

Root Cause Analysis of Talent Turnover and Retention Mechanism Construction for Small and Medium-Sized Accounting Firms in the Context of New Quality Productive Forces

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Abstract: The introduction of new quality productive forces is restructuring the operational models and talent demand structures of small and medium-sized accounting firms, yet these types of organizations are generally confronted with the dilemma of talent turnover. This study analyzes the root causes of talent turnover from three dimensions: mismatch between capability supply and demand, narrowing of promotion channels and lagging incentive signals, and the superposition of technology substitution anxiety with knowledge iteration pressure; and then proposes retention-anchoring elements such as dynamic capability cultivation paths based on human capital appreciation, synergistic arrangements of flexible compensation and long-term interest alignment, and the reshaping logic of work autonomy and collaboration models under digital empowerment. On this basis, it constructs an integrated framework that aligns with the characteristics of new quality productive forces, encompassing role positioning and reciprocity rules in the talent value co-creation ecosystem, a dual-track mechanism for knowledge audit and tacit experience retention, and dynamically adaptive organizational resilience building and risk buffer plans. The research aims to provide systematic theoretical references for talent retention for small and medium-sized accounting firms, and to alleviate the business continuity pressure caused by abnormal talent mobility.

Keywords: new quality productive forces; small and medium-sized accounting firms; talent turnover; talent retention mechanism; human capital appreciation.

Introduction

Driven by new quality productive forces, the technological tools and business processes of small and medium-sized accounting firms have undergone significant changes, with automation, data analysis, and intelligent review gradually penetrating traditional auditing and assurance procedures. While this transformation enhances efficiency, it also profoundly impacts employees' skill structures, career expectations, and psychological contracts. As the most core asset type of small and medium-sized accounting firms, talent has seen its turnover problem intensify in recent years, directly weakening organizational service stability and knowledge accumulation capacity. Existing research on talent retention mostly focuses on large institutions or general enterprises, while discussions on the root causes of turnover and targeted retention mechanisms in the specific context of small and medium-sized accounting firms remain relatively fragmented, especially lacking systematic analysis that integrates the technological characteristics of new quality productive forces. The significance of this study lies in identifying the deep-seated mechanisms of talent turnover in small and medium-sized accounting firms under the new environment from the perspective of internal organizational logic, and in constructing an actionable retention system, so as to provide the necessary theoretical basis for such firms to maintain human capital stock and reduce substitution costs.

1. Root Cause Analysis of Talent Turnover in Small and Medium-Sized Accounting Firms

1.1 Structural Mismatch between Talent Capability Supply and Demand Driven by New Quality Productive Forces

The transformation of operational models triggered by new quality productive forces within small

and medium-sized accounting firms is prominently manifested in the restructuring of traditional manual review, voucher sampling, and other basic tasks by automated processes and data analysis tools. This transformation shifts the firms' skill requirements for practitioners from procedural operations to parameter debugging of intelligent audit systems, traceability of abnormal data, and interpretation of unstructured information. However, the capability stock of most current practitioners remains concentrated on memorizing accounting standards and preparing standardized working papers, and they lack systematic mastery of algorithm-based risk identification logic. The misalignment between the capability structure on the supply side and the task characteristics on the demand side creates a negative gap of skill spillover: employees who master new tools tend to seek external organizations that can match their human capital value, while those with delayed skill updates face sustained pressure from declining job performance^[1].

The mismatch between capability supply and demand is also manifested in the habitual disconnect between the talent selection criteria of small and medium-sized accounting firms and the outputs of external education or certification systems. New quality productive forces require practitioners to possess cross-domain integration capabilities, including understanding the underlying logic of information systems, addressing data ethics issues, and designing dynamic sampling plans. However, the recruitment screening of small and medium-sized firms mostly continues to use traditional indicators such as grade point averages and the number of certificates, failing to effectively identify the above-mentioned composite capabilities. At the same time, the firms lack a rapid mapping mechanism for new capability modules internally, resulting in talents with advanced skills being unable to obtain differentiated task authorization after onboarding. Talents perceive obstacles to value transformation between their own capabilities and the actual utilization within the organization, thereby driving them to flow toward large and medium-sized institutions or technology-oriented consulting firms that can provide broader application scenarios for their capabilities.

1.2 Narrowing of Internal Career Promotion Channels and Lagging Incentive Signals

The hierarchical structure of small and medium-sized accounting firms is mostly flat, and the capacity for positions above partners and senior managers is extremely limited. Under the environment of new quality productive forces, some employees, through self-directed learning of digital tools or participation in non-standardized projects, have accumulated technical execution capabilities that exceed their current job levels in a short period of time. However, the existing promotion sequence has not established a technical expert track or project-based floating positions, forcing these high-performing employees to still queue according to seniority while waiting for management vacancies. The crowding effect generated by channel narrowing not only suppresses the development expectations of top talents, but also enables moderately promising employees to foresee their rank ceilings within the next five years in advance, prompting them to proactively initiate searches and comparisons for external opportunities.

The lag in incentive signals is manifested as the prolonged response delay among salary adjustments, rank promotions, and capability growth. The performance appraisals of small and medium-sized accounting firms are mostly anchored to hours worked and project collection amounts, lacking immediate and explicit reward feedback for skill contributions related to new quality productive forces, such as developing automated verification templates, optimizing data collection scripts, and identifying potential anomaly clusters. After completing knowledge integration tasks with high cognitive load, employees often have to wait for the annual evaluation cycle to obtain a limited salary adjustment. This lagging signal transmission mechanism weakens the perceived connection between effort and reward, and compared with large institutions that can provide project-based bonuses or skill allowances, the retention effectiveness of small and medium-sized firms is at a significant disadvantage^[2].

1.3 The Transmission Effect of Technology Substitution Anxiety Superimposed with Knowledge Iteration Pressure

Driven by new quality productive forces, substitutive technological forms such as process automation, intelligent review, and continuous auditing have emerged in the fields of auditing and finance. Front-line employees of small and medium-sized accounting firms are prone to forming anticipations about the substitutability of their own positions, especially those who have long been engaged in account-based auditing or repetitive data entry. Technology substitution anxiety does not stem purely from the technological tools themselves, but rather from the organization's failure to

provide a clear definition of human-machine collaboration roles. When employees cannot ascertain how they will be repositioned after technological intervention—for example, which tasks are completed by machines and which judgments still rely on manual discretion—technological upgrades are interpreted as omens of layoffs or marginalization. Such anxiety drives employees to actively seek professional platforms where the pace of technological introduction is more moderate and the division of labor between humans and machines is clearer.

The pressure of knowledge iteration simultaneously arises from the multiple demands of professional qualification updates, software operation certifications, and the understanding of new standards. Small and medium-sized accounting firms typically compress internal training time during busy business seasons, forcing employees to complete knowledge updates independently during off-hours, which causes the total load of work, learning, and rest to significantly exceed individual carrying capacity. This pressure is transmitted within the team: members who have already mastered new skills experience emotional exhaustion due to frequent requests for help from colleagues, while those who fail to keep up with the iteration pace develop intentions to leave because of declining self-efficacy. When cumulative stress surpasses an individual's psychological and physiological thresholds, resignation becomes a rational adaptive behavior for restoring the balance of physical and mental resources and a sense of career control, rather than an emotional impulsive reaction.

2. Anchoring Elements for Constructing Talent Retention Mechanisms

2.1 Design of Dynamic Capability Cultivation Paths Based on Human Capital Appreciation

When small and medium-sized accounting firms construct talent retention mechanisms, they need to transform capability cultivation from one-time pre-employment training into a dynamic value-added process embedded in workflow. Under the environment of new quality productive forces, the technological half-life of practitioners is significantly shortened, and the traditional annual centralized lecture model can hardly meet the real-time requirements of skill updates. The cultivation path based on human capital appreciation should be designed as modular task-driven learning, breaking down specific capabilities such as data cleaning logic, abnormal transaction pattern recognition, and audit script debugging into stackable micro-units, allowing employees to accumulate and certify competency items while completing real projects. The core of this design lies in establishing a visible trajectory of capability growth, enabling employees to clearly perceive the extent of improvement in their own market value, thereby reducing turnover tendencies caused by expectations of skill depreciation^[3].

The prerequisite for the effectiveness of cultivation paths is that small and medium-sized accounting firms need to establish a closed loop between capability audit and demand forecasting. By periodically inventorying the gaps between the job task map and the employees' existing skill pool, they can reversely customize learning content and verification standards for each level. Different from the standardized curriculum systems of large institutions, small and medium-sized firms can adopt a cross-rotation mechanism, allowing employees to complete their capability puzzle across different business lines or functional modules. For example, personnel engaged in annual audit can periodically transfer to tax consulting or financial due diligence projects, accumulating composite skills through cross-domain tasks. This dynamic path design eliminates the repetitive burnout caused by a single position, while simultaneously sending employees a signal of the organization's investment in their long-term growth, thereby enhancing the level of reciprocal commitment in the psychological contract.

2.2 Synergistic Arrangement of Flexible Compensation Structure and Long-Term Interest Alignment

The flexible compensation structure needs to break through the traditional framework of fixed salary plus year-end bonus, and introduce multidimensional variables based on project contribution, skill-level premium, and quality evaluation coefficients. In the face of talent competition driven by new quality productive forces, small and medium-sized accounting firms can divide compensation into three parts: a basic security unit, an immediate performance unit, and a deferred payment unit. Among these, the deferred payment unit is linked to employees' completion of high-complexity tasks (such as the development of information system audit modules and the design of continuous monitoring rules), and is released in batches according to project cycles or quarterly milestones. This design creates a time window for retention intention while controlling cash flow pressure, as employees tend to postpone resignation decisions in order to obtain the full benefits.

Long-term interest alignment should not be simply replicated from the equity distribution model

under partnership, because the equity capacity of small and medium-sized accounting firms is limited and liquidity is relatively low. A feasible alternative is to design virtual profit-sharing units or a project co-investment mechanism, allocating part of the excess returns from specific business units or client groups to the team and core members. Employees share the newly generated profits above the baseline proportionally in the medium and long term, while also undertaking certain risk-based bet conditions—for example, if they leave, the undistributed profit share automatically reverts to the organization. This arrangement shifts employees' behavioral orientation from maximizing current income to creating value across periods, and reinforces their positive choices in technology investment, client service quality, and team collaboration. After the flexible structure is combined with interest alignment, the inhibitory effect of the compensation system on turnover extends from external competitiveness to internal deferral, forming a two-way pulling force^[4].

2.3 Reshaping Logic of Work Autonomy and Collaboration Models under Digital Empowerment

The application of digital tools enables small and medium-sized accounting firms to break through the constraints of physical space and fixed working hours, thereby creating a technological prerequisite for enhancing work autonomy. The remote audit platforms, cloud-based working paper systems, and online review processes spawned by new quality productive forces allow employees to autonomously plan their work rhythms and locations under the condition of clear task boundaries. Work autonomy, as a key intermediate variable in talent retention, functions by reducing the sense of constraint imposed by procedural control while simultaneously enhancing employees' sense of ownership over task outcomes. When employees are granted the choice of when to conduct data extraction, how to sequence the analysis of different projects, and which visualization methods to adopt for presenting findings, their intrinsic professional drive becomes more stable compared to traditional directive management models.

The reshaping of collaboration models is manifested as a transformation from vertical command chains to horizontal node networks. The flat structure of small and medium-sized accounting firms is naturally suitable for designing agile teams based on task-based contracts, and digital tools enable information sharing to shift from hierarchical transmission to point-to-point real-time synchronization. Under the reshaped collaboration logic, employees are encouraged to autonomously form temporary special-task groups according to project needs, with resource allocation coordinated by the task initiator rather than by hierarchical rank. In this model, senior employees do not need to assume managerial responsibilities to obtain project leadership roles through technical expertise, thereby effectively alleviating the frustration caused by the narrowing of promotion channels mentioned earlier. At the same time, the informal trust networks formed during cross-functional collaboration enhance the degree of organizational embeddedness. Employees accumulate relational capital in the process of collaboratively solving complex problems, and this capital often faces high switching costs when moving across organizations, which objectively increases the likelihood of retention.

3. An Integrated Framework for Talent Retention Systems Aligned with New Quality Productive Forces

3.1 Role Positioning and Reciprocity Rules in the Talent Value Co-Creation Ecosystem

When small and medium-sized accounting firms construct a talent retention system, they can regard the organization as a micro-ecosystem of talent value co-creation, where the role positioning of each member shifts from a fixed-position executor to a multi-node contributor. Under the environment of new quality productive forces, the increased complexity of projects requires employees to frequently switch functional boundaries among data collection, model validation, anomaly judgment, and client communication. Role positioning should be defined based on capability tags rather than job descriptions; for example, auditors with programming foundations may be allowed to concurrently serve as automation script maintainers, or personnel skilled in client relationship coordination may be assigned front-end interaction roles in specific projects. This positioning approach reduces the occupational burnout caused by role simplification, while simultaneously releasing the freshness and growth feedback brought by cross-functional mobility^[5].

Reciprocity rules need to shift from one-way contribution to a quantitative expression of two-way commitment. Small and medium-sized accounting firms can design a contribution point system, in which employees earn redeemable benefits—such as extra leave, priority in training resources, or increased weight in project selection—through actions beyond standard job requirements, including

mentoring and mutual learning, tool development, and knowledge sharing. Correspondingly, the organization needs to commit to providing capability certifications or external recommendation letters as career endorsements after employees complete high-difficulty tasks. The explicit articulation of reciprocity rules makes employees' expectations of input-output more clear, reducing the free-rider mentality of "doing more means making more mistakes, doing less means making fewer mistakes." When employees perceive that their contributions to the ecosystem can be recognized and reciprocated in a commensurate manner, their retention intentions are positively correlated with their level of role engagement.

3.2 Dual-Track Mechanism of Knowledge Audit and Tacit Experience Retention

Knowledge audit is a systematic activity for inventorying, categorizing, and diagnosing gaps in the existing knowledge assets within small and medium-sized accounting firms. The audit objects include explicit knowledge—such as working paper templates, quality control manuals, and industry analysis reports—as well as tacit knowledge implicitly embedded in the minds of senior employees, including judgment rules, risk alert points, and communication strategies. The audit process needs to mark the key knowledge nodes carried by positions with high turnover risk, and identify which experiences, once lost, will have a substantial impact on business continuity. The output of the knowledge audit forms a knowledge asset map, providing precise targeted guidance for subsequent retention and transfer.

The retention of tacit experience needs to break through the traditional path of documented codification, as it is largely embedded in intuitive judgment and contextual responses. One track of the dual-track mechanism adopts the dialogue extraction method, in which knowledge engineers or experts in the same field conduct structured interviews with high-performing employees, decomposing their thought processes for handling abnormal transactions, identifying fraud signals, or coordinating client disagreements into branching decision trees. The other track is embedded in daily workflow, capturing the implicit informal rules behind employees' behavioral sequences—such as undo, redo, annotation, and navigation—in audit software through screen-recording playback, version comparison, and process log analysis. The retained experience, after desensitization, is transformed into team-shared deduction cases or simulated test sets, enabling new members to indirectly acquire the judgment logic of senior employees. The operation of the dual-track mechanism reduces the risk of collective capability collapse caused by the departure of individual talents, while simultaneously conveying to current employees the organization's emphasis on knowledge inheritance, thereby enhancing their perceived security regarding long-term career development.

3.3 Dynamic Adaptive Organizational Resilience Building and Risk Buffer Schemes

Organizational resilience refers to the capacity threshold of small and medium-sized accounting firms to maintain core business output and service quality when facing talent fluctuations. Dynamic adaptation requires that resilience building does not pursue a fixed personnel redundancy rate, but rather establishes a mechanism for modular task decomposition and rapid reconfiguration. Each project is divided into two categories: standardized units and customized units. Standardized units can be undertaken by reserve workforce or outsourced collaborators after short-term training, while customized units are assigned to high-commitment employees. When talent loss occurs, the system automatically identifies the category of the affected units and triggers alternative paths, thereby reducing business disruption caused by the departure of key personnel^[6].

Risk buffer schemes focus on two time windows before and after talent turnover. In the pre-turnover stage, small and medium-sized accounting firms can set up a talent health dashboard, integrating indicators such as overtime overload, compensation satisfaction sampling, skill update participation rates, and behavioral signals of actively seeking external opportunities—for example, frequent browsing of recruitment websites or abnormal increases in leave requests. The dashboard outputs three levels of alerts—yellow, orange, and red—corresponding to differentiated intervention measures, including task burden redistribution, short-term special incentives, or pre-contacting successor candidates for key positions. In the post-turnover stage, risk buffers include a mandatory handover window period and a cross-functional replacement mechanism. Departing employees are required to record operational explanations of core tasks before completing formal handovers, while simultaneously assigning suitable personnel from similar capability domains to take over their unfinished work. Risk buffer schemes do not aim to completely eliminate talent turnover, but rather to

keep the magnitude of organizational shocks caused by turnover within a tolerable range, thereby enabling small and medium-sized accounting firms to maintain their own talent ecological balance without relying on external policy interventions.

Conclusion

This study, by analyzing the three root causes of talent turnover in small and medium-sized accounting firms under the background of new quality productive forces—namely, structural mismatch between capability supply and demand, lag in promotion and incentive signals, and the superimposed transmission of technology substitution and knowledge iteration—clarifies that the construction of retention mechanisms should be centered around three anchoring elements: human capital appreciation, flexible compensation and interest alignment, and work autonomy and collaboration reshaping. It further integrates and proposes a retention system framework with value co-creation ecosystem, knowledge audit and tacit experience retention, and organizational resilience and risk buffer as its core. This framework emphasizes shifting from passively responding to turnover to proactively building talent ecological resilience, and incorporating employee departures into the organization's routine risk management.

Future research directions can be extended from the following dimensions: first, conducting differentiated comparisons among small and medium-sized accounting firms in different specialized fields (such as audit, tax, and consultancy) to examine the applicable boundaries of retention mechanisms; second, introducing longitudinal tracking designs to test the actual retention effects of dynamic capability cultivation paths and long-term interest alignment arrangements at different life-cycle stages; and third, exploring the nonlinear relationship between the intensity of digital tools and work autonomy to identify the optimal empowerment interval and avoid collaborative disorder caused by excessive autonomy.

Fund Projects

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Horizontal Project: Construction of a Low-Cost Integrated Quality Control System for Small Accounting Firms, Project No.: H20260017

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