



Your Quick Guide to Thriving in the Skills Shortage



Overview

Whether you're a micro firm in the United States or a large enterprise in Australia, the global skills shortage is or will impact your business.

If we'd hoped something would happen to reverse, halt or at least slow down this worrying trend, we've been disappointed. If anything, we're being warned the situation will get much worse before it gets better.

Accounting firms are being advised by industry experts to "think outside the box about how they'll get work out the door," brace themselves for "huge blows to their growth," as they're "forced to turn down work due to staff shortages".

But where there is a challenge, there are opportunities to think differently about what we do and change how we go about our work. The results have all the potential to strengthen our processes and our firms, for increased growth and a better future.

While this is a complex topic, there are things you can do now to protect your firm against what is being called in the accounting industry and wider business landscape, a "ticking timebomb".

We've set out each challenge and coupled it with solutions, then set out the benefits you can expect to gain for your firm.

Let's start problem-solving.

Fact

In 2022, the issue turned into a full-blown crisis with 3 in 4 employers reporting they were failing to find the talent they needed. This critical milestone represents a 16-year high and a doubling of the skills shortage of 34% in 2012 to a 75% failure to source talent in 2022.

Challenge #1

It's getting harder for accounting firms to find the talent they need – [87% of businesses](#) worldwide know they either currently have a skills shortage or will have one within a few years.

Lower birth rates, decreasing enrolment in higher education, the Great Resignation and the changing attitudes to work driven largely by Millennials and Gen Zs who make up the world's largest population – have led to forecasts that the talent shortage could result in \$8.5 trillion in unrealized annual revenues by 2030.

Now's the time to act.

Solutions

- Understand the power shift that has taken place – moving control in the recruitment process from employer to the employee. Skills have become the new currency.
- You'll need to work harder at selling your company, culture, benefits and growth opportunities to candidates.
- Make sure you are hiring with an eye on candidates' future potential and capabilities.
- Assess and revise job descriptions to be inclusive and skills-based.
- Source talent from your internal pool by investing in a reskilling plan.

Benefits

- The right hire saves your firm money – a bad hire costs on average [30%](#) of the employee's wages for the first year.
- Hiring internally reduces your overall recruitment costs.
- Hiring new individuals not only gives you the skills you need; your firm also benefits from fresh perspectives, innovation and creative ideas.
- You can accommodate a larger workload without putting pressure on your current team.

"Firms that attract strong talent and weather the storm will need to have the right systems and processes in place and invest heavily in the management and development of their people." - TOA Global Founder Nick Sinclair

Challenge #2

Firms need talent with local knowledge.

A shortage of accountants existed before the pandemic, but the 'great resignation' has worsened the industry's labor crisis.

While outsourced accounting is a possible solution, firms need to ensure their global team members are familiar with local accounting standards and legislation.

Solutions

- Invest in the development and reskilling of talent within your firm if you have the capacity.
- Widen your hiring practices to include non-traditional education and development pathways like certifications and associate degrees.
- Invest in technology. Accounting software can save you time and streamline many of your processes.
- Consider the TOA Global Accelerator Program, which trains carefully selected accountants with 2-years' experience in a 7-week training program which introduces the foundational operations and compliance protocols required by firms in the United States or Australia and New Zealand.

Benefits

- The [Accelerator Program](#) takes the guesswork and stress out of sourcing accounting talent with local knowledge of the accounting standards in your region.
- With all the talent you need onboard, you're able to focus on increasing billable hours and boosting your firm's growth and profits.

Challenge #3

It's getting harder to compete with larger firms for scarce talent.

Undoubtedly, there is a skills grab from the big consulting firms. In one country alone (Australia), the five largest firms will typically advertise for more than 4,000 positions between them at any given time.

Smaller firms are also more likely to feel the impact of shortages than larger firms with deeper pockets.

Solutions

- Schedule recruitment for low seasons in the accounting cycle to access a larger talent pool.
- Remember not all candidates are happy in a large, corporate environment so play to your strengths by offering what larger firms cannot. Emphasize your workplace culture, including being small enough to implement decisions quickly, giving entrepreneurial-minded candidates the opportunity to work closely with firm owners and getting involved in change within the business.
- Get creative with the perks you offer. One small firm set up a music room, which helped their people de-stress and bond with team members, while promoting healthy brain function.

Benefits

- Large companies with more than 250 employees are finding it [more difficult to recruit](#) and retain talent, compared to micro firms with less than 10 employees.
- Using untraditional perks and approaches that showcase the friendly face and big heart of smaller firms, is the best way to ensure your next hire is an excellent fit and will stay with you in the long term.
- If you decide to bring a global accounting team member onto your local team, you can be sure the candidate you choose is immediately available to your firm, they're a good culture-fit and fully supported by a sophisticated onboarding process, career development and smart retention programs.

More firms are turning to global teams to supercharge their growth, profitability and top talent retention programs. And since we serve the smallest firm to the largest enterprise and everyone in between, there's no need to wait for another phase in your business cycle to start scaling efficiently.

Challenge #4

Local talent is costly, and hires are set to get even more expensive as firms offer higher salaries when competing for scarce talent.

82.3% of public company HR managers say they'll have to work harder in future to [attract and retain talent](#), while 73.7% at private companies say the same.

Consensus in the industry is that while there's plenty of potential work out there, being able to afford to attract the right people to handle it all is a challenge for many employers.

In the year ahead, starting [salaries in public accounting](#) are expected to increase between 2.3% and 5.8%.

Solutions

- Firms can reduce the cost of their business operations and enhance productivity and efficiency by using professional, highly-skilled [offshore talent](#) to deliver quality services to their clients.
- TOA Global, as the preferred global talent solutions provider to the accounting industry, will help you increase your capacity quickly by shortening the hiring process, providing onboarding support, ongoing upskilling, leading global office facilities, along with enterprise-grade security and equipment whether you need an accountant, bookkeeper, administrator or executive assistant. Cost-effectiveness is a by-product of saving on hiring, technology and infrastructure.

Benefits

- By adding elite accounting talent based in the Philippines, firms can save on inflated local salaries, the cost of recruitment, employee benefits, office infrastructure, and training and development.
- Talented global team members mitigate burnout and low morale in strained local teams. With [quit rates](#) at a historic high in the US, Canada and many other territories, existing staff are often asked to take on heavy workloads which can lead to another wave of quitting. Global estimates of lost productivity due to [employee burnout](#) stand at \$322 billion. Carefully selected outsourced accounting talent can save firms the cost of lost productivity and the need to replace stressed out local team members.

Challenge #5

Many firms have little capacity to continuously upskill or reskill their staff.

The accounting industry experiences constant legislative changes to taxation, reporting and transparency. This makes keeping up with the professional development of your staff essential. Along with this, a career development offering is still one of the best ways to attract the skills you need for your firm in the talent drought.

63% of employees quit their jobs due to lack of advancement opportunities. And while 46% believe their skills will be irrelevant by 2024, only 34% say they feel supported by their organisation's skill development opportunities.

Solutions

- Make it a priority to understand the skills your employees have, and the skills needed in your firm. By building a career map that outlines career progression both horizontally and vertically, your firm will be in good shape to weather economic highs and lows, and a volatile labor market.
- If you understand how critical skills development is to retaining your best talent and stabilizing your firm through the 'Great Reskilling' but lack capacity within your firm to reskill and upskill your staff, consider the long-term gains of investing in [Professional Development Plans](#). These are tailor packages designed by specialists to fit your firm based on an understand of your business, its roadblocks, and how you can best develop the skills you'll need to thrive as a business.

Benefits

- Firms that rank highly on employee training experience 53% [lower attrition](#) rates than those ranked lower.
- By developing your employees' skills, you're unlocking leadership potential and the skills that will be vital to your firm's longevity.
- Reskilling the talent you have, allows you to tap into the potential within your firm, without having to compete for scarce talent outside your firm.

"It isn't good enough anymore to provide a job," Nick says. "People want careers, and they want opportunities to upskill, retrain and grow in a timeframe that matches their goals."

Challenge #6

The skills shortage is making it even more difficult to keep up with regulatory and tax law changes, and new accounting standards.

While most firm owners want to see their businesses grow, progress means an increase in both the size and complexity of your firm. As technology blurs the lines between countries and time zones, accounting firms are having to accommodate more international standards and regulations.

It's even been suggested that the need for more accounting staff to accommodate increasing workloads (34.3% public; 38.6% private) is due in part to the increasing burden of regulations, standards and reporting requirements.

Solutions

- Cloud-based software solutions can help you transition many compliance processes, like automating equipment finance entries that would usually be done at year end, or streamlining inter-entity loan compliance work, which eliminates the manual and laborious process of reconciling loans between client entities.
- Diarize regular meetings and training sessions every few months to cover any tax laws or regulation changes, give your staff opportunities to ask questions so they fully understand the changes.
- Bring onboard, one or several global team members, who have the latest training in the regulations, standards and compliance issues most likely to affect your firm.

Benefits

- Digitized, accurate and easy-to-access records using [accounting software](#) like Xero and QuickBooks will make a complex tax year more manageable.
- [Elite highly-skilled global accounting talent](#) can help you effectively navigate regulatory and tax law changes, delivering quality services to your clients and helping your firm to effectively scale and grow.

Challenge #7

Accounting and bookkeeping professionals do not always stick around.

Two main areas of concern among accounting professionals is low morale and high rates of burnout due to heavy workloads, and stagnation without prospects for growth and promotion.

Solutions

- A well-thought-out employee retention strategy is a must if you want to boost morale, develop your individual team members and get them to stay with your firm.
- Ensure staff from diverse backgrounds have support systems and employee resource groups (ERGs) to ensure they stay and thrive.
- TOA Global has built outsourced accounting teams for more than 1,000 firms around the world. With over 3,400 talented team members happily integrated into firms in Australia, New Zealand, the US and Canada, we've had the opportunity to develop carefully curated retention programs that work for our clients.

Benefits

- Financial Services ranks #1 in [retaining employees](#) through internal mobility – so keep advancing your staff.
- TOA Global will take care of staff retention – providing your elite outsourced accounting talent with development, seamless technology and security, health and wellness support, outreach programs, and recognition and rewards – so when you find a talented team member who is a perfect fit – they stay and grow with your business.



If you aren't already caught in the headwinds, a talent shortage perfect storm is headed your way.

There are many good reasons why more companies are using global talent solutions to weather the storm.

If you haven't thought about elite talent outsourcing as a possible safe harbor, we'd encourage you to visit our website so you can move quickly when you need to.

You could also [book a free strategy session](#) with our local account executive to find out how we can help you thrive despite the talent crisis.

More than 1,000 accounting clients around the world have used our support to future-proofed their firms against the talent shortage – we hope you too will tap into the power of global teams.

A close-up, slightly blurred image of a person's hand holding a white tablet. The tablet screen displays a line graph with several data series in blue, green, and red, showing various trends and peaks. The background is a soft, out-of-focus light color.

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