



From Straight Lines to Zig Zags

Firms Offering New Routes to
Career Success

BY: CHRIS CAMARA

NOVEMBER 2023

IT IS A VIOLATION OF FEDERAL COPYRIGHT LAW TO REPRODUCE ALL OR PART OF THIS PUBLICATION WITHOUT CONSENT. COPYRIGHT ©2023 INSIDE PUBLIC ACCOUNTING

INSIDE PUBLIC ACCOUNTING

1

The traditional up-or-out career path in the accounting profession is shifting. Rather than the typical ladder or train track, the trajectory these days is looking more like a jungle gym for a growing number of firm professionals.

The most significant contributor to this change is the unprecedented shortage of experienced candidates, combined with dropping numbers of accounting graduates. The number of students who earned a bachelor's degree in accounting during the 2021-22 school year was down 7.8% from the previous year, when the decline was 2.8%, according to an AICPA report released last month. Meanwhile, a growing wave of retirements is exacerbating the problem.

Firms, therefore, have been forced to look to a deeper pool of candidates to fill their ever-increasing staffing needs, including graduates from other fields and individuals who have no intention of earning a CPA license. Fortunately, many of the newer and most in-

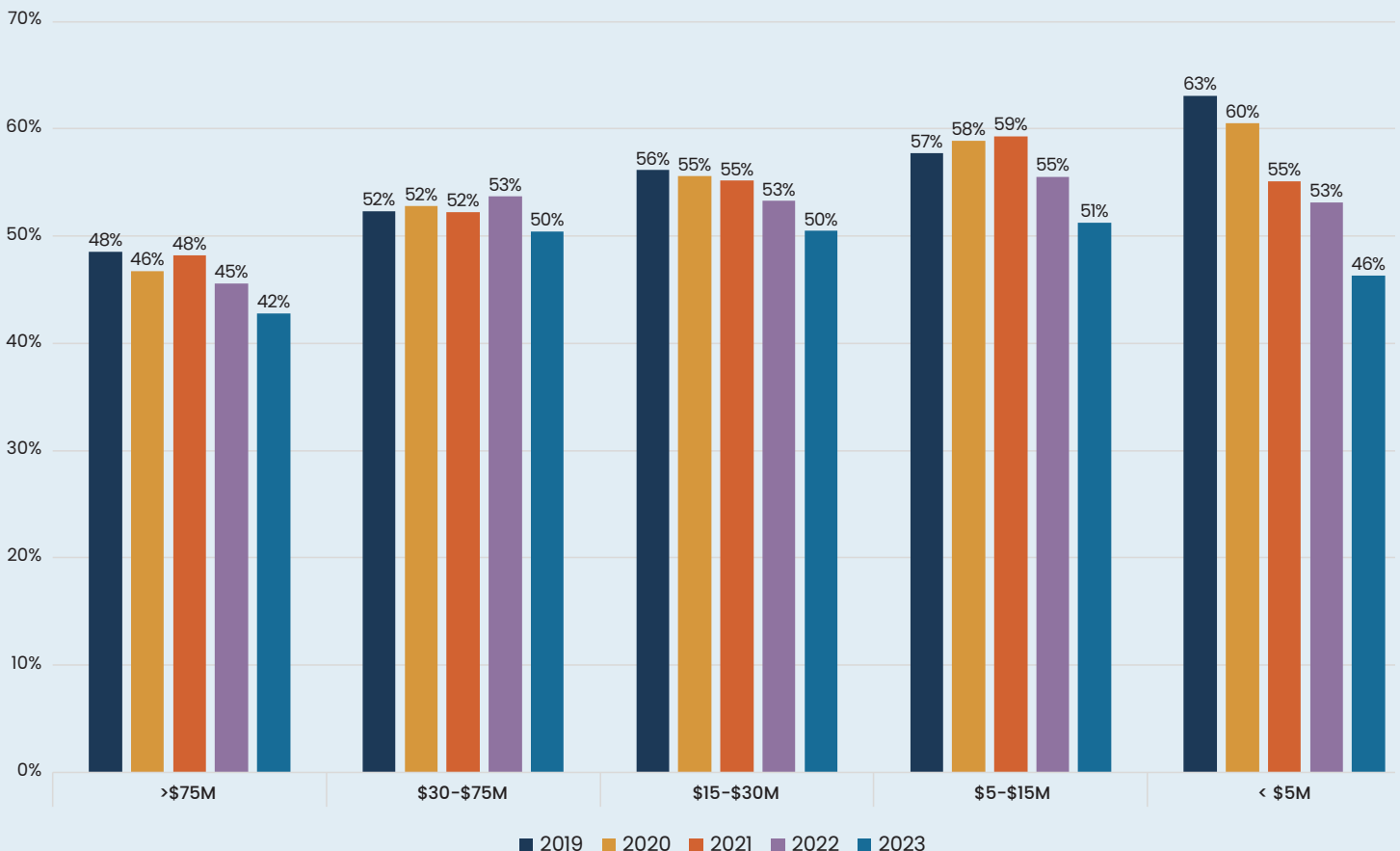
demand roles as firms expand into advisory services don't require a CPA, and staff can enjoy career success without it.

Firms are also outsourcing, both from within the U.S. and offshore, looking not only to beef up their ranks but also to unburden current staffers from mundane tasks, allowing for lowered stress and the ability to try new service areas or get international management experience.

Additionally, recruits and staff, accustomed to work-from-home arrangements accelerated by COVID, are asking for job flexibility that extends beyond where and when they work – and firms are complying.

The combination of these factors creates numerous benefits not only for staff, but for the firms as well. Still, managing staff with customized job descriptions and schedules also has its share of challenges.

Personnel with CPA License



Source: 2023 IPA Practice Management Report

HAPPIER EMPLOYEES = HIGHER RETENTION

The biggest benefit for firms starving for talent is increased retention. Staff are happier with the flexibility that better fits into their daily lives and are more engaged with work they enjoy doing and believe is worthwhile. Firms can scarcely afford to lose any talented employee they have and with staff increasingly seeking a larger purpose than a paycheck, leaders are prepared to deliver.



Rachel Platt

In some ways, firms have no choice but to allow flexibility since they were creating their own retention problems, asserts

Rachel Platt, chief experience officer for offshoring firm **SAPRO**, which has more than 100 firm clients. "People were expressing interest in exploring other opportunities or utilizing their skills in a different way and leaders were very focused on the engagement that was right in front of them that needs to be finished right now," she says.

Instead of steadily moving from staff accountant to senior accountant to manager and then partner, Platt is seeing a number of alternative career paths unwinding across the profession, including: auditing to business development, tax to marketing, assurance to tax, assurance to advisory and government to ESG. Culturally advanced firms that are allowing these switches are building stronger staff relationships, increased collaboration and a solid sense of loyalty, she says. "That's something that we have not seen as deliberately before and more organizations are embracing that now."

Jana Cinnamon, the incoming chair of the **CPA Firm Management Association** (CPAFMA) and the COO of Edina, Minn.-based IPA 200 firm **Abdo** (FY22 net revenue of \$33.6 million), says her firm created two new roles in the past year for tax and audit technical trainers, which took those professionals off the billable hour track. Other

non-traditional roles at the firm include project manager, client service coordinator, process optimization manager and automation engineer. Cinnamon says, "We've had more people asking for unique career paths – people want to choose their own adventure versus the prescribed formula."

Platt notes that firms are also opening their learning and development opportunities to allow electives, so to speak, in different areas. She's observed that while it's not unusual for firms to allow rotations into different services, some are going further and splitting jobs, allowing professionals to divide their time between two separate practice areas.

NON-CPAS CARVING THEIR OWN PATH

The increase in non-CPA hires helps firms that are shifting their emphasis from must-do compliance work to advisory offerings where CPAs aren't required. "There are a lot of opportunities to be super successful," says Cinnamon. "It gives people some greater flexibility to pursue a long-term career in public accounting without needing to get that particular designation."

Some non-CPAs are increasingly given the opportunity for equity partnership, according to the **2023 IPA Practice Management Report**, an analysis of survey data from 600 top accounting firms. Of all non-Big 4 survey respondents, 27% have non-CPA owners, and for

firms over \$50 million, that number jumps to 69%. Non-CPAs still make up a small percentage of total partners, however, at only 3%.

While the benefits of non-traditional career paths are plentiful, such arrangements tend to bring unique challenges as well. While non-CPAs are valuable contributors, firms are still desperate for more CPAs. Platt says one client told her that their firm was struggling. "They can get the people in the door, but they have a harder time progressing them and promoting them without the necessary credentials."



"We've had more people asking for unique career paths – people want to choose their own adventure versus the prescribed formula."

JANA CINNAMON
COO – ABDO

CHOOSING THE RIGHT PROFESSIONALS FOR THE JOB

Alternative paths aren't possible for every hire. The arrangement has to be good for the overall firm and for the clients, not just the employee, Cinnamon says.



Jana Cinnamon

Even when designated for the right people, customizing career trajectories isn't easy. "It takes more time, it takes more energy and it takes more effort than if you just have one traditional path. Certainly there are tons of benefits but it requires more of us and I think that's the downside."

CPA firms are businesses, after all. At Abdo, it's worked well that about a third of employees are working primarily in the office, but it might not at another firm that needs to maintain its physical offices. And not every firm has the capacity to extend flexibility to everyone. "We've got to make sure that we work through the challenges that exist in advance versus waiting for them to happen, and we make sure that we're not overextending ourselves into something that is going to cause problems in the long run."

Cinnamon, through her involvement in CPAFMA, believes exchanging ideas is the best way to get over the fear of change and the tendency to isolate. Because every firm culture is unique, what other firms do can't necessarily be used as a model. "I don't know that the copy and paste model is working really well for anybody."

Platt sums up: "Firms need to recognize that there are options and alternatives that may not have existed before, but with a little bit of effort and a little bit of pain – because there is pain associated with taking people off clients – they can create non-linear career paths that will allow their best performers to be retained in the organization, while adding value to their clients in a variety of different ways that they may not have anticipated." ■