

# Insights on the future of work

Strategies for building and retaining a dynamic workforce in today's professional services environment



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# Talent war

## The current state of the workforce in professional services

It's the question on the mind of every professional services executive: How do we navigate today's choppy labor market to recruit and retain top professionals? The question has become essential as the pool of talented employees continues to shrink.



*You're looking at a very hot labor market. Professional services firms are feeling a lot of pain right now. As a result, leadership will need to reimagine their workplaces if they want to compete in today's environment.*

**Sonya King**  
Senior Analyst, RSM Canada



The tight labor market—poised to stay competitive for the foreseeable future—has created bidding wars, as firms fight to offer the biggest salaries and best bonuses. And, if the volume of job openings remains high, the bidding wars will continue. But bidding wars are not the answer—firms are recognizing that salary increases are not sustainable because of lasting impacts on profit margins. This has left executives flummoxed about how to attract and retain talented employees and turn a profit.

Before the battle for talent reached an all-time high, the COVID-19 pandemic changed how we work. Many talented employees reassessed what they want from work—they've changed job roles, firms or even careers. Many got a taste of remote work and liked it. Young employees, especially, expect to be able to work remotely, and with more flexibility. This has created tension between young talent and firm executives, who may prefer having employees in the office.

But hope is not lost. Many firms are exploring how they can recalibrate workloads, adopt new technology and refine their values to attract talent. And while there's no perfect method for recruiting and retaining talented employees, firms can take [many steps](#) to improve.

TALENT WAR

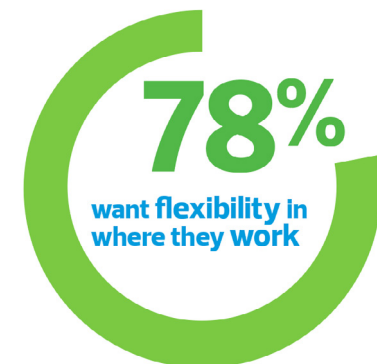
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# Harness the power of technology

Firms must view investments in technology as a pivotal part of the business rather than an unpleasant expense. Successful firms aren't simply enabled by technology — they're driven by it.

Leading firms are leveraging new technologies to provide training and skills-based learning to enhance employee understanding of economics, artificial intelligence/machine learning, critical thinking and data analytics, to name a few areas. Professionals who can work with and complement machines and tech applications will be better positioned to deliver a higher level of service and enhance customer experiences.

Firms can't forget that technology adoption takes time, as does training employees. Extra time spent in the adoption or use of technology is time wasted. The development of a digital evolution road map that provides direction and alignment with the priorities of the business is critical to success.

A [road map](#) guides a firm forward, making the process manageable by spreading out investment and training over multiple years. Firms must ensure their road map fits within the business strategy, working it into the change management plan. Road maps help avoid silos, which are huge risks to a firm's efficiency and digital security.

When technology is adopted well and done right, it can help accelerate a firm's efficiency and improve the culture and talent experience. Firms that don't embrace technology will not only lose out on gains in efficiency, but also fall behind their competition.

"Embracing technology is how you can compete in a tight labor market," King said. "If you minimize the amount of time it takes to do administrative tasks, it makes employees' lives easier and gives them a better work-life balance."

TALENT WAR

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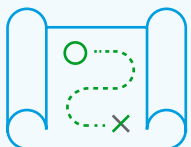
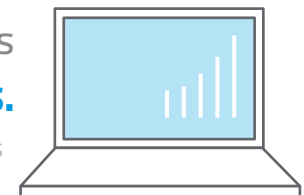
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**88% of professional services leaders** say their digital transformation has **sped up since 2019**, compared to an average of **78% across other industries**.

Source: Salesforce, Trends in Professional Services



Develop your  
technology  
road map

**Stops along the way could include:**



**Professional services automation**, or PSA, for project and resource planning and time and expense management



**Enterprise resource planning**, or ERP, to manage business activities



**Customer relationship management**, or CRM, for tracking and storing customer data



**Robotic process automation**, a low-code tech solution to automate repeatable tasks

# A move toward transparency

What's the path forward for young talent at your firm? If there's no clear answer, your firm is poised to lose out on talented employees. A [2022 survey by Pew Research Center](#) found that 63% of employees who quit their jobs did so because they felt that they had no opportunity to advance at work.

"Traditionally, in professional service firms, the path toward partner can be cloak and dagger—it's not always transparent," King said. "There's a demand for more transparency."

Jennifer Hartman, a manager in RSM US LLP's [human capital management practice](#), recommends that executives collaborate with human resources professionals in creating career paths for talent. "HR can help firms think

more strategically about developing the next generation of talent," Hartman said. "If you don't have that strategic thinking with regards to career paths and development, employees are more likely to feel stifled and will become more curious about their external options."

Today's workforce expects career path transparency from managers and leadership—and firms that lack transparency are likely to lose talented employees. To address this, firms should clearly define tangible career paths for employees and emphasize the importance of communication to their talent. Creating an employee road map to success lets employees know where they stand on day one and shows them a path forward in their career.

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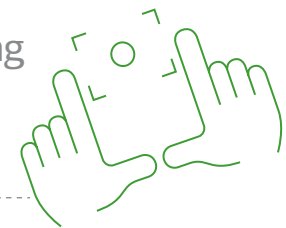
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**87% of employees and 71% of HR directors** agree that providing career road maps is **important for recruiting and retaining the best talent.**

Source: Citrix Talent Accelerator



**Plan outside the box:** Consider paths to success other than the billable hour. This may mean hiring talent on a project basis or finding creative ways to work with younger talent. Michael Gerlach, a professional services sector leader at RSM US, said younger talent doesn't want to put in 3,000 hours of work a year, always from an office and with no opportunity for a real vacation. **Appealing to them** may mean breaking away from years of tradition and providing alternate paths.

# Cultivate a great employee experience

When people quit their jobs, it is rarely just about the money. While pay is important, individuals also want to feel respected for their contributions. In fact, Pew Research Center found that 57% of people who resigned did so because they felt disrespected at work.



*It seems so simple—but treating everybody with respect and taking the time to get to know them as individuals is essential. That's what will allow you to build relationships and trust.*

**Jen Hartman**

Manager, RSM Human Capital Management, RSM US LLP



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**Leaders can use a variety of methods to build relationships with and among employees, including the following:**



Schedule (and keep) informal meetings with employees, alone or in groups, to get to know them better.



Set up informal gatherings just for fun—book clubs, gaming teams and social meetups outside the office.



Set up a platform that allows employees to give feedback about their job, technology and company culture.



Form an employee task force—a group of employees that meets with leadership regularly to share ideas and enable both sides to keep their finger on the pulse of the business.



Establish a system of coaching and mentoring for employees.

“The goal is to give meaningful, grassroots context to some of the issues that the firm is facing,” said Karen Wiltgen, a principal at RSM US, of the employee task force concept. “It needs to be focused, intentional and purposeful. There must be executives present in the meeting, willing to ask questions.”

Training is another way to improve employee experience, as it can help everyone at a firm, from executives to new hires. Employees want transferable skills that will improve their career path, but management and executives need to improve how they communicate with employees. Leadership can look for training that helps them become more humble, human and vulnerable with employees—approaches that will lead to better retention and recruiting.

# Inspiring passion and purpose

A firm that wants to inspire purpose and passion in its employees must first know its values. Values build common ground with employees, according to Terri Ellis, a partner at RSM Canada.

Leadership teams should know what, exactly, their firm stands for and how they can espouse these values across the firm. Executives should also consider what their firm is doing to help the world at large and how the firm's values play into this larger mission.



*Good values keep people interested in their roles and aligned with the firm. This all comes down to trust, at the end of the day. Organizations are building trust with the people that work within their organization. And that helps with retention.*

**Terri Ellis**  
Partner, RSM Canada



*Individuals want to work for companies that have a purpose, companies that give back to the community that are going to be environmentally friendly. Today's workforce is not as focused on the revenue but wants to work for a company that aligns with their beliefs—a company that inspires passion and purpose.*

**Karen Wiltgen**  
National Business and Professional Services  
Consulting Leader, RSM US LLP



More than any previous generation, younger employees now want to work at firms that share their values. A firm's [commitment to issues](#) like diversity, inclusion and environmentalism is about more than simply making statements—a firm must practice what it preaches. This may mean hiring a chief diversity officer to help expand the employee base, making investments in environmentally conscious companies or cutting back on travel in the name of reducing emissions.

Tell the story of what your firm does, but also show employees the investments that are being made. "This all says a lot about the culture of your firm," Ellis said. "Finding common ground here creates good recruitment and retention."

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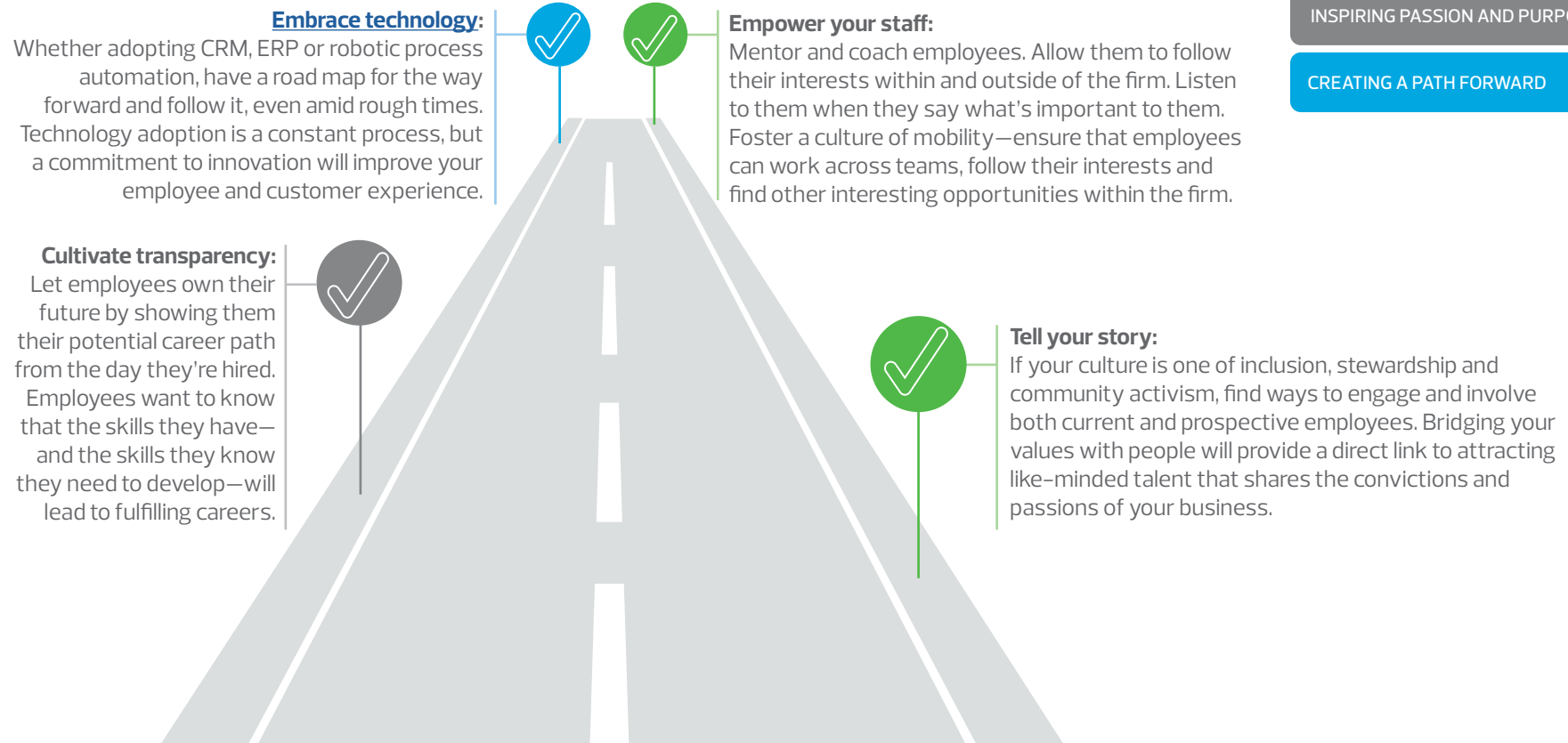
CREATING A PATH FORWARD

**41% of professional services employers** say candidates request information about their **DEI efforts** and **71% of these employers** say **existing employees request the same.**

Source: Lever 2021 DEI Report

# Creating a path forward

There's no easy answer, but firms can take a variety of steps toward building and retaining a dynamic workforce in a professional services environment:



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