

Managing Through Change



Your Role

- No one can avoid change
- As a manager, you must guide your finance and accounting employees through the transition process

Today's session:

How change affects employees and what steps you can take to help your staff adjust



Understanding Change

- Corporate growth is driven by changing needs and objectives
- Change provokes different responses in different people
 - Some are quick to embrace change; others fight it
 - Try to see it through your employees' eyes



The Four Stages of Change

Acceptance

Exploration

Resistance

Denial



The Four Stages of Change

Doubt

*What's being
proposed won't
make a difference*

Questioning

*Is the change really
necessary?*

Denial



The Four Stages of Change

Resistance

- Refusing to accept change
- Becoming more vocal, criticizing the reasoning behind the change
- Unwilling to let go of the familiar



The Four Stages of Change

Exploration

- Open-minded attitude
- Acknowledgement that change might be for the better
 - Viewed as an opportunity instead of a loss



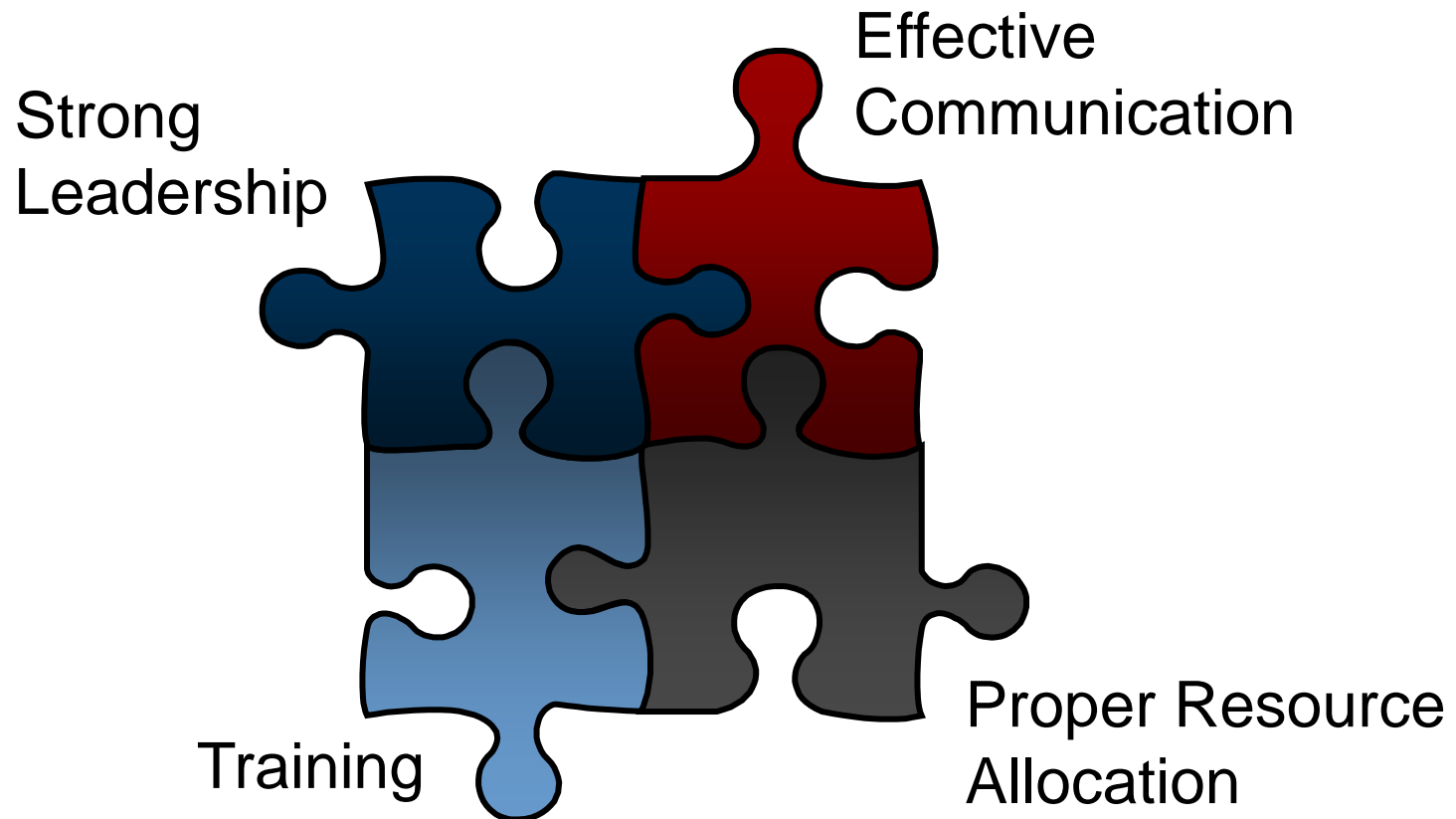
The Four Stages of Change

Acceptance

- Realization that change is working
- Embrace new situation as the status quo



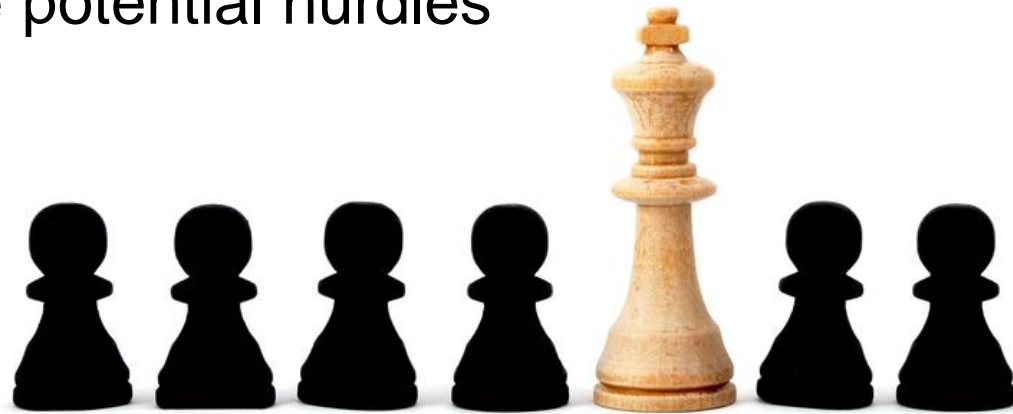
Helping Your Employees Handle Change



Helping Your Employees Handle Change

Strong Leadership

- Encourage positive response
- Promote commitment to teamwork
- Explain impact on job duties
- Be honest: Acknowledge potential hurdles



Helping Your Employees Handle Change

Effective Communication

- Tell them what you know
- Provide frequent updates
- Try to get answers to their questions
- Explain the timetable of events
- Reiterate corporate vision and values



Helping Your Employees Handle Change

Training

- Prepare to help people cope with change
- Determine your staff's needs and find ways to provide the training
- Encourage opportunities for professional development



Helping Your Employees Handle Change

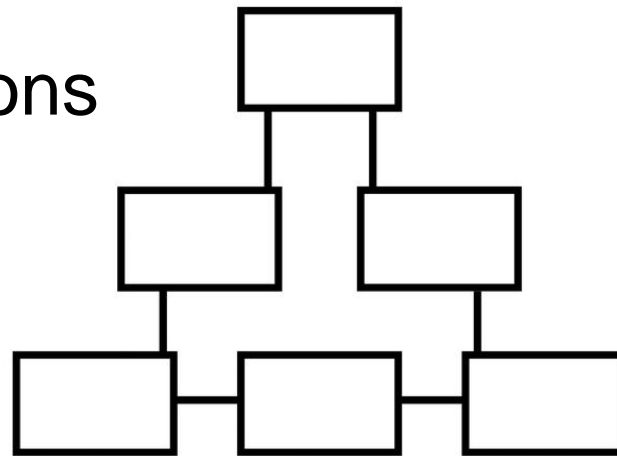
Proper Allocation of Resources

- Review team goals
- Identify needed skills and resources
- Partner with other departments
- Supplement core staff



Major Types of Organizational Change

- Staffing shortages
- Layoffs and downsizing
- Fast growth
- Mergers and acquisitions




Staffing Shortages

Signs of Trouble

- Frequent mistakes
- Missed deadlines
- Excessive overtime
- High turnover
- Absenteeism
- Elevated stress levels
- Poor customer service

Managing Staffing Shortages



Be proactive

Anticipate important dates, deadlines, demands, vacation schedules and leaves of absence



Delegate responsibilities wisely

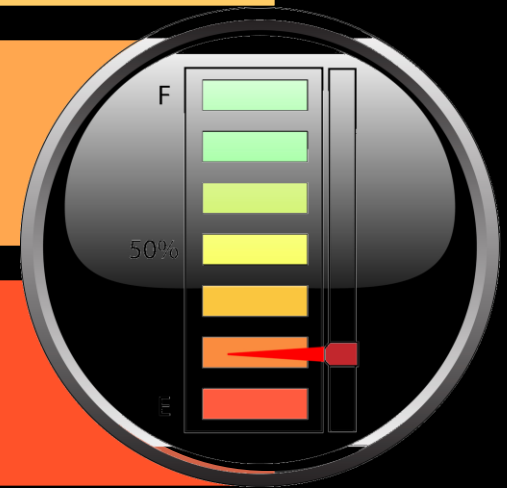
Reassign duties to employees who can handle the extra workload



Consider project professionals for the short term



Re-examine staffing strategy if problems persist



Layoffs and Downsizing

Explore all other options first

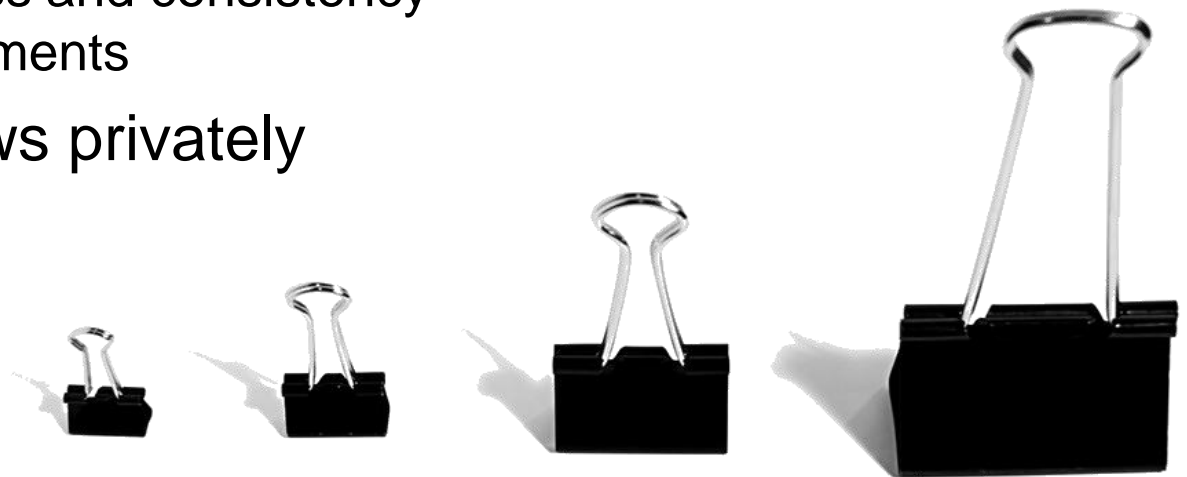
- Retrain employees for other jobs in the company
- Eliminate redundancy in business processes
- Ask employees to volunteer for reduced hours, part-time work or job-sharing
- Develop voluntary early retirement packages
- Use temporary workers for short-term needs, avoiding future layoffs when workloads subside



Layoffs and Downsizing

If you do have to lay off employees

- Manage the message
 - Consider all factors before you notify your workforce
- Determine criteria with other managers
 - Ensure fairness and consistency across departments
- Deliver the news privately



Layoffs and Downsizing

Help remaining staff cope

- Tell them how you plan to avoid future layoffs
- Increase motivational efforts
 - Offer extra praise and acknowledgement
- Attend to career development of remaining staff
 - Encourage staff to hone skills that will help them weather professional ups and downs



Fast Growth

- Not easy to manage
- Causes longing for the past
 - Criticism can undermine morale
- Potentially polarizing effect
 - One group may resist change, another advocate it
 - Two sides may find it increasingly difficult to work together



Fast Growth

Encourage
employee
involvement

*Involvement
provides a
feeling of
greater control*

TEAMWORK



Fast Growth

**Promote
ownership of
projects**

***Assign
employees one
aspect of the
overall change***



Fast Growth

**Preserve
corporate culture
as much as
possible**

*Introduce people
to one another*

*Hold firm-wide
social events*

*Publish an
employee newsletter*



Mergers and Acquisitions

- Increase company's strength in dealing with competition
- Gain new efficiencies
- Tap new markets
- Expand



Mergers and Acquisitions

- Address morale and retention issues
 - Meet with staff to address concerns
- Redefine roles and responsibilities
 - Prepare your team for potential changes
- Implement a mentoring program
 - Help new employees acclimate to your firm



Dealing With a Changing Economy

- Staffing challenges occur for different reasons in all types of economic environments
- Effects are not always what you'd expect given a particular economic situation

Question

Has the slowing economy made it easier or more difficult for your firm to find and hire financial talent?

Dealing With a Changing Economy

Talent shortage of finance professionals:

- Business globalization
- Baby boomer retirements
- Accounting functions take center stage in a downturn

- Pause to consider wider staffing implications prompted by changing economy
- Don't make assumptions



Dealing With a Changing Economy

- Second annual *Robert Half Global Financial Employment Monitor*:
 - 56 percent of worldwide managers surveyed reported difficulty finding skilled accounting and finance job candidates
- More resourceful recruitment efforts required
- Online efforts should augment, not replace, traditional one-on-one personal contact



Dealing With a Changing Economy

- Retention also key:
73 percent of U.S. respondents are “very concerned” or “somewhat concerned” about losing top financial performers
- Critical to be prepared for an economy that begins to change yet again

Question

What is your company doing now to retain your best employees?

Dealing With a Changing Economy

- Keep compensation competitive
- Provide advancement opportunities
- Get flexible
- Explore mentoring
- Recognize red flags



The Economy: Persistent Change

- Important to be prepared for when the economy begins to change yet again
- CPA firms should always be on the lookout for opportunities that will improve their positioning for better times
- A key part of this is staffing: the need to recruit and retain talented employees



Facilitate Change

- Strong leadership
- Effective communication
- Adequate training
- Flexibility
- Proactive approach
- An eye on economic changes affecting staffing



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