



# BEYOND THE MIC

with AEM



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**Post-pandemic Turnover & Retention – Feat Steve McDonald**

*Hosted by Leah Davis, Brenna Ramy*

EPISODE

15

*NOTE: Because of the nature of ever-changing human resources, payroll, and tax regulations, all information discussed herein is subject to change. Please reach out to us to discuss your organization's unique challenges so that we can provide you with up-to-date information and help you find the solutions.*

After a long trudge through a global pandemic, it's no surprise that employees are tired of the status quo and may be looking for a way to switch things up in their career path. Employers now find themselves in a place of vulnerability – where without flexibility and trust, their employees may find other opportunities being presented to them. // In this episode of Beyond the Mic, Leah Davis and Brenna Ramy are joined by Steve McDonald, Managing Partner of Abdo, Eick & Meyers. Listen in as they discuss the important questions facing employers in this post-pandemic environment and challenge you to ask the same questions about your own organization – like what are you doing to build trust with your employees? Are you measuring their day-to-day presence at the office, or the tangible results they produce no matter where they work? It's these questions and more that can help you pivot, adjust, and make strategic decisions to move your organization forward and maintain a strong, confident workforce.

## Meet the Hosts



### **Leah Davis, CPA**

*President | AEM Workforce Solutions  
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As President of the AEM Workforce Solutions team, Leah uses her background in public accounting, business ownership, and Human Resources and payroll support to provide her team with a strong foundation of knowledge and experience. She enjoys helping clients grow and learn, no matter where they are in their HR journey.



### **Brenna Ramy, PHR, SHRM-CP**

*Senior Manager – HR Advisory  
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Brenna enjoys working with leaders to determine the most effective employment model to meet business needs and strategic direction. She has over fifteen years of Human Resources experience in the industries of hospitality, retail, multifamily housing, and consulting.



### **Steve McDonald, CPA**

*Managing Partner | Abdo, Eick & Meyers, LLP*

With a strong belief in continuous improvement, Steve specializes in advising clients on strategies that ensure sustainability and profitability, identifying new business opportunities and structures that maximize growth, and developing process improvements that lead to greater communication and efficiencies

# Episode Transcript

**Leah Davis:** Welcome back to the Beyond the Mic podcast. I'm Leah Davis, President of AEM Workforce Solutions at Abdo, Eick & Meyers. And I'm really excited to be here today with Steve McDonald. Steve is the Managing Partner of Abdo, Eick & Meyers, and has a long career of working very strategically with business leaders from across a lot of different industries, and we're excited to have him today to talk to us about what COVID-19 has meant for business leaders and how they're making those really strategic decisions about where their business is going and what they need to do to sort of pivot and adjust in the workplace. Steve, welcome today.

**Steve McDonald:** Thank you. I'm glad to be here.

**Leah Davis:** I'm also joined today by Brenna Ramy, Senior Manager at AEM Workforce Solutions and Brenna, we're glad to have you here for the discussion as well.

**Brenna Ramy:** Thanks Leah. I'm actually really excited to even hear from Steve, the insight he can share with business leaders that are entering these challenges as they move forward.

**Leah Davis:** So Steve, in our prior podcasts, it's been a lot of just HR people sitting around talking about HR things. And one of the things as we kick off this four-part series related to COVID-19 recovery for business leaders and in the workplace, we really want it to start with, what has changed and what does this mean for the people who are making decisions in these organizations? And I think some of the things we're really hearing and I'd like to hear kind of from your perspective and your networks, what you're hearing, but I think the main issue for the day is, employees expect something totally different out of their work experience, out of what that work environment is going to look like moving forward about expectations. As we look ahead and as employers are starting to consider, as we move maybe out of this COVID-19 environment, what do we return to, is the status quo even relevant anymore? And why should they care necessarily what employees want to do versus what they feel is necessary?

So what are you hearing out in the real world?

**Steve McDonald:** It's run the gamut. 18 months of COVID has put us through a whole bunch of different cycles and thought process from the beginning to where we are now. I've seen more discussion lately from business owners wanting to get their people back and forgetting about the lessons that they probably learned over the past 18 months.

You can remember in the beginning, it's like we didn't know how this was going to go, what was going to go? We didn't know how our employees were going to work, how we'd monitor, how we do anything. And the thing that I thought was really cool, certainly in our business and other businesses I've talked to is how we flip the switch overnight and became this remote environment that we'd always talked about for the previous 10 years. Oh work anywhere, anytime mentality was the theme for the previous five years, probably before this happened, but nobody really knew what that looked like.

**Steve M (Cont):**

I mean, we were really successful as a firm overnight because of some of the strategic investments and things we've made in the prior years. We've benefited greatly from the investment in technology and remote and being able to use all the tools.

The tools are one thing but the commitment of your leadership is probably the most important thing. Being committed to communication and meeting with your employees was something that was part of our culture and I think that that helped get us through, and get us to where we are now, where I feel like the opportunities we're offering to our employees are really total flexibility. And it shows in the survey that we recently did where people are going to choose how they come back to work. I would imagine that our employees feel like they have a say in what their future work looks like. I think 45% of our employees have chosen they want to work one day in the office a week or basically work from home, 40%, want three to five or some variation between two and five days a week, and only a small percentage want to be in the office a hundred percent of the time.

You contrast that to things that have been in the news about businesses saying we have to have our employees back in the office. How did we forget that we functioned great for 18 months and maybe I should change that and say, maybe not everybody functioned great for 18 months. But I think we saw so many examples of serving our clients to a much higher level. The things we did in the last 18 months really moved us forward in understanding our client's business challenges and then helping solve them. I want to capture what we've learned and use it going forward. I have some hesitancy about being a mentality of a free for all environment. I think every business owner is worried about that, but did they have trust in their processes and what they'd learned over the past 18 months.

**Brenna Ramy:**

Steve, I'd love to ask you a question related to that because I think we've heard a lot from business leaders and owners and in house HR leaders about this question of, we've got a group of people who feel how you feel, Steve. They've kind of said, we never really thought we'd get there or we thought we'd do this a lot differently, but now we did it and we made it. But maybe their highest level leader, their president, their partner, their CEO, their COO, owner, whomever say, that's great, we survived it, now let's get butts in seats. This is how our business runs.

And so we're getting a lot of questions about just telling them that it worked, isn't going to work, so maybe you could share some of the discussions you had with some of your leaders about the we are worried about this free for all, or we've never done business this way, we're an in-person business, and this is how we connect. How did you work through some of those concerns outside of just saying, we have to do this for recruitment, which everybody knows. But how did you kind of realistically have those discussions?

**Steve McDonald:** I think there's a couple of things. Ensuring that we are having the one-on-one conversations that our firm has the process of having weekly one-on-ones with your direct reports. And I think you look over us over a period of time, a year or two years or whatever, the consistency of that pattern builds trust. And I think trust is the key to all of this. What does your organization do to build trust? Up and down we see through the daily, weekly surveys that we do through that Officevibe tool. We get feedback on do employees feel like they're heard, obviously if they're respected, all of those things come through and in the employee's response. So I think that that trust is kind of the key start to where we began.

**Leah Davis:** I think one thing too, that I'm hearing a lot of employers struggle with, and maybe you can talk through this is, they're recognizing that allowing employees to work somewhere where they can't manage them in person, see them doing the work is really a big shift for management and leadership in the way they need to manage performance and develop employees, and what are we measuring? Is it presence or is it results?

**Steve McDonald:** That's the other part of where my head was with the question. I think another key element here is that we had metrics that we were paying attention to. For us, do we meet the client's needs and expectations, and that can be delivery of services, it can be timing of when we do things. If you have a good order of operations, managers are paying attention to work, moving through the pipeline, is it timely? Is it accurate? Is it efficient? If they're paying attention to the data, that's going to help drive feedback to our staff.

Again, it's like the one-on-ones kind of keep everything on track. If you're spending your time talking about 'here's what success looks like, and here's how we're gonna measure it and talk about it', everybody gets on the same page and we stay on track. That's why I think this works is because our business, it's clear whether we're on track or off track. And I think I've been more than pleasantly surprised. I've been extremely happy with the performance of our employees through this process. We've gotten stuff done, we've done it better than maybe we have before. People are left to make their own decisions, and they know what the goal looks like, and they're able to do the work in the way that's most effective for them. But having access to data I think is extremely important.

The butt in the chair mentality is certainly there and I can't find the logic to it a lot of times. I had a strategic planning with a client where the owner was more concerned about having somebody in their accounting department sitting in a chair, but yet he was getting daily flash reports, weekly cash balance reports, and monthly financials on time and at expectation. Their job is getting done, you see the product that's there. why does it matter that they're sitting in a chair that you can see that they're there?

**Leah Davis:** How much of that, Steve, do you think is about data and the on track off track and leaders understanding where they're at, how much of that do you think is related to the fact that for a lot of business owners they don't have good metrics. They don't have good dashboards. They don't understand how to gauge whether they're on or off track until they're looking back historically at a financial statement. Because I know we use a lot of real-time metrics and data analytics of where we're at and where we're going, how much of having that information was critical for you being more comfortable allowing some of this flexibility for employees because you were confident you could see those issues coming up before they caused that end result to profitability.

**Steve McDonald:** I think I probably take it for granted because that's how we've been operating. But I think if I didn't have that information, I'm not sure I'd feel as comfortable as I do about the direction that we're heading. Data should be the visualization of your strategy. So if you start with what you want to get out of your business, how you want to grow it, what success looks like, whether it's a year from now or three years from now, if you spend time defining that, now you have something to visualize and being able to put that visualization to your managers and to your staff to say, here's what we're working towards. I think that's super helpful in making remote or whatever, the flexibility really work.

**Leah Davis:** And what kinds of things do you think would need to change in organizations related to just overall performance management and cultures of accountability? What are kind of the key success factors related to those two components that you think are sort of essential for employers who are recognizing, they're going to need to start moving this direction? What do they need to be doing in those areas?

**Steve McDonald:** The 99 to a hundred percent of the first employee complaint is communication in every business and figuring out what your communication strategy is. In our company, I'd give all the credit to a few others in our organization that own communication between the weekly one-on-ones or the weekly standup meetings that we have, the meetings two times a year to reset goals and expectations for the next six months. That cadence makes a huge difference in keeping people on track. Also the expectations that are there and I think it benefits everybody in the company.

**Leah Davis:** I'm hearing ongoing communication, setting clear expectations that when we're looking at results and accountability, we'll give on the where you're working, but here is exactly what we expect in terms of what you need to be doing when we need to be seeing these outputs and results. So being super clear about those types of things.

**Steve McDonald:** I think that's a great way to expand on it. I hate using communication, or we've all hated when the communication complaint comes up because I can't think of a business that hasn't had that. We, as leaders, struggle with that. What does that mean? How much is too much? And I have the mindset that if you don't say something seven times in six different ways, it isn't going to be retained and I look at that as a responsibility of the organization and the leadership to constantly be expressing what success looks like. It's that communication that I think starts everything else.

**Brenna Ramy:**

Steve and Leah, one of the things that I want to just shout out on the communication piece because we often hear this. I agree with what you said, Steve, that there's not a single organization that hasn't had that challenge. And oftentimes an exasperated or frustrated leader will say, I have emailed this out every month for six months. And so we're kind of constantly resetting.

Email is not a communication. Email is just a new memo. So a memo was not communication. How many different ways are you saying it? Are you reaching different demographic groups of your employee makeup? So how many of your employees don't sit at a computer all day? And when they do read email, they're just scanning for really important stuff. Or how many emails are your people who are at a computer reading every day and is one more going to count as communication.

So really embracing that seven different ways, six different methods, all of the different ways that you're recommunicating, to actually reach everybody as the ownership of the leader, not of the employee. To say, it's our job to actually make sure you get it, not your job to come to me if you don't get it.

**Steve McDonald:**

I think over the years I get tired of our leadership or our managers that talk about how many times they've communicated something and why doesn't this person listen. And I always will say, it's your responsibility as the manager that that message gets through. I don't look at that. I look at it as employee responsibility to listen for sure. We all think that. But ultimately if things aren't getting done, there needs to be a different approach. So you got to try different strategies and different things to get there.

The future challenge, and I think we all have this issue or opportunity is the reliance on email and not picking up the phone. The great thing about the last couple of years too is the use of video. I think that's one thing that's helped move stuff along. But when we look at the projects that we run, one of the constant frustrations is the overlying it's on one form of communication, which usually is email. Things haven't gotten done, but yet we hear, I emailed again and that's just not enough. So it's back to we want to value results, not the effort that's there. In the end did you get it done or not? I think that's part of the mentality that I think helps us be successful too.

**Leah Davis:**

And so I think Steve, let me recap this. We've really talked about, there's definitely a demand out there for employers to start making some of these really meaningful shifts in culture, in the way we work. Some of the obstacles to change that I know you've mentioned and that we're seeing with employers, everything from we just don't have the right processes or technology in place to facilitate some of this. There's a lot of employers playing catch up on that front. I think another thing is that understanding how to stay focused. We are trying a new thing. This is a big change and we have to recognize there are going to be hurdles, roadblocks. And the instinct, I think for a lot of leaders is to just revert back. Nope. That didn't work. We're going back.

So I think that sort of falling back into the familiar way of doing things is definitely an obstacle. And you talked a lot about that willingness to sort of give up some of the control that I think employers think they have when they have someone sitting in that space. So those are definitely all obstacles, but from your perspective, what is the risk for leaders of not heading in this direction?

**Steve McDonald:** That's a great question. And that's come up several times in the past month or two as we've kind of gotten into planning for the next six months, 12 months that all our employees are at target for any other company throughout the country. That's the one thing this has shown if we're demanding and we say that it's got to be five days a week or four days a week, this is the only way we can work, I only like having face-to-face contact with you.

We're hearing from our competitors that are on the coasts or any other part of the country. They know that they can get a recruiter to talk to one of our employees. They can offer them east coast wages that becomes an incentive for people to move. And being through this the last 18 months, people are tired and sometimes they're open to a change for change sake. I feel like we're at a really vulnerable time right now that if you aren't listening to what employees want and flexible with opportunities, why are they going to choose to stay? And certainly the five days a week in the office or four days a week, and that's not unheard of, I'm hearing that from other organizations out there. I don't see how you're going to be successful with retention if that's your approach.

Personally, I recognize that I can go all week and work remotely, I can be in the office. Any option sort of works for me, but others are saying that they just want face to face contact. So I think that creates one of the other challenges that we have ahead of us. No matter what there needs to be some connection and there needs to be situations where we're all together. I think navigating that as one of the challenges that we have over the next 12 months of figuring out what that looks like, take away the flexibility that we're offering that if people want to work fully remote, they're still are going to be opportunities where we need to pull people together such as annual firm events or client meetings or something in the office that has to be there. Figuring out what's going to be the process or approach around that is one of the challenges.

And again, I think it comes back to listening and communication on how we approach things. If managers are really clear with this is what we need to do and why we need to do it and we need your support. I think employees are going to participate in that and want to be part of it. If a manager is demanding and just saying, I need you in the office next week for this day, without any real thought to it, I think that's going to burn you at some point.

**Leah Davis:** I'm hearing that while there's a lot of obstacles. Uh, it also comes with some risks of not sort of trying to be open or at least considering some of these things and how they might work within an organization. And I think that's even across industries. I mean, we're talking about professional services as a CPA firm and in some ways we maybe have a unique advantage in that we're not manufacturing something that an employee needs to have their hand on during the day. So that's a little different.

Every business leader or organization has different needs, but what do you think sort of as we wrap up this conversation, which I just really appreciate a lot of your thoughts and insight on this what do you want to leave business leaders with as sort of some of the key opportunities of at least considering or baby stepping their way into some of these changes in the workforce?

**Steve McDonald:** This has given us a great opportunity to talk about what the future looks like and how employees fit into it. I think that the flexibility mindset really gives us the opportunity to promote the communication that we've been talking about throughout this time. It's always fun to talk about what your organization is going to look like next year and three years from now. That's stuff that I think can be really motivating and how your employees fit into it.

The more options you have, I think that creates a path for more opportunity. Retention is so important in every industry. You bend over backwards and try to make things work to keep people employed, you benefit so much greater when you have people staying for three to five to 10 years, it just makes the organization so much better, and you can do more fun, interesting things. So that should be a motivating factor for all business owners out there.

In our industry, that's the number one challenge that we have is staff retention and staff development. And we've seen it internally that when we have sustained happy people, our clients are much better served. They're happier with us, and they ask us to do more work for them. And that's extremely satisfying for everybody because it creates opportunity for all levels.

**Leah Davis:** Steve, Brenna, thank you so much for joining us today. I think this is just a lot of good food for thought and hopefully some good ideas and motivators for leaders, whether it's in business or non-profit, government who are just trying to figure out how to navigate their way through some of this. So, thanks again, Steve, for joining us and please join us back next month. And in the next three sessions, we'll be talking about more issues related to COVID-19 recovery. We look forward to talking to you again soon and thanks for your time.

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