



PAYCHEX[®]

HR | Payroll | Benefits | Insurance

2023

Priorities for Professional Services Industry Leaders
Trends, Insights, and Ideas for an Evolving Workplace

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Introduction

Today's workplace is constantly evolving. Market conditions are bumpy for many professional services businesses, creating a challenging operating environment – persistent inflation, rising interest rates, a slowing economy, talent shortages, and the ongoing demand to win new customers. Professional services leaders are under immense pressure as they face a reshaped workplace, a dramatic shift in the employee-employer power dynamic and changing business models for a more digital environment. Managing people comes with challenges, and the associated HR administration can be costly in terms of time and money.

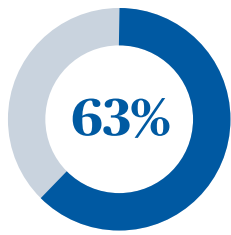
As a result, professional services business leaders and HR managers are being forced to adapt and innovate to help their organizations remain competitive. This presents opportunities to improve talent management, boost operational efficiencies, and support employee well-being and career advancement through increased investment in the right tools and technology.

To help, we conducted a workforce trend study of U.S. professional services businesses with between 5 and 500 employees. Learn about initiatives that can shift the employer/employee relationship and gain insights to strengthen the connection between happier, more engaged employees and better business results.

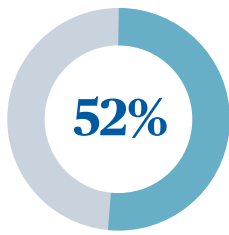
Navigating Today's Labyrinth

The Business Environment Is Challenging

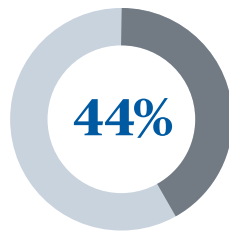
Professional services leaders agree that the business environment is demanding and requires navigating multiple pressures. The top three professional services industry concerns reported as extremely or very challenging are:



Inflation



Threat of an economic slowdown



Winning new customers

Streamline HR Administration and Save

Did you know the hidden costs of managing HR administration for a professional services business include:

An average of **\$403,364** per company per year

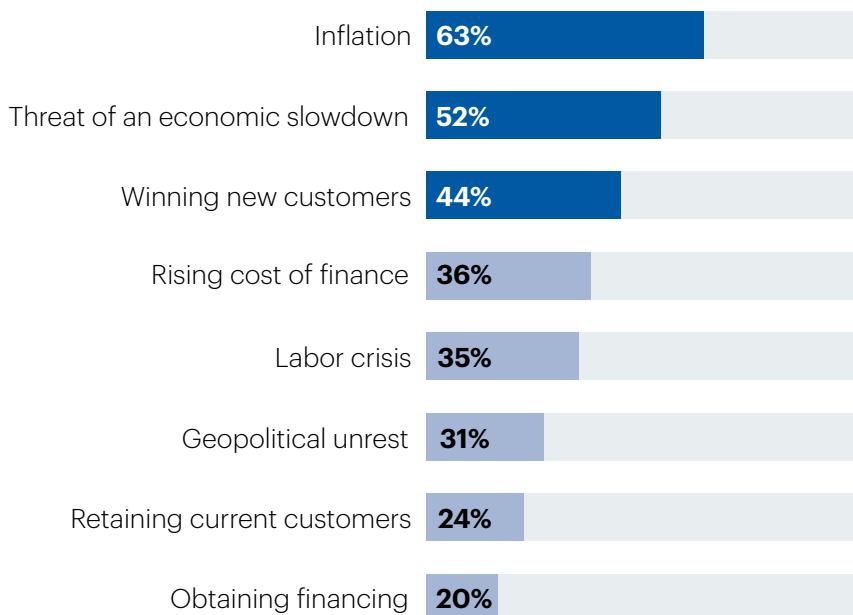
27% of professional services leaders spend 16+ hours weekly on HR administration

Is it time for you to outsource HR administration?

[Schedule a Consultation](#)

How challenging would you rate each of these operational issues?

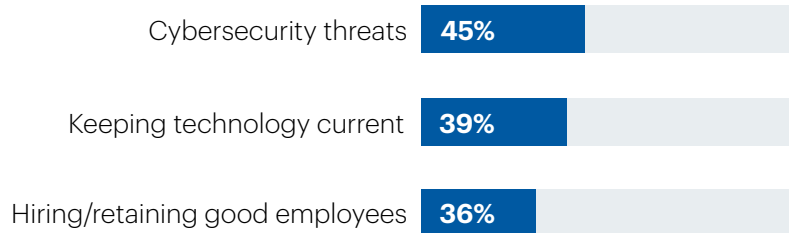
(Extremely/very challenging)



Manage Operational Threats

Mitigate Cyber Threats

Professional services leaders ranked the following as the top three operational challenges:



How challenging would you rate each of these operational issues?

(Extremely/very challenging)



One in three

professional services leaders struggle to hire and hold on to good employees.



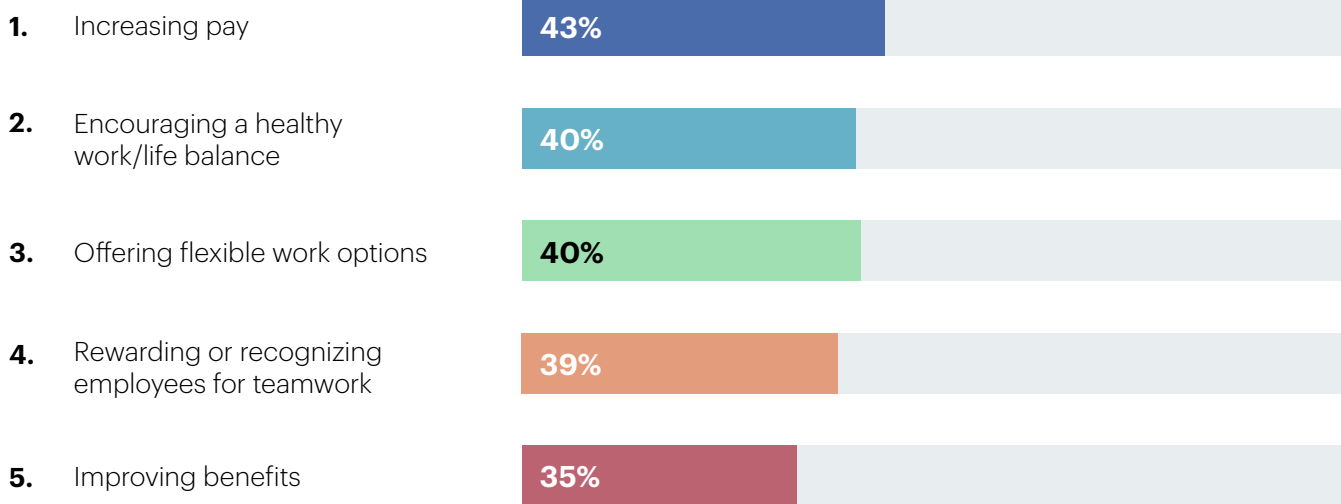
Companies Invest in Their Employees

Managing People Is Not Without Challenges

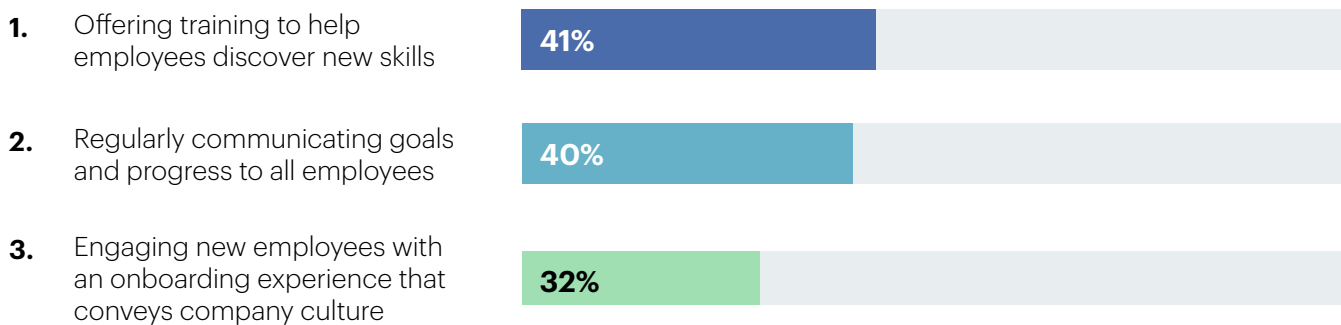
Leaders cited that their top challenges in managing people are “giving them the training, coaching and support they need to perform effectively” (51%) and “employees have personal issues that sometimes conflict with work” (41%), followed by “balancing my own to-dos versus the team” (39%).

We asked leaders what their companies are doing to hold on to staff. Increasing pay (43%), encouraging a healthy work/life balance (40%), and offering flexible work options (40%) were cited as the top initiatives.

Top five employee retention strategies:



Top three employee engagement priorities:



The Essential Guide to Finding and Keeping Your Dream Team

Download this free Guide and learn seven ways to set your company apart.

[Download the Guide](#)

Bogged Down in HR Administration

It's Costing Your Company Time and Money

Twenty-seven percent of professional services leaders spend 16+ hours weekly on HR administration, and 7% spend more than 20 hours weekly.

Managing HR administration is costly. The average annual cost to manage HR administration is approximately \$403,000 per professional services business – nearly twice that of other industries.

The top benefits for professional services leaders who outsource HR administration are:

Increased productivity

53%

Fewer mistakes

50%

Reduced costs

39%

Additional benefits of outsourcing were reported as follows:

- Improved regulatory compliance
- Improved employee satisfaction with the use of self-service tools
- Better analytics and reporting



\$403,364 is the average annual cost of HR administration for a professional services business.

More than half of professional services leaders said they outsource HR functions and experience **increased productivity**.

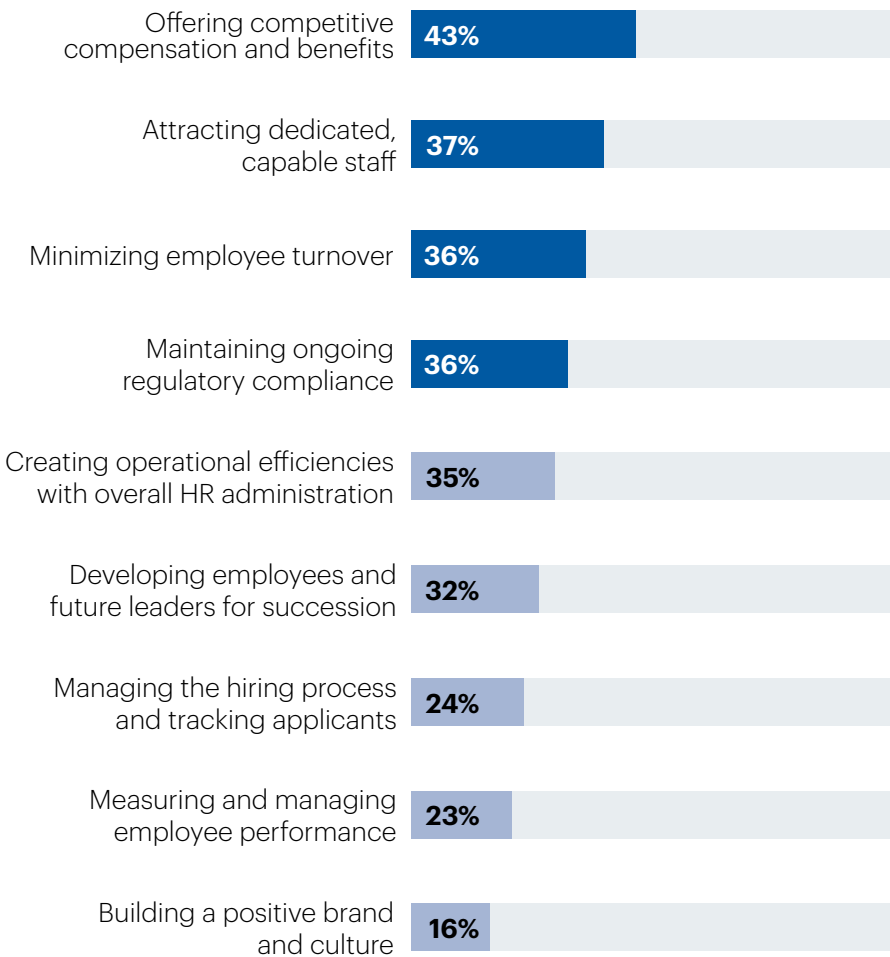
Barriers to Building a Dream Team

Competing for Staff Is Tough

Looking ahead to the next 12 months, offering competitive compensation and benefits (43%) was reported as an HR-related issue that is likely to become more challenging, followed by attracting dedicated, capable staff (37%); minimizing employee turnover (36%); and maintaining ongoing regulatory compliance (36%).

Do you believe the following HR administration issues will be more challenging for your business in the next 12 months?

(Much/somewhat more challenging)



Leaders Are Under Immense Pressure

Running a Professional Services Business Is Stressful

Nearly one in three professional services leaders (31%) said they are extremely or very stressed. Only 4% of leaders said they were not stressed. Stress impacts leaders differently, including decreased work/life balance (48%), worse sleep (44%), and less time to spend with the family (40%).

“I’d do it again if I could.”

Despite the pressure, 85% of leaders would still advise their younger selves to work in the professional services industry if they had the chance to do it again.

Work Smarter, Not Harder

HR Outsourcing Gains Traction

Thirty-nine percent of the professional services leaders said they were likely (extremely/very/somewhat) to outsource HR administration tasks in the next 12 months.



The **Magic Combination**

You Don't Have to Go It Alone

Paychex HR is here to help you reduce the time and resources you spend managing HR administration tasks. Our full range of integrated HR solutions — including employee benefits, payroll administration, compliance assistance, and HR advice — can help you to address the challenges of today's business and operating environment. Remember, you don't have to go it alone like many of the leaders in our study.

As many as 76% of professional services leaders said they had not used a professional employer organization (PEO) or didn't know if they had.

A photograph showing a man and a woman in professional business attire. The man, who is Black, is wearing a dark suit jacket over a white shirt and is gesturing with his hands while speaking. The woman, who is white, is wearing glasses and a dark blazer, and is looking towards the man. They appear to be in an office setting, with a desk and some papers visible in the foreground.

What Is a Professional Employer Organization?

A PEO provides HR outsourcing services to support your business throughout the entire employee life cycle.

We can help ease the burden of complex HR administration responsibilities so that you can remain focused on your core business while helping you reduce administrative costs, improve productivity, and increase profitability.

Is a PEO Right for Your Business?

Four Ways Paychex HR Can Help Your Professional Services Business

Are you ready to make it easier for your professional services business to find and keep workers, control costs, and let your managers focus on their core responsibilities? Paychex offers a suite of HR solutions to help you gain an advantage in the competitive professional services industry.

1. Proactive HR advice to help you focus on your business

Lean on our HR professionals to provide advice and help free up time and resources, saving you time and money.

2. Tools and resources to address inflation and workforce challenges

A Paychex HR professional can recommend ways to streamline and gain workforce efficiencies, and they may also offer guidance on the right mix of benefits to attract and keep employees.

3. Compliance support to help you stay on top of laws and regulations

Paychex can help you keep up with changing laws and regulations with regular updates, alerts, ongoing HR advice, and education. Our team of experienced compliance specialists monitor changing federal, state, and local employment laws and regulations.

4. All-in-One HR technology to simplify HR administration and employee management

Support employees and their managers with self-service tools via easy-to-access apps and a 24/7 cloud-based portal to elect benefits and add dependents, review their performance evaluations, enroll in online training, and produce reports detailing their 401(k) retirement plan contributions.

Let's Connect

Paychex HR offers scalable solutions to fit the unique needs of your business. With Paychex HR, you have access to a dedicated HR professional and a team of subject matter experts to help you offer world-class benefits and keep up with ever-changing employment laws and regulations. At every stage of your growth, our HR expertise and industry-leading technology help you to streamline HR tasks and give your people the tools and the time to be more productive.

[Visit us online](#) or call (866) 987-0427.

*This national Paychex survey was conducted with 75 professional services business and HR leaders who employed from 5 to 500 employees from a broad cross-section of industries. Online interviews were conducted from Sept. 6 to Sept. 21, 2022, by Bredin, an independent market research company located in Boston, MA. If tables and charts don't add up to 100 percent, it is due to rounding. Or, if tables and charts add up to more than 100 percent, multiple responses were allowed.