

Attracting Accounting Talent – A Look at Benefit Packages in Tennessee

**RESULTS OF SURVEYS CONDUCTED
FALL 2023 BY MIDDLE TENNESSEE
UNIVERSITIES¹**

¹ Freed-Hardeman University, Lipscomb University, Middle Tennessee State University, Trevecca Nazarene University and Union University

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Executive Summary

Many CPA firms nationwide are experiencing staffing shortages. Addressing this challenge requires a long-term solution. Lower enrollments in accounting programs and increasing retirements of the Baby Boomers are putting a strain on recruiting new hires and retaining more experienced accountants. It's not just public accounting firms who are impacted. The fallout from this dearth of accounting talent is now extending beyond CPA firms to impact major companies. According to a *Wall Street Journal* July 2023 article, companies such as Advance Auto Parts, Joby Aviation, and Evotec were forced to disclose material weaknesses in their internal control over financial reporting due to their lack of sufficient accounting personnel. According to a fall 2023 study in *Accounting Today*, accounting firms are employing a variety of initiatives to address the staffing shortage, including hiring abroad, increasing starting pay, offering fully remote job options, and even hiring students while they are still completing their academic studies.

Unfortunately, Tennessee CPA firms and businesses are also feeling the talent squeeze. Last year, TSCPA launched a two-part series in the *Tennessee CPA Journal* on this topic. The first article in the series, published in the [November/December 2023 issue](#), reports on the declining accounting enrollment trends at universities within the state and the efforts firms are making to recruit and retain sufficient accounting talent. These efforts include increasing the use of artificial intelligence, using offshore labor, and incorporating more flexibility in the working environment. The second part of the series, published in the [January/February 2024 issue](#), focuses on the continuing toll the tight accounting market is having on the employees who remain in the profession, such as increased mental health issues, overtime, and burnout. In response to this new business environment, the article highlights two firms that responded by capping work weeks to 40 and 45 hours. By creating a healthy work-life balance for employees, these firms hope to improve their ability to attract and retain talent. As one pragmatic partner observed, she would rather have a talented team member for 30 to 40 hours a week than not have the team member at all.

As these trends indicate, firms must evolve to meet the demands of both a changing workforce and a

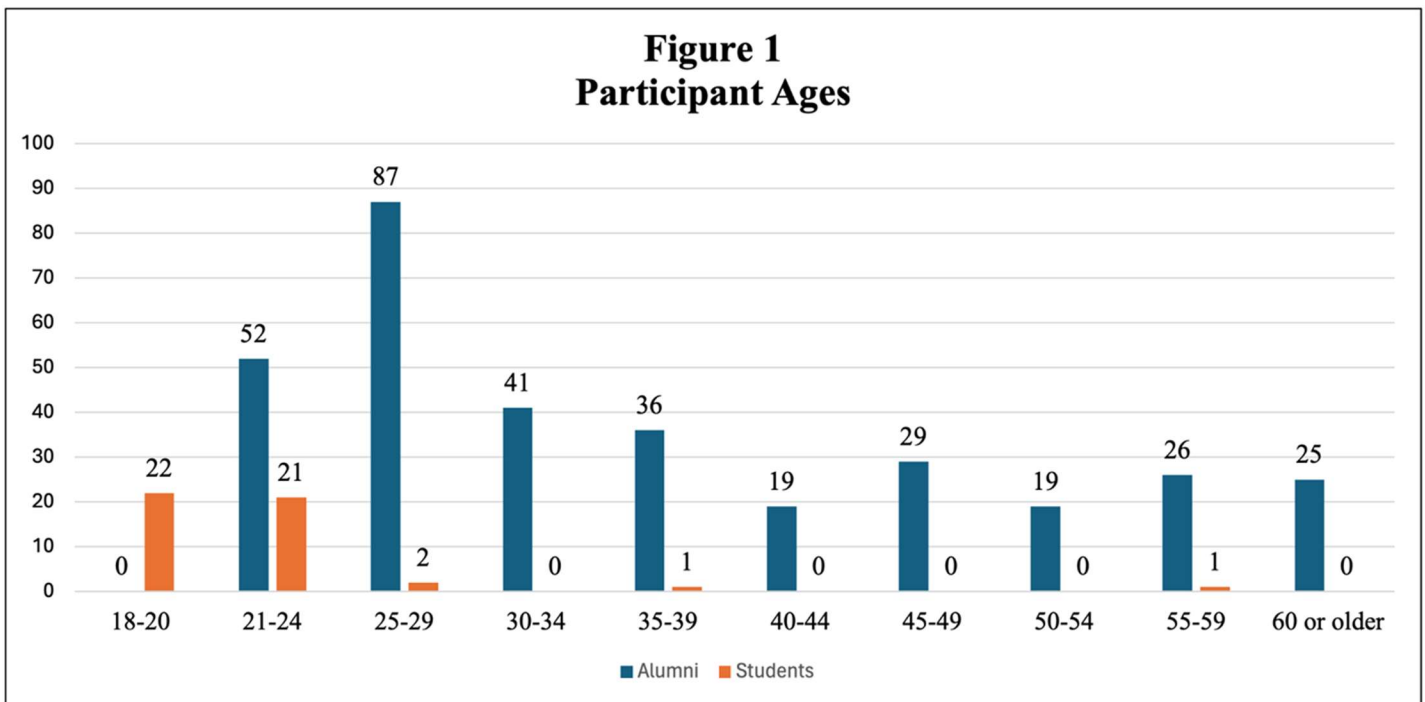
changing business environment. Employers need fresh insight and current data to have a better chance of attracting and retaining accounting employees in this tight labor market. This study presents survey data collected from accounting alumni and current accounting students from five Tennessee universities.¹ These current and future accounting employees identify the employer-provided benefits they deem most important in their employment decisions and their degree of satisfaction with each benefit. Alumni also provided current starting salaries for Tennessee employers and recent benefits added by employers over the last 12-24 months. CPA firms and other employers can use these results to better understand the benefits that are most important to employees in the current market conditions and where employee satisfaction can be improved. A solid understanding of the desired benefits of employees along with the types of benefits other employers are adding will help employers design competitive compensation and benefit packages based on their firm type and size.

¹ The five universities participating in this study are Freed-Hardeman University, Lipscomb University, Middle Tennessee State University, Trevecca Nazarene University, and Union University.

Survey Process and Respondent Demographics

Survey Process and Respondent Demographics

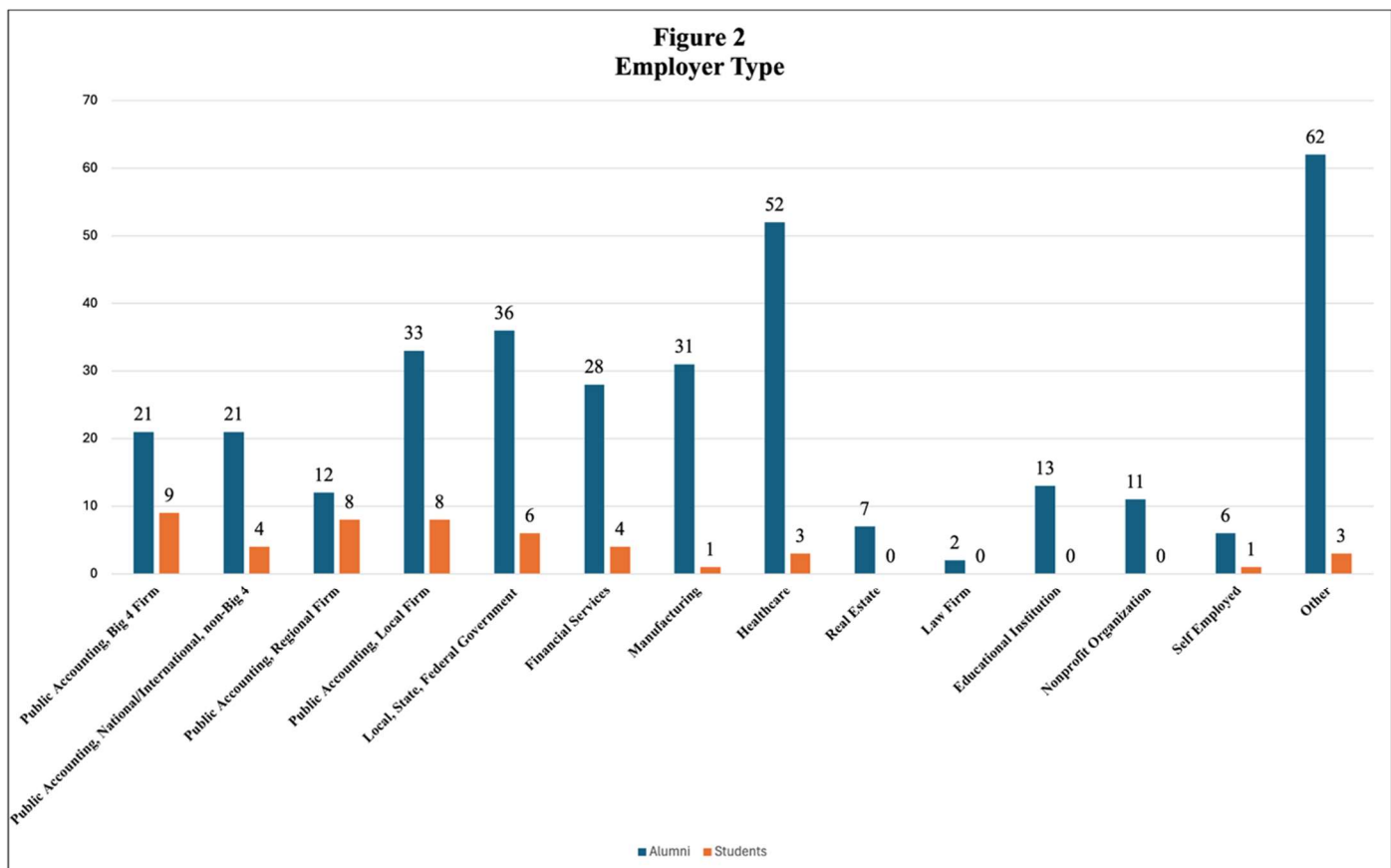
In fall 2023, accounting faculty members at five middle Tennessee universities surveyed their accounting alumni and current accounting majors about the salaries and benefits important in their employment decisions. Two survey instruments were developed with wording and questions tailored to alumni and to students, respectively. The surveys were distributed via email to the participants by their respective university. The surveys were available to all participants during a 35-day window from September 6 to October 15, 2023, and participants received two reminder emails. All survey responses were collected using Qualtrics, a premier data collection software package. At the end of the survey window, 483 alumni and 107 students responded for a response rate of 11.5% and 16.6%, respectively. Approximately 30% of alumni respondents were female, 40% were male, and 30% declined to provide their gender. Approximately 25% of accounting major respondents were female, 19% were male, and 56% declined to provide their gender. Figure 1 illustrates the age breakdown of the participants. Most students fall in the traditional 18-24 age range while the alumni span a larger age range with the majority falling between 21-39. As for academic background, the vast majority, over 90%, of both alumni and



Survey Process and Respondent Demographics

student respondents who provided their undergraduate major were accounting majors. Over half of the respondents have already attained or are currently enrolled in an advanced degree program. These observations are not surprising given the survey was targeted to accounting alumni and current accounting majors who are all subject to the 150-hour education requirement for the Uniform CPA Examination®.

Figure 2 indicates the current or anticipated employer type for the respondents. Alumni responses reveal a variety of employer types represented in the survey. The largest segment of alumni, 37%, identified public accounting as their employer type. Approximately 62% of the students anticipate working in public accounting. Alumni and students also provided the location of their employers or future



Survey Process and Respondent Demographics

employers in the survey. Over 70%² of the alumni indicated their employer was located in Tennessee, and almost 90% of students plan to work for Tennessee employers.

² Three hundred and twenty-four alumni provided the location of their employer. Two hundred and thirty (70%) of these employers were in Tennessee while 89 employers were in 26 other states and five employers were in five foreign countries. A review of the alumni data from only Tennessee employers yielded no meaningful differences from the full dataset. The data reported in this study represents the full dataset unless otherwise stated.

Employment Factors Important to Employees & Prospects

Employment Factors Important to Employees & Prospects

Beyond salary and hours, employers must address many other factors to attract and retain employees. Given the dynamics in the current business environment and changing employee expectations, it is difficult to track which benefits are most important to employees and what the competition is offering. To gain needed insight into desired benefits, alumni and students were asked to rate the importance of and their satisfaction with various benefits offered by their current or prospective employers, respectively. The employment benefit factors were presented in three categories: Financial Compensation, Benefits/Perks, and Work Environment/Culture. Alumni and students used a 5-point scale with anchors of 1-very low, 2-low, 3-neutral, 4-high, and 5-very high to rate the degree of *importance* they placed on each benefit factor in their current or prospective job, respectively. Respondents then used the same 5-point scale to rate their level of *satisfaction* with each benefit factor.³ Using these two ratings, an importance-satisfaction gap analysis (Martilla and James, 1977) was used to calculate a “satisfaction gap” for each factor. The satisfaction gap is calculated by subtracting the importance rating from the satisfaction rating. A positive (negative) satisfaction gap indicates employees’ satisfaction (dissatisfaction) with a benefit factor. For example, if a factor’s importance rating is 4 and the satisfaction rating is 5, then the satisfaction gap is 1, indicating satisfaction with this factor. However, if the factor’s importance is 4 and the satisfaction is 1, then the satisfaction gap is -3, indicating dissatisfaction with this factor. Factors that rate high in degree of importance with negative satisfaction gaps represent critical benefits that employers must address to retain existing and attract new employees. The next three sections review the importance and satisfaction ratings for each factor in the three employee benefit categories. In the financial compensation section, a detailed analysis of full-time

³ Students were asked to use the 5-point scale and rate how satisfied they believe they will be with each factor in their employment position after graduation.

Employment Factors Important to Employees & Prospects

starting salaries is also provided. The last section provides a review of newly added employee benefits.

Financial Compensation Factors

Table 1 identifies 11 financial compensation benefit factors evaluated in this survey, such as salary, bonus potential, raises, tuition assistance, financial support for professional certifications, and retirement benefits. The data in Table 1 is ordered from the highest to lowest based on alumni importance. The five highest-rated factors based on importance to alumni and students are highlighted in green. Four of the *same* financial compensation factors are in the top five on importance for both the alumni and the students: salary, retirement contribution matching, retirement benefits, and promotion raise percentage. The one difference in the top five rankings of both groups is that alumni included the annual raise percentage factor while students included the financial support for professional certification study materials and registration fees factor. Each of these responses reflect where the respondents are in their professional lifecycle with students needing to purchase expensive study materials to prepare for the exam and with alumni more focused on annual raises.

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Table 1 Financial Compensation Factors				
Factors	Alumni		Students	
	Importance	Satisfaction Gap	Importance	Satisfaction Gap
Salary	4.37	-0.53***	4.25	-0.56***
Retirement contribution matching	4.37	-0.58***	4.14	-0.38***
Retirement benefits	4.34	-0.56***	4.23	-0.39***
Annual raise percentage	3.90	-0.61***	3.83	-0.39**
Promotion raise percentage	3.89	-0.52***	3.97	-0.42**
Bonus potential	3.60	-0.33***	3.66	-0.14
Financial support for continuing professional education	3.52	-0.11	3.66	-0.06
Financial support for professional certification study materials and registration fees	3.33	0.06	3.92	-0.22*
Paid study time for professional certification	2.86	0.17**	3.48	-0.22
Tuition assistance	2.80	0.15**	3.28	-0.17
Phone allowance	2.04	0.94***	2.64	0.53***

Employment Factors Important to Employees & Prospects

When considering satisfaction gaps, the important factors with the largest negative gaps should be considered the most urgent in terms of priority and resources. In Table 1, the five financial compensation factors with the largest negative satisfaction gap ratings are highlighted in red. The factors with the largest negative satisfaction gaps are the *same* for both groups: salary, retirement contribution matching, retirement benefits, annual raise percentage, and promotion raise percentage. For alumni, these factors with the largest negative satisfaction gaps perfectly align with their top five “most important” factors. For students, their sixth most important factor, annual raise percentage, has a negative satisfaction gap that is ranked in their top five. To determine whether the satisfaction gap for each factor is significant, a two-tailed sign test was performed that compares the paired observations of importance and satisfaction for each factor in the table. As indicated in Table 1 by the asterisks, all the top five satisfaction gaps (and several others) are significant at a $P < .01$, $P < .05$, or $P < .10$ level, indicating strong evidence that these results did not occur by chance.

To retain existing talent, employers should carefully evaluate the important benefit factors with negative satisfaction gaps identified in Table 1 and determine whether benefit enhancements in their companies are required. In the battle to attract new talent, first-mover advantages will go to proactive organizations that take the lead in identifying and closing existing negative satisfaction gaps on the most important factors.

Tennessee Starting Salary Data

Salary is generally a singularly important financial compensation benefit. This fact was further confirmed in the present study. Both alumni and students identified salary as the most important financial compensation factor in Table 1. To gain insight into current starting salary offers, alumni were asked to provide the current starting salary for a *full-time entry level position* in their practice area at their employer. Of the Tennessee-based alumni, 157 provided starting salary information. Table 2 summarizes the full-time entry level salary ranges provided by the alumni employed in Tennessee. For each employer type, the number of responses is provided. Responses for employer types range from 34 to five. Users of this data should take the respondent numbers into consideration as they review the data for these employer types.

Employment Factors Important to Employees & Prospects

Table 2
Tennessee Full-Time Entry Level Salary by Firm Type

Firm Type**	N^	Starting Salary Range*										
		Less than \$45,000	\$45,000 to \$49,999	\$50,000 to \$54,999	\$55,000 to \$59,999	\$60,000 to \$64,999	\$65,000 to \$69,999	\$70,000 to \$74,999	\$75,000 to \$79,999	\$80,000 to \$84,999	\$85,000 to \$89,999	\$90,000 or more
Public Accounting, Big 4 Firms	14	0% (0%)	0% (0%)	14.3% (14.3%)	21.4% (35.7%)	21.4% (57.1%)	7.1% (64.3%)	21.4% (85.7%)	0% (85.7%)	7.1% (92.9%)	0% (92.9%)	7.1% (100%)
Public Accounting, National or International, non-Big 4 Firms	5	0% (0%)	0% (0%)	0% (0%)	40.0% (40.0%)	0% (40.0%)	40.0% (80.0%)	0% (80.0%)	0% (80.0%)	0% (80.0%)	0% (80.0%)	20.0% (100%)
Public Accounting, Regional Firms	8	12.5% (12.5%)	0% (12.5%)	0% (12.5%)	25.0% (37.5%)	25.0% (62.5%)	12.5% (75.0%)	0% (75.0%)	0% (75.0%)	0% (75.0%)	0% (75.0%)	25.0% (100%)
Public Accounting, Local Firms	18	5.6% (5.6%)	0% (5.6%)	22.2% (27.8%)	33.3% (61.1%)	22.2% (83.3%)	5.6% (89.9%)	0% (89.9%)	5.6% (94.4%)	5.6% (100%)	0% (100%)	0% (100%)

Employment Factors Important to Employees & Prospects

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Government Agencies	27	7.4% (7.4%)	3.7% (11.1%)	14.8% (25.9%)	0% (25.9%)	29.6% (55.6%)	14.8% (70.4%)	7.4% (77.8%)	7.4% (85.2%)	0% (85.2%)	11.1% (96.3%)	3.7% (100%)
Financial Services	17	11.8% (11.8%)	11.8% (23.5%)	11.8% (35.3%)	5.9% (41.2%)	23.5% (64.7%)	17.6% (82.4%)	0% (82.4%)	0% (82.4%)	5.9% (88.2%)	0% (88.2%)	11.8% (100%)
Manufacturing	23	4.3% (4.3%)	4.3% (8.7%)	21.7% (30.4%)	8.7% (39.1%)	17.4% (56.5%)	13.0% (69.6%)	8.7% (78.3%)	4.3% (82.6%)	4.3% (87.0%)	0% (87.0%)	13.0% (100%)
Healthcare	34	5.9% (5.9%)	2.9% (8.8%)	14.7% (23.5%)	26.5% (50.0%)	20.6% (70.6%)	14.7% (85.3%)	8.8% (94.1%)	0% (94.1%)	2.9% (97.1%)	0% (97.1%)	2.9% (100%)
Education Institutions	6	50.0% (50.0%)	0% (50.0%)	0% (50.0%)	0% (50.0%)	16.7% (66.7%)	16.7% (83.3%)	16.7% (100%)	0% (100%)	0% (100%)	0% (100%)	0% (100%)
Nonprofit Organizations	5	0% (0%)	0% (0%)	20.0% (20.0%)	0% (20.0%)	20.0% (40.0%)	0% (40.0%)	0% (40.0%)	20.0% (60.0%)	0% (60.0%)	0% (60.0%)	40.0% (100%)

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In Table 2, the first percentage reported in each cell is the percentage of starting salaries offered in that range. The second percentage reported in each cell (in parentheses) is the cumulative percentage of the starting salaries offered up to and including the respective cell's data. The results below summarize the starting salary offers for public accounting firms in Tennessee.

- **Public Accounting, Big Four Firms:** Over 60% of the starting salary offers fall between \$50,000 and \$69,999, and about 35% are \$70,000 or more. The starting salary offers in the \$80,000 or more category are for positions in consulting and tax.
- **Public Accounting, National or International, non-Big Four Firms:** Approximately 80% of the starting salary offers fall between \$50,000 and \$69,999, with 20% at \$90,000 or more. The salary offer at \$90,000 or more is for an audit position.
- **Public Accounting, Regional Firms:** Over 60% of the starting salary offers fall between \$55,000 and \$69,999, with 25% at \$90,000 or more. The salary offers over \$90,000 are for positions in accounting services and financial analyst.
- **Public Accounting, Local Firms:** Over 83% of the starting salaries are between \$50,000 and \$69,999, with about 11% above \$75,000. The salary offer in the \$80,000 to \$84,999 range is for a consulting position.

When considering all the public accounting starting salary offers, most of the offers fall between \$50,000 to \$69,999. While all the public accounting firms have some offers of \$70,000 or more, the Big Four firms lead by offering over 35% of their starting salaries in this range. Regional firms offer the highest percentage of their starting salary offers (25%) in the \$90,000 or more range.

The results below summarize the starting salary offers for the non-accounting firm entities.

- **Government Agencies:** Almost 60% of the starting salaries are between \$50,000 and \$69,999 and almost 30% are over \$70,000. The salary offers over \$80,000 are for positions in audit and corporate accounting.
- **Financial Services:** About 58% of the starting salaries are between \$50,000 and \$69,999, with almost a quarter falling in the less than \$50,000 range. For the salary offers over \$80,000, the only position identified is as a unit financial manager.
- **Manufacturing:** About 60% of the starting salaries are between \$50,000 and \$69,999 and 30% are over \$70,000. The salary offers over \$80,000 are for positions in corporate accounting and as a financial analyst.
- **Healthcare:** Over 75% of the starting salaries are between \$50,000 and \$69,999 and only 14% are over \$70,000. The salary offers over \$80,000 are for positions in corporate accounting and consulting.

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- **Education Institutions:** Only one third of the starting salaries are between \$50,000 and \$69,999, with 50% falling in the less than \$50,000 range.
- **Nonprofit Organizations:** About 40% of the starting salaries are between \$50,000 and \$69,999, with 60% in the \$70,000 or more range. The salary offers over \$70,000 are for positions in corporate accounting.

Overall, in the non-accounting firm categories, healthcare has the most starting salary offers (over 75%) in the \$50,000 to \$69,999 range. For starting salaries of \$70,000 or more, nonprofits lead by offering 60% of their starting salaries in this range followed by manufacturing at 30%. Of all the firm types in the survey, education institutions are on the lowest end of the salary range, with half (50%) of their starting salary offers at less than \$50,000.

All employers need current entry-level salary data to structure competitive offers and attract new talent. This research attempts to close that gap for Tennessee-based employers. Tennessee employers can use the findings of this study to understand where their organization falls on the starting salary scale and compare it with what the market is presently demanding.

Benefits/Perks Factors

Table 3 identifies 14 benefits and perks factors rated in this study, such as paid time off, insurance, wellness, and complimentary food and beverage service. Once again, the responses from both groups are strikingly similar. The five highest-rated factors based on importance to alumni and students are highlighted in green. Four of the *same* factors are in the top five on importance for both the alumni and the students: vacation time, paid holidays, medical insurance, and dental insurance. The one difference in the top five rankings is that alumni rated sick leave and students rated vision insurance in their top five factors. However, it is interesting to note that the sixth highest-rated factor of importance for students is also sick leave, indicating again very close alignment between alumni and students.

Employment Factors Important to Employees & Prospects

Table 3 Benefits/Perks Factors				
Factors	Alumni		Students	
	Importance	Satisfaction Gap	Importance	Satisfaction Gap
Vacation time	4.51	-0.42 ^{***}	4.27	-0.56 ^{***}
Medical insurance	4.40	-0.47 ^{***}	4.32	-0.42 ^{**}
Paid holidays	4.36	-0.21 ^{***}	4.03	-0.17
Dental insurance	4.10	-0.22 ^{***}	4.15	-0.39 ^{***}
Sick leave	3.95	-0.07	4.02	-0.41 ^{**}
Vision insurance	3.84	-0.03	4.12	-0.37 ^{***}
Free parking	3.28	0.64 ^{***}	3.58	0.22
Mental health insurance	3.25	-0.03	3.47	0.02
Physical health benefits (Examples: Gym membership, onsite workout space, exercise classes, etc.)	2.97	0.05 [*]	3.05	0.20
Onsite complimentary food and beverage service	2.60	0.30 ^{***}	3.12	0.17
Childcare financial assistance	2.46	0.11 [*]	2.58	0.27
Childcare availability onsite or nearby	2.42	0.26 ^{***}	2.68	0.20
Pet insurance	1.80	0.91 ^{***}	2.14	0.51 ^{**}
Onsite dry cleaning drop off and pickup	1.78	0.85 ^{***}	2.07	0.78 ^{***}

***Significant at $P < .01$

**Significant at $P < .05$

*Significant at $P < .10$

Employment Factors Important to Employees & Prospects

In Table 3, the five benefits and perks factors with the largest negative satisfaction gap ratings are highlighted in red. Like the satisfaction gaps for the financial compensation category, there is more dissatisfaction with the most important factors for both groups. In this category, four of the top five negative satisfaction gaps are on the *same* factors for both groups, namely vacation leave, sick leave, medical insurance, and dental insurance. The one factor difference is that alumni rated paid holidays and students rated vision insurance in their top five negative satisfaction gaps. Sick leave again has an interesting response from the students. As noted above, students ranked sick leave as the sixth most important factor, however, they have a rather strong dissatisfaction rating for sick leave policies they anticipate in future employment situations. As indicated in Table 3 by the asterisks, all but one of the top five satisfaction gaps (and several others) are significant at a $P < .01$, $P < .05$, or $P < .10$ level, indicating strong evidence that these results did not occur by chance.

While some organizations are undoubtedly doing a good job on some or all these factors, the findings suggest that employers should evaluate the important benefits and perks offered in their companies to address any negative satisfaction levels.

Work Environment/Culture Factors

Table 4 identifies 18 work environment and culture factors rated in this study, such as office culture, work-life balance, travel requirements, social activities, remote work options, and distance from home. The five highest-rated factors based on importance to alumni and students are highlighted in green. Again, the alumni and student responses mostly overlap. Both groups ranked four of the *same* factors in this category in the top five for importance: office culture, work-life balance, flexible hours, and distance from home not more than a 60-minute drive. The one factor difference in the top five rankings is that alumni rated relationships with co-workers and students rated the promotion potential factor in their top five factors. It is interesting to note that each of these fifth-ranked factors is ranked sixth in importance to the other group. This is further confirmation of how crucial these factors are to both employee groups. Because both groups have consensus on the important factors, businesses can target improvements and changes to important factors that are appealing to both existing employees and new recruits.

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Table 4 Work Environment/Culture Factors				
Factors	Alumni		Students	
	Importance	Satisfaction Gap	Importance	Satisfaction Gap
Work-life balance	4.55	-0.62***	4.52	-1.00***
Office culture	4.29	-0.33***	4.29	-0.40**
Distance from home not more than 60 minute drive	4.26	-0.21***	4.21	-0.69***
Flexible hours	4.21	-0.33**	4.27	-0.77***
Relationships with co-workers	4.10	-0.04	4.15	-0.25*
Promotion potential	4.06	-0.55***	4.23	-0.50***
Work from home options	3.99	-0.17	3.81	-0.35
Distance from home not more than 30 minute drive	3.98	-0.03	3.96	-0.48
Hybrid work options	3.89	-0.23*	3.83	-0.19
Industry exposure/focus of work	3.82	-0.12	3.94	-0.40**
Work from office options	3.56	0.12**	3.67	-0.13
Relationships with client personnel	3.48	0.07	3.88	-0.19
Limited out-of-town travel requirements	3.40	0.30***	2.98	0.35
Reimbursement for home office setup	3.20	-0.30**	3.33	-0.10
Office located near common amenities	3.05	0.55***	3.25	0.38**
Out-of-town travel opportunities	2.48	0.75***	3.02	0.33
“Happy Hour” socials	2.21	0.87***	2.77	0.54**
Nap rooms	1.79	0.88***	1.96	0.58***

***Significant at $P < .01$

**Significant at $P < .05$

*Significant at $P < .10$

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In Table 4, the five work environment and culture factors with the largest negative satisfaction gap ratings are highlighted in red. The satisfaction gap ratings for factors in this category are among the lowest reported in the entire survey, indicating more dissatisfaction with several of these factors. For both alumni and students, three of the top five largest negative satisfaction gaps are work-life balance, flexible hours, and promotion potential. The alumni also rated office culture and reimbursement for home office setup in their top five largest negative satisfaction gaps. Students, who seem concerned about travel time to work, rated distance from home of not more than a 30-minute and a 60-minute drive in their top five largest negative satisfaction gaps. These slightly different satisfaction gap ratings assigned by each group are not surprising. Due to COVID-19, many alumni likely had to set up a home office using their own funds, and, thus, are sensitive to the costs involved with this experience. Similarly, students are likely more focused on the commuting distance to the office because they are trying to balance where they can afford to live on their expected salary with where employers are located. Perhaps, in some cases, students are also reflecting on their recent commutes during internships. Each of these responses reflects where the respondents are in their professional lifecycle. As indicated in Table 4 by the asterisks, all but one of the top five satisfaction gaps (and several others) are significant at a $P < .01$, $P < .05$, or $P < .10$ level, indicating strong evidence that these results did not occur by chance.

The work environment and culture factors discussed in this section offer perhaps the greatest opportunities for firms that are willing and able to close the satisfaction gaps. Work-life balance and culture issues touch on not only how firms view themselves but also how they function and are not easily altered. These findings suggest that companies that can improve their performance in this area may gain a competitive advantage in retention and recruitment efforts.

How Employers Are Responding

Over the last two to three years, several factors have influenced the composition of employee benefit plans. Events such as the COVID-19 pandemic brought a new wave of remote work possibilities as well as increased desire by employees for remote, flexible, and hybrid work options. Supply chain interruptions, rising inflation rates, and increases in interest rates all worked together in a negative way to decrease employees' purchasing power at the cash registers. In response to new laws and rulings, such as the Supreme Court's recent reversal of *Roe v. Wade* and the addition of Juneteenth as a federal holiday, employers now face increased pressure to extend new benefits. And, in the accounting

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profession specifically, salary has become a topic of increasing concern that employers must address to remain competitive (Galbreath, Jobe, and Chen, 2023 and Galbreath, Chen, and Jobe, 2023).

To understand how employers are responding to these and other pressures, alumni were asked to identify what new employment benefits were added over the last 12 to 24 months by their employers. Table 5 summarizes the new employment benefits and provides examples of how employers made these changes. The top four most mentioned new or improved benefits are increasing healthcare-related leave, offering more options for remote, hybrid, or flexible work, increasing paid time off, and improving insurance. All these benefits relate directly to factors that alumni and students rated as important in the survey. Two of the top four items relate to increasing paid time off, such as for parental leave, travel for women’s health, and additional days off for holidays, vacation, or sick leave. Referring to the benefits and perks factors, Table 3, paid time off factors (vacation time, sick leave, holidays) comprised three of the top five most important factors and had the highest dissatisfaction ratings. The new benefits employers added indicate that some employers already recognize these issues and are moving to address deficiencies. The other two top benefits employers recently added include improving insurance and expanding remote, hybrid, or flexible work options. Again, in Table 3, insurance benefits are very important to employees and yet received high dissatisfaction ratings. Similarly, referring to Table 4, the flexible hours factor was rated in the top five important factors and received high dissatisfaction ratings. Though not in the top five, alumni and students ranked hybrid work options and work-from-home options as important factors with high dissatisfaction ratings.

Table 5 New Employee Benefits in Last 12-24 Months		
Category	Number	Description
Parental and Women’s Health	24	Most of the changes in this category were to increase parental leave. Other added benefits in this category included benefits for travel for women’s health purposes, infertility, and childcare/eldercare benefits.
Remote/Hybrid/Flexible Work	16	Most of the change in this category was to add or expand hybrid work options. Other benefits related to added benefits such as remote workdays, flexible work hours, and Friday half day or all day off (as work schedule allows).

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Table 5 New Employee Benefits in Last 12-24 Months		
Category	Number	Description
Additional Paid Time Off	14	Most of the change in this category was to add 1-2 days of additional time off as designated holidays, floating days, or vacation or sick days. Other changes included adding a half day off the day before a holiday, adding a sabbatical, switching to one PTO category (instead of vacation and sick leave), and allowing community and church service to count as work hours.
Insurance	14	Most of the change in this category was to add or increase insurance options, such as life, short-term disability, and long-term care insurance. Other changes increased benefits for retirees, such as improved health insurance benefits and hearing aid coverage. Improvements in access to telehealth and mental health benefits were also mentioned in this category.
Wellness and Entertainment	8	Most of the changes in this category were to add wellness benefits, such as a gym membership or a monthly stipend (\$30-\$50) for wellness fees. Other changes included adding a "One Pass," which provides discounts on gyms and grocery delivery, and "Working Advantage," which provides discounts on travel and entertainment.
Employee Stock Plans	6	In this category, the employers increased employee stock options or increased stock matching programs.
Pet Care	6	Employers increased benefits to include pet care and pet insurance options.
Retirement Plans	5	Employers increased retirement plan benefits, increased 401K matching percentage, and made the 401K matching available after one month of employment.
Professional Development	4	Employers increased payment for CPA and other certification study materials. Other employers offered paid time to study for the CPA Exam and other professional development activities.
Salary	3	This category included salary raises and raises for receiving additional certifications.
Reimbursable Expenses	3	This category included adding stipends or reimbursements for mobile phone, mileage, commuting, and wellbeing.
Workplace Attire	2	This category added more relaxed attire policies such as jeans on Friday and "dress for your day" expectations.

Employment Factors Important to Employees & Prospects

A review of recently added benefits in Table 5 indicates that some employers are already beginning to address important factors related to two of the categories examined in this study: (1) work environment and culture and (2) benefits and perks. Given the importance of these factors to employees, these employers are on the right track and should continue their efforts to eliminate satisfaction gaps in these areas. However, as indicated by their absence in Table 5, few employers are addressing the third benefit category examined in this study: financial compensation factors. As Table 1 illustrates, financial compensation factors such as salary, raises, retirement benefits, and funding for professional certifications are important to employees and have low satisfaction. This research indicates that there is still room for improvement in these financial compensation factors as well as with other important benefit factors that are missing from Table 5, such as office culture, and work-life balance. Employers who are most adept at addressing these satisfaction gaps will likely emerge on top in recruiting and retention efforts.

Conclusion

The accounting staff shortage has employers searching for new ways to attract and retain talented employees. Employers can use the information provided in this whitepaper to identify and address benefit factors that are important to current and future employees. While generational differences exist among employee groups on some issues, in this study, there is a high level of consensus by both employee age groups on what benefits are important in their employment decisions. This means that improvements employers make on the important benefit factors will address the concerns of both current and future employees. Employers can use the rankings information on importance and satisfaction provided in Tables 1, 3 and 4 to target factors for improvement in their employee benefit models that help both retention and recruiting.

Salary is generally one of the most important employment factors. This whitepaper provides guidance on the starting salaries in Tennessee offered by employer types. Employers can use these results to evaluate their starting salaries and compare them with the current market. Finally, for employers looking for new ideas on what benefits to add or enhance, this whitepaper provides a list of employee benefits that employers have added or improved over the last 12 to 24 months. Using this information, employers may identify and rectify shortcomings in their current benefit packages to attract and retain talented employees. The benefit package solution will likely not be found in addressing one factor or even an entire category. Rather, employers will need to find the optimal combination of benefits that works for their firm and employees.

Employers can use the information provided in this article to identify and address benefit factors that are important to current and future employees.

Endnotes

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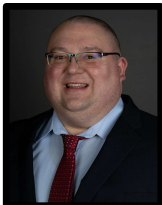
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