

VAIBHAM ACCOUNTS SERVICES

HR MANAGEMENT IN ACCOUNTING PRACTICE

Dear Friends,

It gives me great pleasure in sharing this article with all of you. The article has been published in the journal of Bombay Chartered Accountants Society September 2009 issue under section corporate and other laws. This is one of the inspirational and attentive articles I have come across. I am deeply thankful to **CA Mehul Shah** for presenting the same in front of us. I am also thankful to my partner **Vaishali** being always carrying for the human management. While serving to the profession sometimes we overlook the need of people around us. I myself engaged in the practice of Accounting Service and running a firm in the name of VAIBHAM ACCOUNTS SERVICES have come across various difficulties while retaining people, motivating them to get the best out of them. Let's go step wise to understand the importance of HR Management in the accounting practice.

1. Need of HR Management

People are the key ingredient of a professional practice. This is true whether the firm employs 10,100 or 1000 people. Most accounting practices struggle to employ and retain people. The gap between demand and supply is the most obvious reason why finding enough people (leave aside good talent) is so difficult. The problem is accentuated because different sectors with very different paying capacities and glamour quotients now compete for the same talent pool.

Retaining people is an equally big challenge because new employment opportunities (at significantly higher salaries and other perquisites and attractions are opening every day. The result is that at most times we are short-staffed. Because of attrition we are unable to build and maintain a stable team with steadily improving skill sets. This results in upward delegation, putting the proprietor/ partner and senior staff under constant execution and delivery pressures. There is the constant stress of missed deadlines and mistakes in delivery. This leaves us with little time and a mind space to grow and quantitatively improves our practice and of course achieves the elusive work life balance.

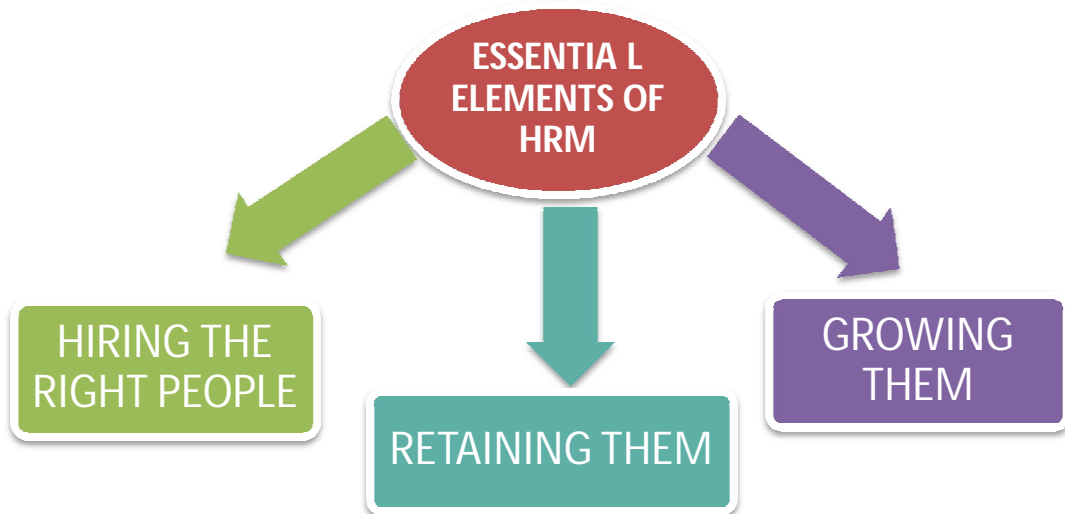
What we Want?

As employers, we all want people who have the right attitude and adequate skill sets to work for us. We would like to have a work environment in which our people enjoy working. We want our people to be committed to the firm. And of course, we are concerned about salary cost since it is the biggest item on our profit and loss account. And what employees (and articled clerks) want is professional development through learning and exposure, recognition for their work, a healthy work environment and of course, fair remuneration.

On the face of it, there is a close congruence between the employers' and employees' needs which should guide our behavior and actions to meeting these needs.

Reality Check:

However, most of us are so busy with day-to-day execution issues that we don't pay any conscious attention to the people aspect of our practice. Its not that we don't care or we don't want to do it. We do. But our efforts in this direction are often passive, unfocused, unstructured and sporadic.



The Following Are The Key Process HRM That Would Help Meet These Objectives.



1. RECRUITMENT AND SELECTION.

- ✓ Writing Clear Job description for each position.
- ✓ Identify competencies required for each job/position.
- ✓ Systematic Selection process.
- ✓ Initial screening based on CVs and job descriptions.
- ✓ Written tests for assessing technical ability.
- ✓ Interview.

2. PERFORMANCE MANAGEMENT.

- ✓ Training and Development.
- ✓ Appraisal and feedback.

3. COMPENSATION AND REWARDS.

- ✓ Fixed Remuneration.
- ✓ Variable i.e. performance linked bonus.
- ✓ Promotion.
- ✓ Recognition.

4. HR ADMINISTRATION

- ✓ Timely payment of salaries/Stipends.
- ✓ Leave Management.
- ✓ Maintaining Employment records for staff.
- ✓ Statutory Compliances (PF,ESIC,PT etc.)

5. LEADERSHIP.

- ✓ Communicate with your people.
- ✓ Be in touch with your people.
- ✓ Celebrate Successes.
- ✓ Celebrate successes.
- ✓ Show strength and courage in difficult times.
- ✓ Give feedback.

❖ Busting the Challenges :

The economic, social and professional environment has changed dramatically. Survival and success in the profession therefore demands that we look at managing our practices in a more businesslike manner, managing all aspects of the practice of which the technical or delivery aspect is only one competently.

Given the benefits that good HR Management can bring, spending time on this is an investment and not a cost. Initially, it does need extra effort as any change does but once set up properly, it is by and large “Maintenance Free”.

How formal your HR management is will essentially be determined by the size of the practice and your own management style. What is important however is to have the HR Mindset and to keep HR Management Firmly in the radar of practice management.

HR Management like all management is essentially common sense and does not necessarily require formal training. Certainly, knowledge of basic HR functions would be a big help but it is not a pre-requisite to get started.

Very importantly, none of this costs large sums of money. We can say it will require an investment of your time, mind space and common sense.

Ok, now where do we go from here

Once we recognize the reality of the people challenge and have dealt with our reasons for not doing it, we are ready to face the task at hand.

Getting started is a four-step process. Here are some questions to get your started.

1. Do I feel the need for HRM in my practice? This will test your need and its intensity.
2. Do I really want to implement HRM? This will be your statement of resolution.
3. Why do I want to implement HRM? This will test your clarity of purpose and also help to identify the ‘Pay-offs’ that you expect.
4. Which elements of HRM Should I implement? This will depend on the specific needs of your organisation. Your answer to 3 above will give you pointers to identify this. The section “Essential Elements of HRM’ above will also help to set this agenda.
5. How do I do it? Once your reasons for implementing HRM are clear and you have set the agenda, it will then boil down to the actual implementation. The following tips may be useful.
 - a. *Keep it simple.* Don’t make a grand design. Don’t aim for the most ideal HRM practices. Do what you believe is right for you and your organisation.
 - b. *Priorities.* Take small steps. Don’t take on too much at one time. Take what matters most first and implement it. Let it start working. Then move on to the next items.
 - c. *Be Disciplined.* Once you have taken the plunge, stick to the task. Your efforts will take some time to show results, but they will Have patience... and fith!

To Conclude.....

Adopt HR Management practices. They are simple. They are common sense. Don't think your practice is too small for it. Don't be intimidated by the jargon. What is important is that you genuinely care for your people and that you have sincerity of purpose and discipline.

You are bound to reap the obvious benefits discussed earlier in this article. But more than that, you will experience the joy of watching people develop and grow, not by accident, but systematically and by design.



Thank You