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TALENT RETENTION IN THE U.S. ACCOUNTING AND FINANCE PROFESSION

TABLE OF CONTENTS

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FOREWORD

The accounting and finance profession in the United States has a serious problem. The demand for skilled talent is robust and consistent across many industries, but the supply of professionals available to hire is quite low. This imbalance is not new but has gotten worse lately. It is noteworthy that more than 300,000 accountants and auditors have left their jobs in the past couple of years.[1] Reasons for these departures range from retirement to aspirations for a different career path.

Research for *Talent Retention in the U.S. Accounting and Finance Profession*, produced by IMA® (Institute of Management Accountants) and cosponsored by Robert Half, suggests that employers should prepare for more talent losses in the near term. Nearly one-quarter (24%) of accounting and finance professionals surveyed for this report intended to leave their current employer in the next 12 months, and 17% planned to make their exit within the next six months.

Meanwhile, the U.S. Bureau of Labor Statistics projects that there will be more than 136,000 job openings for accountants every year through 2031, with many of those roles emerging from the need to replace workers who have left the labor force.[2] Colleges and universities, vital pipelines for businesses to source high-potential accounting and finance talent, may not significantly bridge the talent gap in the upcoming years. In fact, they have witnessed a nearly 9% decline in students pursuing the accounting major.[3]

All of this brings us to a critical question: How can employers enhance their chances of attracting and retaining the accounting and finance talent necessary for their business's success, both now and in the future? The short answer is that they must do many things—and do them well.

Providing competitive compensation and benefits is a must, of course. And, as this report explains in detail, measures like upskilling and reskilling to increase digital literacy, creating a supportive and inclusive work environment, emphasizing work-life balance and flexible work, and providing professional growth and development opportunities can help employers to create agile, future-forward accounting and finance organizations where talented people want to work and stay for the long term.

There's another key ingredient in retention success that employers must not overlook—increasing their company's ability to attract in-demand talent in the first place. Developing and promoting a strong employer brand is essential for companies to attract talent. That includes shining a light on all the ways a business fosters a great work environment and invests in its people. Thoughtfully planned and well-executed hiring and onboarding processes boost retention by helping businesses ensure they recruit the right people and set them up for success.

These efforts are not remedies to address the overall shortage of accounting and finance professionals in the U.S., but they can increase a company's ability to address its specific talent needs. By focusing on attracting highly skilled professionals and prioritizing the retention of valued employees, a business can create a positive cycle that leads to less turnover—and more opportunity to build a reputation as an employer of choice in what is, and will likely remain, an extremely competitive labor market for accounting and finance professionals.

Steve Saah

Steve Saah
Executive Director
Finance and Accounting–Permanent Placement
Robert Half

EXECUTIVE **SUMMARY**

Retaining top talent is critical for organizations to maintain sustainable growth and a competitive advantage as well as to achieve long-term success in a rapidly changing business world. While talent retention has been a focal point of organizations for many years, its importance was amplified by the stressors the COVID-19 pandemic brought to the workplace. The pandemic led to "The Great Resignation," characterized by droves of employees quitting their jobs as they reconsidered what they wanted from work. According to the U.S. Bureau of Labor Statistics, more than 47 million U.S. workers voluntarily left their jobs in 2021.[4] This exodus continued with more than 4 million quitting their jobs each month by mid-2022.[5]

CFOs and other accounting and finance leaders are significantly concerned with such an unprecedented shift in the workforce. As the majority of CFOs (89%) reported facing unusually high employee turnover and 81% believed the labor shortage would harm revenue growth, recruiting and retaining talent is becoming one of their top priorities.[6] Nevertheless, with more choice in job opportunities than ever before—expanded even further by the uptick in remote work during the pandemic—talent retention is becoming more challenging than ever.

This study sought to understand the factors contributing to turnover in the accounting and finance profession in the U.S. and present actionable solutions to accounting and finance leaders for effective talent retention. Our research revealed a significant turnover rate among U.S. accounting and finance professionals, particularly among young professionals. We also found that job satisfaction, career advancement opportunities, work flexibility, employee engagement, and a sense of belonging were key contributors to whether an employee would consider leaving a job. Consequently, we found effective talent retention strategies can be implemented by (1) providing competitive compensation and benefits, (2) fostering a supportive and inclusive workplace culture, (3) recognizing outstanding performance, (4) providing career growth and development opportunities, and (5) promoting a healthy work-life balance.

The profession's future hinges on organizations that are ready to evolve, adapt, and prioritize talent retention. This requires organizations to continuously reevaluate their talent retention strategies in response to emerging challenges caused by rapid advancements in technology, shifts in workforce demographics, and evolving employee expectations. Through sustained collaboration, foresight into market shifts, and agile adaptability, organizations can effectively retain top talent and thrive. •

IMA® (Institute of Management Accountants), with the support of Robert Half and our research partners, conducted a nationwide research study on talent retention in the U.S. accounting and finance profession (see Why This Study?). This study included an online survey of more than 1,200 current and former U.S. accounting and finance professionals and 12 interviews of recruiters who specialize in accounting and finance talent recruitment. All survey respondents self-identified as current or former members of the accounting and finance profession in the U.S., and they varied in experience level and age (see Appendix: Research Approach for additional demographic details of study participants).

ABOUT **THE AUTHORS**

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Loreal Jiles, CMA, is former vice president of research and thought leadership and global head of diversity, equity, and inclusion at IMA. In this role, she championed progress toward a more diverse, equitable, and inclusive accounting profession and advanced the management accounting profession through robust research initiatives that deliver actionable insights to accountants and financial professionals in business. Following her role at IMA, Loreal reentered the industry sector where she leads definition and implementation of digital strategy, processes, and capabilities that enable a multinational corporation's finance function to meet future demands. Loreal is a former member of the IMA Global Board of Directors. She holds a B.S. in accounting from Southern University in Baton Rouge, La., and an MBA from Tulane University. She can be reached on **LinkedIn**.

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PART I

Where We Are: The State of the Profession and Key Findings

Why **This Study?**

It is astounding to see the significant benefits an organization can reap when leveraging top talent. For instance, a study of more than 600,000 researchers, entertainers, politicians, and athletes found that high performers can be 400 times more productive than average ones.[7] The productivity gap between high vs. average performers becomes more pronounced when the complexity of a job rises.[8]

Prior research further highlights the importance of talent retention for organizations due to a multitude of reasons, including cost reduction, productivity maintenance, knowledge preservation, employee morale boosting, and customer satisfaction enhancement. According to a study by the Society for Human Resource Management, it costs an employer approximately six to nine months of an employee's salary to find and train their replacement.[9] A 2022 study from The Wharton School of the University of Pennsylvania also demonstrated the impact of high worker turnover that resulted in the elevated failure rates of products for a Chinese smartphone manufacturer, uncovering the hidden costs of employee turnover.[10]

> "The number-one trend is that the candidate is in complete control…because the unemployment rate is lower in accounting and finance than it's ever been."
>
> *—Recruiter at Robert Half with 12 years of experience in accounting and finance talent recruitment*

Significant challenges exist for retaining top talent.

Despite the advantages garnered from top-tier talent, employers are grappling with challenges in recruiting and retaining such talent. A McKinsey report indicated 82% of companies do not believe they recruit highly talented people and, for those that do, merely 7% think they can retain them.[11] In addition, only 23% of employers in another McKinsey study said they trust their current talent acquisition and retention strategies to deliver desirable results.[12]

The accounting and finance profession in the U.S. also encounters analogous challenges in recruiting and retaining talent. As reported by *The Wall Street Journal*, the accounting and auditing field has seen a sharp decrease in its workforce over the past couple of years, with more than 300,000 professionals vacating their roles, representing a 17% decline.[13] According to the 2023 finance and accounting hiring

> "One trend arising from the COVID-19 pandemic is that employers are offering more flexible work arrangements; some are fully remote, but most are hybrid. Candidates want 100% remote work but realize that most companies are not offering that. So, there is still a gap between what companies are willing to offer and what candidates ideally want."
>
> *—Recruiter at Robert Half with 20 years of experience in accounting and finance talent recruitment*

trends published by Robert Half, 89% of employers surveyed reported facing challenges in finding skilled talent.[14] Moreover, the situation is expected to be exacerbated as anticipated retirements of Baby Boomers coupled with declining enrollment in university accounting programs will likely lead to an even more acute talent gap in the profession.[15]

This study sought to decipher talent retention challenges and uncover talent retention solutions.

To perform a holistic assessment of the current state of the accounting and finance profession in the U.S. from a talent retention perspective, IMA® (Institute of Management Accountants), with support from Robert Half and our research partners, conducted a nationwide research study aiming to identify:

- Key factors contributing to job turnover of accountants and financial professionals,
- Major determinants of talent retention among accountants and financial professionals, and
- Strategies needed to address the talent retention challenge in the accounting and finance profession.

To achieve these objectives, we conducted an online survey of more than 1,200 current and former U.S. accounting and finance professionals and 12 interviews of recruiters who specialize in accounting and finance talent recruiting. Of the 1,236 U.S. survey respondents and 12 interviewees, 49% self-reported as female professionals, 48% self-reported as male, and 3% self-reported as nonbinary or chose not to disclose. •

Turnover Trends in **Accounting and Finance**

Who Is Leaving?

U.S. accounting and finance professionals are leaving employers at a high rate. Nearly one-third (29%) of respondents in our study reported leaving a company in the past 24 months. Moreover, nearly a quarter (24%) expected to leave their current employer in the next 12 months, with the majority (i.e., 71% of those expecting to leave in the next 12 months) intending to leave within the next six months. More than one in 10 (11%) accounting and finance professionals in the U.S. intended to leave the profession within the next year.

When partitioning by age groups (see Table 1), we found that those ages 18 to 38 experienced the highest turnover (39%) in the past 24 months and are also most likely (26%) to leave their current employer in the next 12 months. As high as 8% of them also expected to leave the accounting and finance profession in the next 12 months. Moreover, 18% of respondents 55 and older planned to leave the accounting and finance profession mainly due to retirement.

TABLE 1: JOB TURNOVER BY AGE

	18-38	39-54	55 and older
I have voluntarily left a company in the past 24 months.	39%	28%	23%
I intend to leave my current employer in the next 12 months.	26%	21%	25%
I intend to leave my current employer in the next six months.	15%	12%	21%
I intend to leave the profession in the next 12 months.	8%	5%	18%

As indicated in Table 2, employers with hybrid work arrangements are likely to experience the lowest employee turnover in the next six or 12 months compared to those with fully remote setups and those that require employees to be 100% on-site. In addition, 7% of accounting and finance professionals in a hybrid working environment intended to leave the profession in the next 12 months, while that percentage is significantly higher for those working remotely (16%) or on-site (13%).

TABLE 2: JOB TURNOVER BY WORK ARRANGEMENT AT CURRENT EMPLOYER

	Remote	Hybrid	On-site
I have voluntarily left a company in the past 24 months.	47%	26%	23%
I intend to leave my current employer in the next 12 months.	29%	21%	25%
I intend to leave my current employer in the next six months.	17%	15%	18%
I intend to leave the profession in the next 12 months.	16%	7%	13%

"I do think that employees who are fully remote face some degree of burnout as they have less opportunity for in-person interaction. For example, people who are working in public accounting work long hours, and if they are working from their home office, it's very hard, especially when their roommates or family members want do to things after hours, but they have to work later. That's when you see employees burn out and disengage."

—Recruiter at Robert Half with 20 years of experience in accounting and finance talent recruitment

Why Are They Leaving?

There were significant differences between professionals intending to stay with their employer and those who intended to leave their employer or the profession with respect to (1) job satisfaction, (2) perception of career advancement, (3) work flexibility, (4) employee engagement, and (5) a sense of belonging.

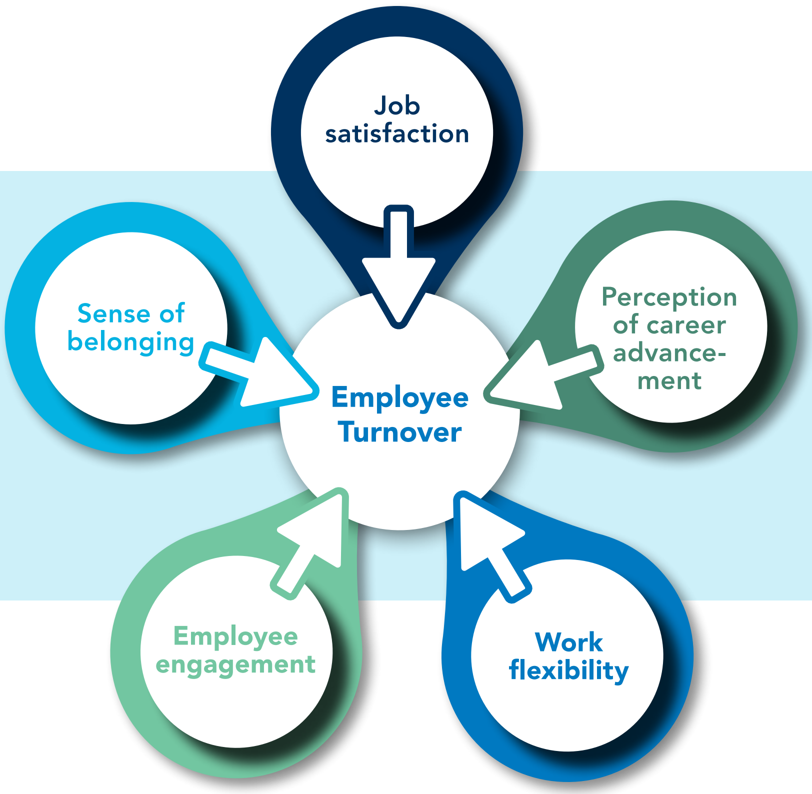
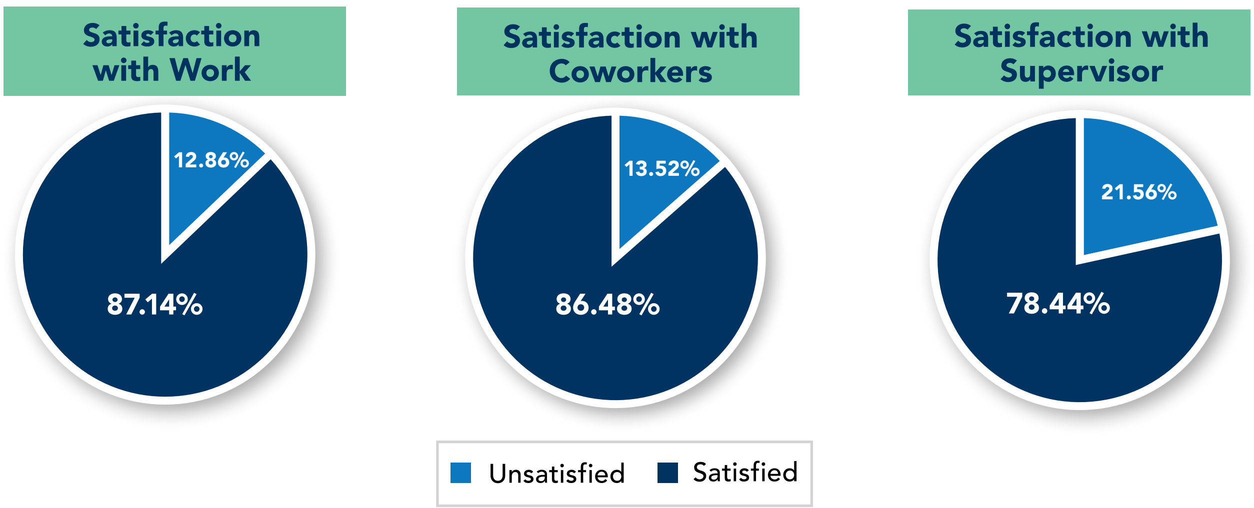


FIGURE 1: JOB SATISFACTION



Job Satisfaction

The majority of the accounting and finance professionals surveyed are satisfied with the work they are required to perform, their coworkers, and their supervisor (see Figure 1). Yet, as shown in Table 3, there are sizable variations between those who intended to leave their job and those who intended to stay. Nearly 30% of those who intended to leave their current employer in the next 12 months expressed dissatisfaction with their work and coworkers. Moreover, half of those who intended to leave their current employer in the next 12 months said they were not satisfied with their supervisor, while only 12% of those who intended to stay expressed the same concern.

Not surprisingly, there were even higher percentages of those who intended to leave their current employer in the next six months that indicated dissatisfaction with work, coworkers, and supervisors. For those intending to leave the profession, the percentages of those discontented with their work and their supervisor are lower when compared to those intending to leave their employer. This is consistent with the observation in Table 1, in which professionals aged 55 and older dominated the group that might be leaving the profession for retirement rather than for challenges with their employer or work environment.

TABLE 3: JOB SATISFACTION BASED ON INTENTION TO LEAVE

	Professionals Not Intending to Leave Current Employer in the Next 12 Months	Professionals Intending to Leave Current Employer in the Next 12 Months	Professionals Intending to Leave Current Employer in the Next Six Months	Professionals Intending to Leave the Profession in the Next 12 Months
I am not satisfied with the work I am asked to perform for my job.	8%	28%	29%	22%
I am not satisfied with my coworkers.	9%	29%	30%	28%
I am not satisfied with my supervisor.	12%	50%	54%	35%

Perception of Career Advancement

While close to a quarter of professionals intending to stay with their current employer expressed concerns about advancing within their organization, the percentages are significantly higher for those who intended to leave their employer in the next 12 months (74%) or leave the profession (75%). More than 80% of professionals intending to leave their employer in the next six months did not expect to advance in their current organization (see Table 4).

"Three of the top reasons [for employee turnover] are as follows. The first is culture fit, especially with direct supervisors. The second is lack of professional growth. People are looking for new ways that they can grow their career, whether it's a promotion or going into a different industry where they're learning a new skill set. The third reason is related to workplace flexibility. A lot of candidates looking for jobs are not necessarily looking for more pay but are seeking a job where they can work remotely or have a hybrid schedule."

—Recruiter at Robert Half with 12 years of experience in accounting and finance talent recruitment

TABLE 4: PERCEPTIONS OF CAREER ADVANCEMENT BY INTENTION TO LEAVE

	Professionals Not Intending to Leave Current Employer in the Next 12 Months	Professionals Intending to Leave Current Employer in the Next 12 Months	Professionals Intending to Leave Current Employer in the Next Six Months	Professionals Intending to Leave the Profession in the Next 12 Months
I do not expect to continue to advance within the organization.	24%	74%	83%	75%

Work Flexibility

Approximately one-third of those who planned to leave their employer or the profession reported a lack of flexibility in determining where to work, with only 17% of those intending to stay sharing this view (see Table 5). With respect to flexibility in determining how work can be performed, approximately one-fifth to one-quarter of those who intended to leave indicated inflexibility in this regard.

"Two reasons employees are leaving are because of pay and/or lack of growth opportunities. Companies are offering more competitive compensation, but employees also want opportunities to advance to the next level. Also, I do believe that people leave because of their bosses or the management."

—Recruiter at Robert Half with 20 years of experience in accounting and finance talent recruitment

TABLE 5: WORK FLEXIBILITY BY INTENTION TO LEAVE

	Professionals Not Intending to Leave Current Employer in the Next 12 Months	Professionals Intending to Leave Current Employer in the Next 12 Months	Professionals Intending to Leave Current Employer in the Next Six Months	Professionals Intending to Leave the Profession in the Next 12 Months
I do not have flexibility in determining where to work.	17%	29%	33%	29%
I do not have flexibility in determining how to do my work.	7%	20%	25%	20%
I do not have flexibility in determining when to do my work.	16%	37%	38%	26%

Employee Engagement

Improving employee engagement has never caught more attention than in response to the trend of "The Great Resignation" attributable to the COVID-19 pandemic.[16] A much larger percentage of accounting and finance professionals who intended to leave their employer or the profession reported being disengaged with work or the workplace (see Table 6).

A closer look at the reasons for disengagement (see Table 7) revealed that approximately one-fifth of those who planned to leave cited inadequate recognition of their contributions as the top contributor, followed by a lack of growth opportunities, working overtime, and the absence of care from leadership.

TABLE 6: EMPLOYEE ENGAGEMENT BY INTENTION TO LEAVE

	Professionals Not Intending to Leave Current Employer in the Next 12 Months	Professionals Intending to Leave Current Employer in the Next 12 Months	Professionals Intending to Leave Current Employer in the Next Six Months	Professionals Intending to Leave the Profession in the Next 12 Months
Not engaged with work or the workplace	5%	26%	31%	25%

"I see five main reasons why employees leave. The first is the lack of workplace flexibility. Second, not being offered salaries that align with current market rates. The third factor is lack of alignment with management style and company culture. Fourth, there is no room for growth. Finally, the fifth reason, which is particularly prevalent today, is that many employees are feeling burnt out."

—Recruiter at Robert Half with eight years of experience in accounting and finance talent recruitment

TABLE 7: REASONS FOR DISENGAGEMENT FROM WORK OR WORKPLACE BASED ON INTENTION TO LEAVE

	Professionals Intending to Leave Current Employer in the Next 12 Months	Professionals Intending to Leave Current Employer in the Next Six Months	Professionals Intending to Leave the Profession in the Next 12 Months
My contributions are not adequately valued in my organization.	21%	21%	20%
I do not have enough opportunities to grow and develop.	18%	15%	11%
I was overworked for too long and chose to disengage.	16%	16%	15%
I do not feel that my leadership cares about my well-being.	14%	16%	22%

Sense of Belonging

Another key finding among the drivers of turnover is that accounting and finance professionals intending to leave their employer or the profession do not feel a strong sense of belonging within their organization. More than 40% of those who intended to leave in the next six or 12 months highlighted the absence of a strong sense of belonging in the workplace, while only 10% of those intending to stay shared the same perspective (see Table 8). Similarly, a significantly higher percentage of those who intended to leave do not feel valued, respected, or supported within their organization, potentially contributing to their decision to leave their current employer and/or the accounting and finance profession. •

TABLE 8: SENSE OF BELONGING BASED ON INTENTION TO LEAVE

	Professionals Not Intending to Leave Current Employer in the Next 12 Months	Professionals Intending to Leave Current Employer in the Next 12 Months	Professionals Intending to Leave Current Employer in the Next Six Months	Professionals Intending to Leave the Profession in the Next 12 Months
I do not have a strong sense of belonging within the organization I work for.	10%	43%	42%	33%
I do not feel valued, respected, or supported within the organization I work for.	12%	46%	47%	36%

In Their Shoes:

Perspectives on Job Departures

This section incorporates quotes from open-text survey responses to provide firsthand insights from accounting and finance professionals who intended to leave their employer or the profession, highlighting their reasons and experiences.

REASONS TO LEAVE THE EMPLOYER

“I'm looking for a team that's ready to work together for success, rather than everyone just looking out for their own accomplishments, regardless of the impact on the company or coworkers.”

“I dislike the work, and my manager is incompetent and unreasonably demanding without understanding what he's asking for.”

“There's a lack of advancement opportunities in this organization unless you're potentially willing to relocate. The management team is ineffective and consistently delivers poor results. Poor business decisions are continually tolerated and pursued.”

“First and foremost, there's the unfair treatment, bias, and weak leadership competence. The line between ethics and morals is razor-thin, and leadership positions are given by the board or influential people. I won't compromise my morals for an underpaid job.”

“Lack of promotional opportunities is evident. By the time I leave, I'll have several certifications, but no career advancement. The only way up in my department is if my manager quits or gets promoted. I don't want my growth tied to someone else's fate.”

“There's a lot of politics in my organization I don't agree with. Many employees, including me, are taken advantage of. Despite good pay, the disparity between favored employees and those who drive the company is huge. When things work based on my insights, others get the pay and bonuses, while I work long hours.”

“I can't maintain 65-hour workweeks. The impact on my health from such demands is due to poor leadership.”

“After being with the organization, I don't see potential advancement despite increased responsibilities.”

“I left because of a lack of advancement and development opportunity, coupled with poor decision making by non-business-minded executives.”

“Being perpetually short-staffed means taking on more duties and working extra unpaid hours, affecting my work-life balance.”

“The pay is low for the amount of work, and the commute is far from my residence.”

"My role and responsibilities have shifted significantly over the past three years. I don't enjoy working with my current supervisor or another manager. I'm considering starting fresh elsewhere because of my husband's relocation."

"If opportunities for better pay or more engaging work arise, or if I can pursue my passion for politics, I might leave. Pay is a growing concern, especially with rising costs and student loans."

"Micromanagement is rampant with the new COO, and the pay in accounting is not fair compared to the rest of the organization."

"The environment is stressful due to long hours. Hiring competent newcomers is lacking, resulting in more pressure on the veterans."

"The pay doesn't justify the 24/7 availability they demand. The firm's reluctance to hire or invest in workload-reducing technology is concerning. There's also a mismatch between the firm's DE&I values and some client beliefs."

"Like many higher education institutions, my employer doesn't offer a competitive wage. I'm looking for better pay without the need to be available all the time."

"Leadership is lacking, and we're often understaffed to save money. This leads to long work hours and more tasks. The focus is more on closing books quickly than accuracy. I'm burned out and even considering leaving the profession."

"I've probably reached my limit here in this niche area. There's too much manual work and no time for growth or bigger projects."

"The general challenges with the CPA profession combined with the firm's push to return to the office instead of promoting remote work are problematic."

"I recently quit a high-paying tax job. The documentation was poor, feedback was demoralizing, and timelines were tight."

"The firm is rapidly growing, and there's an emphasis on younger workers."

"Public accounting's long hours don't feel worth the pay, especially without overtime. The reward structure benefits partners more."

"The work isn't challenging enough, and my actual responsibilities differ from the job description I was given."

"High staff turnover at lower levels leaves more work for management."

“If there’s no opportunity to advance and contribute, I’ll seek out places where I feel valued and needed.”

“I feel like I’ve peaked at my current job with no room for growth.”

“It seems I’m being ‘succession planned’ out. My leadership role has been reduced over the years, and I believe they want me to retire for a younger replacement. But I don’t plan to retire soon.”

“I’d prefer my next job to be remote. I’ve successfully worked remotely before it became popular.”

“The health system is cutting staff and projects due to financial challenges.”

“The extreme workload, which includes weekends and late nights, lacks recognition.”

“There’s no advancement, and the current CFO doesn’t delegate or share responsibilities.”

“The company has heavily shifted focus to demographics over skill. This is impacting our profits and stability.”

“A lack of challenge and leadership changes that don’t align with my values are concerning.”

REASONS TO LEAVE THE PROFESSION

I am extremely tired of the politics and the pervasive lack of accounting knowledge throughout the organization. I feel undervalued, underestimated, and underappreciated despite my hard work in improving processes, policies, and practices. Despite my efforts, I have received no promotion or recognition. I have constantly guided many people through ERPs and basic accounting. It's unacceptable that I have to beg for support to hire staff and get things done. I've had enough and no longer care."

The work is tedious and miserable. The compensation is low compared to other fields. The work hours are long when measured against other professions."

I desire a role with fewer ties to the calendar to achieve a better work-life balance."

The profession demands too much, affecting work-life balance. It's challenging to raise a family, and the mental toll is high. Other fields offer better pay."

The work hours in most places are unhealthy. No one should work more than 40 hours weekly unless there's a substantial compensation boost for everyone, not just senior managers and partners. If 45 hours per week is expected, the pay should be at least 150% of what someone working 40 hours a week receives. Under no circumstances, regardless of the compensation, should someone work 60 hours a week."

I have aspirations of living abroad and want to chase that dream."

Beyond a point, the profession focuses more on sales and entrepreneurship than on the technical knowledge learned in school and for the CPA exam. In education, there's no emphasis on how the focus shifts from accounting to revenue generation for the firm."

I left my high-ranking position to become a stay-at-home mom. The profession and state society aren't conducive to balancing work commitments with family responsibilities."

CPA firm leaders perpetuate a culture of focusing on financial gains at the executive level. Instead of prioritiz-ing work-life balance and efficiency through technology, they focus on billable hours and extracting maximum value from staff."

“The hours are long and unreasonable. I'm in my 40s, financially secure, and ready for a change.”

“The CPA profession is stressful. Accounting standards are ambiguous, and transactions are becoming more complicated. There's limited automation available for things like leases, resulting in many manual transactions. With fewer accountants, there's more work and, consequently, more stress.”

“The CPA profession hasn't advocated for its members' better working conditions. While new standards are being introduced, the core issue of limited tools remains unaddressed.”

“I don't believe the industry is set up for long-term success. The demands on young staff, coupled with unrealistic work-life balances, lead to early-career burnout.”

“I left the profession due to the low pay, excessive work hours, and the overall negative atmosphere among my coworkers.”

“I struggle to see the benefits of the work and often disagree with our direction. We're responsible for our own talent shortage, and we seem trapped in our ways.”

“I left public accounting because of the long hours, lack of support, and the corporate structure. Now, working part-time in the private industry, I'm much happier.”

“If I decide to leave, it's due to narcissistic management, lack of hybrid work offerings, low pay, limited benefits, inflexibility, unfriendly staff, no advancement opportunities, no work-life balance, excessive overtime, and being contacted outside of working hours.”

“The repetitive closing cycle lacks engagement and fulfillment.”

“The compensation is low given the number of hours required, especially when compared to fields like IT.”

“I'm phasing into retirement. Although it's primarily seasonal, I still visit weekly during the offseason.”

“I aim to pursue something more intriguing and fulfilling.”

“There is a noticeable lack of opportunities for meaningful advancement.”

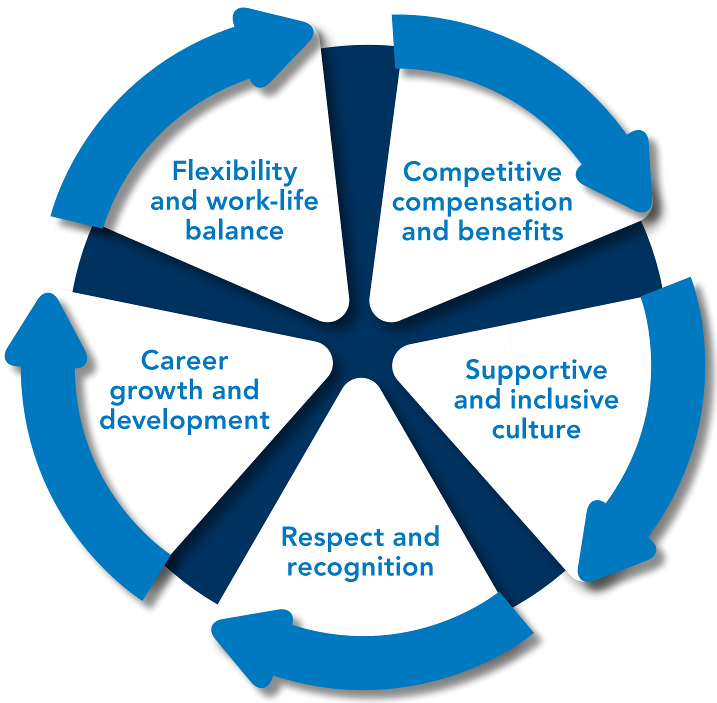
“I'm at the age of retirement, and reflecting on it, choosing accounting as a career hasn't been fruitful for me. If given another chance, I wouldn't pursue a CPA designation.”

“This trajectory isn't sustainable; the hours and associated stress levels are untenable.”

PART II

Where We're Going:
Strategies for Change

Successful strategies for talent retention are often based on a comprehensive approach that combines competitive compensation and benefits with policies and initiatives such as fostering an inclusive and supportive workplace culture, respecting employees and recognizing their performance, providing career growth and development opportunities, and promoting work-life balance through flexible work arrangements.



"Organizations need to invest in their people operations—meaning having someone look at the employee experience to make sure that the company is providing the right resources and tools so employees will stay with them long-term."

—Recruiter at Robert Half with 26 years of experience in accounting and finance talent recruitment

Strategy No. 1: Offer Competitive Compensation and Benefits

Offering competitive compensation packages is a crucial component of an effective talent retention plan, emphasized by an overwhelmingly large number of survey respondents. Seventy-nine percent of accounting and finance professionals intending to stay with their employer reported receiving outstanding "perks" on the job. Eighty percent agreed that they were well compensated, and 83% were satisfied with their benefits. Employers need to ensure employees are not only paid at or above market rates, but that they also are offered performance bonuses, comprehensive benefits (e.g., health insurance and retirement benefits), and other perks (e.g., tuition reimbursement, a stipend for home offices, and a flexible time-off policy).

"If employees know [they can get] higher compensation, they will put themselves out there. Also, competitive compensation packages (including benefits) are attractive. The cost of benefits has gone up, and oftentimes the cost is passed along to employees, which can weigh heavily on someone who's covering a family. Other perks such as bonuses, time off, etc., make a difference as well."

—Recruiter at Robert Half with 14 years of experience in accounting and finance talent recruitment

79%

The perks on this job are outstanding.

80%

I am well compensated for my level of performance.

83%

The benefits are good on this job.

WHAT CAN LEADERS DO?

01
Conduct market research and evaluate what peers are doing to stay competitive in overall compensation.

02
Adopt a performance-based bonus system to reward exceptional performance.

03
Regularly assess and update compensation packages to ensure competitiveness.

04
Consider offering monetary and nonmonetary perks, such as extended or flexible vacation time, tuition reimbursement, stipends for home offices, etc.

05
Clearly communicate to employees how the compensation structure is determined.

06
Regularly collect feedback from employees to understand what additional benefits they value.

"If I were a company leader, I would evaluate what my peers are doing to retain talent to make sure that I stay competitive. I would then look at the compensation package, flexible work arrangement, etc., that my organization offers. For certain industries, such as SaaS [software as a service] companies, they are mostly fully remote while others such as manufacturers are almost fully on-site. To stay competitive, you will have to do the same thing if you are in that industry."

—Recruiter at Robert Half with 20 years of experience in accounting and finance talent recruitment

Strategy No. 2: Foster a Supportive and Inclusive Organizational Culture

Many respondents who intended to stay with their current employer underscored the importance of fostering a supportive and inclusive corporate culture and work environment. In particular, 95% of these respondents stated they believe they are a good match for their organization, and 92% felt they are a good fit with the culture in their organization. According to accounting and finance professionals surveyed, an environment that embraces open communication; diversity, equity, and inclusion (DE&I); and employee engagement (see "What Can Leaders Do?" for specific actions that can be taken) is more likely to retain top talent.

"Talk to your employees. For example, ask them, 'On a scale of one to 10, how happy are you?' 'What would give you the ultimate job satisfaction?' 'Have you thought about leaving and why?' There is no one-size-fits-all approach since every employee has different needs and desires."

—Recruiter at Robert Half with 13 years of experience in accounting and finance talent recruitment

95%

I feel like I am a good match for this organization.

92%

I fit with this organization's culture.

WHAT CAN LEADERS DO?

01

Facilitate open dialogue and inclusive communication and collaboration across teams.

02

Ensure strong engagement and active leadership by example.

03

Provide forums for employees to share feedback on how they feel valued and supported, and what might improve a sense of belonging.

04

Implement DE&I policies (see an inventory of actionable DE&I solutions in *Diversifying Global Accounting Talent: Actionable Solutions for Progress*).

05

Provide regular DE&I training to employees at every level.

06

Strengthen DE&I initiatives to support employees who are members of underrepresented groups and allyship to promote diverse representation at all levels of the organization.

07

Continuously assess and update DE&I strategies based on employee feedback.

08

Establish safe and, where appropriate, anonymous communication channels for employees to report instances of discrimination, bias, and exclusion, and address these instances promptly and effectively.

Strategy No. 3: Respect and Recognize Employees

The importance of respecting employees and recognizing their performance appropriately was highlighted by many respondents. This includes valuing employee contributions and performance, cultivating a culture of respect and appreciation, giving employees a voice by involving them in decision making, and providing constructive feedback.

WHAT CAN LEADERS DO?

01 Foster a culture where all employees' opinions and ideas are respected and valued.

02 Set examples of respectful behavior from the top down.

03 Provide clear guidelines for accountability and fairness for employees at all levels.

04 Empower employees to make decisions relevant to their work.

05 Implement a performance-recognition program to celebrate employee achievements.

06 Highlight and celebrate employee accomplishments in team meetings.

07 Hold regular one-on-one meetings with individuals to provide feedback.

08 Establish clear expectations and procedures to address underperformance, such as a performance plan.

Strategy No. 4: Provide Career Growth and Development Opportunities

Survey respondents emphasized strong demand for professional development and growth opportunities to achieve their career goals and aspirations. To retain talent and achieve sustainable organizational growth, employers should invest in employee development through continuous education, personalized career development planning, and other upskilling initiatives.

WHAT CAN LEADERS DO?

01 Establish clear and transparent career advancement paths within the organization.

02 Develop programs that provide mentoring and coaching to employees in a way that is accessible to all staff.

03 Implement leadership training programs to cultivate future leaders within the organization.

04 Offer opportunities for employees to take on more challenging work.

05 Invest in technology to allow employees to focus on strategy.

06 Provide continuous learning to employees through workshops, courses, job shadowing, job swapping, and opportunities to attend professional conferences or events.

07 Support employees in pursuing professional certifications and higher education relevant to their roles.

08 Adopt job rotations and offer cross-training programs to expose employees to other areas of the business and to expand their skill sets.

09 Recognize and reward employees who actively and successfully pursue professional development opportunities.

10 Regularly review and update employee development programs according to employee feedback and industry best practices.

Strategy No. 5: Provide Flexibility and Work-Life Balance

Employers can support employee well-being by creating an environment that promotes better work-life balance. This can be achieved by allowing flexible working hours, offering hybrid or remote work arrangements when possible, encouraging autonomy in determining how work is performed (where appropriate), and investing in initiatives focusing on physical and mental health as well as the overall wellness of employees.

WHAT CAN LEADERS DO?

01 Establish policies for flexible working hours.

02 Enable hybrid or fully remote work arrangements when possible.

03 Provide tools and technological support to facilitate remote working.

04 Encourage employees to innovate or take different approaches to problem solving and task execution.

05 Adopt wellness programs for employee physical and mental health.

06 Set realistic expectations and proactively monitor workloads to avoid employee burnout.

07 Encourage employees to take their fully accrued vacation time.

08 Respect employees' personal time and personal interests or hobbies outside of work.

09 Evaluate employee satisfaction regularly and adjust as necessary.

In Their Words:

Recommendations on Retention Strategies

Featuring quotes from open-text survey responses, this section provides valuable suggestions and recommendations directly from accounting and finance professionals surveyed, with the aim of informing and guiding talent retention strategies within the organization.

RECOMMENDATIONS FOR TALENT RETENTION

“Emphasize personal and professional development to properly equip future management/leaders, recognize the importance of personal well-being and mental health, and implement solutions to assist with both.”

“Utilize technology to reduce strain and workload and increase efficiency.”

“They need to recognize talent and be appreciative of those who deserve recognition. Not only through higher compensation but also by speaking to them about doing a good job.”

“Increase flexibility to retain and attract talent.”

“Embrace diversity in all dimensions, not just protected classes.”

“Help [employees] grow into the profession and become valuable assets to clients and coworkers.”

“Keep [employees] engaged by making continuous improvement and training a priority. Make them feel appreciated.”

“Pay employees well and treat them with respect. Communicate clearly plans for their growth, as well as regular feedback on how they can improve, with praise for where they are already achieving highly.”

“Allow for full-time remote work. [It is] better for mental health and the environment.”

“Be flexible and provide opportunities to grow.”

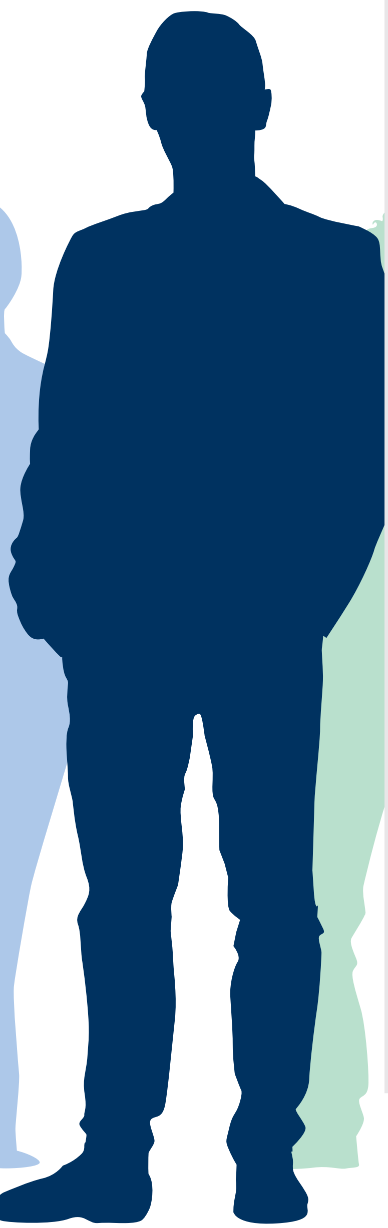
“Appreciate them and provide them the tools to create value within the organization.”

“Increased salaries, less hours, more flexibility in working wherever you want.”

“Treat them well, offer support, and pay well.”

“Add bonuses below the manager level, work with each associate for a training and development plan, subsidize CPA licensure and CPE training, cross-train, and add an off-site team-building trip.”

“Help ensure there are no salary inequities between positions, especially for females.”



“Additional respect for the skills and accomplishments of accounting and finance professionals and the impact they have on the organization. Better compensation in light of the importance of the function.”

“Provide more flexibility regarding work location and schedule arrangements.”

“Focus on developing a supportive work culture and promoting healthy interpersonal relationships between coworkers.”

“Continue to allow flexibility in work location and schedule while also offering perks such as early Fridays.”

“Hiring entry-level employees and allowing them to grow within the corporation is important.”

“Emphasize their value to the organization, keep compensation up to market standards, give them predictable and understandable compensation structures.”

“Provide recognition and show value for the team to other departments. Flexible work schedules.”

“Listen, evaluate talent, support good talent, reward good work fairly.”

“Treat [employees] well and make them feel valued in the work they are doing.”

“Make the work environment enjoyable. Get [employees] involved in the company. Make them feel wanted and their ideas are heard and needed.”

“Invest in [employees] by hard and soft skills trainings, and trust them.”

“In my experience, respect and compensation are the best ways to achieve retention.”

“Recognize that some of us are introverts who feel drained by social ‘opportunities’ and expectations on the job. If we do our work and meet our deadlines, why isn’t this enough?”

RETAINING TALENT: THE FUTURE OF THE PROFESSION

Talent retention has been increasingly recognized as a critical strategy in sustaining organizational success, and it likely will only become more challenging. Intensifying automation and digitalization in the workplace and a stronger emphasis on overall employee well-being and demand for flexible work arrangements are trends projected to persist, and they could possibly escalate the reshaping of the accounting and finance profession.

Emerging challenges abound in the accounting and finance profession. Advancements in technologies, such as artificial intelligence and data analytics, are redefining accounting and finance roles, requiring upskilling or reskilling to achieve a higher level of digital literacy among professionals in accounting and finance. Furthermore, shifts in workforce demographics, with the retirement of a significant portion of Baby Boomers and the entry of Generation Z into the workforce, will inevitably alter the profession's dynamic. Meanwhile, evolving employee expectations, including a greater focus on work-life balance and meaningful work, call for a reevaluation of existing talent retention strategies.

Looking ahead, organizations will have the opportunity to adapt to these changes and succeed in retaining top talent through:

- Providing competitive compensation and benefits,
- Creating a supportive and inclusive work environment,
- Cultivating a culture of respect and recognizing outstanding performance,
- Providing professional growth and development opportunities, and
- Promoting a healthy work-life balance through flexible work arrangements and a holistic offering to employees that extends beyond performance of work tasks.

Organizations will also need to construct a sustainable talent pipeline, with a focus on succession planning, mentorship, and an organizational culture that resonates with the values and aspirations of the next generation of professionals. The profession's future direction will be determined by organizations ready to evolve, adapt, and prioritize talent retention. Hence, continuous collaboration, anticipation of market shifts, and agile adaptation will be crucial for successfully navigating this ever-changing landscape. •

APPENDIX: RESEARCH APPROACH

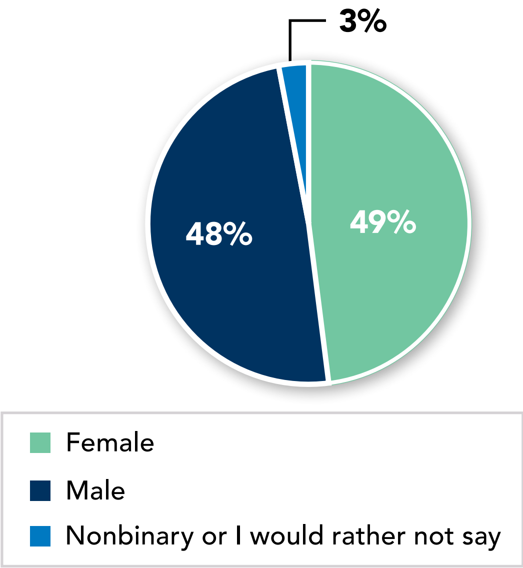
To perform a holistic assessment of the current state of the U.S. accounting and finance profession from a talent perspective, IMA and Robert Half cosponsored a nationwide study focusing on addressing talent retention challenges. With the support and contributions of research partners Association of Latino Professionals For America, California Society of CPAs, Colorado Society of CPAs, Educational Foundation for Women in Accounting, Florida Institute of CPAs, Illinois CPA Society, Kansas Society of CPAs, Kentucky Society of CPAs, Maryland Association of CPAs, Massachusetts Society of CPAs, Michigan Association of CPAs, NABA Inc. (formerly National Association of Black Accountants), Nebraska Society of CPAs, New Jersey Society of CPAs, New York State Society of CPAs, Pennsylvania Institute of Certified Public Accountants, Virginia Society of CPAs, Wyoming Society of Certified Public Accountants, and Healthcare Financial Management Association, this study aimed to identify the following:

- Key factors contributing to job turnover of accountants and financial professionals,
- Major determinants of talent retention among accountants and financial professionals, and
- Strategies needed to address the talent retention challenge in the accounting and finance profession.

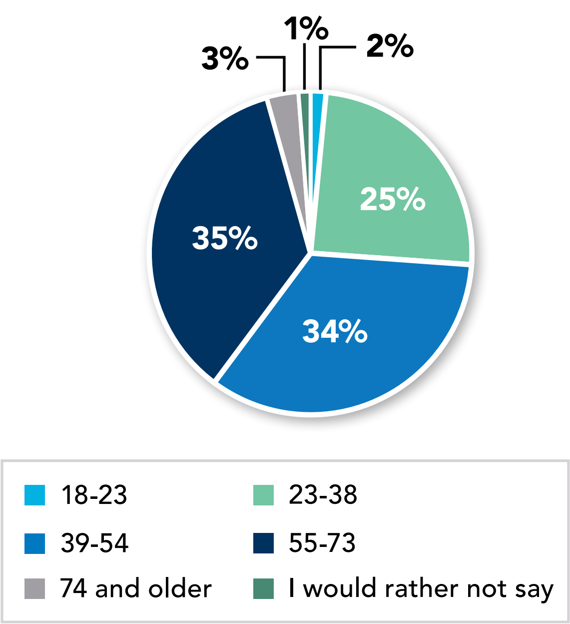
Findings are based on a survey of 1,236 current and former accounting and finance professionals and academics in the U.S., as well as individual interviews with 12 recruiters who specialize in accounting and finance. A summary of key respondent demographics can be found in Figure A1. Of the 1,236 survey respondents and 12 interviewees, 49% self-identified as female and 48% as male. Also shown in Figure A1, 35% of the survey respondents were between ages 55 and 73, 34% were between 39 and 54, and 27% were younger than 39.

FIGURE A1: DEMOGRAPHIC COMPOSITION

Gender



Age



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