## Invest in learning

Hours spent on on-boarding and annual training among the 2016 Best Firms to Work For.

■ Avg. Hours in Orientation    ■ Avg. Hours of Annual Training



Source: Accounting Today / Best Companies Group

## Career path

CPAs and accountants in a traditional firm have a formal career path: staff, senior staff, manager, senior manager and partner. Expectations and performance criteria to move to the next level should be clearly outlined and communicated.

As the number of firms offering workplace flexibility and remote work arrangements continues to grow, firms need to consider the impact that a virtual work environment will have on employee's career path. Flexible work arrangements have been shown to increase loyalty, but few employees are willing to trade their career ascension for the opportunity to work from home.

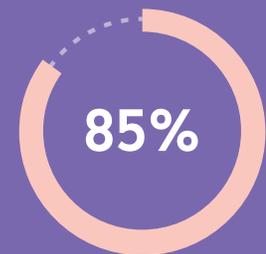
Firms must consider how employee career aspirations are changing. Not everyone wants to follow the traditional career path, and many firms will abandon the classic "up or out" pyramid structure for flatter structures, where teams of people collaborate on client work. This collaborative structure is well-suited to future-focused firms shifting toward providing advisory services over traditional compliance work.

In 2016, ADP Research Institute® published the results of their groundbreaking study, *The Evolution of Work: The Changing Nature of the Global Workforce*. The study examined nineteen trends that are transforming the global workforce. Those trends reflect five basic human needs: Freedom, Knowledge, Stability, Self-Management and Meaning. The desire for knowledge is not just about career advancement, but personal and professional fulfillment.

# Technology allows employees to learn anything, anytime, anywhere.



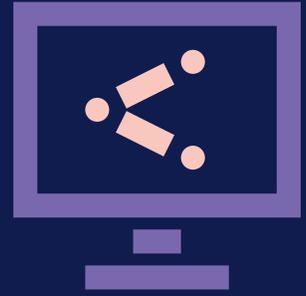
of employees see this as a positive sign.



of employees expect this trend to impact them personally.

# Technology

People who have chosen public accounting as a career understand their careers require a significant time investment. However, they also expect the same technology that allows them to manage their personal lives from any device, anywhere to allow them to work from anywhere at any time. Technology and flexible work arrangements will let them decide when and where the work gets done.



## Growth in people analytics

The future of human resources is dependent upon the ability for HR departments to harness people data and build predictive analytics models. Already, companies are using to understand why some high-performing people leave and take steps to prevent attrition.

In the 2016 report *HR Technology Disruptions for 2017: Nine Trends Reinventing the HR Software Market*, author Josh Bersin cites Facebook as an example of effective use of people analytics. The social media giant offered employees \$10,000 or more if they moved closer to the company's headquarters after a detailed analysis found that commute time was a significant factor in employee retention.

"In our experience, firms that use common technology platforms can reduce their time and costs by up to 50% over traditional desktop solutions."



## Digital HR

There has been a massive shift in HR technology in recent years, but companies are not just focused on automating and integrating HR. They are interested in using technology to increase employee engagement, promote teamwork and spur innovation and collaboration.

HR used to be consumed by paperwork, from employment applications to employment contracts, policies and procedures, employee handbooks, job descriptions, performance reviews and payroll stubs. The ubiquitousness of smartphones and tablets means your employees expect to have communication at their fingertips.

## Viable, sustainable business model

Technology will continue to commoditize the core services of tax preparation and audit. Focusing on those services is no longer a viable business model, yet firms struggle to transform from compliance to advisory services.

## Integration

Successful flexible work arrangements require software integration and workflow. Effectively working outside of a traditional office environment requires adoption of workflows that draw from integrated databases holding complete and accurate client information so employees can access that data securely from anywhere.

ADP's Accountant Connect<sup>SM</sup> provides firms with access to all of their employee's payroll-related data and resources in one cloud-based hub. One log in grants access to multiple reports, up-to-date payroll tax forms and general ledger files, allowing firms to invest less time in administrative tasks and more time focusing on adding value.

## Work anywhere, anytime

The ability to work anywhere, anytime meets the basic human need for freedom, as noted in the ADP Global Workforce study. Employees and even partners will demand increased control over their time, allowing them to choose the time and place for getting work done. To adapt to this shift, firm leaders must let go of their attachment to measuring performance based on "face time" and mandated office hours. This type of flexibility will not be a "perk," but a demand.

## Tools and resources

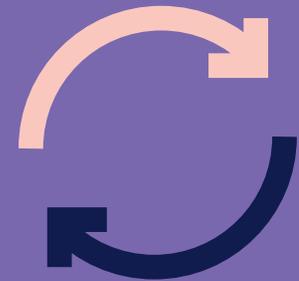
Becoming the employer of choice means giving your people and your clients the tools they need to collaborate easily. The tools and resources you provide will need to provide integration, automation, analytics and streamlined workflows. These not only make your employee's jobs easier but also make it as easy as possible for clients to do business with your firm.



ADP's mobile application is available in 27 languages and 25 countries. Employees can track and print pay statements and W-2s, punch in, request vacation time, view benefit information and manage their teams all from a mobile device.

# Processes

Implementing processes that maximize technological capabilities helps employees feel like what they do has meaning and feel aligned toward a common goal.



## Reducing overall hours

To become an employer of choice, firms need to understand what their employees consider the least enjoyable element of work – the root of most dissatisfaction and disengagement. INSIDE Public Accounting's 2015 survey of young public accounting professionals found, overwhelmingly, that least enjoyable element is the number of hours worked.

The firms that will not survive the war on talent are the ones who insist that a busy season of 60 to 80-hour workweeks for three solid months is just a fact of the profession. There are jobs out there that pay better and offer a better balance and people will leave public accounting. You may not be able to cut down to 40-hour work weeks immediately, but the key is progress, not perfection. Firms should always be looking for new technologies and efficient processes that can get them closer to the goal.

## Eliminate inefficiencies and wasted time

Every firm has processes, but are your processes as efficient as they could be? Have they changed over the years to reflect changes in technology? Disruptive technology makes many steps in existing processes redundant or unnecessary, yet many firms just patch new technology into existing processes. This type of patchwork results in inefficiencies, wasted time and steps that frustrate employees while providing no value for the client. Too much time is wasted in the aggregation of client data, reconciliation, documentation and shuffling of paper. Technology and interfaces can reduce some of the data aggregation. ADP solutions are built with these integrations in mind to reduce redundancy and make processes more efficient.

## One-way workflow

Loops in workflow can be the biggest challenge for firms wanting to improve their processes. One-way workflows increase efficiency and profitability and improve the client experience, but they require adequate up-front training.

Consider that outsourcers typically provide 80-100 hours of training on tax law, systems and processes. Their preparers are also required to complete several sample returns before being put into production. That type of investment in training takes more time in the beginning but will save time in the long run. Cutting down on extra loops in the process means the work gets out the door faster, making clients and employees happy.

## Lean six sigma

Lean Six Sigma is a method for systematically eliminating actions that do not add value. Firms who embrace a Lean culture of continuous improvement see increased levels of employee engagement and retention. Everyone, at every level, is personally invested and accountable for finding ways to work better, increase value and deliver exceptional client service. Again, well-defined processes, significant training and instant feedback are key.

## Working collaboratively

In the ADP article **Employee Retention: 3 Non-Wage Factors to Keep Your Talent**, author Kristopher Kapphahn suggests that firms with collaborative cultures are better able to attract and retain talented employees. In firms that promote competition rather than collaboration, “employees are often forced to take time away from doing their work to navigate cutthroat office politics (and peruse the want ads for a better place to work).” A collaborative culture enables teams to accomplish tasks more efficiently and effectively and provides a much more pleasant working environment.



If you focus on results, you will never change.  
If you focus on change, you will get results.

– Jack Dixon

# Growth

One of the main reasons employees leave a job is a lack of opportunities for career progression. Creating written personal and professional short- and long-term goals and having regular check-ins to discuss progress toward those goals gets employees excited about their jobs and their firm.



## Higher-level work (complexity)

An employer of choice encourages employees to continue to develop their skills and careers by providing new and interesting job assignments to help employees expand their skills or pursue a niche. The best employees seek to be challenged in their work, and providing opportunities for higher level, more complex work helps to keep employees engaged.

## Creating relevance through advisory services

The growth of the firm is as essential to becoming an employer of choice as individual growth. A critical component of growth is a focus on advisory over compliance services. Many firms have too many clients that utilize only one service: individual tax compliance. These clients force workloads to be compressed into a single, untenable busy season.

Revenue growth from these services is limited because technology has rendered tax preparation a commodity, where customers perceive little or no value difference and will leave for a lower price. Instead, growing firms need to focus on becoming trusted advisors, providing clients with strategic-based services packaged with compliance services.

## Connection with clients

A 2015 survey of young public accounting professionals by INSIDE Public Accounting and Convergence Coaching LLC found that respondents ranked working directly with clients as the number one most enjoyable element of their work.

The clients your firm has now many not be the clients that will see you through a shift towards advisory services. It may be necessary to terminate a small portion of your clients to free up capacity to focus on providing performance and strategic services. The clients you'll really connect with are the ones the firm can help grow and ones who want to grow with the firm.

## Professional goals

One of the cornerstones of employee engagement is a sense of accomplishment – doing the stuff we need to get done and feeling like there are enough hours in the day to do it. Firms can build and maintain strong employee engagement by helping employees to align professional goals with business outcomes. When employees know that they are working for their own goals as much as the organization's, they feel a deeper connection to the firm.

## Continuous and real-time performance improvement

To get the results that the business and its employees desire, firms need continuous and real-time performance improvement, not just annual reviews. Start with a job description and performance plan that includes goals. Check-ins for goal setting, performance planning, feedback, coaching and training need to happen quarterly.

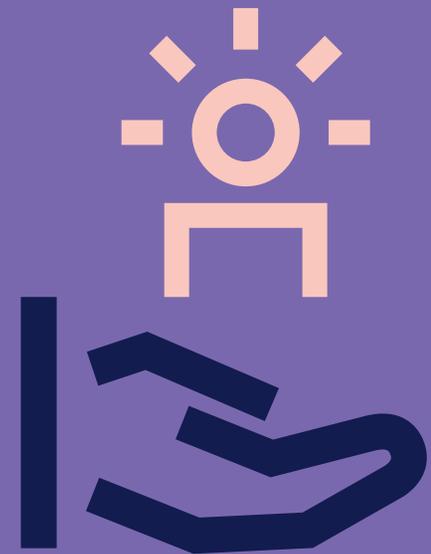


“Firms can build and maintain strong employee engagement by helping employees to align professional goals with business outcomes.”

# Employer of Choice: A Competitive Advantage

Becoming an Employer of Choice is not just about the advantages it brings to the employer and its employees, but about the benefits it provides to your clients.

- When you have higher-quality people on board, client work is done quicker, more thoroughly and more accurately.
- Less turnover means your employees will develop stronger relationships with your clients. Clients like to deal with the same people on a long-term basis. Continuity of relationships gives clients a greater sense of comfort, confidence and security.
- Happy employees equal happy clients. You want the people representing your firm to feel their best. When your employees feel their best, your clients get the best experience.



# Action plan: Top 5 things you need to do to become an employer of choice.



- 1** Craft vision, mission and values statements that capture the firm's purpose and speaks to where you want your firm to be in five, ten or 15 years. Share them with your employees so they know where you are headed and can follow along.
- 2** Develop a firm-wide training/learning plan. Consider hiring a Learning Director and developing a training curriculum that goes far beyond required continuing education credits.
- 3** Conduct a technology review to make sure the firm's technology support firm goals and IT investments provide actionable insights that are moving the firm in the right direction. When all systems are connected and working with each other, you will gain efficiency and be able to give your people some of their time back.
- 4** Adopt Lean Six Sigma to eliminate process inefficiencies and wasted time. One-way workflows coupled with better training will cut down on the "back and forth," making your people more productive and excited about their work.
- 5** If you haven't already, begin the shift away from strictly compliance services toward client advisory services. Give your people the opportunity to really become trusted advisors. They will be more engaged in their work when they feel connected to their clients.

# Conclusion

Many characteristics make up an Employer of Choice. When you develop talent, provide technology and processes that allow your employees to feel successful in their personal and professional lives and offer growth opportunities, your reputation will proceed you. Employees will seek out your firm as a desirable place to work.

## About ADP

Powerful technology plus a human touch. Companies of all types and sizes around the world rely on ADP's cloud software and expert insights to help unlock the potential of their people. HR. Talent. Benefits. Payroll. Compliance. Working together to build a better workforce.

To learn more, visit [adp.com](https://adp.com)



# References

Bersin, Josh; Geller, Jason; Wakefield, Nicky and Walsh, Brett, 2016. Global Human Capital Trends 2016. Accessed November 16, 2016.

<https://www2.deloitte.com/us/en/pages/human-capital/articles/introduction-human-capital-trends.html>

Bersin, Josh, 2016. "HR Technology Disruptions for 2017: Nine Trends Reinventing the HR Software Market." Accessed November 15, 2016.

<https://www2.deloitte.com/content/dam/Deloitte/us/Documents/human-capital/us-hc-disruptions.pdf>

The Evolution of Work: The Changing Nature of the Global Workforce, 2016. Accessed November 30, 2016  
from ADP Research Institute.

<https://www.adp.com/tools-and-resources/adp-research-institute/research-and-trends/research-item-detail.aspx?id=DF55E8A7-906A-4E81-A941-E886886BC9B2>

Gallo, Amy, 2011. "When to Reward Employees with More Responsibility and Money." Harvard Business Review. Accessed November 16, 2016.

<https://hbr.org/2011/01/when-to-reward-employees-with.html>

Kappahn, Kristopher, 2016. "Employee Retention: 3 Non-Wage Factors to Keep Your Talent." Accessed November 15, 2016.

<https://www.adp.com/tools-and-resources/adp-research-institute/workforce-index/employee-retention-3-non-wage-factors-to-keep-your-talent.aspx>

Lahey, Zach, 2015. "The Art of Appreciation: Top-Tier Employee Recognition." Accessed November 15, 2016.

[http://www.achievers.com/system/files/resource/Analyst\\_Insigh-The\\_Art\\_of\\_Appreciation.pdf](http://www.achievers.com/system/files/resource/Analyst_Insigh-The_Art_of_Appreciation.pdf)

The Road to Retention: Motivators and Drivers for Young Public Accounting Professionals, 2016. Retrieved November 16, 2016 from INSIDE Public Accounting website:

[http://insidepublicaccounting.com/wp-content/uploads/2016/06/The-Road-o-Retention\\_Motivators-Drivers-for-Young-Accounting-Professionals\\_2016-Executive-Summary.pdf](http://insidepublicaccounting.com/wp-content/uploads/2016/06/The-Road-o-Retention_Motivators-Drivers-for-Young-Accounting-Professionals_2016-Executive-Summary.pdf)

Wiley, Sandra, 2016. "Drivers of CPA Firm Turnover: Results of Boomer Consulting, Inc.'s 2016 Attrition Survey. Retrieved November 16, 2016  
from Boomer Consulting, Inc.'s website:

<https://boomer.app.box.com/s/5fe5h6nue5rcvdvmmnuryjs2p7v3thia>

