

# Reducing Stress from Workload Compression: Coping Strategies That Work in CPA Firms

Craig R. Ehlen, (E-mail: [cehlen@usi.edu](mailto:cehlen@usi.edu)), University of Southern Indiana  
G. R. Cluskey, Jr., (E-mail: [bcluskey@picard.tnstate.edu](mailto:bcluskey@picard.tnstate.edu)), Tennessee State University  
Richard A. Rivers, (E-mail: [rrivers@cba.siu.edu](mailto:rrivers@cba.siu.edu)), Southern Illinois University at Carbondale

## Abstract

*Workload compression is characterized by the AICPA (Padwe 1994) as a condition of excessive job demands caused by the 1986 Tax Reform Act (TRA). The TRA severely limited the ability of businesses to elect other than a calendar year-end reporting for tax purposes. Consequently, professional accountants find their tax and audit work compressed into the first quarter of each year. In an earlier study Cluskey and Vaux (1997a) found job stressors, such as excessive job demands, to be contributing factors in causing job stress, which ultimately leads to degraded job performance. Cluskey and Vaux (1997b) also found workload compression to be a possible contributor to occupational stress in professional accountants. The current study surveyed public accountants in both October (slack season) and February (busy season). The study found that standard indicators of job stress were no greater in February than in October, indicating that workload compression does not contribute additional occupational stress in accounting practitioners. Subsequent interviews with the participants revealed that the firms in this study have incorporated specific management practices to help their employees cope with the extremely high job demands during this period of workload compression, which may help explain these unexpected results.*

## Introduction

The Tax Reform Act of 1986 (TRA) included new regulations that severely curtailed the use of fiscal year-ends for S-corporations and partnerships. As a result of the adoption of calendar year-ends for many of these entities, both auditors and tax professionals found more of their workload

being compressed into the first three months following the end of the calendar year. The American Institute of Certified Public Accountants (AICPA) has described this January thru March time frame as the period of "workload compression." A logical outcome of workload compression is increased occupational stress in auditors and tax professionals.

---

*Readers with comments or questions are encouraged to contact the author via e-mail.*

The effect of occupational stress on

accounting professionals has been well documented (e.g., Haskins, Baglioni, and Cooper 1991; Harrell, Chewning, and Taylor 1986; Bullen and Flamholtz 1985; Snead and Harrell 1991; Senatra 1980). French and Caplan's (1973) Occupational Stress Model proposes that increases in job stressors act on the individual to produce job strains, which are the negative effects of stressful events. Numerous job stressors, such as role conditions (role conflict and role ambiguity), job qualities (time pressure, work overload or underload), work relations (social interaction in the workplace), and career progress (job insecurity and over/under promotion), have been identified in the occupational stress literature (e.g., Burke

1988; Glowinkowski and Cooper 1986; Cooper and Marshall 1978). Occupational stress, the job strains resulting from the stressor-strain relationship, is often manifested as increased turnover intentions, reduced job satisfaction, and reduced self-esteem.

**Survey results**

An individual exhibits increased levels of occupational stress when job demands exceed the individual's resources for coping (Hobfoll 1988). The AICPA apparently believes that the increased workload resulting from the changes mandated by the TRA leads firms to reduce busy season stress was to rec-

**Table 1.  
Descriptive Statistics**

Variable	HIGH STRESS (February)			LOW STRESS (October)		
	<u>M</u>	<u>SD</u>	<u>α</u>	<u>M</u>	<u>SD</u>	<u>α</u>
<b>Stressors:</b>						
Role Conditions	2.55	0.58	.86	2.60	0.65	.86
Job Qualities	3.88	0.55	.74	3.84	0.65	.69
Work Relations	2.84	0.66	.73	2.84	0.71	.77
Career Progress	2.78	0.96	.79	2.84	0.99	.70
<b>Strains:</b>						
Job [Dis]Satisfaction	2.16	0.89	.89	2.09	0.86	.82
Self-Esteem	4.22	0.58	.87	4.28	0.59	.80
Turnover Intentions	2.18	0.87	.67	2.17	0.85	.77

M: Arithmetic mean response  
 SD: Standard deviation  
 α: Cronbach's alpha coefficient of reliability  
 All variables ranged from 1 (minimum) to 5

to an increase in occupational stress in auditors and tax professionals (Padwe 1994). To test this assertion, Cluskey and Vaux (1997a) conducted an exploratory study of the occupational stress levels of managerial accountants. The current study extends their approach to accounting professionals in public practice by evaluating the perceived occupational stress levels during both the slack season (April - December), when stress levels were expected to be low, and the busy season (January - March), when stress levels were expected to be high. Practitioners representing one office from each of six public accounting firms (one Big-6, three national, one regional, and one local) in a three-state Midwestern region participated in the study. A total of 141 practitioners responded to the low stress period (October) survey, while 110 of them responded again to the high stress period (February) survey. The survey results indicated that the levels of occupational stress for auditors and tax professionals were not significantly different during the slack period (October) than during the busy season (February), even though the average hours worked each week increased more than 25 percent during the busy season in comparison with the slack period.

### **Discussion and conclusions**

In an attempt to explain these unexpected results, follow-up interviews were conducted to determine what methods were being used to relieve occupational stress for accounting practitioners in these specific firms. While many remedies are available to relieve occupational stress in public accounting firms, the six firms in this study were all employing some version of the following five specific techniques to reduce stress levels during the busy season:

1. Using experienced staff to mentor junior staff.
2. Maintaining well-defined overtime/bonus plans.
3. Offering non-traditional career tracks.
4. Encouraging the use of flex-time by projecting monthly or quarterly work schedules.
5. Using temporary staff to meet seasonal demands.

In each of the firms, the overriding concern was to create an awareness in staff personnel at all levels of what was expected of them during the busy season. To accomplish this, each of the firms had instituted some form of mentoring program where experienced staff were assigned to "mentor" junior staff in the sense of indoctrinating the new person and providing a "sounding board" or "empathetic buddy" with whom to share problems or concerns during stressful periods. Each staff person also received a budget of chargeable hours expected for each month so that (s)he and the mentor could monitor progress against those goals.

Each firm also recognized that substantial amounts of overtime were mandatory during the busy season and sought to make that reality more palatable by having clearly documented overtime or bonus arrangements that were popular with the employees. The programs differed slightly among the firms, but generally any bonus was tied in some way to the amount of overtime worked. The firms that did not have specific bonus plans for junior staff generally allowed the staff to "bank" the first 80 hours of overtime at time-and-one-half to provide an additional 120 hours of paid vacation time. Any additional overtime was then paid for at the straight time rate. Each of the firms believed that its particular bonus/overtime arrangement provided a positive incentive for its employees, thus helping to reduce stress levels.

A third technique used by all of the

firms to reduce busy season stress was to recognize different career tracks for people with different needs. For instance, the old "up or out" mentality has been replaced by the realization that not everyone wants or needs to be a partner or shareholder. The firms displayed a growing awareness that "career managers" can make significant contributions to the success of the firm. Also, personnel with certain types of family commitments (young children or older family members needing special care) are often willing to trade slower progression within the firm for a commitment to a shorter work week. All of the firms in this study offered multiple career tracks for their employees.

Another trend that is very popular with audit and tax professionals is the extensive use of "flex-time," which allows these accounting practitioners substantial latitude in determining their work schedules, so long as they meet appropriate audit report or tax filing deadlines and minimum requirements for hours worked and work accomplished. Individuals who want to schedule their hours on a flex-time basis need projected monthly or quarterly work schedules that are resistant to change. As long as managers communicate when the workload is expected, staff can plan their work schedules accordingly, making use of flex-time scheduling where appropriate. Starting early, staying late, working on Sunday, working at home rather than at the offices of the firm or the client — these are all ways to give people a sense of control over their time and thus relieve some of the stress associated with the time demands inherent in the busy season. Another frequent manifestation of flex-time is working 50-60 hours per week during the busy season and only 20-30 hours per week during slack periods.

Finally, a favorite old technique — hiring temporary staff to help relieve the peak workloads of the tax-filing season — still

seems to be very effective in reducing the stress levels of accounting practitioners during the busy season. Although the use of temporary staff may not be the preferred solution due to control and quality concerns, all of the firms surveyed make extensive use of temporary staff to cope with first quarter payroll tax reporting and income tax return preparation and filing deadlines.

Obviously, many other stress reduction techniques are available for accounting practitioners. However, the five specific techniques discussed above are clearly working effectively for the firms in this study. The success of these techniques is demonstrated by the fact that the levels of occupational stress reported in the study were not significantly different during the busy season than during the slack season. While audit and tax workloads are clearly compressed into the first quarter of each year for accounting practitioners, the firms in this study are reducing the effects of additional job stress during the busy season by using the various coping techniques discussed herein.

### **Suggestions for future research**

A regional study of six CPA firms is limited in both external validity and the variety of stress reduction strategies observed. Relying on interviews with the managers of the firms also limits the characterization of opportunities for stress reduction. Future research should seek to expand the number of firms and professionals surveyed. A preferred approach for future research might be a longitudinal survey of firms and their professionals at all levels.

The various strategies for reducing stress employed by the six firms surveyed here fall into two categories: adjustments for coping (acceptable overtime and bonus policies, flexible scheduling options, and temporary

staffing) and alterations to the career environment (formal mentoring and non-traditional career paths). These two categories should be examined on a broader scale (national survey) to determine if either strategy is dominant at reducing stress. Additionally, a national survey may reveal other coping strategies that are being employed. ☞

## References

1. Bullen, M. L. and E. G. Flamholtz, "A Theoretical and Empirical Investigation of Job Satisfaction and Intended Turnover in the Large CPA Firm," *Accounting, Organizations and Society*, Vol. 10, No. 3, pp. 287-302, 1985.
2. Burke, R. J., "Sources of Managerial and Professional Stress in Large Organizations" in C. L. Cooper and R. Payne (eds.) *Causes, Coping and Consequences of Stress at Work*, pp. 77-114, John Wiley & Sons, Chichester, UK, 1988.
3. Cluskey, G. R. and A. Vaux, "Vocational Misfit: Source of Occupational Stress Among Accountants," *Journal of Applied Business Research*, Vol. 13, No. 3, pp. 43-54, 1997a.
4. Cluskey, G. R. and A. Vaux, "Is Seasonal Stress a Career Choice of Professional Accountants?" *Journal of Employment Counseling*, Vol. 34, No. 1, pp. 7-19, 1997b.
5. Cooper, C. L. and J. Marshall, "Sources of Managerial and White Collar Stress" in C. L. Cooper and R. Payne (eds.) *Stress at Work*, pp. 81-105, John Wiley & Sons, Chichester, UK, 1978.
6. French, J. R. P. and R. D. Caplan, "Organizational Stress and Individual Strain" in A. J. Morrow (ed.) *The Failure of Success*, pp. 30-66, Amacom, New York, 1973.
7. Glowinkowski, S. P. and C. L. Cooper, "Managers and Professionals in Business/Industrial Settings: The Research Evidence," *Journal of Organizational Behavior Management*, Vol. 8, No. 2, pp. 177-193, 1986.
8. Harrell, A., E. Chewning, and M. Taylor, "Organizational-Professional Conflict and the Job Satisfaction and Turnover Intentions of Internal Auditors," *Auditing: A Journal of Practice & Theory*, Vol. 5, No. 2, pp. 109-121, 1986.
9. Haskins, M. E., A. J. Baglioni, Jr., and C. L. Cooper, "An Investigation of the Sources, Moderators, and Psychological Symptoms of Stress Among Audit Seniors," *Contemporary Accounting Research*, Vol. 6, No. 2, pp. 361-385, 1991.
10. Hobfoll, S. E., *The Ecology of Stress*, Hemisphere Publishing, New York, 1988.
11. Padwe, G. W., "Workload Compression: A Top Agenda Item," *The Tax Advisor*, Vol. 25, No. 8, pp. 510-512, 1994.
12. Rebele, J. E. and R. E. Michaels, "Independent Auditors' Role Stress: Antecedent, Outcome, and Moderating Variables," *Behavioral Research In Accounting*, Vol. 2, pp. 124-153, 1990.
13. Senatra, P. T., "Role Conflict, Role Ambiguity, and Organizational Climate in a Public Accounting Firm," *The Accounting Review*, Vol. 55, No. 4, pp. 594-603, 1980.
14. Snead, K. and A. Harrell, "The Impact of Psychological Factors on the Job Satisfaction of Senior Auditors," *Behavioral Research In Accounting*, Vol. 3, pp. 85-96, 1991.

## Notes

Notes