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## 5 Hiring and Salary Trends That Will Shape Public Accounting in 2016

Growth indicators for the second half of 2015 are providing a glimpse into the hiring environment for 2016, and it appears the race to attract and retain top accounting talent is only heating up.

Paul McDonald • Oct. 19, 2015



**Early 2015** demonstrated that the hiring market looked extremely competitive for those seeking to onboard CPAs and other skilled accountants. Many public accounting firms were adding staff, salaries were on the rise, and the corporate sector offered a bevy of opportunities for today's accounting professional.

Growth indicators for the second half of 2015 are providing a glimpse into the hiring environment for 2016, and it appears the race to attract and **retain** top accounting talent is only heating up.

Here are five factors likely to shape salary trends and the hiring landscape in the coming year:

## **1. Continued demand for talent**

Many U.S. firms are in a growth mode but continue to experience staffing challenges. In the American Institute of CPAs' 2015 Private Companies Practice Section (PCPS) CPA Firm Top Issues **survey**, finding or retaining qualified staff ranked as the top concern for all firms with at least two employees. Employers' efforts to add staff and keep the ones already on board is difficult, however, as talent shortages and rising salaries for accountants who make a move to a new organization remain persistent trends.

Compounding managers' hiring dilemmas were the particularly challenging 2014 and 2015 tax seasons. According to a *Journal of Accountancy* **article**, these were "two of the most difficult in memory. That has prompted an increasing number of CPAs, especially at large firms, to look for situations with better work/life balance — often out of public accounting."

The talent shortage has led accounting firms to boost starting salaries for new employees and give raises or bonuses to reduce turnover. According to the **2016 Robert Half Salary Guide for Accounting and Finance**, the majority of public accounting positions are expected to see gains in base pay above the average 4.7 percent increase projected across accounting and finance.

## **2. A wave of retirements**

**Baby boomers** are exiting the workforce, taking with them a vast amount of experience and creating vacancies at almost every level, including critical senior manager and director roles. Some public firms are hiring entry-level accountants to build their talent pipeline, and others are enacting **succession-planning** strategies and promoting existing staff, leading to gaps elsewhere in the organization.

In addition, some firms are using staggered retirement policies, encouraging boomer accountants to gradually reduce their responsibilities instead of leaving all at once. This strategy creates a demand for consultants to help address staffing gaps.

### 3. A greater demand for tech specialists

Accounting systems are becoming more powerful — and more complex — every year. As a result, there's a growing demand for tech-savvy accountants.

Most job candidates are expected to have advanced Excel expertise and proficiency in popular tax, accounting and workflow tools. The most in-demand professionals, however, also understand business intelligence software and enterprise resource planning systems. With companies migrating to the cloud, firms also are looking for accountants with business transformation skills.

Keeping up with the pace of technology changes is challenging, though; it's the **greatest pressure** facing accounting and finance teams today, according to Robert Half research. Beyond possessing specialized IT knowledge, firms need professionals with an innate desire to learn and take advantage of new technologies.

### 4. Addressing the career expectations of Generation Z

**Generation Z** workers are beginning to graduate from college and, like the earlier millennials before them, have distinct values. Generous compensation is important to this cohort, but they'd be willing to take a pay cut in order to work for an employer whose mission they care deeply about. Work/life balance is their primary concern, and they expect employers to offer flexible hours and remote work options. From a manager's perspective, these entry-level workers will need training and **mentorship** to hone their skills and ability to communicate appropriately in a business setting.

### 5. An increasingly complex regulatory landscape

One area that shows no sign of slowing down is compliance. In *Benchmarking the Accounting and Finance Function* from Robert Half and **Financial Executives Research Foundation** (FERF), the majority of U.S. (72 percent) and Canadian (66 percent) organizations expect the compliance burden to rise in the foreseeable future. Compliance management remains a key factor driving the demand for skilled accountants with regulatory expertise.

The rising costs of recruiting and retaining top public accounting professionals may pose challenges for firms, but it is an indicator of increasing business demands. After

years of cautious hiring, accounting firms are setting their sights on growth. All indicators seem to suggest that 2016 is going to be another positive year.

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