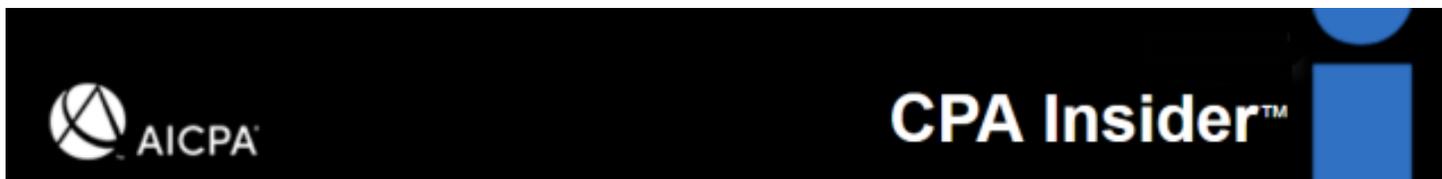


Journal of Accountancy



Stop scaring away your future leaders

A good start would be to quit doing these 8 things.

By Jennifer Wilson

November 6, 2017

Keeping top talent was listed as a top five issue for almost every size firm in the 2017 [PCPS CPA Firms Top Issue Survey](https://www.journalofaccountancy.com/news/2017/jun/staffing-concerns-top-list-of-cpa-firm-issues-201716859.html) (<https://www.journalofaccountancy.com/news/2017/jun/staffing-concerns-top-list-of-cpa-firm-issues-201716859.html>) released earlier this year by the AICPA Private Companies Practice Section. Talent retention also is a strategic imperative for almost every firm I encounter. Still, firm leaders continue to engage in behaviors that cause future leaders to feel fear and doubt about a future in public accounting. This article explores eight things firms do that future leaders really dislike and some things to consider doing instead.

If you want to scare your future leaders away, keep:

- **Resisting change:** Future leaders are sure their firm could be better. Their ideas for change include implementing lean processes, leveraging new technologies, supporting remote work, offering clients a truly digital experience, and more. *If you want to engage, excite, and retain future leaders ask for their top three ideas for change. Empower them to implement those ideas and then get out of the way.*
- **Making partnership look like hardship:** Ever heard one of the following at your firm: "This was my hardest tax season in 32 years" or "I've worked more hours in the last year than I can ever remember." Partners sometimes make the mistake of focusing on the negative, telling war stories, and pulling out their "red badge of courage" for all that they are sacrificing. While you don't want to hide the truth about the challenges of ownership or flaws in the current busy season business model, focusing too much on the problems can scare away your future leaders. *If you are experiencing these negative things, see my first suggestion and ask your future leaders to generate and implement ideas for change.*
- **Minimizing the money:** The [INSIDE Public Accounting 2017 National Benchmarking Report](http://blog.insidepublicaccounting.com/2017/09/inside-public-accounting-releases-2017-national-benchmarking-report/) (<http://blog.insidepublicaccounting.com/2017/09/inside-public-accounting-releases-2017-national-benchmarking-report/>) found that average partner compensation (across all size firms) was \$456,043. While many firm partners earn well below this, it is a benchmark to which future partners can aspire. And yet many firm partners "poor-mouth" the financial rewards of partnership. This is a serious mistake, given the importance of compensation as a decision factor for future leaders. Instead, *increase your firm's transparency around financial performance and share your average partner earnings and/or other statistics that make the financial benefits clear. If you aren't able to do this because your firm is not performing well, go back to pitfall No. 1 and stop resisting change.*
- **Infighting:** Your team members know when there's tension between partners or when the partner group is not aligned. When you disparage your fellow partners, future leaders wonder how much joy or appreciation they'll experience when they join your ranks. Infighting usually slows change and is destructive to overall firm performance. *If you have unity issues at the partner table, consider [these strategies](https://www.journalofaccountancy.com/newsletters/2015/oct/six-partner-unity-strategies.html) (<https://www.journalofaccountancy.com/newsletters/2015/oct/six-partner-unity-strategies.html>) to resolve them.*
- **Being a victim:** When you endure a dysfunctional partner or team member and act as if you have no power to change the situation, it is disheartening to your whole team—and especially to your future leaders. Why would they want to be an owner in a firm with this kind of "unsolvable" problem? Dysfunctional behavior is demoralizing and de-energizing to your people and clients. *Quit standing by helplessly and drive behavioral change using [these ideas](https://www.journalofaccountancy.com/newsletters/2017/feb/dealing-dysfunctional-people-work.html) (<https://www.journalofaccountancy.com/newsletters/2017/feb/dealing-dysfunctional-people-work.html>).*
- **Complaining about your firm's buyout:** Be careful whom you tell that your firm's buyout or deferred compensation is "too rich" to be affordable or "not rich enough" to be worth it. If you're telling this to future leaders, why would they want to participate? *If your firm's buy/sell or deferred compensation needs an overhaul, engage a consultant to renegotiate and avoid hallway chatter about the process until it is resolved.*
- **Acting like you might sell:** I am amazed by this one! If your firm is considering a merger of equals or a merger "up" into a larger firm, talking about it before you are 100% certain serves only to destabilize your asset and cause fear in your ranks. Why would a future leader, especially one with potential job offers waiting, hang around while you guys figure it out? *Don't hypothesize, joke, or hint at merging. Create a clear vision for your firm's future and execute on it. If it includes a merger, bring your future leaders into that strategy discussion at the right time—but not before it's fully baked and you have a clear idea of how the move will benefit them.*
- **Remaining silent about the path to partner and timing:** Future leaders want to know! What is the potential timing of my next promotion? How far away am I from partner? What, specifically, do I need to achieve in results to reach the next level? Staying silent because you're not certain, or you're afraid the timing is too far off, is a mistake. *Sit down with your bright future leaders and find out what they most want from their careers. Ask them [these questions](https://www.aicpastore.com/Content/media/PRODUCER_CONTENT/Newsletters/Articles_2013/CPA/Feb/FuturePartners.jsp) (https://www.aicpastore.com/Content/media/PRODUCER_CONTENT/Newsletters/Articles_2013/CPA/Feb/FuturePartners.jsp). Share with them [these answers](https://www.aicpastore.com/Content/media/PRODUCER_CONTENT/Newsletters/Articles_2012/CPA/Nov/PathPartner.jsp) (https://www.aicpastore.com/Content/media/PRODUCER_CONTENT/Newsletters/Articles_2012/CPA/Nov/PathPartner.jsp). Make sure your silence doesn't cause them to make alternative plans to work somewhere else.*

Unfortunately, this is not a hypothetical list of unattractive behaviors. I see these every day, and future leaders cite them when they tell me their plans to move on. Stop repelling your future leaders and then start engaging them. Before it's too late.

Jennifer Wilson (<mailto:jen@convergencecoaching.com>) is a partner and co-founder of ConvergenceCoaching LLC, a leadership and management consulting and coaching firm that helps leaders achieve success. Learn more about the company and its services at [convergencecoaching.com](http://www.convergencecoaching.com) (<http://www.convergencecoaching.com>).

The most important leadership trait

It's not what you might expect, says Jennifer Wilson of ConvergenceCoaching LLC.

© 2017 Association of International Certified Professional Accountants. All rights reserved.