

Practice Management

Attracting and Retaining New Talent: The Case for SMPs

by Mats Olsson, IFAC SMP Committee Member and Partner, Adrian & Partners AB | November 30, 2015 | 

It is difficult for small- and medium-sized practices (SMPs) to attract talent, especially when competing with the Big Four. Taking into account technological evolution and the implementation of audit thresholds, it might seem even more challenging today. Only a few years ago, hardware equipped with necessary software was practically a proprietary asset for a practitioner. Thanks to regulation, clients had no choice but to engage your services for audit. Most clients nowadays have a choice: they can either retain your services or do it themselves. As a result, the difference comes to down to one thing: the quality of your staff. This, not technology or regulatory mandate, is the greatest asset to your firm.

As Gen Y is now emerging into managerial and leadership positions, we need to first understand their tech-savvy and independent-minded qualities. According to a recent article by IFAC CEO, Fayez Choudhury, Gen Y also tends to prefer a collaborative work culture. In addition, *The Guardian* recently highlighted that their values reflect social and environmental awareness. Therefore, SMPs must create strategies to capitalize on these qualities as opposed to resisting them in the corporate culture.

Business strategist, John Spence, suggests the equation *talent x culture = profit*. This implies that there is a multiplier effect regarding the positive impact that employee skills and a good corporate environment can facilitate.

Below are some practical tips that you can apply based on Spence's findings and my own experience running an SMP for 20 years. Talent can be identified by five Cs:

- *Competence*—Technical skills and education
- *Character*—Honesty and ethical values
- *Commitment*—The drive to remain focused on the corporate mission
- *Collaboration*—The ability to work well with colleagues and clients
- *Communication*—The skills to listen and express one's views effectively and courteously

A common mistake often made by SMPs when recruiting is to only look for competence. In my view, competence is the most practical of these five Cs. However, if you place too much emphasis on this, you could end up with an employee who is expensive and ineffective. The remaining four Cs are generally part of someone's DNA and can be much harder to change. This is where the big picture comes into play. In order to develop employee character, commitment, collaboration, and communication, you must be able to facilitate the right kind of company environment. Consider the following:

Have fun at work—Team building both inside and outside the office. For example, at my practice, we have been producing our own Christmas cards for nearly 20 years. It is a much-anticipated activity that involves all staff and collective creativity and team work. These Christmas cards are fun to produce and rewarding once completed.

Make sure everyone is seen—Most people, especially Gen Y, want to be seen and respected. In order to recognize the contributions of your staff, make time for daily, informal feedback as well as more formalized bi-annual appraisals. Invite your staff to do their own SWOT analyses for each appraisal.

Share knowledge and information—The more everyone knows about what is happening at the firm, the easier it is for them to connect and take ownership of firm-wide challenges. The new normal is not "knowledge is power" but "knowledge is sharing." Transparency fosters trust.

Encourage employees to get involved with professional accountancy organizations and/or local universities—By doing this, employees can have the opportunity to teach, contribute, and give back their knowledge to the professional community. In my practice, we have staff engaged locally, nationally, and internationally, with professional accountancy organizations.

Give your staff 15 minutes of fame—In order to prepare your staff for the dynamic, interactive world of Gen Y, encourage them to give brief 15 minute presentations to staff. These can be reserved for issues around accountancy, audit, tax, technology, or other relevant subjects. The key is to create an open environment to help one another enhance skills and at the same time prepare people for presentations to clients, banks, and other stakeholders.

Attracting and keeping new talent is not about the size of your practice, it is more about the culture you create. In the long run, the value of your organization is not so much a matter of technologies, degrees, or even financial capital—it is based on the investment you make in people.

For more information and resources on Gen Y and talent acquisition, please explore the IFAC Global Knowledge Gateway.



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