



# CLOSING THE TALENT GAP WITH NEW TOOLS, NEW VISION, NEW CULTURE

Recently one of our clients called us with an interesting request – could we handle their internal audit function while they filled a vacant IA position?

It turned out that their internal audit team had only one member, who had resigned to move to another company. We started right away and ran IA until they hired a new in-house person to manage the function. Our service lasted longer than we originally planned because the search for a new employee took longer than anyone expected.

Our client's experience is not an isolated incident.

Today, both client companies and public accounting firms are finding it increasingly difficult to recruit and retain talent. Today's jobs require greater levels of specialization and sophistication than ever before, and finding and keeping qualified people with the right experience requires new tools, new vision and a new understanding of corporate culture.

## NEW TOOLS

Perhaps the greatest tool in the accounting world isn't particularly new; it's the computer. The advent of computers, particularly personal computers, opened up a new world of efficiency to accountants. What is new, however, is the flexibility that an internet connection gives to all of us. It allows us to work from our offices, from our client's offices, from the road or from home. Physical location is less of a concern than it has ever been.

Sadly, this flexibility is ignored in far too many organizations. Employees in those shops may be required to start the day at 8 a.m., go to lunch at noon, return to work by 1 p.m. and leave when the day's work is done. Older staff members may still be willing to follow such a strict routine, but younger staff members may not.

Younger generations place greater emphasis on flexibility and may need more time away from a standard workday than companies have traditionally allowed. They don't want to repeat their parents' mistakes and don't want to become "workaholics." At the same time, younger workers may be willing to finish a project from home after hours or on the weekend. With phones and tablets, they may be available outside of standard office hours. Forward-thinking management will leverage employee preferences and focus on goals and end results rather than time spent in the office.

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## NEW VISION

One of the most interesting aspects of today's workforce is that we currently have four generations working together. In the best of all worlds, the older members of your staff will be training the younger members and passing along their institutional knowledge and experience, while younger members will bring passion, enthusiasm and new ideas to the organization. Such cooperation does not, however, happen without clear goals and intentional action by management.

I believe that one of the first steps leadership can take to engage its employees is to revisit the company's mission, vision and values. With clear guiding principles, leadership can communicate with employees at all levels about the purpose of their work. Why is that important?

Survey after survey has shown that wages are not the most important factor in job satisfaction. Instead, they show that employees want to be involved in something bigger than themselves. Clearly stating the company's mission, vision and values shows potential employees and current team members what guides the organization. The company's core principles invite employees to engage on a deeper level and provide more meaning for routine tasks. A workplace feels more like a good fit when the company's values align with an employee's values. Younger workers, particularly, rate meaningful work as one of the top reasons to accept a position and then to stay with the company.

Advancement opportunities are another reason younger workers choose one company over another, but the question is whether or not younger team members will be able to manage the challenges of higher-level positions successfully. No company can afford to turn over key operations to employees who are not ready, and the responsibility for preparing younger staff members falls on senior management.

Senior management must identify the skills and knowledge needed to perform well in the company's higher-level positions. Then management must create a process of ongoing training, feedback and encouragement to develop younger employees. Most organizations use a combination of off-site training, on-the-job training, mentoring and skills development to increase an employee's knowledge base. Finally, successful management teams assign projects designed to stretch newly-trained

employees and help them master their new skills. Seasoned staff members are available for consultation during the project and debriefing at its completion.

Creating programs to develop talented employees is essential because the future is already here. In 2015 we passed the tipping point for the millennial generation. Millennials now compose more of the workforce than any other single group, and they are also the largest population cohort in the country. As the members of the baby-boom generation changed the workplace they entered in the 1960s, millennials are changing the workplace they enter today. Forward-thinking CEOs and CFOs will discover how to use the preferences of younger staff members to develop a workplace that attracts top talent and helps to keep it.

Professional satisfaction, however, is only one of the pieces to successfully recruiting talented employees. Younger workers want meaningful work lives, but they also want rich personal lives, and they want them in specific places. Many younger workers would like to live in urban areas, making recruiting particularly difficult for companies in small towns and rural areas. With effective management structures in place, however, employees can now live where they like and work remotely. The result is happier employees and a consistently excellent work product.

## NEW CULTURE

With the dramatic generational changes currently underway in the workforce, your organization's culture is going to change. The question is whether or not it will be a positive change. We believe that understanding how culture affects the life of a business is incredibly important. Likewise, senior management's role in helping an organization through culture change is equally important. I also believe that culture is the primary reason talented people are attracted to your business, find a home there and stay – the ultimate goal of recruiting and retention.

Diversity is one of the requirements of new corporate cultures. Not only gender diversity or ethnic diversity, but a diversity of thought and experience. Many companies talk about diversity, but their employees often reflect the makeup of senior management, which is far from diverse. Success in this century will require the input of many different people.

The diversity of senior management also may be broadcasting more than you intend about your company to potential employees. Younger workers want to be challenged, and they want to participate in key decisions within the company. They want to grow in their jobs and be rewarded with increasing responsibility. If they see no one in senior management who is like them, what does that say to them about their potential for growth and meaningful work, let alone their ability to become a member of senior management? A bright future is an incredibly powerful incentive.

Incentives have long been used to retain employees, but in today's environment, you may need to rethink the types of incentives you offer. Incentives are personal, and money is not always the best motivator. Some employees may be more motivated by other types of compensation, such as company ownership through stock options. Others may want more flexibility and time off, especially when family demands are high with young children or aging parents. Others may want to work remotely from another location or city. Your culture can be flexible enough to allow you to negotiate individual incentives when you're recruiting and to renegotiate when retention is the issue.

Finally, a positive culture and a flexible management plan will allow the current generation of leaders to mentor and train the next generation, passing on institutional knowledge and experience. The next generation, however, will also need to develop skills to meet challenges their mentors never anticipated. Leaders in your organization must believe in lifelong learning because they will need to refresh their skills throughout their careers.

## ADVICE FOR TODAY'S CFO

- *Focus on goals and end results rather than time spent in the office.* Honor employee preferences for work hours and location.
- *Look for creative staffing solutions.*

- *Conduct an assessment of your strengths and weaknesses.* Decide what areas can be effectively strengthened with training or development. Be sure to put your talents to their highest and best use.
- *Partner with outside specialists to reinforce areas where you might need assistance.* It's often more cost effective to hire an outside specialist than it is to develop deeper skills.
- *Develop your staff effectively.* Determine how much of your budget to spend on developing leaders internally and how much to spend on partnerships with outside specialists. You'll need to evaluate your options continually as you move through work cycles.
- *Determine what operational issues you can realistically address.* What issues are within your areas of expertise? Develop a plan for issues you handle and issues you delegate or outsource.

## CONCLUSION

As the workforce changes, the workplace must also change to meet new challenges. Developing new ways to attract and retain employees is no longer a luxury; it is a new reality of today's business world. As you work to attract talented staff members, remember that HORNE can help strengthen your team with project-specific or long-term help in all areas of finance and accounting. Our resources can provide a cost-effective solution to your staffing issues.

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