

Changing of the Guard: Intentionality and Inclusivity in Succession Planning

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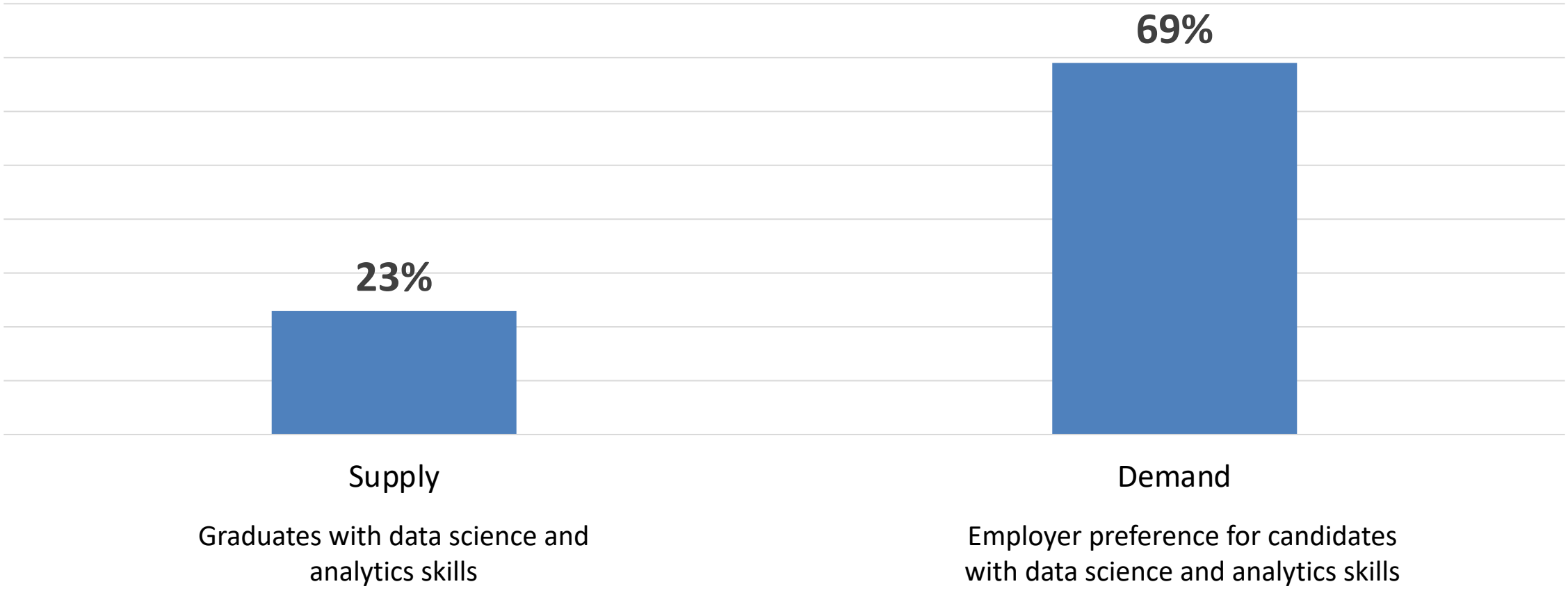
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Setting the Stage

- Pipeline of talent
 - Decreased volume of tax professionals entering the workforce
- Changing skillset
 - Increased focus on consulting and advice
 - Influence of artificial intelligence
 - Interpersonal skills
- Percentage of current leadership near or at retirement

Tax Professional Supply and Demand



Base: Higher education: 127; Business: 63- Source: Gallup and BHEF, Data Science and Analytics Higher; Education Survey (December 2016)

Tax Talent Demographics Breakdown

Oct. 2023

Generation	All Roles %	Individuals Surveyed
Boomers	34%	6,165
Gen Xers	45%	8,255
Millennials	21%	3,688
Total surveyed	18,151	

Baby Boomers in No. 1 & No. 2 Roles

2021-2023

2021

2022

2023

<p>Heads of Tax Still in the Workforce</p>	<p>49%</p>	<p>47%</p>	<p>41%</p> <p><i>Age 60-64 26%</i> <i>Age 65-69 8%</i> <i>Age 70+ 7%</i></p>
<p>No. 2s Still in the Workforce</p>	<p>41%</p>	<p>39%</p>	<p>38%</p> <p><i>Age 60-64 21%</i> <i>Age 65-69 11%</i> <i>Age 70+ 6%</i></p>

Succession Planning

- Identifying successors
 - How to be intentional and inclusive in succession planning
- Training and career pathing
- Retention of top talent
- Enabling candid conversations
 - How to encourage growth in top talent
 - And how not to have the wrong conversations!

Diversity & Inclusion

- Companies with greater diversity have greater financial performance

The data suggests diversity correlates with better financial performance.

Likelihood of financial performance above national industry median, by diversity quartile, %

Ethnic diversity



Gender diversity



Gender and ethnic diversity combined



Source: McKinsey Diversity Database

McKinsey
& Company

* 366 public companies assessed from Canada, Latin America, the United Kingdom, and the United States

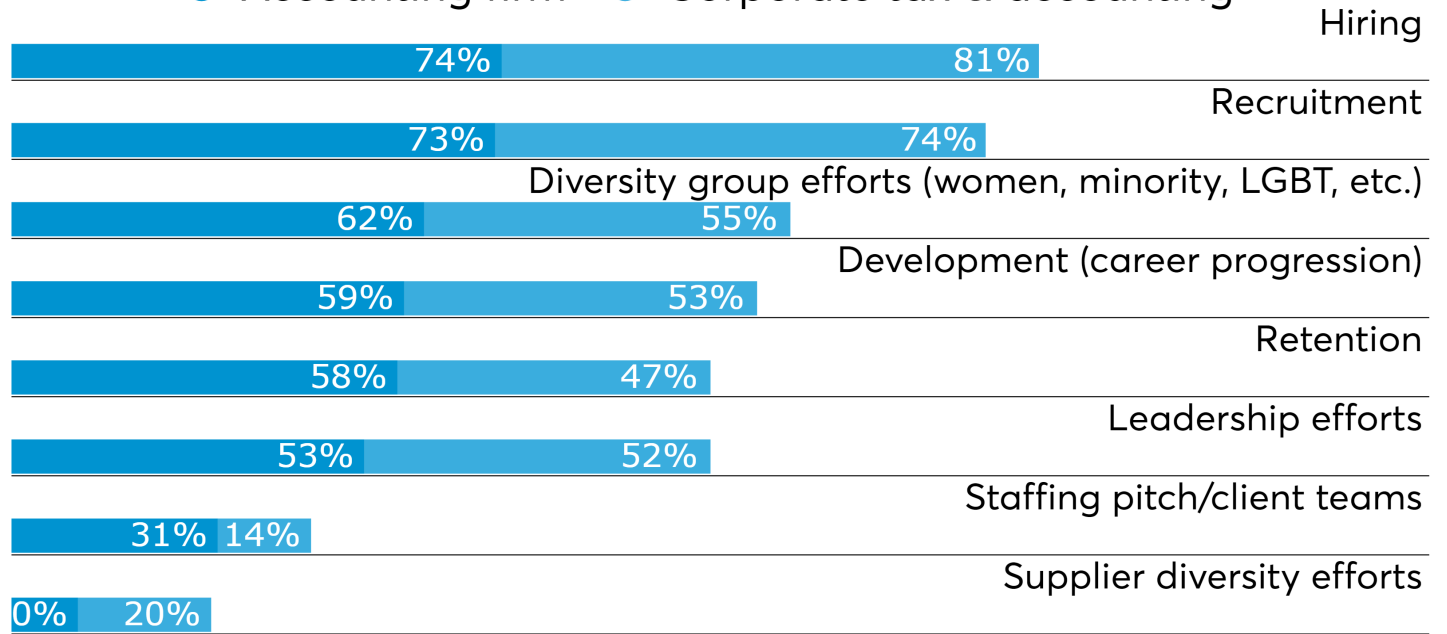
Diversity & Inclusion

- Inclusivity within teams needs to be a priority.

Diversity efforts focus more on hiring

There's greater focus on inclusion in recruiting than retention

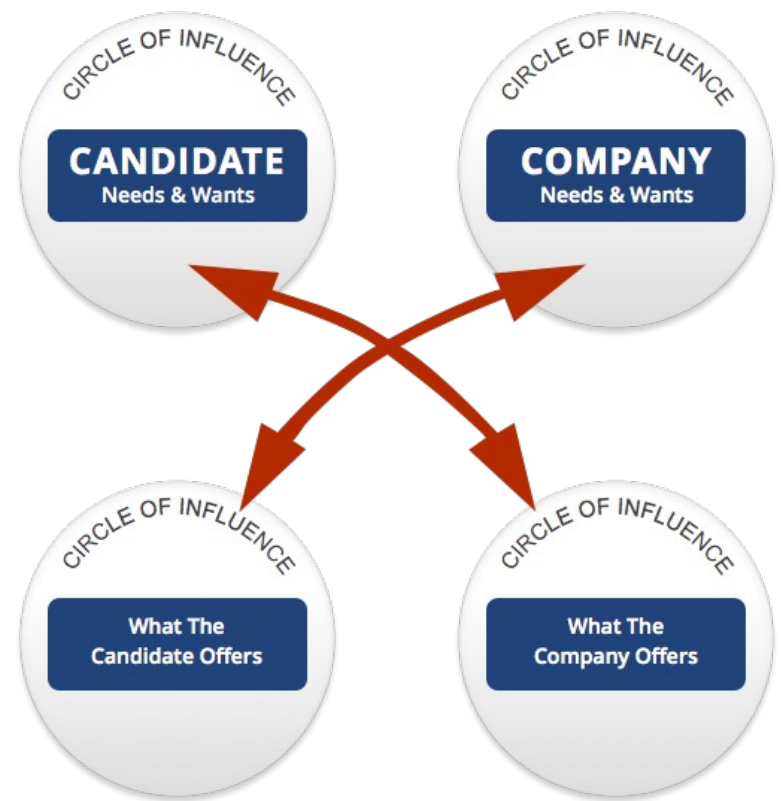
● Accounting firm ● Corporate tax & accounting



Source: Bloomberg Tax

External Recruiting

- Challenges of recruiting talent
 - Recruiting for top roles
 - Planned vs. unexpected turnover
- Attracting the best talent
- Recruiting for diversity

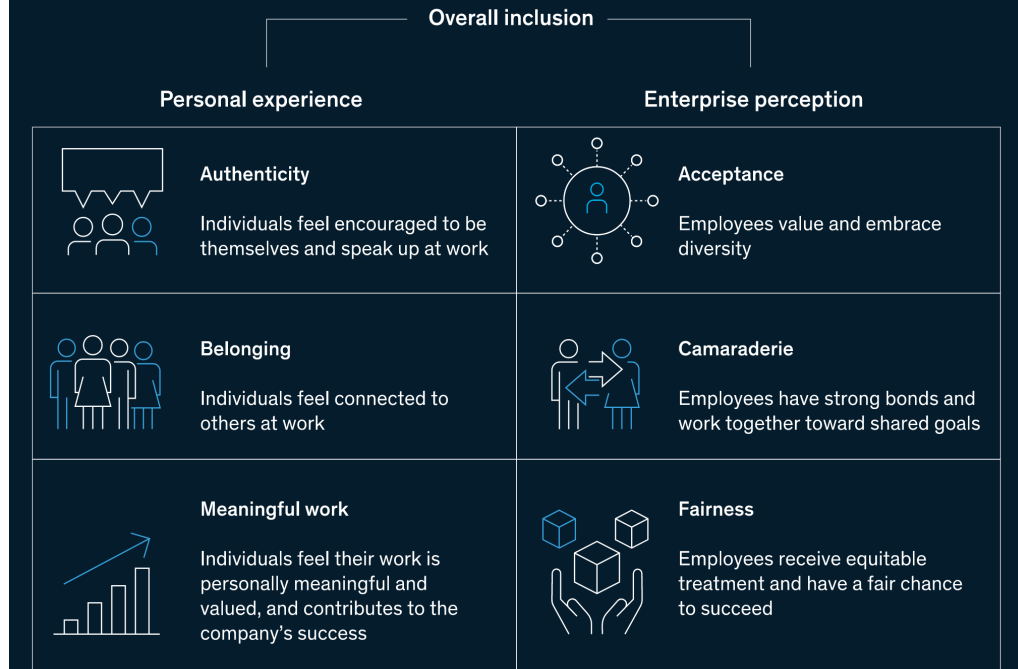


Source: TaxSearch Inc.

Inclusive Workplace

- Meaning of inclusive
 - Acceptance, trust, sense of belonging
- Creating an inclusive workplace
- Fostering an inclusive workplace

Employees feel included when both their direct, day-to-day experience and their perceptions of organization-wide support are positive.



Source: McKinsey analysis