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# The Importance of Staff Continuity for Regulatory Compliance

Corporate accounting departments have a full plate these days addressing the requirements of the Sarbanes-Oxley Act and related regulations. Publicly and privately held companies alike are paying close attention to corporate governance and the establishment of sound internal controls over financial reporting. In the rush to

comply with the new rules, accounting managers must make sure they don't overlook an element critical to the success of these efforts—maintaining continuity of core staff.

An improving economy and strong demand by organizations in all industries for talent to help them focus on regulatory compliance and the integrity of financial data are resulting in more employment opportunity for accounting professionals. The market for skilled accountants, particularly those with internal audit experience, is more competitive now than it has been in recent memory. In this environment, your most talented staff may be tempted by offers from other firms, and finding replacements and training new hires can be costly and time-consuming. As a result, employee retention is once again a top priority for ac-

counting and finance managers.

## An Ongoing Compliance Need

Regulatory compliance isn't a one-time event. Sarbanes-Oxley requires ongoing remediation efforts to improve controls, annual testing of these controls, and the development of long-term compliance processes and programs. Perhaps even more far-reaching is the way in which the new requirements have made companies rethink their accounting and financial reporting processes, which often leads to a new layer of control and infrastructure as well as additional staff.

This long-term emphasis on the quality of internal controls reinforces the need for staff continuity.

Employees who know the organization's procedures and policies

inside-out can more easily identify errors or irregularities in financial reporting. They also will be better equipped to assist any outside experts brought in to help evaluate business risks and internal controls.

Executives at public companies now must attest to the accuracy of their organization's financial reporting, which requires a great deal of confidence in the accounting function. Senior management want assurance that their questions are being answered competently and completely.



## How to Ensure Staff Continuity

Retaining your core staff isn't as simple as increasing salaries and refining the benefits package, although your compensation and benefits should

be competitive. In the current environment, it's wise to review current salary levels of your staff and make appropriate adjustments if there are those in the group whose salaries are below market.

Professionals want opportunities to grow and advance in their careers. This means encouraging them to expand their accounting competencies, develop leadership abilities, and enhance communication skills. When filling a vacant position, consider your existing staff first. Promoting from within boosts overall morale and motivation because other employees will see that hard work is rewarded and that this policy can eventually benefit them as well.

Offering professional development and cross-training opportunities within your department allows staff to acquire new skills. If people share their experience within the group, the knowledge transfer facilitates an easier transition should key individuals leave the firm.

Employee recognition is one of the most powerful tools for ensuring that employees are satisfied and stay with your organization. There are a variety of low-cost, informal gestures that will demonstrate your appreciation of someone's hard work. These can range from congratulatory e-mails to simply saying "thank you" for a job well done. Your objective should always be to show that you value and respect every member of your team.

Workloads can be a critical factor in whether people decide to stay with an employer. Has your accounting team been overwhelmed with projects due to reduced personnel levels and budgets in recent years? In many cases, individuals have been asked to cover multiple job functions while assuming new

compliance responsibilities, leaving them feeling overworked and underappreciated. As a manager, look for ways to alleviate employee stress levels and prevent burnout. You may be able to reassign or even postpone less essential projects during peak periods. Also consider bringing in temporary accounting professionals to not only access specialized skills required for ongoing compliance and other efforts but also to take some of the load off your core staff in handling their regular responsibilities.

Making staff continuity a constant priority can help ensure the long-term success of your compliance programs. Consider how turnover might affect critical projects, and take proactive steps to keep your most valued players. Your efforts will help your company stay focused on meeting new objectives as business and regulatory conditions continue to change. ■

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