

Attracting and Retaining Talent:

How Ignoring Organizational Culture and Employee Wellness Can Cost Your Business

By: Lee Frederiksen, Ph.D.

In the world of accounting, the focus on financials often overshadows the critical role [corporate culture](#) plays in business performance. In the first year of the pandemic (2020), over 60% of job seekers in a [Hinge Research Institute \(HRI\) study](#) cited company culture and pay as “top criteria” for joining a company. At that same time, the Lone Star State saw an influx of college graduates, young working parents and mid-career professionals suddenly offered the flexibility to work remotely in a warmer area with more affordable housing and free of state income tax.

These same factors, according to researchers at [Southern Methodist University](#), may have caused Texans to stay in the state instead of moving elsewhere during this time. However, it’s beginning to lose its luster.

Burnout in the Accounting Profession

In December 2022, [The Wall Street Journal](#) noted more than 300,000 U.S. accountants and auditors have left their jobs in the past two years, a 17% decline. The stress of a “never ending busy season,” hierarchical structure and dated mindsets may have contributed to “The



Great Resignation,” a term coined by Anthony Klotz, an associate professor of management at Texas A&M University.

To identify ways to strengthen company culture, attract talent in a perennially tight labor market and retrain the top talent necessary to grow the business, the [HRI 2023](#)

[High Growth Study](#) compared firms with a minimum of 20% compound annual growth rate over a three-year evaluation period with average peers posting 10% growth and no-growth peers experiencing 8% revenue declines.

The high-growth group earned average profits of almost 25%, while the no-growth group managed less than 10%. Clearly, whatever the high-growth group did was working.

Employees at high-growth firms in the HRI study were more satisfied with their company cultures than employees at slower growing firms, an advantage associated with lower turnover.

Tips on Recruiting and Retaining Top Talent

Because imitation is the best form of flattery, the [2023-24 Association for Accounting Marketing \(AAM\) Accounting Marketing Budget Benchmark Study](#) specifically asked about techniques used to recruit and retain employees. Here are a few key findings and lessons learned.

1. Harness the power of recognition to boost morale, productivity and overall firm success; 82% of high-growth firms regularly give shout-outs to employees for work and/or personal accomplishments.

Recognizing the value of employee recognition is another vital component of fostering a positive work environment. The lack of recognition has been identified as the second-largest factor for psychological distress in the workplace, according to a study in the [International Journal of Human Resource Management](#). To create a culture of appreciation, leaders must prioritize recognition as a basic human need, intertwined with human dignity and social justice.

It's time to rewrite the rules and celebrate your employees' accomplishments loudly and proudly. Public recognition for exceptional performance, career milestones and notable contributions is a significant differentiator between high-performing and low-performing firms, according to the HRI study.

So, step into the spotlight. Shine a light on your team and colleagues. Publicly acknowledging exceptional performance, career milestones and notable accomplishments can boost your employees' self-esteem and motivation. Whether it's through staff meetings, company-wide newsletters, team emails, or professional

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Meditation can incite more than just relaxation; it has a variety of health benefits too! Here are some apps to get your started:

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- headspace - www.headspace.com
- Ten Percent Happier - www.tenpercent.com
- BetterSleep - www.bettersleep.com
- mindful - www.mindful.org

Positive physical health habits can help decrease your stress, lower your risk of disease, and increase your energy. Check out this printable physical wellness checklist from the National Institutes of Health (NIH) for some tips on improving your physical health



social media platforms like LinkedIn, a simple shout-out can go a long way in fostering a positive work environment.

2. Elevate your work-life balance game with digital technologies. High-growth firms are more digitally mature, offering more opportunities to increase productivity and flexibility.

Mid-career employees, typically between the ages of 30 and 45, shoulder significant responsibilities, both in terms of achieving senior management's objectives and ensuring their staff meets those goals. This delicate balancing act places them under immense pressure. Recognizing the changing attitudes and increased awareness around the importance of work-life balance, the accounting profession has begun shifting towards accommodating employees' personal lives and well-being.

Embracing flexible work arrangements can alleviate stress and anxiety, allowing employees to maintain balance in their lives. [The Journal of Accountancy](#), for example, suggests options such as flex time, reduced workloads, compressed workweeks, job sharing, and telecommuting. By continuing



to offer these programs, you can significantly reduce the stress and anxiety experienced by mid-career employees if and when their ability to maintain balance is suddenly altered.

3. Embrace "mental health days" to fuel employee engagement and turbocharge performance; 36% of mid-career employees value them as a way to improve company culture yet only 19% of leadership and 9% of senior executives recognized the significance of such initiatives.

Recovering after a stressful period with excessive overtime (read: audit and/or tax season) can sometimes take more than a standard weekend. And while it may seem like a novel concept, given the data and news rhetoric, the reality is employees across demographics and seniority levels have always been taking "mental health days." They have just been hiding them under the guise of "feeling sick" or "having a family emergency."

When you start normalizing and transparently supporting mental health at the top, you create a more inclusive culture. As you may have experienced yourself, the CPA workplace is both a venue where mental health issues can be identified



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and one that will suffer if mental health issues remain unaddressed. Left untreated, anxiety and/or depression can become debilitating and can lead to reduced quality of life and workplace productivity.

Implementing a “no questions asked” policy for mental health days, for instance, can play a pivotal role in reducing employee guilt and encouraging individuals to prioritize their well-being. This policy also sends a powerful message from the top leadership that mental health is valued and that employees should take the necessary time off to recover and recharge.

At the same time, pay attention to detail, exercise skepticism and notice what others don't when it comes to the well-being of your colleagues. Encourage those who are struggling to seek help and offer them a trusted (and free) resource such as the [Accountants Confidential Assistance Network \(ACAN\)](#), a peer assistance program that offers confidential support to Texas CPAs, accounting students and CPA candidates struggling with alcohol or substance use, depression or mental health issues. By promoting this valuable resource, you demonstrate your commitment to the well-being of your employees and contribute to a healthier and more productive work environment.

4. Offer health and wellness credits. High-growth firms support everything from gym memberships to teletherapy subscriptions, workout equipment and sleep aids.

For a relatively small investment, your firm can generate the goodwill that comes from employees knowing their workplace is invested in their health and well-being. Incentives, similar to recognition, are powerful motivators for getting and staying healthy. When you reduce any financial excuse through company programs, you also reduce sick time that comes from having an overall healthier workforce.

Remember, it's not just about financials; it's about unlocking the true potential of your most valuable asset: your people. Together, let's build a future where accounting firms in Texas thrive by valuing employee well-being and creating a culture that breeds success.

About the Author: Lee W. Frederiksen, Ph.D., is Managing Partner at [Hinge](#), the leading research-based branding and marketing firm for professional services. Earlier in his career, he was a tenured professor in clinical psychology at Virginia Polytechnic University.



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- Fund my children's college education
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