



Revolution in the Workplace: How Companies and Accounting Firms Can Win

Digitization, artificial intelligence and cloud-based systems herald a workplace revolution as temporary professionals come to the rescue.

The continued expansion of the U.S. economy is reflected in the health of the accounting profession, which is experiencing faster average growth than any other occupation. In 2016, nearly 1.4 million Americans worked as accountants and auditors. By 2026, the Bureau of Labor Statistics predicts that number will grow by 10 to 14 percent, with the addition of 141,800 new accounting and auditing jobs.¹

Like the proverbial rising tide that lifts all boats, a stronger economy produces more corporate activity, which in turn, creates demand for more professionals to prepare and analyze financial records. A surging economy, however, also floods companies with challenges in their quest to acquire specialized talent.

The Impact of a Strengthening Economy

Low unemployment is one factor that, while beneficial in the aggregate, makes it difficult to hire individuals with specific skillsets. Today's stable economy suggests to those who have put off retirement that it is now safe to relinquish a steady paycheck; this is particularly true for baby boomers who are leaving the workforce in droves. Furthermore, with the recession now in the rearview mirror, corporations are re-engaging in merger and acquisition activity that accelerates workplace departures among seasoned professionals, leaving a problematic knowledge gap and reducing key talent pools.

Combined, these factors effectively reduce the number of experienced accountants and financial analysts seeking employment and, therefore, intensify the challenge inherent in hiring the qualified staff that is currently in high demand. As a result, many companies are exploring a broader range of recruiting, hiring and retention alternatives.

Seasonal Workers to the Rescue

Chief among these options is the increasing presence of temporary, seasonal and interim professionals working in the corporate arena. Not only is the overall number of

temporary workers on the upswing, but these numbers rise in tandem with corporate annual revenues. A recent study² by the Financial Executives Research Foundation and Robert Half reveals that 26 percent of firms with annual revenues of less than \$25 million currently rely on temporary staff; of firms with revenue between \$500 million and \$999 million nearly half, a full 48 percent, rely on interim workers. Among companies with annual revenues of \$5 billion or more, 86 percent employ interim personnel – a number so substantial that it affects the economy as a whole.

In fact, companies that specialize in placing temporary employees report assigning more than three million contract employees in an average week and 15 million such employees annually.³

These workers are proving invaluable to corporations across the spectrum of size, sector and type – and not only on the lower and middle rungs of responsibility. Seasoned executives are now accepting interim positions at the highest levels of management, including CFOs, CMOs, CIOs and even CEOs.

Within the Accounting Industry, A Robust Need

Many firms are augmenting staff to meet the vociferous call for greater accountability, transparency and controls in financial reporting. Greater scrutiny of accounting procedures is creating demand for CPAs, both internally and externally, to perform deeper analyses of corporate financial records. Professionals who specialize in fraud and forensic accounting are essential to uncovering and resolving illegal activity prior to an audit and to detecting unlawful financial actions perpetrated by individuals, companies and crime syndicates.⁴

For many years, companies have been successful hiring interim staff to supplement accounts payable and receivable, general accounting, tax and payroll responsibilities due to the specialized skills these functions require. While these areas remain promising to those looking for temporary employment, they now figure on a much longer list.

An increasingly complex regulatory and tax environment requires more specialized expertise. The explosion of cloud computing, automation and digitization has created demand

for professionals with mastery of data analytics, open architecture platforms, cloud-based accounting and finance systems. Growing, entrepreneurial and start-up companies need consultants to introduce new technology throughout the business and promote enterprise-wide adoption. Some firms seek assistance with projects relating to business intelligence and data analytics. Companies in the U.S. and Canada are seeking help with international accounting.³ Finally, there is the resounding thunderclap of globalization, through which these and other initiatives catapult exponentially in depth, breadth and scope.

Temporary Workers Deliver Specific Solutions

For all of these reasons, a growing number of businesses are implementing solutions for maximizing their workforces through the strategic use of contract professionals. According to recruiting giant Robert Half⁵, these solutions include:

- **Supplementing staff during peak periods.** Unlike so many other professionals, CPAs experience a staggering upswing in their workloads on a regular basis. This increases the appeal of hiring temporary help to get through the busy season without the prospect of paying full-time salaries and benefits during slack periods.
- **Securing specialized skills for a limited duration.** For special or short-term projects that require specific experience not available internally, interim workers are an ideal solution. This is equally true when employees are on extended leave for medical or caregiving reasons. Temporary help can supply specialized capabilities and avoid overloading full-time employees with extra responsibilities.
- **Auditioning candidates for full-time roles.** A bad hiring decision can be extremely costly – and not just in the financial sense. Wasted time, needless errors and flagging employee morale can jeopardize client service and the ability to retain other valuable staff. In many cases, therefore, it makes sense to gauge candidates' abilities during their tenure as a contract employee. Not only can potential problems be avoided, but unexpected desirable capabilities may be revealed.

The Importance of Securing Sound Support

Companies that are shifting to expanded use of consultants are enjoying greater success when taking the following guidance⁶ to heart.

- **Do plan ahead.** Whether it's monthly, quarterly or annually, much of the work that auditors and accountants undertake is cyclical – and that makes it predictable. As a result, it's easier to assess workloads well in advance.

While filing deadlines may be firm, staffing up to meet them can happen well in advance, providing the opportunity to familiarize interim staff with procedures, coworkers, clients and more. Planning ahead keeps internal human resource teams busy year-round and is crucial in a vital economy with fewer candidates from which to choose.

- **Do condense the hiring process.** Given the dearth of audit and accounting talent, if you run a lengthy interview process, you may run the risk of losing desirable candidates to other firms. Consider working with an experienced recruiter with a strong track record in this arena. Specialists can often identify a short list of qualified candidates quickly, helping you get the help you need when you need it.
- **Don't hand over complete responsibility.** Hiring a temporary worker with specialized skills is smart. Assigning full control of a project, program or system is not. Managers are wise to create a collaborative team to avoid having critical data, processes, knowledge, and even passwords in the hands of a single, part-time individual.

Interim Staff: A Solution for Today and Tomorrow

Advances in the use and sophistication of technology have increased both workday and workload for many employees. Fulfilling escalating responsibilities requires many employees to work longer hours and may make them feel demoralized doing so for salaries that remain static. Receiving work-related e-mail outside of normal hours is common. Handling work-oriented tasks on weekends is typical for many. The result is overload, burnout and turnover – all of which must be addressed if companies expect to retain key staff. For now, the right interim workers can help fill the gaps.⁷

Work itself is changing, as well. As automation, digitization and artificial intelligence expand so does the need for staff with highly specialized qualifications while at the same time, current capabilities are likely to become obsolete. In some areas, the skills that will be needed have yet to be identified.

The Support Companies Need to Win the Workplace Revolution

Combined, the human resources challenges companies face today and the ones they will most certainly face in the future are significant – but surmountable. One key step firms can take right away is to secure the help of recruiters with focused expertise and a proven record of success in their industry. The ability to find skilled full-time, part-time and temporary support quickly is critical to CPA, accounting, audit and professional services firms that wish not only to deliver exceptional service to their clients but to remain profitable,

competitive and flourishing well into the future. Many firms have already discovered the difference that expert recruiting support can make to finding and landing qualified talent in today's economy, particularly at the senior executive level. For enterprises that require qualified personnel but do not have the time or internal staff to secure them, for example, PKF O'Connor Davies' TalentConnect recruiting specialists share their human resources know-how.

Tapping into our experience provides access to our extensive capabilities and network of top-notch accounting and finance professionals – from auditors to CFOs – while freeing business owners and executives to concentrate on operations and business development. For well over a century, PKF O'Connor Davies has prospered and expanded our ability to add value to our clients' operations. This focus has driven our growth, propelling our firm into the top 29 on *Accounting Today's* 2018 "Top 100 Firms" list and gaining us acclaim as one of the nation's fastest growing firms, an honor that reflects our ability to attract and retain superior talent within our own ranks.

About PKF O'Connor Davies

PKF O'Connor Davies, LLP is a full-service certified public accounting and advisory firm with a long history of serving clients both domestically and internationally. With roots tracing to 1891, nine offices in New York, New Jersey, Connecticut and Maryland, and more than 700 professionals, the Firm provides a complete range of accounting, auditing, tax and management advisory services. PKF O'Connor Davies is ranked 29 on *Accounting Today's* 2018 "Top 100 Firms" list and is recognized as one of the "Top 10 Fastest-Growing Firms." PKF O'Connor Davies is ranked 19 of the 50 best accounting employers to work for in North America, by *Vault*.

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¹ Bureau of Labor Statistics U.S. Department of Labor, Occupational Outlook Handbook, Accountants and Auditors.

² "Benchmarking the Accounting & Finance Function," a joint study released by Robert Half and Financial Executives Research Foundation.

³ American Staffing Association, Staffing Industry Statistics.

⁴ Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, 2010-11 Edition.

⁵ Robert Half International Inc. blog, "4 Ways Temporary Help Can Solve Your Workplace Challenges," June 12, 2018.

⁶ Hays Plc blog, "The rise of accountancy and finance temporary employees."

⁷ Forbes, "10 Workplace Trends You'll See in 2018," by Dan Schawbel, Nov. 1, 2017.