

A confluence of internal and external market pressures has contributed to a tremendous shortage of skilled tax accountants available. In this difficult recruiting environment, it's crucial for employers to implement sound retention strategies that will keep their tax accountants happy, ultimately reducing the risk that they'll have to compete for replacement talent.

The Tax Accountant Shortage: How to Retain Your Best Talent

It's no secret to employers that there is a tremendous shortage of skilled tax accountants available for hire right now. But it's important to understand the combination of both "internal" and "external" pressures that are driving the tight labor market for these specific professionals.

First, in recent years, there has been aggressive recruitment of tax accountants into private accounting departments in order to help cope with the rising financial reporting obligations that have been placed on corporations in the past decade. This has reduced the number of skilled tax accountants in the market.

Second, the fact is that there are fewer college graduates entering the field of public tax accounting right now. This is largely because of the perceived superiority of seeking fame and fortune in fields such as corporate finance, private equity and investment banking. Tax accounting has lost some of its appeal to a number of the bright young professionals who in past years would have come into the profession.

Third, unlike other areas of accounting and finance, tax accounting is a very specific niche that requires a very unique skill set to perform at a high level. That makes it tough to find an ideal fit in the best of circumstances and extremely challenging given the other drivers causing the current shortage.

In this difficult recruiting environment, it is absolutely crucial for employers to aggressively seek to retain their best tax accountants. The good news is that by just listening to what these valuable professionals want from their jobs, forward-thinking organizations can implement sound retention strategies that will help keep their people happy, ultimately reducing the risk that they'll have to compete for replacement talent in this tough niche labor market.

- **Work/Life Balance:** The number-one "on the job" concern on the minds of tax accountants is how they can maximize their work/life balance. According to Spherion Corp.'s *Emerging Workforce Study*, a whopping 92% of accountants said they agreed with the statement that "my most important priority when thinking about the next step in my career is to ensure work fulfillment and balance." This response was higher than in any other skill group.

Moreover, tax accountants say that they would likely take advantage of a wide range of work/life balance options, if their employers offered them: flex-time (81%); telecommuting (75%); and on-site day care (38%, highest of any skill group surveyed) were among the most attractive. Employers need to be aware of this thirst for work/life balance and look to introduce new options for their tax accountants in order to enhance their satisfaction with the organization.



- **Financial Compensation:** The amount of money one is paid in their job is important to all workers - and tax accountants are no different, with 42% saying that their compensation is an important consideration for them in deciding whether to stay in their current job. What is different, however, is that 67% of accounting workers believe they have increased their earnings potential by periodically changing jobs, a figure that is higher than among any other skill group. Perhaps this is one reason that more than one-third of accounting workers are likely to leave their employers in the next 12 months.

Of course, during uncertain economic times, it's difficult for many organizations to offer across-the-board pay raises or suddenly elevate their pay scales overnight. But for your most valuable tax accountants, modest compensation increases may prove to be much less expensive to the organization than having to go find a replacement for someone who leaves in pursuit of greener pastures.

- **Professional Development:** The third immediate retention strategy that tax accountant employers ought to explore is the evaluation of their commitment to the professional development and career growth of their employees. According to the Spherion survey, one in four accounting workers feel that their employer has actually put less effort into promoting workplace satisfaction for their employees.

One easy place to turn this perception around is by investing into the career development of the tax accountants on your team. For example, training programs should no longer be thought of as a perk or a bonus reserved for the brightest stars in the organization; it should be considered a requirement that goes along with every position in the department, just like a salary and benefits. Well-rounded and technically proficient tax accountants are more likely to have a higher sense of loyalty to the organization that provided them with that professional development.

There is no denying the growing shortage of skilled tax accountants in the workforce today, but that is no reason to throw your hands up in defeat. By understanding the factors driving this shortage and listening to some of the major concerns on the minds of these valuable professionals, employers can be in a better position to retain the best talent on their team and reducing the number of open positions they'll have to figure out how to fill.