

# Hiring Highly Skilled Accounting and Finance Professionals



Robert Half®

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The competition for talented accounting and finance staff remains strong, and demographic and economic trends suggest it could intensify. Population patterns point to a dearth of skilled workers in the years ahead, and impending baby-boomer retirements are likely to significantly reduce the number of experienced professionals in the workforce.

In addition, the accounting profession is still feeling the effects of a talent shortage stemming from a decline in accounting enrolments in the late 1990s. Although this pattern has begun to reverse as more students today pursue accounting degrees, the supply of skilled candidates has yet to catch up with demand.

Not surprisingly, accounting and finance professionals with the right skills and experience have plentiful opportunities and numerous employers vying for their services. As a result, companies are offering enhanced salary and benefits packages to attract top candidates.

The talent crunch is being felt by employers across the board. In a survey from Robert Half International and CareerBuilder.com, 81 per cent of employers polled said it was equally or more difficult to find skilled job candidates now than 12 months ago. This situation does not appear ready to subside: 82 per cent of respondents expect hiring will be equally or more difficult 12 months from now.<sup>1</sup>

Demand is strong at all levels. According to the U.S.-based National Association of Colleges and Employers, companies anticipate a 17 per cent increase in the number of new college graduates they hire this year compared to 2006.<sup>2</sup> This would make 2007 the best job market for this segment since 2000-2001.<sup>3</sup>

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<sup>1</sup> *Employment Dynamics and Growth Expectations (EDGE) Report*, Robert Half and CareerBuilder.com, August 2006.

<sup>2</sup> "22 Percent Increase in Hiring Expected for Class of 2007 M.B.A.s," National Association of Colleges and Employers, Nov. 30, 2006.

<sup>3</sup> "Class of '07 Gets Plenty of Job Offers," Erin White, *The Wall Street Journal*, Jan. 23, 2007.

Public accounting and consulting firms, corporate accounting and finance departments, colleges and universities, and government agencies are among those aggressively hiring accounting and finance personnel. But in many instances, employers have not been able to meet their staffing goals. When organizations bring new employees on board, they often face intense competition to retain them.<sup>4</sup> In the United States, even the Public Company Accounting Oversight Board (PCAOB) and the Internal Revenue Service (IRS) have been vocal about their inability to hire as many professionals as they need. In fact, the IRS has begun offering signing bonuses of up to \$5,000 as part of a national recruitment program aimed at offsetting the impact of retiring employees.<sup>5</sup>

It's increasingly critical for firms to understand and respond appropriately to this shift to a candidate-driven hiring market for individuals in the most sought-after specialties. This paper examines the attributes and positions in greatest demand and offers advice on how companies can more effectively compete for the most skilled professionals.

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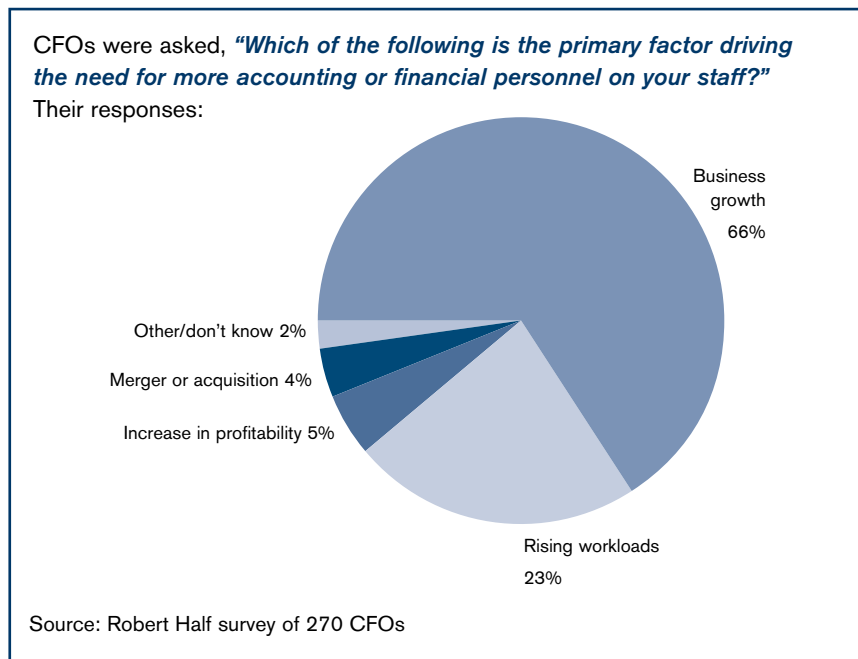
<sup>4</sup> "Accountants in demand," Carrie Mason-Draffen, *Newsday*, Jan. 21, 2007.

<sup>5</sup> "IRS Seeks New Agents, Offering \$5,000 Bonus," Christina Salerno, *The Modesto Bee*, April 4, 2006.

# Factors Driving Demand

The shortage of accountants stems in large part from the far-reaching and ongoing impact of the Sarbanes-Oxley Act of 2002 and the Canadian Investor Confidence Measures. The corporate governance legislation ushered in a multitude of business and accounting changes, including accelerated financial reporting, the separation of auditing and consulting services, and more intensive, time-consuming audits. The requirement that companies document and certify their internal controls and that top executives attest to the accuracy of financial statements has created new layers of staff within many accounting departments.

The confidence of companies to expand their operations also has contributed to increased hiring activity. Chief financial officers (CFOs) polled for the first-quarter 2007 Robert Half Financial Hiring Index cited business growth as the primary factor fuelling demand for financial staff.<sup>6</sup> In addition, companies still need both full-time and project professionals for ongoing governance-related compliance and remediation initiatives.



<sup>6</sup> "CFOs Report on First-Quarter 2007 Financial Hiring Outlook," Robert Half, Dec. 19, 2006.

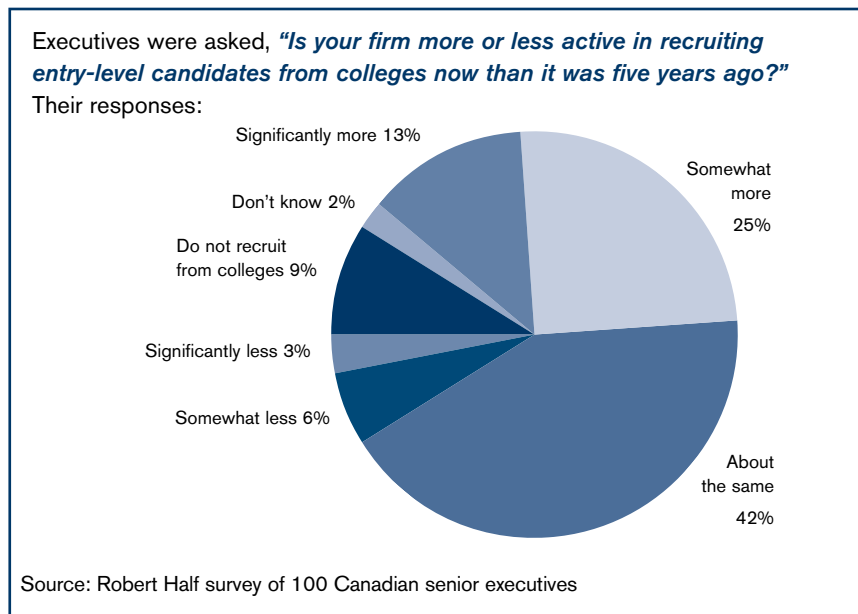
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***The demand for accounting professionals has placed greater emphasis on the recruitment of university students, who are entering accounting programs in growing numbers after a substantial enrolment decline in the late 1990s.***

Public accounting and consulting firms continue to hire on a full-time and consulting basis to meet the strong demand for their services. These trends are, in part, the results of compliance regulations' auditor independence provisions, which have, in effect, limited the degree of service external auditors provide audit clients relating to internal controls.<sup>7</sup>

The demand for accounting professionals has placed greater emphasis on the recruitment of university students, who are entering accounting programs in growing numbers after a substantial enrolment decline in the late 1990s. According to the American Institute of Certified Public Accountants' (AICPA's) 2005 report *The Supply of Accounting Graduates and the Demand for Public Accounting Recruits*, accounting enrolments were up 19 per cent for the four-year period 2000 to 2004. The AICPA also reports that future hiring estimates by public accounting firms of every size are high through 2009.<sup>8</sup>

Not surprisingly, businesses have increased their on-campus recruitment efforts. In a Robert Half survey, 38 per cent of executives said their companies are more active in recruiting entry-level candidates from universities and colleges now than five years ago. Only 9 per cent of respondents said they are less active.



<sup>7</sup> “Party of Three,” Russ Banham, *CFO Magazine*, May 8, 2006.

<sup>8</sup> *The Supply of Accounting Graduates and the Demand for Public Accounting Recruits – 2005*, American Institute of Certified Public Accountants (AICPA).

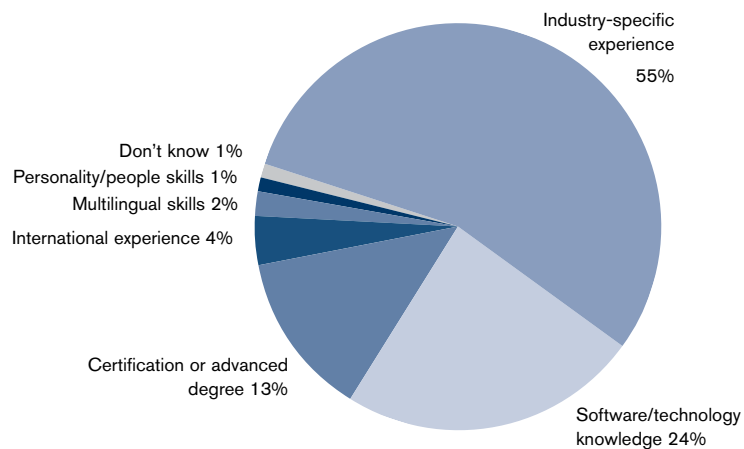
# Desired Attributes

***Executives value job candidates who understand the issues and challenges specific to the company's industry and are able to make immediate contributions.***

To ensure they hire the best available talent, employers must remain current on which skills and expertise are in greatest demand among accounting and finance professionals. In addition to helping them secure top performers, this will help them determine how aggressively they need to recruit for staff vacancies and whether offering premium compensation is needed to fill those openings.

Certain key attributes are repeatedly singled out as the most desirable for accounting and finance professionals. In a survey of 270 Canadian CFOs conducted by Robert Half, participants were asked which additional qualifications they find most valuable when choosing between two candidates with similar skills. According to 55 per cent of respondents, *industry experience* is the factor most likely to tip the scales in an applicant's favour. Executives value job candidates who understand the issues and challenges specific to the company's industry and are able to make immediate contributions.

CFOs were asked, *"If two candidates interviewing for an accounting or finance position had similar skills, which one of the following additional qualifications would you find most valuable?"* Their responses:



Source: Robert Half survey of 270 CFOs

Twenty-four per cent of respondents gave the edge to candidates with *software and information technology expertise*. Recent compliance regulations have pushed many companies to convert or upgrade technology infrastructure to support new financial reporting and internal control requirements. Organizations need accounting personnel who understand both the financial and technical aspects of these initiatives.

Professionals with certifications or advanced degrees also have an advantage in the employment market. Robert Half research has found that most CFOs feel accreditations, such as the chartered accountant (CA), certified general accountant (CGA), certified management accountant (CMA), certified internal auditor (CIA) and certified information systems auditor (CISA) designations, are valuable for career advancement.

As the business environment becomes more global, employers will need finance staff who can speak multiple languages and are familiar with different cultures and international etiquette. On a technical level, personnel will need expertise in foreign accounting regulations as well as an understanding of how Canadian corporate governance requirements impact multinational companies and foreign subsidiaries of firms based in Canada. Knowledge of International Financial Reporting Standards (IFRS) is especially valued as a growing number of countries adopt them.

In addition to strong technical abilities, *interpersonal skills* remain important. And this doesn't apply to just the most experienced professionals. Accounting personnel at all levels can be called on to provide analysis and context to senior management and to convey financial reporting and compliance-related information to nonfinancial managers and staff.

# Sought-After Specialties

Beyond the general, broad-based demand for accounting and finance professionals, those skilled in certain specialties top most organizations' wish lists, including:

**Internal auditors** – In addition to governance reforms boosting hiring in this area, private companies also are adding internal auditors in an effort to improve accountability and, in some cases, voluntarily align with reforms. In addition, there is intense demand for internal auditors from consulting firms that offer outsourced or co-sourced internal audit services. Across all organizations, individuals possessing the CIA designation are especially valued.

The rising demand for internal auditors has made attracting and hiring these professionals increasingly difficult. According to a survey commissioned by Robert Half and conducted by The Institute of Internal Auditors, 89 per cent of audit executives polled said recruiting internal auditors has become more challenging in the past three years. Respondents attributed this to growing competition for staff, a shortage of candidates and higher compensation expectations from applicants.<sup>9</sup>

**External auditors** – The external audit has become more time- and labour-intensive as a result of new audit standards and higher expectations from corporate stakeholders. Public accounting firms have accelerated their hiring in response, but the hiring pace has not caught up with the demand for these professionals.

**Controllers** – In an effort to increase the speed and accuracy of financial reporting, some companies are adding additional layers of controllers under the direction of a chief controller. The goal is to improve internal control attestation and expedite the reporting process as various business units and divisions “roll up” their results.

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<sup>9</sup> *The Quest for Talent: Hiring Patterns, Recruitment and Retention in Internal Auditing*, Robert Half, June 2006.

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*Senior accountants remain in demand as companies seek experienced staff to oversee projects of greater complexity, such as preparing budgets and financial statements, conducting risk assessments, and ensuring compliance with reporting requirements.*

**General accountants and bookkeepers** – Businesses need staff accountants and bookkeepers who can carry out a number of financial tasks, ranging from processing accounts payable and receivable to performing account analysis and managing bank reconciliations. Recent corporate growth has resulted in a greater number of transactions, leading to stronger demand for these professionals. Additionally, as personnel from various areas of the accounting function are pulled away from their traditional responsibilities to focus on compliance-related issues, general accountants are needed to take on core initiatives.

Staff accountants, who often work on teams under the direction of more senior accountants, offer employers versatility because they can be tasked with day-to-day accounting functions or reassigned as needed to assist with compliance-driven projects or other special initiatives. Senior accountants remain in demand as companies seek experienced staff to oversee projects of greater complexity, such as preparing budgets and financial statements, conducting risk assessments, and ensuring compliance with reporting requirements.

**Financial analysts** – As organizations shift their attention to future growth, they seek analysts to delve into financial data, identify trends and anomalies, and participate in forecasting and budgeting. Financial analysts also can be instrumental in helping companies weigh the pros and cons of strategic business decisions, such as whether to acquire a company, develop a product or pursue a new market segment. With the continued proliferation of enterprise resource planning systems, analysts now have access to greater amounts of data, allowing them to more effectively serve a widening audience.

**Compliance executives** – In response to enhanced corporate governance standards, many companies have added compliance positions. Executives are needed to help ensure their organizations meet the mandates of regulations such as the Canadian Investor Confidence Measures.

# Hiring Strategies

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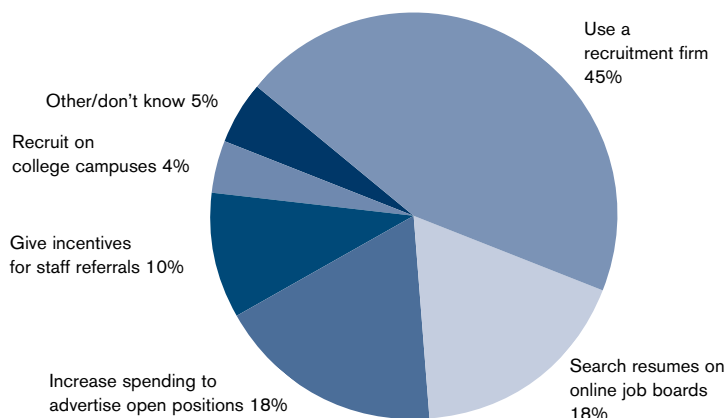
*The best accounting professionals are always in demand, and you'll need to give them compelling reasons to work for you.*

The existing talent shortage in the financial field, especially when combined with demographic trends, makes hiring an ongoing challenge – one that companies will have to meet if they're to achieve their business goals in the years ahead. When assessing their hiring plans, employers will need to ensure they move quickly to avoid losing good candidates to other job offers. Reflecting the need to expedite the process, some firms are now extending employment offers within one day of interviewing a strong applicant.

The following strategies can help organizations compete more effectively for the best candidates:

**Tailor recruiting pitches.** The best accounting professionals are always in demand, and you'll need to give them compelling reasons to work for you. Before you begin a recruiting campaign, make sure you've identified the tangible and intangible factors that make your company an attractive employer to the workforce segments you're targeting. For example, a Big Four accounting firm created a campus recruiting campaign to appeal to Generation Y's desire for work/life balance that revolves around the tag line, "Your life. You can bring it with you." Similarly, an employer trying to attract individuals looking for new positions as they transition into retirement might emphasize opportunities for meaningful project or consulting work, flexible work arrangements, or generous benefits.

Executives were asked, *"In a competitive employment environment, which one of the following methods do you feel is most effective for finding job candidates?"* Their responses:



Source: Robert Half survey of 100 Canadian senior executives

**Work with recruiting firms.** Specialized recruiters often have access to the most skilled candidates, many of whom may not be actively seeking employment. Employers from all industries can benefit from using these services.

By forging a relationship with a specialized staffing service, you'll also have the advantage of a recruiter who becomes adept at understanding your company's needs and culture and identifying candidates who are well suited for your organization, helping to accelerate the hiring process. Staffing firms provide professionals on an interim basis as well, giving employers the option of considering these employees for full-time positions.

**Identify the core attributes of top performers.** To recruit highly skilled employees, companies need to define precisely what knowledge, abilities and experience they should seek. Some organizations use competency models or employee success profiles to focus their recruiting efforts. Developing such a framework can be as simple as identifying a handful of traits that characterize a successful financial analyst or internal auditor at your firm. Use these standards to locate and select the best candidates.

**Offer progressive benefits.** To stand out as a prospective employer, you'll need to offer as many of today's popular benefits and incentives as possible. Beyond the standard medical and dental insurance, attractive packages include profit sharing, extra time off, tuition reimbursement and performance bonuses. In light of the heightened demand for skilled accounting and finance professionals, it also might be necessary to offer candidates with the most in-demand skill sets signing incentives, expense-paid relocations, car allowances and job-placement assistance for relocating spouses.

Keep in mind that one-size-fits-all benefits packages lack appeal to today's generationally diverse workforce. Employees respond differently to benefits – based on age, marital and family status, personal interests, and professional goals. Consider whether you can provide a degree of flexibility for employees to customize benefits offerings to their individual preferences.

**Emphasize opportunities for career growth.** Businesses that are known for developing and promoting their employees are perennially attractive to top candidates. In your recruiting, be sure to highlight your firm's track record in this area. You can address workers' desire for career growth by asking managers to regularly discuss professional goals and interests with their direct reports. You also might give employees a training budget and the flexibility to select development opportunities.

**Consider nontraditional candidates.** Companies with strong training and mentoring programs may want to consider individuals who don't fit the usual mold. According to the AICPA's report, the number of new graduates from nonaccounting majors hired by public accounting firms in the United States is expected to increase in the years ahead.<sup>10</sup>

Another source of nontraditional candidates – and a rapidly growing population segment – is retired or semi-retired individuals who might be enticed to rejoin the workforce, possibly on a part-time or consulting basis.

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<sup>10</sup> AICPA.

# A Final Word

Effective recruiting is crucial to business success in any industry or market. While the supply of skilled accounting and finance candidates likely will eventually catch up with demand, employers may find that competition for the best professionals in a broad range of specialties will further intensify before it subsides.

In response, firms need to sharpen their hiring strategies, and they need to act now. With strong candidates often receiving multiple employment offers, organizations that do not accelerate their hiring processes risk losing these professionals to other opportunities. In addition, businesses must identify ways to distinguish themselves as places where people want to work. This includes offering competitive compensation and progressive benefits packages customized for the needs of staff. Providing advancement opportunities, supplemented with effective training and development programs, can help employers stand out as well.

And companies need to be creative. No longer can they hope their brand recognition is enough to attract the best people. Instead, when speaking with potential employees, they must highlight the factors that make their organizations great. They also will need to expand their recruiting searches beyond the traditional sources. In today's environment of heightened competition for personnel, businesses must consider prospects from diverse backgrounds, including those who may be able to apply skill sets from different fields to fill in-demand accounting and finance positions.

There exist a number of effective, targeted hiring strategies firms can employ. However, the longer companies wait to focus their efforts, the further behind they could fall. Strong performers are out there, but businesses will have to become increasingly resourceful if they're to find and hire them.

# References

1. *Employment Dynamics and Growth Expectations (EDGE) Report*, Robert Half International and CareerBuilder.com, August 2006.
2. "22 Percent Increase in Hiring Expected for Class of 2007 M.B.A.s," National Association of Colleges and Employers, Nov. 30, 2006.
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9. *The Quest for Talent: Hiring Patterns, Recruitment and Retention in Internal Auditing*, Robert Half, June 2006.
10. AICPA.

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Founded in 1948, Robert Half International is the world's leader in specialized consulting and staffing services and a member of Standard & Poor's widely tracked S&P 500 index.

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