

EMPLOYER **Gardian**

EMPLOYMENT PRACTICES RISK REDUCTION STRATEGIES

FALL • 2005

In the Balance: Weighing in on Work/Life Issues for CPAs

Recent years have given rise to a new mentality in the workforce. It seems that after all this time, the age-old nursery rhyme still rings true: all work and no play make Jack — and Jill — dull CPAs. So today, both men and women CPAs appear to have a better focus on life outside of the office. And while financial success is still the major driver fueling the midnight oil, many CPAs work equally as hard to establish a balance between career and family. And try to have a little fun along the way.

In 2004, the Bureau of Labor Statistics reported that the U.S. labor force consisted of 53% men and 47% women. As women continue to close the workforce gender gap, dual-income families have become the norm, forever shifting the gears of family dynamics. Single income families are increasingly going the way of the adding machine, as women CPAs — many of them mothers — continue to make significant contributions to household earnings.

The work/life balance issue is of particular importance to women CPAs, since the majority, at some point in their career, will probably take a leave of absence to start a family. However, male CPAs have equal room for concern. Today's household duties have become a shared responsibility, and the modern home sees tasks divided equally between men and women. In addition to having children, men and women face new challenges, such as adoption, relocation, and eldercare. At one time, this clash of life vs. career may have resulted in some employees — particularly women — leaving the profession. But these days, more and more firms are recognizing the need to make it easier for employees to make contributions at home and in the office through work/life balance programs.

As CPAs cope with mounting workplace and societal pressures, firms have no choice but to embrace creative hiring practices and develop successful retention strategies for potential and existing employees. Work/life programs give firms an edge in today's competitive job market and allow them to recruit, train, and — most importantly — *retain* top CPAs. Throughout the industry, common work/life offerings include:

- Parental leave
- Adoption assistance and reimbursement
- Childcare services
- School services
- Concierge services
- Working mother support groups
- Privacy rooms for new mothers
- Phased return from leave
- Home/apartment finder services
- Compressed work weeks
- Telecommuting
- Extended family leave
- Eldercare consultations
- Mortgage assistance

- Flex-time
- Part-time work
- Paid time-off programs
- Job sharing
- Hoteling
- Reduced workloads
- Employee assistance

Work/life programs create win-win situations for employees and firms, making it easier for CPAs to balance their lives while increasing firm productivity. As a testament to this mutual victory, work/life programs have become a standard aspect of corporate culture for many well-known, major accounting firms. Some, for instance, offer working mothers flexible schedules, telecommuting options, and job-sharing alternatives, while others provide parental leave, adoption assistance, and more.

Work/life balance programs: worth their weight in gold

As the CPA shortage continues to wreak havoc on firms nationwide, can you risk diluting your talent pool? The short answer is no. And the quick and simple solution is the implementation of work/life solutions to attract and retain top talent. With just a little flexibility, even the smallest firms can create viable work/life programs. It's simply a matter of analyzing corporate culture and assessing the costs and benefits of instilling a unique work/life offering tailored to meet the needs of your firm and your employees.

In addition to building a progressive, well-rounded CPA firm, work/life balance programs can bring you tremendous benefits, including:

• Employee retention

It's no secret that happy people make productive and devoted employees. That's why work/life programs improve firm efficiency, boost employee morale, and increase staff loyalty. Recognizing gender and lifestyle differences through work/life benefits is a surefire way to increase CPA retention and ensure consistent and seamless client service.

• Cost savings

Work/life programs increase employee retention, which in turn affords significant cost savings opportunities. Typically, it costs CPA firms less to retain an employee than to hire a new one. In fact, the American Institute of Certified Public Accountants (AICPA) indicates that replacing an employee who resigns costs 150 percent of the leaving person's salary. In addition to savings realized as a result of employee retention, some work/life arrangements, such as telecommuting, flex-time, or work-at-home configurations can actually offset your firm's operational costs.

(continued on next page)

Visit us at: www.cpai.com

The AICPA Professional and Personal Liability Insurance Programs Committee objective is to assure the availability of quality insurance products at reasonable rates for local firms and to assist them in controlling risk through education. For information about the AICPA Program, call your Regional Representative or the national administrator, Aon Insurance Services, at (800) 221-3023, write Aon at Aon Insurance Services, 159 East County Line Road, Hatboro, PA 19040-1218, or visit the AICPA Insurance Programs website at www.cpai.com.

Aon

AICPA

CNA

CPA EMPLOYER **Gard®**

• A competitive advantage

Creative benefits such as work/life balance initiatives give the firms who offer them a significant recruiting advantage. Work/life programs attract top industry talent, especially women, who tend to seek firms who recognize and accommodate gender and lifestyle diversity. Offering such programs will expand your firm's talent pool and propel you toward becoming an employer of choice.

• Diversity

In today's volatile economy, staffing up with a diverse workforce is one way to ensure success. The bottom line is that flexible work/life benefits will entice experienced men and women to join your firm. With their personal and professional lives well balanced, these CPAs will deliver keen insight and offer different points of view to provide clients with innovative accounting solutions.

• Succession planning

We know. Your future's so bright, you have to wear shades. But who's going to do all of the work when you get there? As the CPA shortage perpetuates, it's important to grow your crop for the future. And this means sharpening your competitive edge to tap a more diverse talent pool. Work/life programs will help you recruit, groom, and keep the nation's leading CPAs to take your firm well into the future.

• A reputation for excellence

Firms who offer work/life programs demonstrate a dedicated commitment to the advancement of CPAs. This publicized respect for intellectual talent and lifestyle differences is an excellent way to promote your firm to both prospective clients and top-notch employees.

The balancing act

For many CPAs, accounting is just a fraction of the work they must complete on a daily basis. And work/life programs can be the perfect solution to help them balance professional and personal duties. By their very nature, work/life programs support the holistic advancement of the profession and cultivate strong, talented, and dedicated CPAs. As the responsibilities of today's CPAs expand well beyond the traditional realms of accounting, forward-thinking firms can no longer afford to alienate CPAs who experience significant life events and require work/life balance solutions. In doing so, they just might risk losing some of the nation's brightest minds.

Brought to you by the AICPA Employment Practices Liability Insurance Program.

Work/Life Resources for Women CPAs

The Work/Life and Women's Initiatives Executive Committee (WLWIEC)

Part of the American Institute of Certified Public Accountants (AICPA), WLWIEC continually looks for and develops products, services and programs designed to help you reach your goals. Whether you're a busy CPA looking for ways to integrate your professional and personal life, or a female CPA seeking to advance your career, WLWIEC offers tools that can be invaluable assets. For more information, visit www.aicpa.org/worklife.

American Woman's Society of Certified Public Accountants (AWSCPA)

AWSCPA is a national organization dedicated to serving women CPAs. AWSCPA provides a supportive environment and valuable resources for members to achieve their personal and professional goals through various opportunities, including leadership, networking, and education. To read more about AWSCPA, visit their website at <http://www.awscpa.org>.

Promoting Your Talent: A Guidebook for Women and their Firms

This book, written by Nancy R. Baldiga, provides practice tips and real life examples from leaders in the profession, as well as suggestions for tackling the obstacles firms and organizations encounter in leadership development and promoting their talent. To purchase this resource, visit www.cpa2biz.com.

AON TRACK

THE RIGHT TRACK FOR EFFECTIVE EMPLOYMENT PRACTICES MANAGEMENT

Visit www.aontrack.com today for quick and easy access to valuable employment practices resources. Available exclusively to CPA EmployerGard policyholders, Aon Track is your one-stop shop for employment practices risk management assistance.

As a CPA EmployerGard policyholder, you can access Aon Track 24 hours a day, seven days a week — at no additional charge. And once you log on, you can take advantage of practical employment practices tools, including:

- Sample policies and forms
- Employee training programs
- Management advice
- Relevant articles
- Claims exposure information
- Best practices recommendations

And much, much more!

Plus, as an additional benefit, you'll receive weekly training bulletins on important, timely topics, such as employment practices law, workplace relations, and management and leadership.

Don't let this valuable resource go to waste! Simply call (800) 205-5262.

Just mention you are a CPA EmployerGard policyholder, and get started on the right track with Aon Track today!

Managing Your Most Important Investment

According to the U.S. Department of Labor's Bureau of Labor Statistics, overall employment of human resources training, and labor relations managers and specialists is expected to grow faster than average for all occupations through 2012. Spurred by dramatic company growth, a competitive job market, and increased legislation involving occupational safety and labor laws, the need for HR management has become a significant concern for many companies. And it is only expected to persist.

What is Human Resources?

In broad terms, Human Resources, more commonly referred to as HR, is the management of your firm's most valuable assets — your employees. Although it's been said before — a business is only as good as the employees who work for it — the old cliché still holds true. Your employees are the face of your firm. The front lines. They are your biggest investment, and you should treat them as such through attentive management and administration.

In a sense, establishing an HR capacity for your firm is good investment management. But it doesn't mean you have to devote exorbitant amounts of time or money to create an entire HR department. While most large firms dedicate entire departments to HR and hire specialists to fulfill various HR niches, smaller firms often opt to employ a single HR generalist who supports several essential functions at once. Other firms may choose to train staff members to handle specific HR functions or opt to outsource HR altogether, delegating specific tasks to qualified HR consulting companies. No matter what option your firm chooses — from a department to a single practitioner — the important thing is that you incorporate human resources management into everyday firm practice.

HR professionals oversee the human aspect of the workplace by assuming numerous job responsibilities, including:

- **Recruitment and retention** — A major function of HR professionals is the recruitment and retention of CPAs and staff. HR professionals are dedicated to finding the right fit for your firm both personally and professionally.
- **Compensation** — Since compensation is a major draw for prospective employees, HR professionals work with your firm to ensure that salaries meet company budget guidelines and still remain attractive and competitive.
- **Benefits** — The world of benefits is as complicated and varied as tax law, but HR professionals are experts in the field. With HR, employees have a dedicated resource to consult regarding insurance, 401Ks, and other benefits.
- **Employee relations and corporate communication** — HR ensures open communication and oversees the welfare of employees. Happy employees are the best kind, and they work harder and longer than employees who feel no connection with the company they work for.

- **Training and development** — Accounting is an ever-changing field in which CPAs must meet annual education requirements to stay ahead of the curve. HR can coordinate training and development programs to keep your staff on the cutting edge.
- **Legal issues** — HR will make sure your firm is compliant with all federal and state labor laws. In addition, HR will maintain knowledge of employment practices law and inform you about pertinent risk management considerations to reduce your liability exposure.
- **Termination** — It's a dirty job. But somebody has to do it. HR professionals assess employee behavior and performance, and when needed, fulfill the unsavory duty of terminating employees.

What can HR bring to your firm?

One of the most compelling reasons to embrace HR is that it allows CPAs to focus on what they do best — accounting — and leaves employee administration to the experts — HR professionals. Ultimately, HR increases firm productivity and efficiency by ensuring that all employees are fulfilling their core competencies. Specific functions of HR that may add value to your firm include:

Staff management

The right people can make or break your firm, so it's important you only hire the best and the brightest. HR will assume all hiring responsibilities, including recruitment, retention, and termination. By filling job openings with the appropriate prospects, your firm will experience improved efficiency, and in the end, a better work product. HR professionals understand the importance of hiring people who support firm business goals, and they work diligently to ensure that all candidates meet stringent job requirements. In addition, proper HR hiring practices can contribute toward establishing a culture of firm diversity, which is an important contributor to future success.

Employee handbook development

An employee handbook is an essential tool for successful firm management. Regardless of your firm's size, it's important to use a handbook to develop and document your policies and limit your employment practices liability exposure. HR can work with you to create a comprehensive handbook that will function not only as the foundation for company policies and procedures, but as an employee guide detailing firm history, job descriptions, job requirements, time-off, benefits, etiquette, work hours, and anything else employment-related. A good handbook will offer specific guidance on terms of employment, your non-harassment policy, family and medical care leave, pregnancy leave, and more. With a thorough handbook, you won't have to worry about conveying important information to your employees; HR will take care of it for you.

Financial delivery

All HR functions work toward one common goal — a positive return on investment. HR realizes that your firm has a lot vested in

(continued on next page)

Help is Just A Telephone Call Away

For immediate legal advice on employment law and practice management issues such as employee termination and employer documentation, call **(800) 569-3679**. As a CPA EmployerGard policyholder, your firm is entitled to 30 minutes of legal advice per month from experienced attorneys at the national employment and labor law firm of Ford & Harrison, LLP (at no additional charge). Please have your CPA EmployerGard policy number handy.

your employees and works hard to protect and nurture this important venture. Overall, core HR operations can help improve your firm's bottom line. Hiring skilled and experienced people increases quality and productivity, which in turn boosts profit margins. Similarly, providing training — whether it's a class on new tax laws or a risk management seminar — enables new and veteran employees to make better contributions to your firm. By designating employment-related tasks to HR, you are able to build your business and develop your employees while you focus solely on the CPA work you must perform. HR enhances your firm's overall work experience by providing benefit assistance and employee relations support, thus creating cost savings opportunities through increased employee retention.



HR for the future

HR for the future

In the end, HR really boils down to common sense. In order for your firm to operate at maximum efficiency, your employees must be well managed — both professionally and personally. As a business owner, you most likely don't have time to oversee the day-to-day functions that effective HR demands, and you should

consider exploring opportunities to allocate these responsibilities to other individuals who can be 100 percent dedicated to the cause.

Today, more and more companies are realizing the important role that HR plays in strategic business organization. As the demand for CPAs continues to grow and tax laws become more complex, accounting firms will increasingly look to HR to handle recruitment, training, labor law, and many other employment-related issues. To help position your firm for the future, focus first on the resources at hand — your human resources.

Brought to you by the AICPA Employment Practices Liability Insurance Program.

DID YOU KNOW?

As a CPA EmployerGard policyholder, you have access to a virtual HR manager through Aon Track, our complimentary, web-based human resources database. Aon Track offers risk management assistance, including valuable information about hiring practices, workplace policies and procedures, benefits, employment law issues, and employee training.

In addition to providing 24/7 access to articles and tools on the website, www.aontrack.com, Aon Track also distributes weekly training bulletins that contain important news about best management practices and workplace issues. Even if your firm can't afford to dedicate specific resources to HR right now, you can still consult Aon Track and reap the benefits of human resource management — at no additional charge.

For more information, call (800) 205-5262 today!



For more information on Employment Practices Risk Management or past issues of the *EmployerGardian*, please visit www.cpai.com

Aon Insurance Services is a division of Affinity Insurance Services, Inc.: in CA, MN & OK, (CA License #0795465) Aon Insurance Services is a Division of AIS Affinity Insurance Agency, Inc.; and in NH & NY is a Division of AIS Affinity Insurance Agency.

These articles should not be construed as legal advice or a legal opinion on any factual situation. As legal advice must be tailored to the specific circumstance of each case, the general information provided herein is not intended to substitute for the advice of professional counsel. CNA does not make any representations, endorsements, or assurances about information contained on the website referred to herein or the accuracy of any information contained on such site. The views, statements and materials contained on this website are solely those of the owner of the site.

The statements, analysis and opinions set forth in these articles are solely those of the author and do not reflect the statements, opinions or analysis of any third party, including CNA or any of its subsidiary or affiliated companies.

Continental Casualty Company, one of the CNA insurance companies, is the underwriter of the AICPA Employment Practices Liability Insurance Program.

CNA is a service mark registered with the U.S. Patent and Trademark Office.
Copyright © 2005, Continental Casualty Company. All rights reserved.

