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## FEATURE story

### Competitive Analysis: Hiring in a Tight Market

*By Mary Anne Kennedy, Bristol Myers Squibb Pharmaceutical*

CPAs are in high demand. As the competition heats up over finding and hiring the best CPAs, how are companies strategizing to fill this urgent need?

The U.S. Department of Labor's Bureau of Labor Statistics (BLS) forecasts a 10- to 20-percent job growth for accountants over this decade. The BLS also notes that "an increase in the number of businesses, the growth of international business, changing financial laws and regulations, and increased scrutiny of company finances will create more jobs for accountants and auditors.... The changing role of accountants and auditors also will spur job growth."

The financial arena has become one of the most challenging areas in recruitment over the past 12-plus months, with a specific focus on CPAs. As a result of the implementation of the Sarbanes-Oxley Act of 2002 (SOX), organizations across industries find themselves scrambling to build entire departments dedicated to the compliance of this law.

The competitive market for accounting candidates is reminiscent of the war on talent for Information Technology (IT) candidates during Y2K. The difference with SOX is that there is not an expected end date, and the law itself continues to evolve, requiring flexibility and adaptability on the part of the organizations and their accounting departments.

So, as everyone now tries to fill similar accounting functions and roles, what are the biggest issues we are facing? Simply put: supply and demand. There just aren't enough qualified CPA candidates in the job market right now to fill the demand. Colleges and universities have indicated they are witnessing an enrollment spike in their accounting programs, but it will take years for this new talent pool to hit the job market, which means everyone is fishing in the same small pond.

For staffing consultants and colleagues in other industries that focus on accounting-related positions, the challenge is a grim reality. Talented staffing professionals are using all the tried-and-true methods of recruitment, including authorized search partners; Internet boards; cold calling; posting on alumni boards; employee referral programs; working through associations/affiliations; and networking, networking, networking.

candidates. If you find that you're losing top candidates to other offers, try to determine why.

How well are you selling the position and the company? Are you making decisions promptly, or are you dragging your feet? By analyzing each step of your staffing process and making improvements where necessary, you increase your chances of finding and keeping top talent.

Once we meet the challenge of finding the ideal candidate for an accounting position, perhaps the biggest hurdle is coming to agreement on a compensation package. It is important not to overreact and offer an inflated package that can ultimately leave a candidate unmarketable after a few years. If we learned any lesson from Y2K, it was that IT candidates were given rich compensation packages in order to get the immediate need accomplished, but the strategy for their career progression and sustainability was severely lacking.

When putting together a fair compensation package, it is important to start with a basic knowledge of the annual earnings of accountants and auditors. According to a 2005 salary survey conducted by Robert Half International, a staffing services firm specializing in accounting and finance, accountants and auditors with up to one year of experience earn between \$28,250 and \$45,000. Those with one to three years of experience earn between \$33,000 and \$52,000. Senior accountants and auditors earn between \$40,750 and \$69,750; managers earn between \$48,000 and \$90,000; and directors of accounting and auditing earn between \$64,750 and \$200,750 a year.

The variation in salaries reflects differences in firm size, location, education level and professional credentials. Add an extra 10 percent to the numbers above for CPAs and candidates with graduate degrees.

When putting together a fair compensation package, it is important to look at the following as options when wooing a candidate:

- Increase the initial base salary
- Offer a sign-on bonus
- Provide relocation reimbursement for moving expenses incurred
- Highlight professional development and training opportunities.

All of the above — and more — can be part of the overall equation. And don't overlook the pool of mature workers, still current and qualified, for whom a shortened final career leg might be attractive. These successful professionals have had the experience in the critical areas of internal control, stewardship and compliance throughout their careers. Their insight concerning the manner in which to handle any type of question is priceless to an organization.

Just remember, it doesn't always boil down to money.

*U.S. and Puerto Rico for Bristol Myers Squibb Pharmaceutical. She is also one of the founders of the St. Paul's Networking Group in Princeton, which provides career coaching for those in career transition. She can be reached at 732-227-5295 or [maryanne.kennedy@bms.com](mailto:maryanne.kennedy@bms.com).*

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New Jersey Society of Certified Public Accountants  
425 Eagle Rock Avenue | Roseland, NJ 07068 | 973-226-4494  
[communications@njscpa.org](mailto:communications@njscpa.org)