

The Best Accounting Firms to Work For

Popularity, Prestige, and Quality of Life Rankings Explored

By Christina Doka

There's no question that the Big Four accounting firms dominate the market in terms of size and revenue. In a recent survey, CPAs also rated the Big Four among the top five accounting firms to work for in the country; however, a closer look at the results reveals that these same accountants thought that smaller firms offered a better quality of life.

The Vault Accounting 50 is an annual survey conducted by Vault, a publisher and website that provides rankings for categories ranging from accounting firms to law schools, as well as overviews of various professions, companies, and universities.

"We get inside information about what it's like to work for a company ... so our readers can make informed choices," said Derek Loosvelt, finance editor at Vault.com.

To compile the rankings for its Accounting 50, Vault asked approximately 80 national firms to participate in its electronic survey; of those firms, approximately 30—more than 4,100 accounting professionals (e.g., accountants, CPAs, tax professionals, auditors)—actually participated. In each category, a minimum of 20 survey responses was required for a firm to be ranked, Loosvelt said.

Survey respondents rated public accounting firms on a scale of 1 to 10 in quality-of-life categories (including their own firms) and based upon levels of prestige (excluding their own firms). Using a weighted formula combining a firm's prestige ranking (40%) with several of its quality-of-life rankings (20% firm culture, 10% work/life balance, 10% compensation, 10% business outlook, 10% overall job satisfaction), Vault created a single "best to work for" category.

And the Winner Is...

Ernst & Young led the list, rising from its prior-year rank of 22 and knocking Grant

Thornton down from first to second place, according to the survey results. The remaining three Big Four firms followed: Deloitte held steady at third; PricewaterhouseCoopers ranked fourth, falling from second place; and KPMG rose to fifth place from its prior-year rank of 23.

The strong performance of larger firms like Ernst & Young and KPMG—which completed the survey this year after not participating last year—reveals that prestige remains important to accounting professionals, Loosvelt said. This year's strong performance by the Big Four could also have resulted from changes made within the firms to rectify weaknesses and better satisfy employees, said Ernest Patrick Smith, a partner at Nawrocki Smith LLP and a professor of fraud and forensic accounting at Hofstra University.

"Ernst & Young, from the responses this year, was pretty far ahead of PricewaterhouseCoopers and Deloitte in a few categories, like work/life balance, culture, and hours," Loosvelt said. "That's why they came out on top."

Following the top five firms were Plante Moran in sixth, which formerly held the 27th place; Moss Adams, dropping to seventh place from sixth; Baker Tilly Virchow Krause, rising to eighth place from 16th; Rothstein Kass & Company, which slipped to ninth place from fourth; and Eide Bailly, which rose one ranking into the top 10, according to the survey data. (See *Exhibit 1* for a closer look at the top 10 firms.)

Vault also created individual lists for prestige and for multiple quality-of-life categories. Surveyed accountants voted PricewaterhouseCoopers the most prestigious firm for the third consecutive year.

But none of the firms named by Vault as the top five firms to work for placed highly in any of the 15 quality-of-life divisions, which ranged from work-life balance and formal training to business outlook and green initiatives. (See *Exhibit 2* for a complete list of quality-of-life winners.)

"People ... still care about prestige, but they care about their daily work life," Loosvelt said. "They want places that are going to foster their development, where they want to go to work every day."

And smaller firms plan to continue pursuing higher rankings in coming years, according to Friedman LLP Human Resources Director Jeff Agranoff. He cited his company's policies that promote open communication, informal and formal mentoring programs, and flexible scheduling—such as "summer Fridays," during which the office is closed every Friday between Memorial Day and Labor Day—as some reasons for the firm's first place ranking in both work/life balance and overall satisfaction categories.

"I run my own fifty-person smaller firm," Smith said. "And because of our size, we are able to create situations for people so that they can have both a career and a home life."

Implications for the Profession

The Big Four's standing in surveys like these may be unlikely to change in coming years; these firms aim to recruit high-performing students graduating from college and "the only way they're going to continue to get those candidates for employment is to continue to achieve these kinds of rankings," Smith said.

Students who strive to work at Big Four firms "want a star on the resume," said Caleb Newquist, editor of the accounting blog Going Concern. "The advantage just lies with the Big Four. That's the game."

But Norman Strauss, Ernst & Young Executive Professor in Residence at Baruch College, isn't so sure that that's the case for everyone. Although he advises students to consider aiming first and foremost for the Big Four, he knows that firms outside of the Big Four offer opportunities for ambitious young professionals as well.

"I remember way back, when you didn't think so much about the quality of life. You just went in, rolled up your sleeves, and hope you continued to advance," Strauss said. "Now ... it's much better."

Smaller firms have witnessed an increase in the number and quality of graduating college students who seek employment with them, Agranoff said. And in at least one graduating accounting class at Hofstra, not one person has plans to work at a large firm, according to Smith.

Ratings like these help graduating college seniors analyze individual firms and

EXHIBIT 1
A Closer Look at the Top 10 Accounting Firms

Rank	Firm	Prestige Rating	Green Initiatives Rating	Pros Reported by Participants	Cons Reported by Participants	Anonymous Testimonials by Participants
1	Ernst & Young	2	16	Flexible schedules; challenging engagements	Hours and workload; office politics	"The firm does a great job training internally, generally offering 40 to 80 hours of education at each level of experience."
2	Grant Thornton	5	7	A variety of complex engagements; flexible schedules	Heavy workload and administrative burdens; political atmosphere	"My team is very supportive of and promotes work/life balance. For example, we are encouraged to shut off our BlackBerrys when we're on vacation. It sounds like a small thing, but it really does help us refresh."
3	Deloitte	3	9	Challenging projects; intelligent and driven colleagues	Long hours and administrative burdens; work/life balance difficult to maintain	"Deloitte seems to definitely go out of its way to hire a diverse mix of employees, including women and minorities. Additionally, promotion is not affected by race or gender."
4	Pricewaterhouse-Coopers	1	13	High reputation and a building block of a good career; training and ability to advance	Long, unpredictable hours; tedious assignments	"I had an amazing experience as an intern at PwC. My coworkers treated me as a valuable member of the team, and PwC set up multiple intern events that helped me connect with other PwC-ers I didn't have a chance to work with. This allowed me to really get a feel for the culture of the firm, and I was able to really feel comfortable in my decision to accept a full-time job offer."
5	KPMG	4	10	Global opportunities; outstanding clients	Occasional lack of work/life balance; bureaucratic structures and political culture	"I've worked in seven different KPMG offices around the world and been able to move between various audit and advisory practices. KPMG does a great job of promoting internal mobility, both functionally and geographically."
6	Plante Moran	11	4	Cooperative environment; flexible schedules	Longer hours during tax season; trying to find a work/life balance in such a fast-paced environment	"We tend to work a fairly high number of hours overall, but the firm encourages each staff member to find the right personal balance. Additionally, the firm encourages staff to utilize scheduling flexibility to ensure balance. The firm also has a generous PTO [paid-time-off] policy."
7	Moss Adams	8	15	Cooperative environment; customized career paths	Intense workload and schedules at certain times; some positions require significant travel	"You get opportunities to work in both tax and audit so you can decide which area suits you best. This also gives associates a wider background in all topics related to accounting."
8	Baker Tilly Virchow Krause	12	18	Opportunity for advancement; work/life balance and flexibility to work from home	Administrative work; limited brand recognition	"Salary, benefits, and perks are competitive with the marketplace and often outpace the market."
9	Rothstein Kass & Company	17	6	Great culture; advancement and development opportunities	High stress, expectations, and deadlines; politics	"We have an immense amount of training and self-education opportunities. It's a great chance to increase personal knowledge and make the firm more efficient at the same time. We are salaried employees and are also paid overtime."
10	Eide Bailly	24	12	Great culture; flexibility of hours and work locations	High pressure at times; compensation lagging the market	"Our firm is very concerned with its culture. We have a very laid-back, relaxed, and social atmosphere in our office. Family is a very important part of Eide Bailly."

Source: Vault.com Annual Accounting Survey

EXHIBIT 2
Quality of Life Category Leaders

Benefits:	WithumSmith+Brown
Business Outlook:	Plante Moran
Compensation:	Armanino McKenna
Diversity:	WithumSmith+Brown
Firm Culture:	Plante Moran
Formal Training:	WithumSmith+Brown
Green Initiatives:	Armanino McKenna
Hours:	Armanino McKenna
Informal Training:	Plante Moran
Internal Mobility:	Rothstein, Kass & Company
Overall Satisfaction:	Friedman LLP
Promotion Policy:	WithumSmith+Brown
Selectivity:	Armanino McKenna
Travel Requirements:	SS&G Financial Services
Work/Life Balance:	Friedman LLP
Source: Vault.com Annual Accounting Survey	

compare firms across a variety of categories, Smith said. But given the tough economy, it's optimal for students to maximize the number of interviews they go on, regardless of their firm preferences, Strauss said. After they receive job offers, they can then choose the firm that they prefer.

"I tell my students that I think public accounting is a career where you can actually advance primarily based upon your own abilities," he said. "If ... you're willing to work hard and continue to keep learning, then you can do very well in the accounting field." □

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inbox: letters to the editor

The Evolving Role of CPAs

In their article, "Enron Ten Years Later: Lessons to Remember," in the May 2012 issue of *The CPA Journal*, authors Anthony H. Catanach and J. Edward Ketz utilize a portion of a quotation from my inaugural address as AICPA chair in 1997.

The authors interpret a phrase I used to describe my view of what the "new CPA" would look like: "this relabeling might also be misconstrued as accountants abandoning their mission to the public interest." [Editor's note: this refers to the relabeling of "CPA" to mean certified public *advisor*.]

If they had taken the time to read the entire speech, they would have noted, immediately after my reference to possible relabeling, the following quote: "I hasten to add that this in no way diminishes the profession's commitment to the public's interest as well as our obligation to protect those who will continue to rely on us. We must continue to be trusted; but trusted as well to provide our clients and our employers [with] sound advice in a rapidly changing information age. That captures the essence of the new CPA I've been alluding to."

I further pointed out in that address what my vision of the new CPA would be. I quote:

■ *No longer a numbers cruncher.*

■ *Not a recorder of historical information, but instead a forward-looking assurer of the integrity of real-time, customized data.*

■ *Not exclusively, or even primarily, the traditional auditor and attestor of financial statements, that role giving way to a trusted guardian of the integrity of financial information.*

■ *A technician, steeped in knowledge, who works with a pencil and a calculator? On the contrary, a savvy practitioner, comfortable with technology, who delivers "electronic knowledge," tempered by our traditional training and expertise.*

■ *A valued company employee? Yes, our value will be to serve as key decision makers who contribute directly to the bottom line.*

A close reading of the above seems to me to reflect what has taken place in our profession during the past 15 years.

I have not had the occasion to reread my address in more than 10 years; however, having done so to refresh my memory, I found it to be quite prescient. Copies are available to those interested.

*Stuart Kessler, CPA/PFS
New York, N.Y.*

Extent of Testing For Infrequent Controls

In their December 2011 *CPA Journal* article, "Auditing Internal Controls in Small Populations," Julian E. Jacoby and Neal B. Hitzig compute statistical sample sizes for infrequent controls (e.g., quarterly, monthly, weekly) and conclude that minimum testing guidance provided in the "Small Population Sample Size" table (Table 3.5) of the 2008 *AICPA Audit Sampling Guide* is deficient. As contributors to the *Guide* (as a reviewer and a task force member), we can assure readers that the AICPA sampling task force that revised the guide was aware of statistically derived sample sizes like those provided by Jacoby and Hitzig when Table 3.5 was developed. In the following sections, we address why the sampling task force chose to proceed with the guidance in Table 3.5 after carefully considering sample sizes like those provided by Jacoby and Hitzig.

In the case of very small populations, the task force was not convinced that formal statistical theory was necessary when determining the extent of testing. Thus, as the *Guide* indicates, the extent of testing in Table 3.5 for infrequent controls is based on the application of "experience and judgment." The *Guide* also

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