



## How to Retain Your Accounting Staff in an Improving Economy

William K. Thorpe, Partner, CFO Edge, LLC

Many Los Angeles and Southern California business owners and entrepreneurs are finally starting to see some tangible signs that the economy is on the rebound. Of course, this is good news for most companies, as a growing economy usually leads to more sales, revenue and profits.

But there is a potential downside to an economic rebound: higher staff turnover, including higher turnover of your accounting staff. In a healthy economy, more companies are hiring, which means that there may be more and better job opportunities out there for those on your accounting staff. Your best and brightest accounting employees could be especially tempted to start looking around to see if the “grass is greener” at another company. Or, other companies might try to pry these employees away from you, maybe with offers of more money or responsibility or other neat job perks.

### Costly and Disruptive

Employee turnover is both costly and disruptive to businesses, and this is especially true when it comes to turnover of your accounting staff. Your accounting employees are highly trained individuals and it can cost thousands of dollars to recruit and train their replacements when they leave. There is also the less-obvious cost of work that doesn't get done while their positions are open, and of other employees possibly having to work longer hours to cover for them.

So now is the time to take proactive steps to hold onto your accounting staff in the weeks and months to come. While it's impossible to completely eliminate accounting staff turnover, there are some things you can do to keep this turnover down to a minimum. Here are five tips to consider:

#### **1. Cross-train your accounting employees.**

By cross-training your accounting staff in different financial and accounting tasks, you give everyone the chance to try new and different things. This helps keep their work fresh and exciting, instead of dull and mundane, which can help your accounting staff avoid job burnout.

#### **2. Offer your accounting employees opportunities to learn new skill sets.**

This dovetails with the first tip. In addition to cross-training, offer your accounting staff opportunities for continuing education so they can learn new skills and keep their existing skills sharp. This might include local classes and seminars as well as lunch 'n learns where you bring in outside experts to lead informal training sessions.

#### **3. Clarify opportunities for career advancement in your accounting department.**

Most employees want to see what kinds of advancement opportunities are there for them in the companies where they work. So make it clear what their potential career path is in your accounting department so they have an idea of what their future in your company might hold.

#### **4. Keep your ear to the ground to try to gauge employee unrest or discontentment.**

Smart owners and CFOs aren't caught by surprise when employees leave due to unhappiness or discontentment in their jobs or the company. Be aware of what employees are saying and how they're feeling about their jobs and your company, and try to nip any unrest in the bud if you can. Keep the lines of communication open so your accounting staff feels comfortable coming to you to talk about their job concerns.

#### **5. Offer a competitive level of pay to your accounting staff.**

Sure, there are other components to job satisfaction than just money. But you still have to pay competitive salaries if you expect your accounting staff to stay with you in an improving economy with other job opportunities. One strategy is to pay slightly higher wages than industry averages in your area. This makes it less likely that your accounting staff will jump ship to another company for a little bit more money.

### **Dealing With Turnover When It Occurs**

As noted above, it's impossible to completely eliminate staff turnover. Despite all of your best efforts, there will be members of your accounting staff who leave your company due to factors outside of your control. Therefore, it's smart to formulate a plan for how you will deal with accounting staff turnover when it does occur.

The key is to build as much redundancy into accounting staff functions as you can. The best way to do this is to cross-train your staff, as detailed above. Not only will this help keep their jobs fresh and exciting, but it will also enable employees to step in and cover for their departed co-workers until their replacements can be hired. But use caution here so you don't burn your employees out. It's not fair to expect employees to work long hours week after week covering for others who have left. If this goes on for too long, these employees will likely get frustrated and burned out — and you'll soon be searching for their replacements as well.

### **Concluding Thoughts**

With the economy finally starting to show signs of a rebound, more companies will likely be hiring in the coming months, which means there may be more and better job opportunities for your accounting staff. Your best and brightest accounting employees could be especially tempted to start looking around to see if the "grass is greener" at another company. While it's impossible to completely eliminate accounting staff turnover, there are some things you can do to keep this turnover down to a minimum. The key is to be proactive by focusing on staff retention before you start receiving two-week notices your accounting employees. An outsourced CFO services provider can help you create a proactive plan geared toward accounting staff retention in an improving economy.

### **About CFO Edge**

CFO Edge, LLC delivers enterprise-class financial and operational performance solutions to executives throughout Southern California. Based in Los Angeles, our formerly-seated chief financial officers engage on demand as part-time CFOs, single-project CFOs, and interim CFOs to help business leaders successfully resolve pressing challenges and realize their financial and operational goals. At CFO Edge, we're passionate about helping our clients create, grow and sustain value. For more information, visit [www.cfoedge.com](http://www.cfoedge.com) or call 800.276.1750 Ext 101.

This publication has been prepared for general information on matters of interest only, and does not constitute professional advice on facts and circumstances specific to any person or entity. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication. The information contained in this material was not intended or written to be used, and cannot be used, for purposes of avoiding penalties or sanctions imposed by any government or other regulatory body. CFO Edge, LLC, its members, employees and agents shall not be responsible for any loss sustained by any person or entity who relies on this publication.