



Retaining Top Performers

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Top employees are your company's most valuable assets. You have invested time, money, energy and training in exceptional employees. In return, they give you the best of their skills, perspective, strategy and resourcefulness. It is far less expensive to retain current employees than it is to hire new ones.

As demand for top CPAs and MBAs far exceeds supply and the market becomes more "candidate-centric", top performers are often tempted to look for a new position. Salary increases at competing companies also are prompting many candidates to make a career move. There is, however, a way to keep good employees - make sure their current work situation is just too good to leave!

We asked our clients with the best retention rates how they do it. Below is a summary of some of their best practices.

Top performers must be constantly challenged or they will get bored and search for challenges elsewhere.

Give your top performers projects that are intellectually challenging and stimulating.

Foster a work environment that is receptive to new ideas, innovative solutions and problem solving.

Determine each individual's goals and work with them to achieve those goals within the company. Guide this process by assigning a member of management as a mentor for each top performer. The mentors can facilitate regular meetings (generally monthly or quarterly) to ensure that the employee remains challenged, stimulated and on track to achieve his or her goals.

Involve management in ensuring that the goals of top performers are met. Companies with a visible and approachable management team, and a consistent message from the top, have better retention rates than those with an "ivory tower" management philosophy.

Provide opportunities to advance.

Allow for internal mobility. Many companies offer their top performers the opportunity to rotate throughout the company in various positions and cross-train in different departments. This offers new challenges and maintains an employee's enthusiasm and interest in problem-solving and obtaining results. This enthusiasm enhances their career while also bringing additional value to your organization. The more knowledge they gain about your company and its operations, the more valuable they become as future leaders.

Companies with a "promote from within" policy tend to have better retention rates than those that do not provide internal opportunities to advance. Promotions generally come with a new set of challenges, which will keep your top performers involved and interested in their jobs.

Foster a flexible work environment.

"Generation X" employees place a greater emphasis on quality of life than previous generations of workers. This group of employees has the most job satisfaction when the job allows flexibility to balance professional and personal commitments.

Consider flexible work arrangements, such as job sharing, part-time employment and consulting arrangements to broaden the talent pool and to retain employees who otherwise might leave due to frustration at not being able to meet demands outside the workplace.

Promote high ethics and standards.

Given the recent accounting scandals in the news, promoting a culture of ethical standards and practices reassures employees that your company is a great place to work. Employees are no longer willing to ignore or tolerate aggressive accounting practices; they will often resign rather than get involved in any potentially unethical matters.

Ensure that the tone from the top is focused on maintaining the highest ethics and morals and is supported by a visible and approachable management team.

Offer a competitive compensation package.

Salaries for CPAs in particular have risen sharply since mid 2004, which reflects the increase in demand of qualified CPAs and decrease in supply. In order to retain these top performers, make sure they are being fairly compensated. Many of our clients have researched their specific markets and given employees a "market adjustment" (in addition to any annual raises) to help retain these employees.

We have worked with many candidates recently who have decided to leave their employers because they discovered that new employees at their company were being hired at a higher salary than their own – even if they had less experience. These candidates felt that their employers did not value their experience, and knew that they could garner a higher salary elsewhere.

To offset this changing climate, our clients with the best retention rates suggest the following:

- Calculate raises based upon performance, not tenure. Top performers want to be fairly compensated for their efforts and become frustrated in environments where they feel that compensation decisions are based on tenure and politics rather than their accomplishments and the quality of their work.
- Pay discretionary bonuses to top performers if they have excelled on a particularly challenging and time-intensive project.
- Offer tuition reimbursement. Top performers are always looking to learn and grow, and many choose to go to school part-time to advance their education or earn a credential such as a CPA, CISA, CFA, etc. Providing tuition reimbursement shows that you support their efforts and value the additional education and credentials obtained. You can also support employees as they work toward advance degrees by allowing them flexibility in their work schedules to accommodate their classes. For example, candidates in Emory University's executive MBA program require approximately 30 working days off to attend classes and fulfill the requirements of the 16 month program.
- ***Sponsor international candidates' work visas or assist them with obtaining their Green Cards.*** As our economy becomes more global, exceptional talent from other countries is increasingly available in the U.S. Sponsoring an employee's Green Card lets them know that you value their contribution and also engenders loyalty to your company. Make sure these employees are fairly compensated for their quality of work and that the cost of assisting with a Green Card is not "deducted" from their base salaries. International candidates seek employers who will pay them the equivalent of what employees who are U.S. citizens earn.
- ***Cover top performers' student loans.*** Many companies will "loan" their employees the money to pay off student debt, with the loan amortizing over a certain period, generally three to five years. This action lets the employee know that you value his or her education, and the loan can be viewed as a retention bonus for the duration of the amortization period.
- ***Provide appropriate training and development*** for your employees. The Continuing Professional Education required for CPAs to retain their licenses can be costly for an individual. Covering the cost of this training not only ensures that your

employees are up-to-date on the latest issues and trends in your industry, it also eases the financial burden on your employees.

- **Implement a “Paid Time Off” (PTO) policy.** Allowing employees only two weeks vacation is a thing of the past. Most exceptional performers view 10 days as insufficient for the amount of expertise, effort and skill they bring to the workplace. Our clients with the best retention rates offer a generous and flexible “Paid Time Off” policy. Many candidates in the “Big 4” receive six weeks or more of PTO. Our most forward-thinking clients have a generous PTO policy, generally around 20 days. Today’s employees value flexibility, and appreciate being able to use PTO for vacation days, sick days, doctors’ appointments, etc. Employees are less likely to look for a job if their employer recognizes and provides a means for employees to attend to personal needs and family matters in a way that works for them. This freedom of choice enhances their quality of life in the workplace.

We encourage you to add some or all of the above mentioned “retention enhancement” best practices to your workplace. By implementing these popular practices, you’ll not only increase your retention rates, but also groom strong future leaders.