1971

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Recommended Citation
H&S Reports, Vol. 08, (1971 spring), p. 24-27

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For the right place

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He's a diplomat, an arbitrator, a part-time psychologist. He's an organization man par excellence. He's a juggler of dates and telephones, a walking attendance roll. He may be a principal who also has his own audit clients to take care of. Sometimes he is not a professional accountant. In one office he's a partner. In some offices his job is a full-time task; generally it's an extra duty. In the New York Office it's full time for a staff of ten.

He is a Haskins & Sells assignment director. He is the man in the practice office who makes the arrangements which insure that the correct number of accountants, and those specifically requested, are available for such-and-such an audit.

The continuing effort to fit the right-sized pegs into the right-sized holes often results in decisions by the assignment director that may seem arbitrary to auditors who are on the way up. Or they may be joyful milestones, as when a man is assigned his first audit as accountant in charge.

Joe Jones had been on the audit for an agricultural machinery manufacturer the last three years. He enjoyed the job and learning about the specialized type of manufacturing the client was involved in, with its particular type of accounting problems. Joe was beginning to think of himself as a potential authority within the Firm on this kind of work. This year, however, Joe was taken off that audit. Why?

The reason is that the Firm rotates staff assignments in order to help accountants grow professionally through variety in their work. A reasonable rule is three years on one particular audit and then no more, if possible. Sometimes a partner or principal will request the return of a particular accountant who had been working with him in past years, creating the problem of making a polite refusal. "If a partner depends on an accountant, it's fine for the partner but not for the accountant," explained one assignment director. "We have to sit back and ask if this pure repeat is a hundred per cent beneficial to the audit—if not to the accountant. If it is necessary to bring the accountant back, we try to add responsibility so that the accountant is growing professionally."

Judy Smith, fresh out of college, was assigned as an assistant on an audit and, after one week on the job, was reassigned elsewhere. Why? In this case, happily, it was just a matter of routine; the client was a brokerage firm and she was needed in the first week only, the remainder of the audit requiring more experienced people.

Logically, an audit is the fundamental proving ground for newcomers to the Firm and the performance of an individual is closely watched. "An accountant who is unsure of himself will show up immediately, but we'll give him further opportunity to demonstrate his ability," an assignment director said. "You start to get a feel for new E's after the winter; you know who's average, above average and below average. The more experienced a senior is, the less experienced a man we assign to him. That's the senior's award for being so good! But it might be unfair to assign a very new assistant to a man who's running his first job."

"The first six months of his employment can be the most advantageous in a fellow's career in a peculiar sort of way," comments Alex Smith, coordinator of the assignment section of the New York Office. "It's in the first six months that an accountant begins to reveal his overall ability; that he shows he has a head on his shoulders and has real interest in his work. How he works then can make or break his career." For example, counting securities on brokerage firm audits is a task that is generally underrated. "It's not just paper they're checking; securities can represent millions of dollars. Yet some accountants take the attitude that it's just counting paper. But we are evaluating during the count. Who are the hard workers, the really conscientious ones?"

Assignment directors, in the process of charting the manpower availability for a variety of forthcoming audit engagements, must weigh carefully a number of intangibles as well as quite explicit requirements. In the process of making projections, they discuss the engagements with the partners or principals who are responsible for the clients, and with the seniors who have served as accountants in charge.

What kind of work was it? How did it go last year? Does it look as if it might be different this year? Is it a routine job or a complicated one? How long did it take last year and how many people were on it? Will the engagement be expanded this year? Would it be better to assign more accountants or was it adequately staffed? Any SEC problems? Any "flak" from the client, or special requests? What's the management like there?

For example, one client may be a non-profit foundation that is not really "business oriented"; the accountant in charge of that audit should be outgoing and sympathetic to this client's particular viewpoint. The management at a certain manufacturer, however, is very tough and exacting; the posture of the audit consequently should be very down-to-earth.

Going down the list of accountants to send out, assignment directors must consider more than the individual's ability, personality and experience. One man might have done so well last year that he should be given more responsibility. Another accountant badly needs exposure to other types of engagements, yet his skills are so critical he must be returned to a client with particularly ticklish problems. "My job is to spread the talent equally so that not all the best go to one client," notes Jim Hackett, assignment director of the Newark Office. "I try to keep one or two seniors very light because I might need them in a spot."

Ken Ditmars, who is the assignment director for the Philadelphia Office, says he strives to achieve a balance between experienced and inexperienced accountants on each engagement. "Suppose I have a bank job starting. The client has two branches and I need twenty-five men. I'll need two seniors to run the branches as well as experienced assistants and less experienced people for some of the checking. In this combination, I'll try to keep the number of very experienced accountants down to five." Says Neil Driscoll, Ken's counterpart with the Boston Office, "I make sure I'm assigning a senior only if the engagement requires that level of experience."

The proximity of the accountant's residence to the client office is a factor in making assignments, "not for the purpose of saving money," as Jim Hackett says, "but to save wear and tear." Ken Ditmars keeps a map of the Philadelphia area on the wall of his office, with the locations of clients and the names of accountants pinpointed on their addresses. Obviously this consideration cannot always be realized and some accountants may have to travel long distances to a client's offices just because they are particularly needed on the engagement.

The assignment directors also pay close attention to vacation schedules, often starting early to get calendar decisions from staffers. Another consideration is overtime. The Firm bends every effort to keep overtime within controllable limits but recognizes that with a seasonal practice some overtime is inevitable.

Each assignment director tends to develop his own system for keeping track of people and upcoming audits, although there are many similarities. They operate with differing theories about the length of time they should plan ahead and with great reliance on their records of the past.

In Newark, for example, Jim Hackett makes use of records kept for two-year periods of the previous engagements an individual has been on. He also keeps a record of the weekend assignments of accountants as a basis for rotating Saturday work, and of projected staff vacations.

Jim, a principal who spends fifteen to twenty hours in each two-week period on a task that is a traditional two-year stint for new principals, claims "the secret of an efficient assignment program is a long-term projection for the seniors and short term for the assistants. For seniors I make commitments for three to six months. I commit assistants, however, for no more than two weeks in advance."

Vic Schulte, a principal with the St. Louis Office, works with a staff that is almost exactly the same size as Newark's, spending an average of ten hours a week as assignment director. "I make my initial manpower determinations for the following year's engagements in March and update them by the end of May," he says.

"Having established an overall plan of who'll be the in-charge accountants, we will have a pretty solid fix on about eighty per cent of the jobs by the first of June. In June, July and August, after I get to know the new people, specific assignments of assistants are scheduled. As jobs continue to come in—particularly work originating at another practice office—the availability of personnel is somewhat less and more changes of in-charge accountants and assistants are apt to take place. Extreme long range commitments at the assistant level are virtually impossible to make." He regards his long range projections as "a sort of control sheet" and each week reconfirms commitments with partners and principals.

Ken Ditmars plots ahead for a full year with assignment sheets that give such information as the specialized skills of the accountants. "I try to plot as many engagements in advance as possible. I know the approximate time they'll take place except for brokerage houses and banks, the surprise audits." He works full time with a staff of more than 100.

As a valuable mechanism, Ken obtains pictures of new accountants that are compiled in a manual which discloses when they joined the Firm, the year they graduated and their degrees, when they were certified, and where they live.

Neil Driscoll in Boston, who makes assignments for a staff of more than 100, took on the job in March 1970. He put together a new system—that later had to be done over to assimilate the new accountants and clients brought in with the Spark, Mann and Co. merger last year. First he broke down the clients into specialized industries (brokerage firms, banks, medical, educational, etc.) and then the rest of the client list according to the size of the engagement as gauged by audit service hours (over 500 hours, 100 to 500 hours, under 100 hours). Next he compiled job descriptions for each audit, including the size of the engagement, the names of all accountants assigned to the engagement in the previous year, and an estimate of the amount of time needed for the audit.

With the Spark, Mann merger came the need to learn about fifty new faces; Neil no longer had the advantage of long familiarity with jobs and coworkers in making appraisals. In as many engagements as possible started after July 5 of last year, it was decided that staffing would include accountants from Spark, Mann and from the pre-merger Boston Office. He arranged to get passport size photos of the new cadre along with their addresses. Neil also obtained a summary of all the audits the Spark, Mann accountants had been on in the past year from Tom Murphy, who had been assignment director with Spark, Mann. This information was implemented with similar data on the pre-merger Boston Office.

Neil attempts to schedule as much of the next fiscal year's work as possible by May 1 and then maintains a running list of all jobs that are yet unstaffed—"our 'to do' list"—and gets a rundown each Thursday morning from seniors on the status of every accountant. Changes must be communicated by Friday. "I require that a senior accountant plans his work so that his primary assistant is on the job with him to the end," Neil says. "Then both are ready for a new job on the same day." He also tries to provide an "open end" between one job and the next for each senior, just in case an engagement is unexpectedly extended or other unexpected requirements present themselves. A report is prepared monthly for the managing partner summarizing developments that have occurred or are anticipated, and revising personnel projections to meet these developments.

The New York Office, with a staff of several hundred, is the largest of the practice offices and, expectedly, the most unusual, according to Alex Smith.

"In New York one of our difficulties during the summer is servicing the tremendous number of brokerage engagements," he said. "This results in some ninety per cent of our accountants receiving some experience in brokerage work. However, with our broad clientele in all types of activity—industrial, financial, etc.—we can offer everyone a variety of experience."

Merrill Lynch, Pierce, Fenner & Smith is the largest brokerage firm in the world and the annual audit involves more than four hundred people. Alex used this famous firm as an example in describing his assignment methods:

"Starting in January, we receive an initial rough sketch of when we will probably make the examination. (It could be at the end of any one of several months.) It's a surprise audit, of course. We get estimated figures of the manpower needed for the first seven days by the day and then, for the rest of the engagement, by the week. A senior accountant is then assigned to the engagement.

"Sometime during the two months prior to the expected start of the engagement we get confirmation on the examination day. Merrill Lynch has already indicated the space availability on their premises for the end of each month of the year. They, of course, do not know which month end we will select. Now we in the assignment department start pushing the principals and seniors assigned to the engagement for more up-to-date figures on the manpower they need. It varies; you can't rely on past history. We get figures then that are closer to what the engagement will actually require, and now we can begin to finalize assignments. This is about six weeks prior to the start of the engagement.

"First we assign area or section supervisors—the key men—and then standbys for the key men. Next we set the permanent people on the engagement—those who will be on beyond the first week. And then we add the control people who will be on only for the first week of the engagement. Next we begin the job of telephoning accountants on their current engagements, telling them where they are to report and on what date, and reminding them it's a surprise audit. It's important to get instructions right. It would be bad enough if a man didn't show up, but it would be a catastrophe if he should arrive the day before the start of a surprise audit."

For engagements as large as Merrill Lynch, changes are made up to the last moment because of the extension of current engagements, illness and military leaves. "Changes are made up until they're all set to walk in the door—and then we start looking for the people who didn't report," Alex said wryly.

Obviously, with an office as large as the New York Office, it would be impossible to get to know a staff well that annually increases by scores. But to make the unending job of the ten-man assignment department more efficient, the New York Office is in the process of programming assignment functions on computer.

The strategy is to set up a centralized pool of information that will also be of use to Jerry Tucker, the New York Office personnel director. All staff assignments will be put onto the computer and projected for the following seventy-two weeks. The data bank will include job requirements and such personal information as accountants' industry experience, home locations and the time obligations involved in such activities as night school, military reserve requirements and staff training. Personnel evaluation reports are also fed in with this information.

In the skilled hands of Alex Smith and his co-workers the computer becomes an effective instrument for insuring that audits are properly staffed, and that all accountants in the New York Office will be exposed to the variety of experience they need **for professional growth.**