

Mapping a Career Path for Attracting & Retaining Talent

By Robert L. Siegfried Jr., CPA

Demographic trends are likely to keep the world of accounting and financial recruitment highly competitive, as some 64 million baby boomers reach retirement age in the next two years.

The stakes for finding and retaining talent have never been higher. The Sarbanes-Oxley Act of 2002 made the work of finance departments more technical, stringent and deadline-focused.

And the demand for accountants is expected to grow by 18 to 26 percent by 2014, according to *Business Journal*, which also found that three-quarters of the American Institute of Certified Public Accountants' members could retire by 2022.

Meanwhile, almost a third of financial executives surveyed by Deloitte said they were barely able to meet the demand for finance talent, and 8 percent said they could not meet it at all.

Indeed, meeting the demand isn't easy. A PricewaterhouseCoopers LLC survey found that 32 percent of internal auditors are recruiting for openings that have been vacant more than six months.

Until recently, accounting and finance graduates were lured to higher-paying jobs in other areas of financial services. And these graduates have legitimate concerns about corporate scandals and two decades of "right-sizing" in accounting and finance departments.

Alan Blinder, a Princeton University professor of economics and former member of the White House Council of Economic Advisers, says powerful



social, economic and political forces are reshaping the world in a manner some have deemed "the new industrial revolution."

Companies that remain anchored to past ways of doing business will be quickly outpaced. The alternative, according to Blinder, is to organize people and processes around the unknown, using a new talent-management model where a smaller, but highly productive and talented workforces, are supplemented by a flexible, just-in-time labor force.

Following the implementation of Sarbanes-Oxley, PwC increased hiring to more than 6,000 annually, a figure that Bob Daugherty — U.S. sourcing leader for the firm — anticipates will remain fairly flat for the next several years.

Key to PwC's recruitment success has been 10 years of quality tracking that enabled it to set measurement stan-

dards that ensure the quality of campus hires. "Beyond just looking at the [grade point averages] in schools that we go to, we look heavily at a values and behaviors framework to see who best fits into our organization," Daugherty explains.

The Siegfried Group looks for people who identify with the firm's culture and are experienced. In return it promises that its workplace will provide the following attributes:

1. a compelling business strategy;
2. a distinctive culture that balances career and life;
3. work that is both challenging and personally gratifying;
4. attractive compensation; and
5. enhanced marketability through expertise-enhancing accounting assignments at *Fortune 1000* firms.

These promises inspire a passion that is often missing in the account-



ing industry. They also help to motivate employees as they explore industries and types of work at an accelerated pace.

External benchmarks help PwC attract higher-tier talent. Benchmarks also help with retention because the choice by the management committee and CEO to seek out benchmarks inspired changes in decision making and employee relations. Turnover decreased substantially, with 2007 showing the lowest rates in the firm's history.

"There's not a decision we've made that hasn't been aligned with the attitude and philosophy that we want to be a great place to work," says Daugherty, adding that companies considering benchmarks must be fully committed to the process for the long term because it's bad press to fall from the top.

One of the best ways to identify promising candidates is through employee referral programs, such as one that State Street Corp. has established.

Adrien Deberghes Jr., a senior vice president of Mutual Fund Administration at State Street, estimates that his firm gets 60 percent of its hires at this point from referrals. "You need to be actively involved in these programs, though. We have staff meetings and ask, 'If you're not referring somebody, why aren't you?' We're not pressuring them, we're asking so we can understand what's holding them back."

Retention is crucial. Successful firms have creative means for inspiring employee loyalty, such as keeping staff challenged and emotionally invested in the company's success. A recent PwC publication noted:

"Rather than focusing on incentives and perks to entice and retain employees, organizations operating on this new model will hold on to the most talented workers in their permanent corps by offering them a range of profession-

al experiences, broad functional and geographic exposure within the organization, and more targeted leadership opportunities. In essence, this new talent structure will offer the most desirable incentive of all: challenging opportunities that stretch people's skills and help them build up their personal market value."

State Street also offers leadership training programs coupled with manager mentoring to prepare junior employees for leadership roles.

It is also important to protect employees from being poached by competitors. When State Street acquired Investor Financial in July, competitors started to call employees, warning of dire outcomes if they didn't jump ship.

State Street responded by focusing on retention bonuses and communication to eliminate uncertainty. "If there is bad news, be honest and let people know what the plan is as soon as possible," advises Deberghes. "The longer people sit in an uncertain situation, the more likely they are to start taking those phone calls and start looking around."

The merger has led to growth, and with it, the challenge of integrating existing staff from two corporate environments while adding new hires. "There are two different cultures, but we were in the same line of business, so we're looking for the same basic skill sets," Deberghes adds.

Creating the Right Environment

It is not uncommon for accounting and finance professionals at top firms to receive outside job offers on a monthly basis.

Though higher pay from current employers may appear to be the solution, fair pay actually keeps people hooked. Siegfried Group relies on a "threshold of fairness" that aims to match an employee's contributions to appropriate compensation and career

development.

Rebecca Ryan of Next Generation Consulting says her firm's research has found that for 20- to 40-year olds, "pay may be a maintainer but it's not a retainer." The survey found that Generation X (those between the ages of 31 and 41) believe work should not define their lives.

Generation Y or "Millennials" (those between the ages of 13 to 20) are devoted to their own careers, but not to specific companies. They want to "work my way," so recruiters need to identify whether an applicant is a road warrior or not, among other preferences.

State Street's Deberghes says: "Probably the most important thing is to understand what kind of career path your employees are looking for. Some might want to be on the fast track; others might be happy doing what they're doing. Managers have to be open-minded about allowing employees to go to other parts of their company to continue to grow — or else employees are going to vote with their feet."

The point was echoed by PwC's-Daugherty. "Everybody's on a different career path at various points during their life and career, but what they come to us for, what they need and want to have, is a developmental model. If we talk about it and don't deliver, they'll leave," he says.

The bottom line is that when employers identify, engage and retain people who enjoy what they do, employees will work with integrity and passion.

ROBERT L. SIEGFRIED JR., CPA, *president and CEO of The Siegfried Group, LLP, expresses his gratitude to Rebecca Ryan, Next Generation Consulting, Robert J. Daugherty, PricewaterhouseCoopers and Adrien E. Deberghes, Jr., CPA, State Street Corporation, who participated in the FEI symposium "Strategies for Identifying, Attracting & Retaining the Right Talent" held during the 2007 FEI CFRI Conference.*

About The Siegfried Group:

Established in 1988, The Siegfried Group is a professional services partnership that delivers a full range of accounting resource services to major public companies and other large organizations, including a Big Four firm. The company's high-caliber, experienced accounting and financial professionals assist clients with the implementation of critical financial work. For more information about The Siegfried Group, please visit us at www.siegfriedgroup.com.