



# VSCPA RETENTION GUIDE

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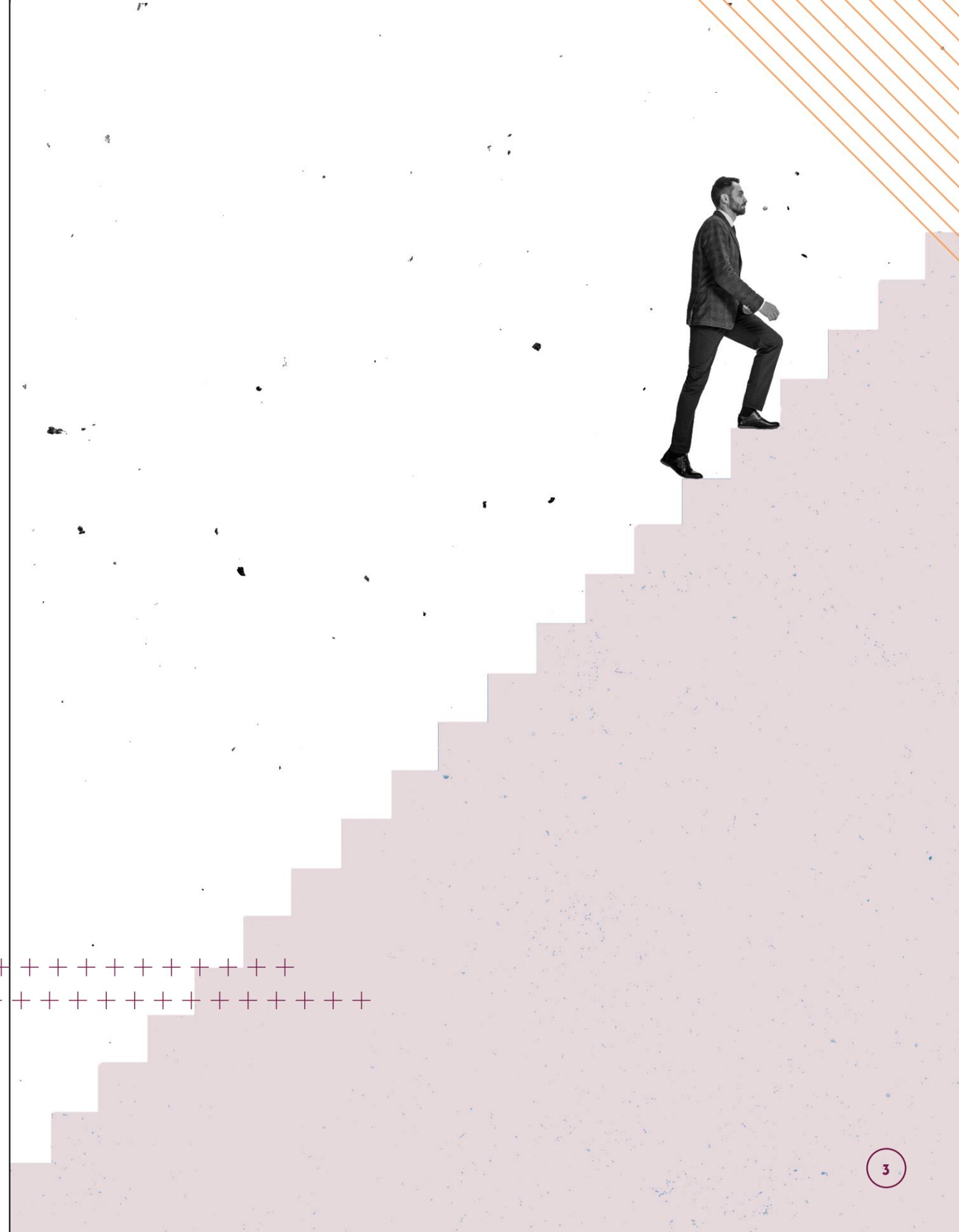
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# INTRODUCTION

The U.S. Department of Labor Bureau of Labor Statistics reveals [3.5 million Americans voluntarily left their jobs in April 2024](#). During the height of the Great Resignation in December 2021, 4.3 million workers quit. While voluntary attrition may be slightly waning, and jobs *are* still being added, CPAs are finding retention is just as critical as hiring in the current business climate.

But still, the question remains: Why? Why are people still leaving their jobs, and why are others remaining out of the workforce?

Several factors continue to hamper retention rates. [Women, and particularly women of color, are not entering or staying in the job market](#) at the same rate as men, with childcare problems a driving issue. As staff leave and a tight market makes rehiring difficult, burnout and a lack of work-life balance created the “quiet quitting” phenomenon.

A [2022 McKinsey Health Institute survey](#) found that 28% of U.S. workers report symptoms of burnout, and an additional 32% report experiencing moderate work-related distress. This mirrors findings from the [2022 VSCPA Future of Work Survey](#), in which the No. 2 critical professional challenge noted by CPAs is work/life balance, followed closely by burnout (see chart opposite).

Additionally, people leave companies with toxic cultures, unsupportive management and leadership, and lack of recognition, among other reasons.

## CAN YOU AFFORD EMPLOYEE TURNOVER?

Losing an employee, rehiring, and then onboarding a replacement can cost [as much as 1.5 to 2 times the employee's salary](#), according to some estimates. C-suite turnover is even more detrimental, costing 213% of salary. You'll have obvious expenses associated with recruiting, but you'll also

contend with knowledge gaps, delayed revenue, and other factors.

When viewed through this lens, doing whatever it takes to *retain* employees can cost a lot less. The good news is that with proper focus, you can successfully keep star employees.

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**“THE AVERAGE BABY BOOMER CHANGED JOBS 12 TIMES, ACCORDING TO THE U.S. BUREAU OF LABOR STATISTICS. YOUNGER DEMOGRAPHICS ARE JOB HOPPING EVEN MORE.”**

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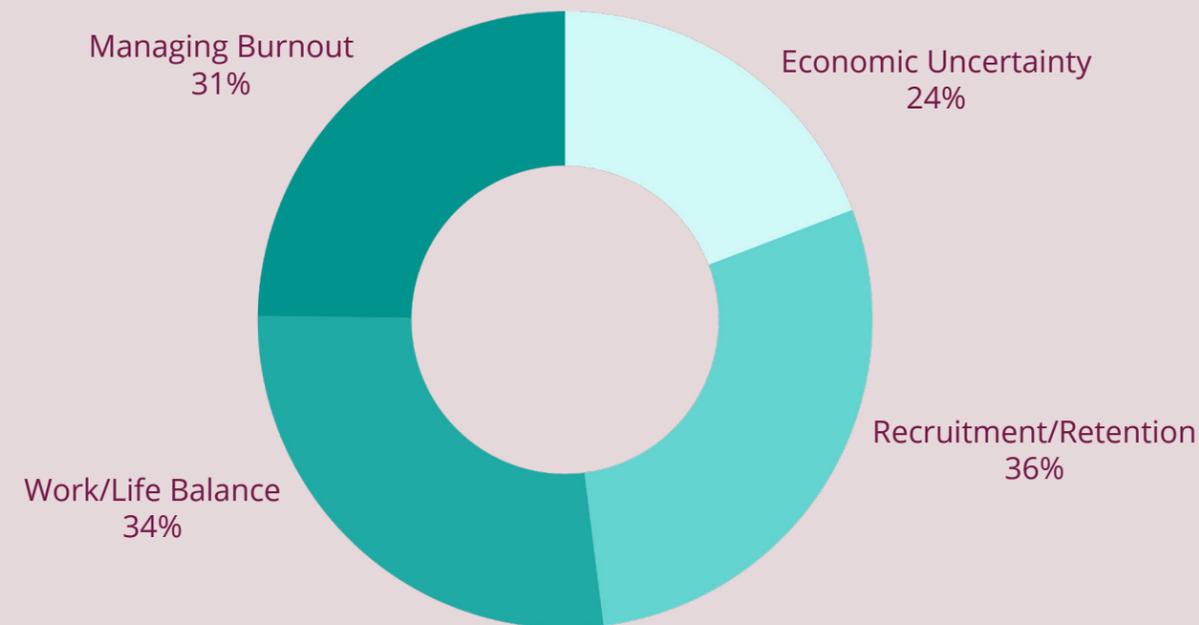
To succeed, you must devise a multifaceted approach that includes investigating your culture to intentionally create a rewarding work environment, giving your employees the compensation and benefits they need to feel valued, and structuring your company in a way that sets your employees up for success.

Employee retention often boils down to making employees feel wanted, no matter their career ambitions.

In a [May 2023 Journal of Accountancy article](#), Joey Havens, CPA, CGMA, writes: “Our profession has in front of us the greatest opportunity for increased relevance and abundance that I have seen in 40 years. Demand for our services, skill sets, and leadership have never been higher ... Our biggest challenge is people.”



## CPAs' CRITICAL PROFESSIONAL CHALLENGES



Source: 2022 VSCPA Future of Work Survey

### Retention starts on day 1

Creating a positive, mutually rewarding relationship between employer and employee begins with a stellar welcome and a great onboarding process. First impressions are key! Onboarding goes beyond a simple orientation to include things like ensuring the employee has the correct technology and log-in passwords, assigning mentors, and performing regular check-ins.

Don't make mistakes with onboarding — the process is crucial to setting the stage for a positive working relationship with your coveted new hire.

Read how to onboard with ease in the [VSCPA Recruitment Guide](#).

# CULTURE

## Identify and develop your culture

While organizations may have differing definitions of workplace culture, in general, culture refers to the shared values and beliefs of employees. It may seem basic, but culture could be the biggest key to retaining employees. If staff do not feel connected to each other or the organization's mission, they will have no problem jumping ship.

[Research from Deloitte](#) on core beliefs and culture found that 94% of executives and 88% of employees believe a distinct workplace culture is crucial for business success. But while executives said tangible elements like compensation and financial performance are factors that most affect workplace culture, their employees rank *intangible* elements (candid communication, employee recognition) higher. The lesson? Focus on building a culture of intangibles, and employees will stay.

## Change your culture in 4 steps

Need a culture change, but don't know where to start? Here are [ways to begin](#) from the Illinois CPA Society.

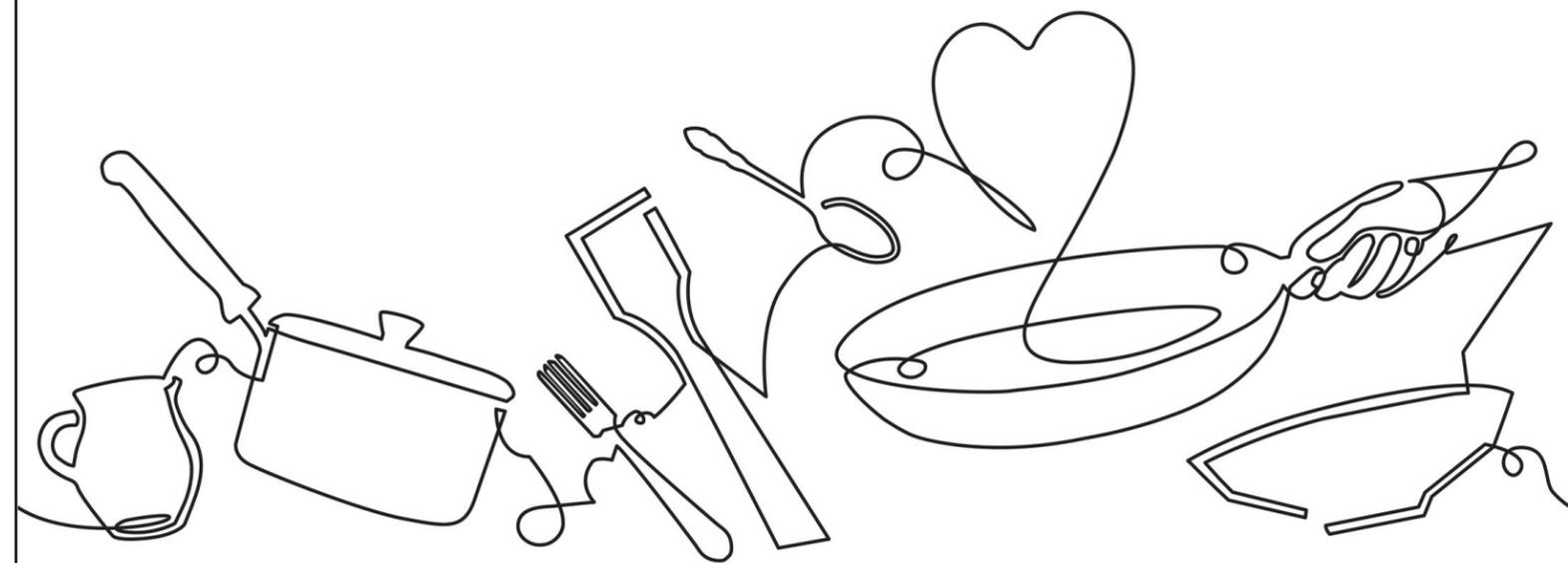
**1. Analyze your current culture.** Determine what your organization values in six key areas: dominant characteristics; organizational leadership; management of employees; the glue that holds the organization together; strategic emphases; and criteria of success. Involve your employees by asking them to tell a story about what the culture is today. Staff can help the organization identify current culture traits and craft future ideals.

**2. Consider what you want your culture to become.** Visualize the future. What will tomorrow's culture feel like? How will you get things done? Will people be enabled to make decisions and risk making mistakes? Ask yourself probing questions like: Should it be less controlling and more empowering? More results-oriented or more collegial? Do rules "rule," or are you open to new ideas and empowering staff?



**3. Create pilot experiments.** Through these experiments, you can get people to see how the new culture is going to feel when they live it, and this is tied to company values. For example, this could look like a new script or process for handling phone calls and client/customer relations.

**4. Celebrate.** People need symbols and they need to celebrate and share experiences. Create new rituals and eliminate the ones that no longer serve the organization. Just make sure you aren't changing something that is currently sacred by employees; build upon what is *already* working.



## Your recipe for a winning culture

Workplace culture will be different at every organization; how boring if it weren't! But cooking up the best version of your culture requires combining different ingredients that resonate with your employees *right now*. Focus on some of these areas to find your winning combination:

### MISSION

When's the last time you reviewed your company's mission and vision? If it's been a while, it's time to take a look. A [Ladders survey](#) found that mission, rather than pay, matters most to 67% of workers. Employees want their work to matter, and it's up to management to ensure that a.) the mission accurately reflects the organization's work, and b.) everyone is working for goals beyond just profit.

### VALUES

If you don't have detailed core values determined by and for your employees, it's a great time to start. "Values are the backbone of a strong company culture," [writes Kate Heinz at BuiltIn.com](#). "When done correctly, core values guide business decisions, give purpose to your mission statement, and inform how employees interact with each other."

Start with surveying employees on what they value most, and then enlist key employees, HR, and other stakeholders to develop a list. Once it's agreed upon and employees have provided

### VSCPA values

Need inspiration? Below are the values the VSCPA lives by and what staff, members, customers and other can expect when interacting with the Society:

- ✓ **Innovation and adaptability:** Discover solutions, create new ideas, and take smart risks that challenge the status quo.
- ✓ **Continuous growth and learning:** Promote curiosity and a lifelong desire to build future-forward knowledge and skills so we can remain relevant.
- ✓ **Exceptional service:** Deliver high value service and ensure a professional, positive experience.
- ✓ **Diversity, equity and inclusion:** Foster a collaborative, inclusive environment that values, recognizes and reflects a diversity of people, cultures and perspectives.

# CULTURE

feedback, periodically review your value list to see if it needs revising. Make values a key part of onboarding for new employees, demonstrating that you expect them to live and model your company's core tenets.

## GOALS

Once you have a clearly defined mission and values, make sure employees are all working toward the same endpoint. Organizational and individual goals will help everyone feel they are all "in it together"; that each person's job responsibilities fulfill a greater good. Make sure you also implement an evaluation process on goal progress throughout the year.

## CONNECTION

Employees with strong connections — to a company's mission, their coworkers, their job duties, etc. — are happier and easier to retain. What are you doing to foster strong connections to your company's purpose? If you're in a remote or hybrid environment, are your managers connected often and deeply with their staff? What do you need to do as a leader to ensure connections and bonds are strong?

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**"THE HIGHER AN EMPLOYEE RATES THEIR COMPANY CULTURE, THE LOWER THE CHANCES THEY WILL LEAVE, ACCORDING TO [WORKHUMAN IQ DATA](#)".**

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This may look like ensuring all staff know how their day-to-day duties roll up to support the organization's overall mission. After all, do you really want to work somewhere that you don't feel impactful or valuable? Upper management needs to be approachable and vulnerable by making strong connections in all avenues of the workplace.

## TRANSPARENCY

You can't have trust without transparency. [According to Forbes](#), 71% of employees feel managers don't spend enough time explaining goals, and 50% of those cite a lack of company-wide transparency. Secrecy (even if it's only the *perception* of secrecy) can doom any cultural inroads you've made. Commit to developing a transparent tone at the top. Ensure your career development paths are obvious and attainable. A radical transparency choice could include making all salaries publicly available. Ask your employees what transparency they would like to see, and how it could improve morale.

Transparency also extends to change management. If your organization is undergoing a large shift, like a merger, public equity investment, CEO or managing partner retirement, etc., commit to openly communicating all steps of the process to employees.

## Tackle culture trials with VSCPA Strategic Insights

**Ready to give your company culture the kickstart it needs? We can help.**

Through VSCPA Strategic Insights professional services, we can conduct culture audits, collect data from employees, offer culture insights, and facilitate company workshops.

Visit [vscpa.com/VSCPAstrategicinsights](https://vscpa.com/VSCPAstrategicinsights) to see why our decades of experience with Virginia CPAs makes us the right partner for you.

## COLLABORATION

You won't find the recipe to a great culture with top leaders sitting around a boardroom table trying to define it. All stakeholders, from leadership to middle management and beyond, need to be involved. Employ focus groups, craft surveys, set aside time to discuss culture during staff meetings — whatever it takes. That's where you'll find what staff truly value, like connection, diversity and innovation.

## WORK ETHIC

Your organization's culture will be directly tied to the work ethic modeled and rewarded by management. If employees feel they must be available on days off or on weekends, that expectation is an element of your culture. If every employee is expected to take a two-week-long vacation a year with zero work responsibilities, that is also a reflection of your culture. What you want your organization's work ethic to look like should be developed by the employees and modeled by leadership. With quiet quitting on the rise, the answer should reflect some sort of balance.

## READ THESE

[The true costs of employee turnover](#) (BuiltIn.com)

[Create a magnetic culture at your firm](#) (Journal of Accountancy)

[Harness the power of your organizational culture in 3 steps](#) (Gallup)

[How to build and maintain a strong company culture](#) (Ideascale)



## Organization size matters!

It's no surprise that culture will differ at different organizational sizes — and there are unique benefits to small, medium or large organizations. Smaller organizations often have close-knit cultures where employees form strong bonds, celebrate wins together, and have an unmatched level of cohesiveness. They also can make decisions more quickly when necessary and employees do not have to travel up a long chain of command to get the answers they seek. Large firms are often more widely known, work with bigger and more well-known clientele, and can provide employees with a pathway to high earnings potential. Medium-sized firms often offer a combination of both.

## RESOURCES

[VSCPA Strategic Insights](#)

[Gallup Culture Transformation](#)

[Workhuman](#)



## Embrace diversity, equity & inclusion

Diversity is good for business. Period. Just check out these stats from a June 2020 study from Catalyst, "[Why Diversity Matters](#)":

- 35% of an employee's emotional investment in their work and 20% of their desire to stay at their organization is linked to feelings of inclusion.
- When companies establish inclusive business cultures and policies, they are 59% more likely to report an increase in creativity, innovation and openness and 40% more likely to report a better assessment of consumer interest and demand.

It's not, therefore, hard to understand that groups who consciously employ DEI efforts have less turnover, more productivity, and experience higher levels of achievement — which directly affect the bottom line.

## Embed DEI into your office culture

[Creating a sustainable culture starts with including DEI in all discussions.](#) If you want to retain top-performing employees, your organization must show a commitment to developing a diverse and inclusive workforce.

First, ensure your organization has a DEI strategy by examining your existing framework. Start by assessing your strategic priorities and then engage your stakeholders. Make sure you define DEI in both spoken and written communications. Don't forget to analyze internal workforce trends like recruitment, retention and advancement. These themes will help shape objectives and metrics that support your workforce goals.

Second, consider establishing an Employee Resource Group (ERG). ERGs can assist in building cultural awareness, educating employees, and serve as a safe space for team members. They can also help leaders identify organizational policy and process gaps, creating opportunities to enhance company culture, benefits and retention.

Finally, measurement is key. Define your key performance indicators (KPIs) to evaluate the success of your initiatives.

## Going beyond core values

Individuals have a responsibility to adopt inclusivity as a mindset rather than just following a set of organizational guidelines, [according to Financial Management magazine](#). Here are seven ways professionals can be more inclusive:

- 1. Open up "the stage":** Allow employees to feel comfortable expressing themselves as they truly desire.
- 2. Become a listener:** Avoid interrupting others, especially in front of peers.
- 3. Give friendly support for capacity building:** Find the right balance between being a supportive teammate and intruding into someone's personal space.
- 4. Break down silos:** Provide gatherings and opportunities for employees to showcase their talent.
- 5. Use emotional intelligence:** Consider unfamiliar colleagues as equals.
- 6. Practice respect and empathy:** Be compassionate by observing others' behaviors and let everyone explain their own perspectives.
- 7. Strengthen your team with diverse skills and backgrounds:** Explore and appreciate the diversity each team member brings.



**FACT**



**MYTH**



## Embrace diversity, equity & inclusion

### Equity and equality are *not* the same

Understanding the differences between equity and equality can lead to transformational change in the workplace. While the concepts are often used interchangeably, [they are not the same](#).

When defining equality, one group is not considered better or worse than another group, and all people, no matter how different, should be treated in the same manner. Equity, by contrast, is offering varying levels of support to meet the unique needs of different groups to achieve greater fairness in outcomes.

#### RESOURCES

[VSCPA Diversity, Equity & Inclusion Resource Center](#)

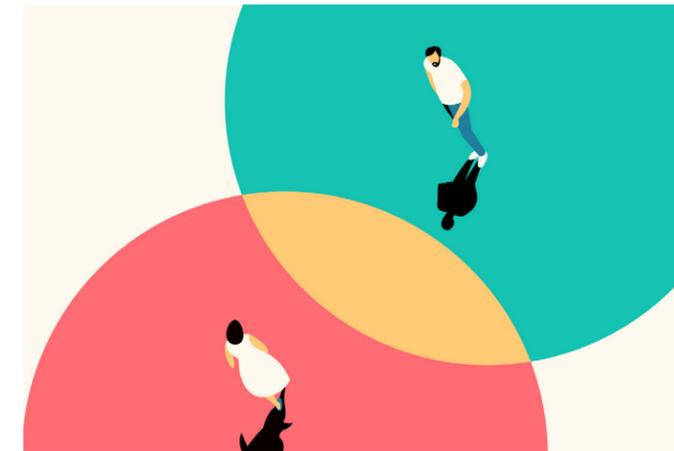
[CEO Action for Diversity and Inclusion™](#)

[PCPS Diversity and Inclusion Toolkit](#)

[Unconscious bias VSCPA webinar replay](#)

[Organizational strategies for retaining and developing women leaders](#)

## Women are critical for your DEI initiative



**"IT WILL TAKE MORE THAN 130 YEARS TO REACH GLOBAL GENDER PAY EQUALITY."**  
– [2022 GLOBAL GENDER GAP REPORT](#)

Here are five ways organizations can support women and help them succeed:

- 1. Early exposure to the profession.** If young women don't see themselves represented in the profession, they won't imagine themselves there.
- 2. Mentoring and sponsorship.** Relationships provide guidance and a sounding board for career moves.
- 3. Flexibility.** Employers need to not only embrace flexible work options, they also need to become more flexible in their vision of what makes a successful leader.
- 4. Support through formal DEI initiatives.** Consider ways to include women in existing opportunities and also develop specific ones.
- 5. Have conversations.** Space for communication for all employees creates opportunities to shape a positive firm or organizational culture.

It's been more than 120 years since Christine Ross became the first-ever female CPA. Even though she passed the CPA Exam in 1898, [her certificate was delayed](#) for several months because of her gender.

And while [women have made up 40 to 60% of all accounting graduates](#) in the last few decades, the truth remains that within the CPA profession, women are still widely underrepresented in leadership roles both in firms and the corporate finance sectors. While approximately 60% of accountants and 50% of CPAs are women, they make up [only around 20% of firm partners](#).

#### READ THESE

[Creating an unconsciously inclusive business culture](#) (Illinois CPA Society)

[It's \(past\) time to get strategic about DEI](#) (McKinsey & Company)

[Carving a diverse path: How one firm developed a program to develop and advance a diverse workforce](#) (Disclosures)

[Equity is not equality](#) (Disclosures)

[Why women are critical for your DEI initiative](#) (VSCPA)

## Focus on employee well-being

Data shows that employee engagement is highly correlated with well-being. Gallup and Healthways measure well-being through a [scientific survey of five essential elements](#): purpose, social, financial, community and physical. [Various data points from Gallup](#) show that employees who are engaged and have high well-being miss fewer workdays due to poor health. They are also 59% less likely to look for a job with a different organization in the next year, and 18% less likely to change employers in a 12-month period. Generalized across the workforce, [Gallup estimates lost work due to mental health issues cost the economy \\$47.6 billion annually](#) in lost productivity.

If retention is your aim, including well-being principles in your engagement strategy and organizational programs could move the needle.

## 10 ways wellness programs improve retention

When employees have a positive well-being — physically, emotionally, financially, socially and mentally — there is contentment, security and stability, [according to WellSteps](#). Employers can cultivate a nurturing work environment by showing genuine care for employees. Here are five ways focusing on well-being can improve employee retention:

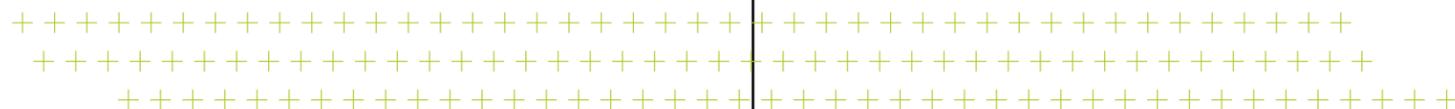
- 1. You're showing you truly value your employees.** Implementing wellness policies and programs demonstrates a commitment to the humanity of your employees beyond just corporate strategy or the bottom line.
- 2. You're promoting health and wellness.** Programs that reduce health risks directly translate into fewer sick days and lower health insurance costs. Well employees can focus on their job duties with greater focus and vitality.

- 3. Employee satisfaction increases.** Dissatisfied employees tend to disassociate, but wellness programs that support their needs draw them closer to the company. Employees don't see a reason to leave a place where they feel content.
- 4. Employee loyalty increases.** Satisfied employees are loyal employees. They'll feel proud to work for their organization and will recommend it to others.
- 5. Stress and anxiety decreases.** A stressful work environment leads to burnout and attrition. Wellness programs that focus on the mind, body and emotions directly translate to reduced stress and better work performance.
- 6. Teamwork increases.** A happy, well-rested employee is more willing to work with others and accomplish shared goals. There's no reason to quit when you're contributing to a team effort.



## CONSIDER THIS

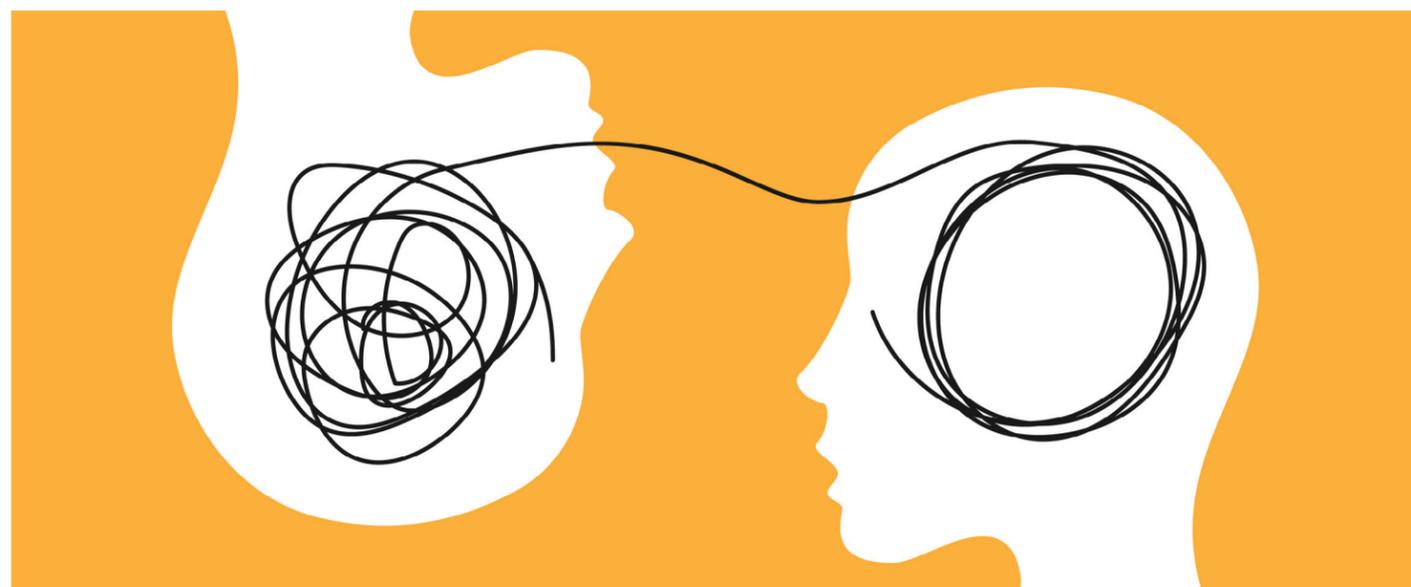
Employee well-being is becoming so important to some businesses that they're hiring a new C-suite position: **Chief wellness officer**. Chief well-being or wellness officers (CWO for short) work with HR teams and company leadership to address all initiatives and programs related to wellness, such as health insurance plans the company provides, employee engagement opportunities, and much more.



## READ THESE

- [Mental health matters: Fostering psychological capital in the workplace](#) (Disclosures)
- [Case study: A holistic approach to employee wellness](#) (Disclosures)
- [Want quality of life and quality of practice? Place a high value on both](#) (Disclosures)
- [How to prioritize mental health in yourself and your workplace](#) (Entrepreneur)

- 7. Engagement increases.** When employees actively participate in programs that increase well-being, they become more attached to the company and meaningfully identify with its mission, vision and values.
- 8. You're showing investment in employees.** A commitment to well-being puts your money where your mouth is, showing a commitment beyond platitudes and promises.
- 9. Health care expenses reduce.** Healthy employees are not as susceptible to sickness and early retirement. Resources like healthy lifestyle coaching, smoking cessation programs, etc., can reduce health expenses and increase employee satisfaction.
- 10. Work relationships improve.** Programs like clubs, training, coaching, team-building and others increase camaraderie and make employees feel more connected and happier.



## Focus on employee well-being

### Mental health tips for leaders

After the pandemic, the topic of mental health took a seat at the conversation table and never left. Here are ways you can promote your team's mental health and the conversations around it. Find more information about each of these items on our [Mental Health Tips for Leaders](#) tipsheet (PDF).

- ✓ **Be vulnerable and model** health behaviors. Employees look to their leaders to know what to do. If you're not modeling healthy habits, neither will they.
- ✓ **Lead with compassion.** Be flexible, generous and honest.
- ✓ **Respond supportively to employees who are struggling.** Instead of immediately referring to HR when faced with a conversation about mental health, be present and listen actively to your employee.
- ✓ **Share company resources for mental health and encourage their use.** Adopt new resources, consider offering online programs, and remind employees regularly about the resources they have available to them.
- ✓ **Eliminate the stigma.** Acknowledge all employee's experiences and make sure to not be afraid to say the words "mental health."
- ✓ **Intentionally check in with colleagues and create a culture of connection.** Create opportunities for 1:1 check ins throughout the week and be intentional about the questions you ask.
- ✓ **Brush up on your HR benefits and policies.** Make sure you're aware of what you offer and be mindful of privacy policies.
- ✓ **Provide mental health first aid training.** Yes, this is a thing! Training helps allay employees' fears and hesitation about starting conversations.
- ✓ **Implement easy ways for team members to reach out.** Foster cultures of caring and ask employees to give you feedback in easy and fun ways.



### Post-pandemic well-being risks

What's a disturbing trend the Society for Human Resource Management (SHRM) deems "the next pandemic?" Loneliness. It's one of the biggest risks for employees, especially as many have transitioned to remote working scenarios. SHRM research "suggests the post-pandemic workplace has become somewhat less collaborative and engaged than before, posing risks to employees' well-being." Less collaboration is leading to more burnout. Other findings include:

- More than one-third of employees report feeling greater burnout from their work today compared to three years ago.
- 35% of HR professionals say loneliness among their workforces is more common than before the pandemic.

What SHRM calls "casual collisions" (basically, water-cooler talk) positively influence employees' mental health. Unplanned interactions lead to better engagement, and remote workers are physically isolated. Organization leaders should lean in to engagement initiatives to counteract post-pandemic isolation.



### Strive for mental health excellence

If your organization is ready to make an obvious commitment to normalize mental health in the workplace, consider participating in the "[Striving for Mental Health Excellence in the Workplace](#)" initiative from the American Psychological Association. You'll find resources on taking the pledge, training your staff, reexamining health insurance policies and more.

#### RESOURCES

[VSCPA Mental Health & Wellness Resource Center](#)

[VSCPA webinar: Creating a Mentally Healthy Work Culture](#)

[Mental Health Presentation](#) (PPT)

[Wellness-Centered Leadership Playbook](#)

[Exos](#)

[WellSteps](#)



## Support career development

In today's market, retention can be challenging. Showing employees there is a viable, exciting path for growth at your organization is one way to keep them motivated, engaged, and showing up ready to work each day.

The American Psychological Association's [2023 Work in America Survey](#) found 91% of workers feel it's very or somewhat important to have opportunities to learn. Workers who are satisfied with their opportunities often report having greater psychological well-being (bonus!).

[McLean & Company's 2022 Exit Survey](#) discovered 49% of employees leave due to lack of career advancement. That's *half*. Imagine retaining *half* of your employees because you support your employees' development and success with obvious advancement plans.

## Develop new hires from the ground up

First things first. [Supporting the career development of your newest hires](#) is a great way to create loyalty and permanence from high performers. But because it can be difficult for new graduates to know what they would like to specialize in upon graduation day, you have to be flexible and work on creating the right career path for each person at your organization.

If your business model allows for it, permit staff to gain exposure to all parts of the business, see the big picture, learn from other staff members, and understand all parts of the engagement process from start to finish. (This goes for seasoned staff, too, who may want to try something new.)

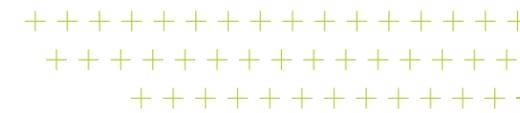
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**"PROVIDING CONTINUING EDUCATION IS JUST A GIVEN IN THE ACCOUNTING PROFESSION AT THIS POINT, AND IF YOU'RE NOT DOING IT, YOU'RE BEHIND THE CURVE."**

—Dave Levine, CPA, in an [article from the Illinois CPA Society](#)

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During an engagement, all members of the team may have their own respective duties — putting their pieces of the puzzle in at exactly the right time to help create the total picture. However, never underestimate the importance of staff understanding the other components that make up the entire puzzle. Knowing the why behind their work gives current staff an increased sense of satisfaction with a job well done at the end of the engagement and potential staff a sense of purpose right from the start.



To combat employees leaving, some firms are allowing newer employees to generalize. This practice offers the benefits of keeping some employees around and allowing them to find the proper fit within the firm. Yount, Hyde & Barbour (YHB), a Winchester-based regional firm with offices across Virginia, places new hires into what it calls the "associate pool," where they work with multiple service areas, partners and offices.

Employee retention often boils down to making employees feel wanted, no matter what their career ambitions are. Promoting from within shows everyone that growth *is* possible.

### READ THESE

[Pitfalls to avoid when developing your workforce](#) (Chief Executive)

[Create a career development plan for employees](#) (Valamis)

[Reinforce your firm's commitment to CPA support](#) (AICPA)

[How to start a mentorship program: A complete step-by-step guide](#) (Forbes)

[5 ways to upskill your team and prepare them for the future of work](#) (Robert Half)

[How to build a successful upskilling program](#) (Harvard Business Review)



## Support career development

### Employee wish lists: Lean in and listen

Crafting the perfect development path for each employee begins with having an honest conversation about where they are and where they want to go. Is partnership in their future? Do they want to move up quickly? Perhaps they want to get their feet wet and work in different areas of finance.

Consider what VSCPA member and recruiter Beth Berk, CPA, says: “The firms that have more honest dialogue with staff and truly discuss how they move ahead can retain them at the level the professional feels they should be retained at — those

companies win. But there are some employees who feel like they got a raw deal, and maybe they did and maybe they didn’t, but the message they’re sending is that they don’t care if these people leave.” She added, “Some CPAs could do the same job for 15 years and be perfectly fine with it. Others might need change or to be promoted. But you can’t treat everybody the same way because people have different ambitions.”

Jon Lockhorst, CPA, PCC, a leadership coach and consultant, says it’s important to demystify the career path at your organization.

In a 2022 webinar from CPACharge designed to help organizations from drowning in turnover, he recommended managers discuss the professional goals of each team member to shape the career path available to them. Additionally, clarify expectations, build a structured approach, and provide regular feedback so employees know where they are in the process.

#### **PARTNER TRACK TRANSPARENCY**

It’s time to uncloak the mystery surrounding “the path to partner,” said CPA firm consultant Art Kuesel in an [Illinois CPA Society](#)



## Power up! How upskilling can help employees



Can’t find the employees you need? Train the ones you have to fulfill your needs today! According to Lorman Education Services, upskilling is the “process of teaching existing employees new and relevant skills needed today and in the near future.” Upskilling can accelerate innovation, increase productivity, and build a stronger culture.

Here are four steps to begin upskilling your employees. [from CFO Magazine:](#)

- 1. Identify any skill gaps and create a plan.** The first step of your implementation is to create a skills audit.
- 2. Consider different learning strategies.** Intentional learning is ensuring the provided learning is correlated to an employee’s current role. Reciprocal peer learning is giving employees guidance on giving and receiving feedback so they can learn from their peers. Reflective learning is allowing employees to look back at the process to see what they’ve learned.
- 3. Adopt an agile approach.** Prioritize skills that have the biggest impact on your work life today, and then schedule time to see if the skills need to adjust throughout the years.
- 4. Create a culture of innovation and experimentation.** Employees who continually learn and grow know they will be challenged and supported at work.

Here are five ideas to decide the best course of action from [Robert Half](#): virtual training, microlearning, a mentoring program (see page 24), peer-to-peer learning, and providing financial aid.



## Support career development

### 6 ways to help staff through the CPA Exam process

The CPA Exam used to be a fundamental part of working in an accounting firm, but many new grads consider it a polite suggestion. You can help make the process as easy as possible for your staff to earn those coveted three letters.

**1. Review courses get results.** Taking a review course is proven to increase the chances that a candidate will pass the Exam, but it comes with a price tag. Providing financial assistance demonstrates support and reduces one of

the obstacles associated with becoming a CPA. Worried that they might leave once they pass? Create a written agreement that they are responsible for the course fees if they leave within a specific time frame.

**2. Manufacture time.** The billable hour is so ingrained in CPA firm culture that it can be hard to ignore. The mere thought of pulling a new hire off an engagement to study is enough to cause a cold sweat for some firm leaders. Law firms often bring on recruits and assign them one job — study for the bar exam. There is no reason why CPA firms cannot do the same. Whether it's one hour a day or one day a week, build a plan that can work for everyone. Make sure to create a code in your time and billing system so they can get credit for their time.

**3. Encourage study groups.** Beyond a review course, create opportunities for people to study together. Some firms even bring in a review course instructor if they have enough candidates. A nice added touch is to provide healthy study snacks and a quiet room where candidates can gather without interruption.

**4. Be a tutor.** One of the best ways to develop a rapport with new team members is to share knowledge. Have senior staff members and firm leadership take turns tutoring, going over practice questions or just sharing tips on how they passed the Exam.

**5. Celebrate success.** With multiple parts to the Exam and the actual licensure, there are several opportunities to recognize team members. Share the news internally and/or send them a congratulations card; acknowledgment goes a long way.

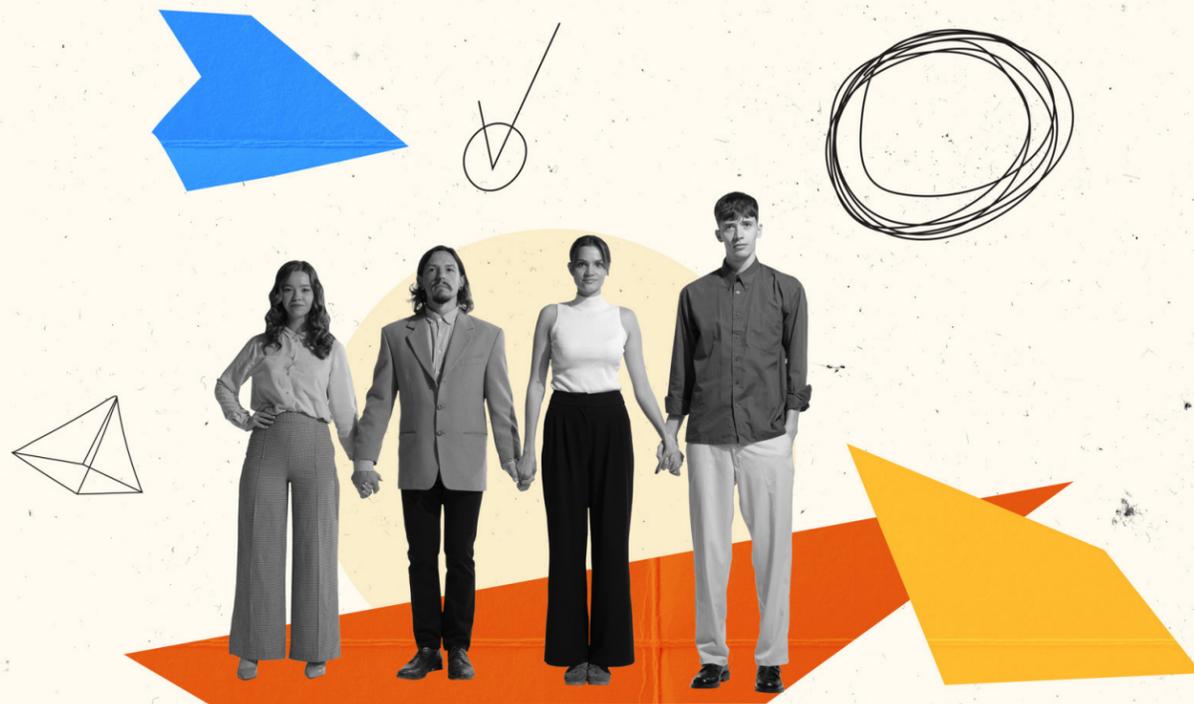
**6. Communicate expectations.** Be very clear about time frames, support and compensation during the recruiting process. For current staffers who have yet to pass one or more parts of the Exam, take the time to explain how it can help or hurt their career. Explain the correlations between bonuses and salary increases and passing the Exam.

Supporting staff during the CPA Exam process is an investment. Like any investment, there is a cost and a return. In this instance, you are attracting and keeping talent while potentially gaining another licensed professional.

*Excerpted from "6 ways to help staff get through the CPA Exam process" from the New Jersey Society of CPAs. Reprinted with permission.*

### Offer development beyond the CPA Exam

While it's extremely important the accounting profession support the CPA profession as a whole by championing the CPA designation and providing money, time, and mentoring for accountants to sit for the Exam, learning opportunities don't stop there. You can also consider tuition reimbursement for advanced degrees and other certifications.



## Support career development

### Mentoring: Another piece of the retention pie

According to the AICPA, mentoring at CPA firms fosters strong future leaders. When mentees participate in a mentorship, they gain valuable exposure from their mentors' positive leadership traits. Plus, mentoring is a two-way street: Both the mentors *and* mentees benefit. Individuals can nurture each other's minds, allow for personalized and focused instruction, and share perspectives with one another.

A two-way professional relationship starts with sharing experiences, objectives and goals. Hopefully, the relationship will transform over time to be trustworthy, and each person can ask questions and make choices.

An [article from CPA Practice Advisor](#) details five reasons CPA firms should have formal mentoring programs: risk mitigation, retention, client service, historical knowledge and culture.

Ready to kick-start your own mentoring program? [Here are five steps](#) from Indeed to help you get your program off the ground.

- 1. Define the program's goal.** Decide where your target employees are in their professional journeys, what developmental needs the program will address, and what can motivate employees to participate.

- 2. Outline the mentoring process.** Consider how mentees will apply, how the mentor-mentee relationship will be conducted, how long the mentorship will last, etc.

- 3. Select program participants.** Successful programs have a diverse pool of mentors and mentees. Use your program's goals and outline to guide your selection process.

- 4. Match mentors and mentees.** Mindfully pair participants so their strengths and weaknesses balance each other.

- 5. Provide training.** When the program kicks off, provide participants with training on what the program is, how they can benefit, and what success looks like.

VSCPA  
MEMBER  
BENEFIT

### How to... Use the VSCPA Mentoring Program

Encourage your employees to participate in the VSCPA Mentoring Program, either as mentors or mentees. This FREE resource pairs two professionals: early-career professionals searching for advice and seasoned professionals ready to pay it forward and encourage the newest generation of CPAs.

#### Details:

- Applications are open each year from June 1 to July 31.
- Mentors and mentees are matched in September.
- The program runs from September through April.
- Participants meet at least once a month, either in person or virtually.

More information is available at [vscpa.com/Mentor](https://vscpa.com/Mentor).

#### RESOURCES

[VSCPA Strategic Insights](#)

[Together Mentoring Platform](#)

# MODEL & STRUCTURE

## Ask for and give feedback

Genuinely listening to your employees' wishes, feedback and needs can go a long way when it comes to retention. Conversely, giving workers the "gift" of feedback, when done correctly, can help motivate and steer employees on the right career path for them.

But before even beginning a two-way feedback process, one thing must be in place: psychological safety. Employees must understand they will be seen, heard and understood — and that only happens when they feel safe and respected without fear of retaliation.

As you undertake the feedback process, it's a good idea to promote and foster psychological capital in the workplace through hope, efficacy, resilience and optimism. [Read these tips from Disclosures magazine](#) on how to incorporate resilience in employees.



### WON'T YOU STAY?

## The power of retention interviews

Before improving anything at your organization, you need to know what's working and what's not. One tactic: "stay" or "retention" interviews — conversations between leader and employee to see how the organization can improve policies and current strategies to maximize employee satisfaction.

Stay interviews are informal conversations and should ideally be conducted periodically throughout the year and not tied to performance season, [according to CNBC](#).

It isn't actually the conversation that's most important, but the action that's taken afterward, [says the Journal of Accountancy](#). The article recommends the below questions to get the talk started:

1. What do you think about when you're preparing to start the work day?
2. If you were managing partner or in the C-suite, what would you roll out to your fellow employees?
3. Are there are things we could be doing to make your life at and outside of work happier?
4. What excites you to come to work?
5. Do you feel good about the impact of your work?
6. Do you see a future for yourself at the company?
7. What would make your work more meaningful?
8. How would you like to be acknowledged?
9. What de-motivates you?
10. What would make you leave?



## Feedback is a gift

Employee performance improvement is predicated on high-quality, consistent, constructive feedback. Feedback should not just be given incrementally — i.e., every quarter — it should be continuous, and at the very least, at the conclusion of each project or engagement.

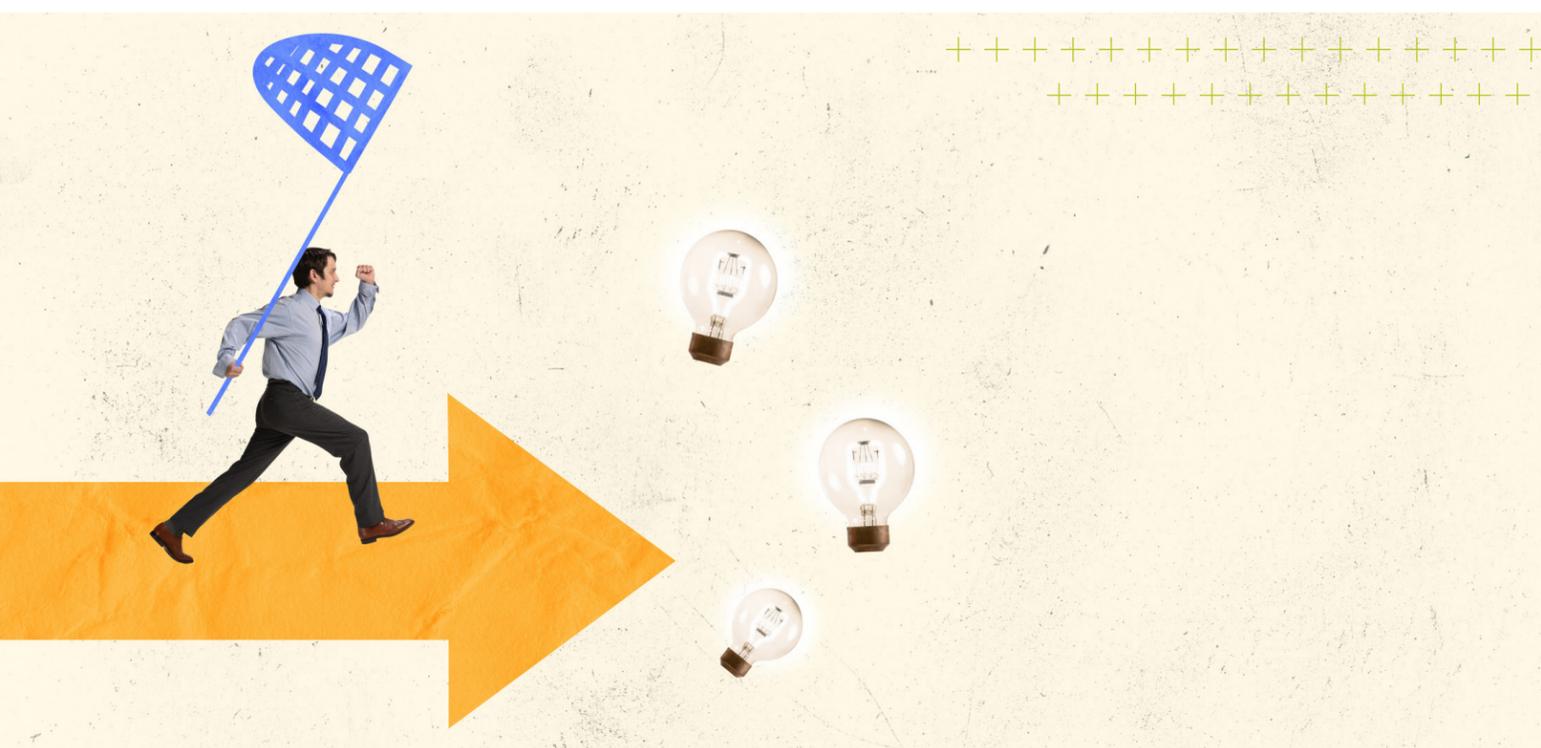
Staff encouragement and senior staff availability matter to both potential and existing employees. A 10-minute "chat" can go a long way. It's a selling point to know that staff members' careers will continue to take shape — not just on an annually or quarterly basis, but on a weekly or even daily basis. This provides a greater feeling of empowerment and less isolation, especially in a world that includes more remote work.

A staff check-in is your best leadership tool, said leadership coach and consultant Jon Lockhorst,

CPA, PCC, in a 2022 webinar from CPACharge. His framework for one-to-one touchbases includes:

- ✓ Scheduling regular, consistent meetings between supervisor and staff.
- ✓ Keeping a running list of agenda items.
- ✓ Starting with your team member's agenda first, not your own.
- ✓ Adding your own points.
- ✓ Clearing follow-up actions.
- ✓ Expressing your appreciation.

Always make sure you're being considerate when delivering feedback. Consider which delivery method would be most meaningful and helpful, [says Sidecar Global](#).



## Ask for and give feedback

### Make annual reviews worth it

[According to the Journal of Accountancy](#), performance reviews are traditionally used to let employees know where they stand to motivate them to do better — but they are seldom as effective as intended. How can the annual review be used to actually inspire?

A non-traditional way to view the review is instead of looking at the employee's performance, focus on specifically what the *employee* wants to improve on.

To ensure these conversations are useful, it's important to examine what the employee really wants, such as asking about their aspirations and careers paths, as well as what they do and don't like. Partners can ask questions like: What energizes you? Are you satisfied with the number of opportunities you get to do what you really enjoy? What de-energizes you? How much is that a part of

your work? Partners, directors and other managers must listen to lower-level employees regarding their needs at their spot on the org chart.

"There has to be an open way to communicate and help somebody really develop and understand where they need improvement," says VSCPA member Beth Berk, CPA, a recruiter based in Bethesda, Md. "Maybe it comes up in their annual review, but if they're not really being honest with somebody or really, truly expressing what they really want to say, they may be sending the wrong message to a person. So there's a disconnect between the employee's perceptions and the manager."

[According to Psychology Today](#), it's also important to be mindful while giving a performance review, and make sure you're thinking of fairness. The perception of fairness is more important than the review itself.

BEFORE YOU GO...

### Conducting strong exit interviews

Losing employees is inevitable, but don't let them go without getting valuable feedback you can use to improve your organization. [Harvard Business Review \(HBR\) provides multiple recommendations](#) regarding the timing of conducting exit interviews, but usually an exit interview is conducted when the employee is already disengaged from work. Some professionals recommend a halfway point — before the employee has mentally checked out, but after they have announced their departure.

There are six overall goals of a strategic exit interview program, according to HBR:

1. Uncover issues relating to human resources.
2. Understand employees' perceptions of the work itself.
3. Gain insight into managers' leadership styles and effectiveness.
4. Learn more HR benchmarks (salary, benefits) at competing organizations.
5. Foster innovation by soliciting ideas for improving the organization.
6. Create lifelong advocates for the organization.

Research conducted by HBR found that exit interviews conducted by a second or third-line manager were more likely to lead to action. The employee is more likely to be honest. Hiring an external consultant to conduct the interview is also an option.

#### READ THESE

[Retain your top talent with stay interviews](#) (CareerBuilder)

[5 steps to deliver better positive feedback that reduces turnover](#) (Sidecar Global)

[How to seek honest feedback from your employees](#) (In the Black)

[14 exit interview questions you should ask](#) (Robert Half)

[7 tips for a better employee performance review](#) (Culture Amp)

#### RESOURCES

[Culture Amp](#)

[Lattice](#)

[People Element](#)

[Nobscot](#)

[AceNgage](#)

## Engage staff

So what *is* engagement, really? According to the [Society of Human Resource Management](#), it's the level of an employee's commitment and connection to an organization. And research shows engagement is on the decline.

The ratio of engaged to actively disengaged U.S. workers is 1.8 to 1, down from the high of 2.7 to 1 in 2019, according to Gallup's workforce indicator. This trend may be summed up with the 2022 buzz-phrase 'quiet quitting.'

In a time of remote work, hybrid schedules, flexible scheduling, and all sorts of personalized work styles, cultivating strong engagement may seem like the management unicorn. But there *are* ways employers can engage and motivate — all with the ultimate grail of strong retention.

## Track these 10 engagement metrics

As you aim to increase engagement to boost retention, there are a variety of ways you can monitor progress. Here are [10 metrics you can track according to Erik van Vulpen](#), founder and dean of the Academy to Innovate HR:

1. Voluntary employee turnover rate
2. Employee retention rate
3. Absenteeism
4. Employee Net Promoter Score (eNPS)
5. Employee satisfaction
6. Employee performance
7. Glassdoor.com rating
8. ROI on employee engagement
9. Customer happiness
10. UWES & Gallup engagement scales

### READ THESE

[How managers and HR can combat quiet quitting](#) (Ragan)

[Quiet quitting is about more than bad work environments](#) (Entrepreneur)

[One more mile? Quiet quitters say 'no, thank you'](#) (Illinois CPA Society)

[What is employee engagement and how do you improve it?](#) (Gallup)

[5 Cs to boost team engagement](#) (Institute of Hospitality)

[Low employee engagement? Managers can help turn it around with this one habit](#) (CNN)

### RESOURCES

[SHRM Developing and Sustaining Employee Engagement Toolkit](#)

[Utrecht Work Engagement Scale \(UWES\)](#)

[Gallup Q<sup>12</sup>® Survey](#)

[Gallup Employee Engagement solutions](#)

## 4 ways to combat 'quiet quitting'



Although it's commonly associated with Gen Z, the idea of 'quiet quitting' was coined by career coach Brian Creely in an Insider article — and then the term went viral on TikTok. Essentially, when quietly quitting, an employee is doing their work but is very disengaged. They do the bare minimum to get by.

As an [Entrepreneur magazine feature says](#), "Quiet quitting is not a disease. It's a symptom of a disease, and the cure does not lie in shaming quiet quitters ... All of us, managers and leaders, should look in the mirror, take stock of how we do things, and see what wrinkles we can iron out. Let's find where we're losing the people we've hired and see what we can do to correct that."

Here are a few ways you can pull those disengaged employers back into the fold:

1. **Show up.** This sounds like a no brainer, but if you're in inaccessible manager you're not inspiring your staff to be engaged, either. Answer chats as promptly as you can. Video meetings? Use your camera and look staff in the eye. Avoid distractions in meetings and show you are fully present.
2. **Communicate a lot.** Whether you have set touch bases or just make a point to continually check in with employees, the engagement secret sauce happens at the supervisor-supervisee level, not from the C-suite. Some of your communication may be as simple asking in a chat: "How are you today? Let me know if you're overwhelmed."
3. **Ask them what they think.** Use some conversations to touch on the person's goals and get their frequent feedback. Stop talking so much and start really listening to what employees are saying.
4. **Train managers.** It goes without saying that if managers are not trained or told by upper management how to do the three previous things, then engagement will break down. Make sure they know how to have important conversations and how to coach staff on career goals.



### What's that mean? Quiet Thriving

Because buzzwords are constantly evolving, there's already a yin to the quiet quitting yang. If quiet quitters only do the bare minimum, quiet thrivers change their workdays to positively shift their mental states. [Learn more from Glamour magazine.](#)

## Evaluate client offerings and workload

Too much work and too few bodies. In the [VSCPA 2022 Future of Work Survey](#), 53% of respondents in public accounting said they are understaffed with too much work. Perhaps one of the solutions is getting rid of the painful work to begin with.

Industry experts believe pruning client lists is a viable solution to overwork and burnout.



### It's so hard to say goodbye

[According to the Corporate Finance Institute](#), the Pareto Principle (known as the 80/20 rule) shows that 80% of outcomes often come from 20% of related inputs. In accounting, the 80/20 rule equals 20% of your clients usually cause 80% of your problems. You could find yourself in many different situations with difficult clients, but here are [three reasons why from VSCPA member Dave Peters, CPA](#):

- 1. Accounting is an analytical profession.** Accountants often value dollars over common sense, causing them to lose track of their well-being over a client.
- 2. Accounting is a service-oriented profession.** Accountants often lose more time and money trying to fix unsolvable problems with difficult clients.
- 3. Accounting is a billable hours-based profession.** You're not everyone's solution, so don't try to be. Know where your boundaries are. Don't be afraid to give up revenue or let a client go.

BYE BYE BYE

## Prune clients to ease workload

Analyzing your client list will improve profitability and possibly your life. It's important to figure out where you're dedicating time, effort and money.

Have you recently reviewed your client base and found it to be in alignment with your firm's mission and vision? If your client base is reflective of your firm's mission and vision, then you are well positioned to reach your firm's goals, including financial goals. However, if you find that your firm is struggling to recover from the pandemic effects or if your client base isn't reflective of what you imagine it to be, revisiting your firm's mission and vision may help your firm with your going-to-market efforts when identifying future clients.

Streamlining business operations, including reviewing your contracts' profitability and determining whether it makes business sense to renew them, is another way to gain efficiencies. The review process may also help reduce strain on your employees and potentially improve retention. If you have a contract that is continuously underperforming over several years and is negatively impacting your firm's bottom line, maybe it's time to reassess whether there is truly a strategic value in maintaining the client.

Pruning well has the potential to turn your firm into an incredible place to work, where staffing problems aren't top of mind because you're not swamped, and you're only doing the most profitable and easiest work to manage. That's a work environment employees not only enjoy but tell others about — which, who knows, might bring in high quality staff down the road.

### READ THESE

[Fast-track your practice: 4 capacity solutions](#) (Disclosures)

[5 reasons you need to let difficult clients go](#) (Disclosures)

[Find value in letting clients go](#) (Journal of Accountancy)

[5 tips to help you prune toxic clients](#) (Minnesota Society of CPAs)

### RESOURCES

[Goodbye letter template](#) from Poe Group Advisors

[It's time to prune your client base](#) (Accounting Today podcast)





## Review & reevaluate salaries

How competitive are your salaries, *really*? And are you offering competitive enough compensation to both attract new talent and keep the high performers you have?

It starts with the data. The VSCPA conducts a compensation survey every other year to help Virginia firms understand salary trends and determine how competitive their packages are. You can also use staffing industry salary guides for reference.

Now, will salary satisfaction ever be met for new and younger professionals eager to climb the corporate ladder and earn more compensation? Maybe not, but it's worth diving into market rates to find out what would make them satisfied.

## The landscape of Virginia CPA compensation

According to our most recent findings, the [2022 VSCPA Compensation & Benefits Survey](#), it's a great time to be an accountant looking for an entry-level position. To attract more talent to the profession, firms now offer a mean salary of \$59,022 — a 15.5% increase over 2020. Salaries increase from there, with first-level supervisors at a mean salary of \$84,645 (a 12.7% growth) and senior managers at \$118,635 (13.9% growth).

These findings match those from the 2022 VSCPA Future of Work Report, in which 55% of respondents in public accounting, 43% in corporate finance, 53% in nonprofits, and 59% in government said increasing salaries is on the table.

Partners report a mean of \$211,733 — only a 0.5% increase, indicating that firm leaders are choosing to invest in the future of their companies by offering competitive salaries to younger staff at their own salary expense.

Unsurprisingly, several respondents commented that their firm increased its overall fees to cover higher wages and account for inflation. And as one respondent said, "Hiring new employees costs

more; we don't want employees to be poached away by other organizations because pay is uncompetitive."

Support positions in CPA firms also saw large salary increases. Most notably, the finance and IT positions saw growth of 34.5% and 21.8%, respectively, with HR at 12.5%.

Salaries are similar for accountants working in the private sector. In corporate finance, accountants, managers and executives earned a mean salary of \$74,349, \$102,466, and \$183,839, respectively. Those same positions earn a mean of \$66,000, \$105,180, and \$188,423 in government/nonprofit.

Raises increased for everyone on the whole since the 2020 results. The average raise percentage was a mean of 4% between October 2019 and 2020, and firms now report a 7.6% mean raise in 2021–2022. (They anticipated 6.6% for 2022–2023.)

Staff who work in specialty areas do earn more than generalists, and CPAs earn a mean of 17% more than non-CPAs.

### Why pay more?

If your organization has yet to increase compensation, you could be suffering the consequences. [According to Robert Half](#), there are three reasons to offer higher salaries to your talent:

- 1. A competitive salary shows you care.** Additionally, it incentivizes employees to do their best work.
- 2. Low salaries are a false economy.** The cost of attrition can be as much as double a person's annual salary, costing you way more if they leave than if you paid more for them to stay.
- 3. Your people are an asset.** View employees as an appreciating asset, not an expense. Initial costs bring knowledge, experience and loyalty. Perform a job analysis. Gather, examine and interpret job data to determine the job's tasks and responsibilities.

# COMPENSATION



“LOW SALARIES ARE A FALSE ECONOMY. THE COST OF ATTRITION CAN BE AS MUCH AS DOUBLE A PERSON’S ANNUAL SALARY, COSTING YOU WAY MORE IF THEY LEAVE THAN IF YOU PAID MORE FOR THEM TO STAY.”

## Review & reevaluate salaries

### Supercharge your compensation program

Good, well-designed compensation programs bring out the best in the performers and work to create stronger businesses overall. While data and metrics play a big role in a fair and productive compensation system, communication and alignment are crucial to the success of the plan.

While every organization has its own culture, people and needs, the process of developing the appropriate compensation system should take the following points into consideration, [according to Ira Rosenbloom](#):

**Define the core performance.** The right compensation program will take into account a base salary or compensation plus incentives. Everyone at every level needs to understand what the basic expectations are to earn the basic compensation, so it’s important to be clear.

**Study your audience.** People have their own likes, dislikes, comfort zones, visions, and definitions of success. To optimize individual performance, you must know what is important to each person. The goal is to learn what will inspire.

**Prioritize your goals.** Formulate and agree upon goals for individuals and the organization every year three months ahead of the new compensation calendar. Depending on business size, establishing the goals may be the responsibility of specific owners.

**Design a platform.** An impactful compensation system will reward both teamwork and individual performance. Teamwork may be further broken down among the small, specialty teams and the full macro team. A specialty and individualized reward system should factor in engagement management, referrals, enhanced



### What’s that mean? Pay compression

Pay or wage compression happens when salaries do not properly reflect employees’ skills, experience or responsibilities. It can occur when a new hire makes as much or more than a veteran employee, when an hourly employee makes more than an exempt employee due to overtime, or for other reasons. With wage transparency becoming the norm, pay compression can cause low engagement and morale and lead to attrition. [Learn more about pay compression from Forbes.](#)



gross profit by unit, etc. A macro reward should be a result of hitting goals like revenue growth, improved utilization, gross profit levels, and more.

**Engineer the economics.** Total compensation, inclusive of incentives and perks, needs to fit into a budget of expenditures. There should be a pool of dollars budgeted and used for the different types of incentives and rewards that will be earned.

**Live to a process.** To enhance the likelihood of strong performance, results should be monitored and mined throughout the year.

Achievements and responsibilities are never static and compensation parameters should not be static either. The right compensation structure will motivate, challenge, reward and advance all employees.

#### READ THESE

[The rhyme and reason of executive pay](#) (Disclosures)

[Making the partner compensation system work](#) (Accounting Today)

[Bonus structures: Definition and examples](#) (Indeed)

#### RESOURCES

[2022 VSCPA Compensation and Benefits Survey](#)

[2023 Robert Half Salary Guide](#)

[2023 Ransstad Salary Guide](#)

[AICPA Reward, Compensation & Incentives resources](#)



## The new benefits package

Conventional wisdom says that compensation is the most important factor employees consider when choosing to stay at an organization or begin job hunting. But conventional wisdom is changing — and there's research to prove it.

That's why it's important to make sure company leadership is looking at ALL the benefits important to employees before determining what they want and need. Before focusing only on salaries or bonuses, determine what employees really desire. You have to ask them.

The 2022 VSCPA Future of Work Survey revealed the desire for flexibility across all levels of accounting firm staff is more important than compensation. And while a higher salary was the top reason people switched jobs according to [Indeed's and Glassdoor's 2023 Hiring and Workplace Trends Report](#), the survey also finds the importance of health insurance has increased an overwhelming 20%.

Without knowing exactly what employees want, you won't be able to achieve the highest retention rates your company needs to stay competitive.

### READ THESE

[Companies embrace unusual new strategies to survive a labor crunch](#) (Journal of Accountancy)

[Wellness offerings on the rise as more employees focus on their health](#) (Ragan)

[Minding your mid-careerists: Slowing the exodus of experienced talent](#) (INSIGHT magazine)

[17 employee benefits that are actually worth the investment](#) (Gusto)

[101 creative employee benefits ideas for all budgets](#) (Austin Benefits)

### RESOURCES

[Advanced Workplace Associates](#)

[Integrated Benefits Institute](#)

[Remote](#)

## Creativity counts

HR consultants, staffing firms and other experts provide many ideas on ways you can offer creative benefits to retain employees. Take your pick from these ideas.

- ✓ Home office stipends
- ✓ Standing desks or treadmills
- ✓ Music streaming service subscriptions
- ✓ Stress management programs
- ✓ Mental health programs and/or reimbursement
- ✓ Discounts and freebies
- ✓ Fitness and gym programs/memberships or reimbursement
- ✓ Access to wellness apps
- ✓ Time off for volunteering
- ✓ Enhanced parental leave
- ✓ Breastfeeding-friendly workplaces
- ✓ Pet insurance and pet care stipends
- ✓ Daycare stipends
- ✓ Eldercare referrals
- ✓ Retirement planning
- ✓ Seasonal activities
- ✓ Robust professional development offerings and reimbursement



### Try this...

Benefits are not one-size-fits-all. Top leadership and HR departments must consider what benefits are most important to specific positions. If you need a new CFO or partner, offering unlimited paid time off could be enticing. Higher salaries or better 401K matching may lure a new staffer.

## Perks most wanted

A [2022 Robert Half survey](#) found the best benefits packages include offerings that help employees enhance their quality of life, build their nest eggs, and also plan for the future. Health insurance is so important many workers prioritize employers that offer 100% coverage. Additionally, coverage for home office equipment, mental health benefits, and flexibility are top ranked.

# BENEFITS



## Embrace flexibility

Flexibility in how, where and when work gets done is now a top retention tool. The research is clear: employees want flexibility *now*. Since the pandemic, workplaces are offering a variety of different options, from hybrid work arrangements, fully remote work, flexible scheduling, or something different.

The 2022 VSCPA Future of Work Survey revealed the desire for flexibility is present across all levels of accounting firm staff, ranked *higher* than salary.

### FLEXIBILITY IS THE NO. 1 BENEFIT CITED BY:

- ✓ Executives/C-suite
- ✓ Managers/supervisors
- ✓ Partners
- ✓ Staff/associates

Many CPAs do believe they are rising to this mandate, survey results show. Nearly 60% said their organizations are extremely or very prepared to enhance workplace flexibility. Eighty percent have already adopted remote work technology solutions.

Other data reveals similar findings, with employees reporting being more productive, satisfied and engaged in remote or hybrid work environments. An [analysis from the Integrated Benefits](#)

[Institute](#) observes 64% of people who have transitioned from traditional to hybrid work say it's now easier for them to have a healthy work-life balance.

With flexibility the No. 1 benefit important to CPAs at all levels, enhancing flexibility options may be the golden ticket to keeping staff happy. Leaders should regularly assess and review flexibility options, poll staff to ensure their needs are being met, and remain open-minded to a new and potentially healthier way of working.



## What new grads really want: Remote work



In 2022, the VSCPA [asked 40 students](#) what they're truly looking for in a job. Just over half said remote work is an important aspect.

Anthony Falls, a business administration student at Western Governors University, said not offering remote work was a deal breaker. Although he has found a position as a staff accountant, the search wasn't easy.

"It didn't even have to be fully remote," Anthony said. "It could even be a few days on-site and the remainder of the week at home. There were a few companies I was deeply interested in, and it didn't work out because of the lack of remote work."

### READ THESE

- [Future workforce report 2021: How remote work is changing businesses forever](#) (Upwork)
- [Here's how flexible work arrangements support the remote and hybrid workforce](#) (Ragan)
- [Future C-suite leaders banking on continued hybrid work model](#) (Journal of Accountancy)
- [Flexibility and financial security are not negotiable, Gen Z says](#) (Financial Management magazine)
- [Work is becoming more personalized](#) (StrategicCHRO360)
- [The four-day workweek is new standard for 40% of companies, EY survey finds](#) (CNBC)

## Embrace flexibility

### Flexibility by design, not default

Flexibility will look different for every organization. Dialogue is essential to understand employees' needs and what they *really* see as flexible work arrangements.

Comfort level from both sides is key and the lines of communication must be established and open. What works well for one person may not for another. Schedules can adjust throughout the year depending on a variety of factors, including but not limited to, client workload, employee needs and other requirements. Commitment on both sides to find the best combination and weighing in all the factors is crucial for continued success.

There are several important factors to consider when building out a flexibility benefit, says [Sarah Nagem in the Journal of Accountancy](#). Beyond the importance of leaders shifting their mindsets and eliminating biases against flexibility, these include implementing training videos, ensuring all staff has the right technology access, and ensuring communication between employees remains open.

Topel Forman, a firm in Chicago, has [reinvented the workday for employees while maintaining expectations](#). “[Twenty years ago,] the only choice we had was deciding if we wanted to work from 8-to-8 or 9-to-9,” said managing partner Dave

Levine, CPA. “Today, people won’t do it, and I don’t blame them because it’s a terrible lifestyle. Topel Forman has become increasingly flexible over the years. Today, the firm is largely remote and offers employees an accommodating work schedule.”

The firm doesn’t require anyone to work in the office and currently has around 30% of employees in the office three days a week. “We’re just figuring out every possible way to be flexible and continue to run a profitable business,” Levine said.

In a Washington Post Live seminar on the Future of Work, Tim Ryan, U.S. chair and senior partner

of PwC, said the company focuses on employees being happier and more engaged with work, which leads to happier clients. Clients care about outcomes, not how the work gets done.

PwC gave employees the choice of where and how they want to work. A massive hybrid workforce “causes managers and leaders to think differently and be in touch,” Ryan said. They are spending less money on the organization’s physical footprint but more on getting people together.

Ultimately, it’s all about retention. “That’s the journey top talent wants us to go on,” Ryan said.

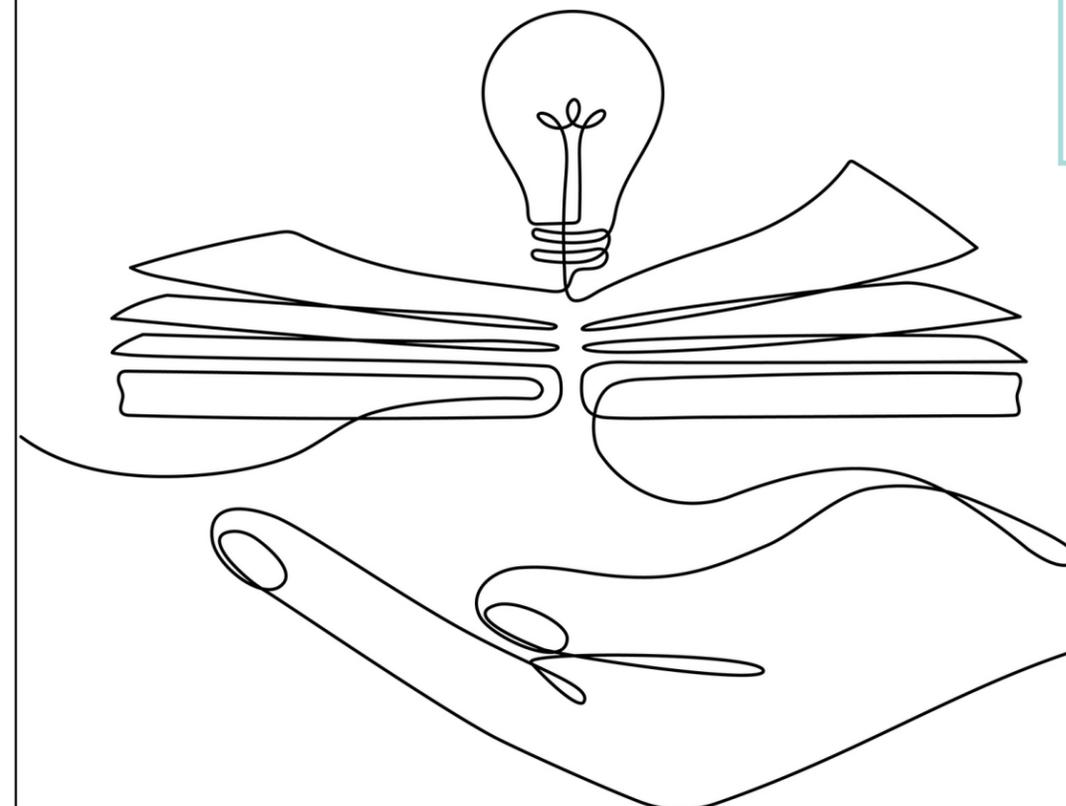
### Remote work pros and cons

ADVANTAGES	DISADVANTAGES
Improved productivity	Less human interaction
Reduced commuting time	Increased travel
Healthier lifestyle	Reduced separation between work and home
Better work-life balance	Increased health effects
More take-home pay	Distractions leading to decreased productivity
Enhanced savings	Delayed response times
Greater team diversity	Decreased feedback
Improved record keeping	

Source: [Indeed](#)

#### RESOURCES

- [Advanced Workplace Associates](#)
- [Integrated Benefits Institute](#)
- [Remote](#)



## The power of recognition

Implementing an employee recognition program at your organization might be the key to your success. [According to Quantum Workplace](#), companies with recognition programs have 31% lower voluntary turnover than those without, and lack of recognition is the third top reason people leave their jobs.

But that recognition must be authentic to have any real impact. "Employees perceive recognition to be authentic when it feels meaningful, heartfelt, and honest; when they see it tied to rewards, opportunities, or organization priorities; and when they know it is earned, targeted, or selective," says a [Gallup article](#).

**52.5% OF EMPLOYEES WANT MORE RECOGNITION FROM THEIR IMMEDIATE MANAGER.**

Before developing a program, the [Society for Human Resource Management \(SHRM\)](#) recommends employers create a clear, written policy with eligibility requirements, an approval process, awards available, frequency, performance goals to be measured, and thresholds. Upper management should also consider metrics, communication and tax issues.



Also, consider the different types of recognition available. Here are four methods from Quantum:

- 1. Peer vs. superior:** A higher-up gives feedback to someone in a lower position.
- 2. Attributed vs. anonymous:** An unknown party gives their thanks or encouragement to an employee.
- 3. Social vs. private:** Employers ask the employee what they want in order to cater to their comfortability.

- 4. Behavior vs. achievement:** Recognition does not solely have to be based on achieving a goal; it can be day-to-day behavior as well.

## Recognition inspiration

Ready to implement some new recognition programs? Here are ideas from [Builtin.com](#):

- ✓ Company-wide congratulatory email
- ✓ Employee appreciation event
- ✓ Customer service award
- ✓ Hand-written notes
- ✓ Newsletter shoutouts
- ✓ Social media shoutouts
- ✓ Years of service award
- ✓ CEO appreciation video
- ✓ Event tickets
- ✓ Gift cards
- ✓ Employee-to-employee recognition wall
- ✓ One-on-one lunch with the CEO or partners
- ✓ Preferred parking



### READ THESE

- [Recognition in the workplace: Break-through secrets and stats to fuel your employee appreciation strategy](#) (Quantum Workplace & BambooHR)
- [Are you an emotional miser with your employees?](#) (Kiplinger)
- [Is your employee recognition really authentic?](#) (Gallup)
- [16 employee recognition examples to boost engagement and satisfaction](#) (Workhuman)

### RESOURCES

- [BambooHR](#)
- [Bonusly](#)
- [Kudos](#)

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