

CREATING A HUMAN RESOURCES DEPARTMENT

By Carolyn Cohen

Perhaps the greatest challenge facing the profession today is how to keep staff happy and productive; however, doing so requires a great deal of time and energy, causing most CPAs to consider hiring a human resources professional. A dedicated HR department can address pressing staff needs and allow CPAs to maximize time on what they do well.

The Benefits

Money. Establishing an HR department means spending money, but it can also mean saving money. First, the CPA would be relieved of many administrative tasks, providing the opportunity to increase billable hours or bring in new business. Second, the office would become more stable: With an HR professional staying on top of the latest developments in salary and benefits, turnover would decrease and attention can be given to oft neglected areas, such as in-house training and performance appraisals.

Standardized procedures. Having an HR department can ensure fair and consistent treatment of staff through standardized evaluations, hiring, and discipline.

Specialized expertise. An HR professional can perform related tasks more effectively and efficiently than someone without training and experience in the field.

A positive message. Finally, the establishment of an HR department communicates a willingness to invest in the growth and development of staff members.

The HR Professional in a Public Accounting Firm

At a minimum, the HR professional can be involved in the following:

■ **Recruitment.** With time and effort even a small firm can establish a presence on a university campus. An HR professional can manage the firm's on-campus recruiting through maintaining relationships with university officials, attending

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job fairs and informal seminars, and listening to the needs and demands of students. A stronger campus presence not only attracts new hires but also raises the caliber of the applicant pool.

Moreover, an HR professional can simplify the hiring process. First, the HR professional can decide how to advertise the opening. Then, she can screen resumes, conduct interviews, check references, decide whether the candidate is right for the firm, make an offer, and provide orientation upon the new hire's employment.

■ **Professional development.** An HR professional can regularly assess staff training needs and arrange for agreed-upon technical and technological training, supervisory training, leadership development, and customer service business development. The HR professional might outsource this training or design and conduct it in-house.

■ **Staff retention.** Looking for new staff is cost-effective only when related to growth. Keeping and developing current staff members makes more sense than searching for new staff. An HR professional can help ensure that the staff is happy and salary and benefits are competitive. She can also give performance feedback, provide rewards for good performance, promote training opportunities, and offer assistance with office disputes and personal problems. If termination is necessary, an HR professional can ensure that the process is legally sound and standardized, as well as compassionate.

■ **Information.** The importance of maintaining accurate records applies to people as much as it does to revenue and expenses. HR professionals can maintain personnel files on each individual containing salary history, training history, performance appraisals, goals, and other pertinent information.

■ **Client work.** The HR professional at a CPA firm may be able to help clients without an HR department with hiring and other personnel-related matters on an hourly fee basis, thus broadening service opportunities.

Working with an HR Department

Hiring an HR professional does not mean that the CPA will never again have to deal directly with hiring decisions, salary adjustments, and performance evaluations. The firm's direction must be communicated to its staff, and this message is most effective if it comes from those that develop it. The CPA is a role model in areas of technical expertise, leadership, and business acumen and should be available for staff members rising through the ranks.

Keeping an HR professional busy. First, the CPA should acknowledge that any HR assistance benefits both firm and staff. Then, everyone involved should brainstorm to determine which tasks and projects an HR professional could be involved in (bearing in mind that the individual will have particular expertise and qualifications). If there is any uncertainty regarding whether a full-time position is warranted, a consultant can help with the decision.

After careful consideration, the CPA might conclude that the optimal solution in the short- to medium-term is to hire a consultant to handle HR responsibilities. That way payment would be required only when services were needed.

If, on the other hand, a full-time employee could be kept busy, hiring an HR professional would allow first-hand knowledge of the firm and its staff. To locate the right HR professional, the CPA must first write a job description (including reporting authority), determine a salary range, and decide on a search strategy. Then, the CPA should solicit referrals and ideas from friends and colleagues and consider using a consultant—especially one that has completed similar assignments and is familiar with accounting firms—to help conduct the search and selection process. □

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