

An Examination of the Perceived Impact of Flexible Work Arrangements on Professional Opportunities in Public Accounting

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ABSTRACT. Since 1990, the multinational public accounting firms have all adopted flexible work arrangement policies. In part, the firms are doing this to fulfill an ethical obligation in creating an appropriate professional environment for their employees. This study examines the effect of participation in a flexible work arrangement program on an individual's professional success and anticipated turnover as perceived by the participant's peers and superiors. Subjects from one Big Five accounting firm read a description of a manager and answered a series of questions about the likelihood of the manager's promotion to partner, voluntary and involuntary turnover, and desirability on a job. Gender and participation in a flexible work arrangement were manipulated in a 2x2 design. The results indicate that participation in a flexible work arrangement evoked significantly more pessimistic predictions on all of the dimensions. Gender did not have an effect on the likelihood ratings. Follow-up questions about the factors that enhance and hinder individuals' career success in each work scenario indicated that the perceived ability to "juggle" and the ability to "pull one's weight" potentially affects evaluations of what it takes to be a successful professional in the financial services environment. Implications for professional and ethics practice and research are also presented.

Introduction

For at least the past twenty years, increasing proportions of all new public accounting recruits have been women (Hooks and Cheramy, 1994; Wooton and Spruill, 1994). A recent survey (AICPA, 1999), found that approximately half of all new hires are women. However, the proportion of women who eventually make it to

partnership has lagged this trend (Deloitte and Touche, 1993). Almer et al. (1998) found that women are perceived to be more likely than men to voluntarily leave public accounting firms. Deloitte and Touche (1996) cites the gender gap, in particular at the senior manager level, as the major impetus behind its flexibility programs. The higher turnover for women has been attributed to the higher levels of stress perceived by women in juggling personal and professional responsibilities (Collins, 1993), which exacerbates the already stressful environment created by the "up or out" attitude that is associated with public accounting (Istvan, 1991; Hooks, 1996).

Cohen et al. (1998) have argued that retaining women in professional positions of management is essential in ensuring a diversity of ethical perspectives in accounting firms. One effort to counter the differential gender rate in turnover and promotions among multinational public accounting firms has been to adopt flexible work arrangements (Deloitte and Touche, 1993). In part, the firms are doing this to fulfill an ethical obligation in creating an appropriate professional environment for their employees because, as Cook (1999, p. 36) stated about why Deloitte and Touche adopted a flexibility program, "it was ethically the right thing to do to fulfill our obligation to the people of the organization to provide them with the maximum opportunity to realize their full potential as professionals." Almer and Kaplan (1999) find that such programs have been successful in improving job satisfaction and decreasing turnover intentions among participants. However, even if there has been an increase in the perceived satisfaction of the

participants, others in the firm may resent the participants for not contributing their fair share of the work. Thus, the overarching objective of this study is to examine if other firm members' perceptions of an individual's professional success and anticipated turnover are affected by whether the individual takes part in a flexible work arrangement.

In addition to examining the issues of turnover and perception of promotability (which is the stated goal of firms that adopt these programs, Deloitte and Touche, 1993), we also examine the more subtle issue of the desirability of an individual for a professional services engagement. This is relevant, because it is the type of engagements an individual works and whether that individual has mentors that potentially affects his/her promotability and turnover (Scandura and Viator, 1994). Since mentoring and role models are so important to an individual's success in a firm, in this study we investigate the perceptions of firm professionals towards the desirability on engagements of individuals who take part in flexible work arrangements. This is of interest, because these perceptions set the tone for what is expected in the firm and these individuals help set the informal organizational culture that shape the professional and ethical behavior of subordinates and colleagues (McNair, 1991; Ponemon, 1992; Cohen and Trompeter, 1998). In addition, if participants are not viewed as desirable for jobs, the firms may be acting unethically by in effect setting up the participants for failure.

Maupin and Lehman (1994) found that, based upon the Bem Sex-Role Inventory Masculine/Feminine/Neutral Scale, individuals of both genders who advance up the ranks in public accounting firms tend to adopt a more "masculine" orientation. Further, individuals who adopted the more "masculine" orientation had lower turnover rates and higher job satisfaction. Although flexible work arrangements are open to men and women, the overwhelming proportion of participants in these programs are women (Cohen, 1997). With the increasing number of dual career households, there is increasing pressure on men to take a more active role in child rearing. If men do take part in the flexible

work arrangement they may be perceived as going counter to typical gender roles. Thus, one issue examined in this study is whether the gender of the individual taking part in a flexible work arrangement affects the perceptions of respondents on the issues of advancement, turnover and desirability on an engagement.

Knowledge about the perceived effect of flexible work arrangements and of whether the gender of the participants makes a difference has implications for the success of these programs. For example, if individuals who take part in these programs are not viewed as desirable to be assigned on various engagements, then the firms have an ethical obligation to be more forceful in ensuring that meaningful and career-advancing assignments are made. Moreover, if the individuals who take part in these programs are not perceived to be sufficiently likely to achieve advancement, then firms will have to undertake ongoing training and education to ensure that this perception does not become a self-fulfilling prophecy (Cook, 1999). As Gaa (1994) points out, professional service firms have a moral obligation to provide the resources and to allow employees to succeed.

The independent variables of participation in a flexible work arrangement and gender of the participant were randomized in questionnaires completed by 107 seniors and managers in two large East Coast offices of one multinational accounting firm. The results indicate that the individuals participating in flexible work arrangements were perceived as less likely to advance to partnership, less desirable for an engagement, and more likely to leave the firm than individuals not participating in flexible work arrangements. We found no evidence of any gender effect. In follow-up questions, we did find some evidence that the perceived ability to "juggle" and the ability to "pull one's weight" potentially affects evaluations of what it takes to be a successful professional in the financial services environment. The next section presents the rationale and statement of the hypotheses. This is followed by the research method, results section, and, finally, the conclusions.

Hypotheses

Flexible work arrangement effect

There has been very little formal evidence on the role of flexible work arrangements on the perceived professional success of the participants in such programs. Almer and Kaplan (1999) find that uncertainty regarding evaluations and firm expectations represents the greatest source of stress for firm professionals. Other studies in accounting (Collins, 1993; Anderson et al., 1994) suggest that the demands of juggling work and family affects perceived stress and the eventual professional success and turnover of an individual. Anderson et al. (1994) found that family structure affects perceptions of normal and "fast track" promotions as well as turnover. Hooks (1992) attributes family demands to be a potential source of bias against professional success. Almer et al. (1998) found that family structure affected perceptions of potential turnover, but did not affect hiring or initial career advancement judgments. It should be noted that Almer et al.'s study only looked at evaluations of new hires and not evaluations of experienced professionals, which is the focus of this study.

In an extensive survey of over 1000 experienced professionals in one multinational accounting firm, Hooks (1998) found that technology has allowed the workplace to be more flexible in that work no longer needs to be performed at the "office". However, she also found an increased blurring of work and personal time and she called on firms (p. 22) to demonstrate "a high level of sensitivity regarding the balance among personal, family and career commitments." This work-personal life balance concern was also found by Hooks et al. (1997) to be significantly correlated with intent to turnover. In their survey of close to 800 professionals from five multinational accounting firms, anticipated effects of personal/family events on career plans, as well as available leisure time had important effects on the turnover decision. Finally, Marxen (1996) found that the demands and stresses of the job was the second most important factor (after "career limited") in the decision to leave a large multinational public

accounting firm. Firms that offer flexible work arrangements in an effort to overcome these problems still have to deal with employee perceptions that reduced hours arrangements mean an end to career advancement (The Conference Board, 1996). These findings suggest that because of the stress associated with work-personal life balance, individuals who choose to participate in flexible work arrangements will be viewed as less likely to have professional success. Accordingly, the following hypothesis is examined.

- H1: Individuals who participate in flexible work arrangements as compared to those who do not participate, will be viewed as less desirable for an engagement, less likely to receive advancement and more likely to leave the firm.

Gender and flexible work arrangement interaction

Recent research (Johnson et al., 1998; Almer et al., 1998; Hooks, 1998; Hooks, 1992) suggests that overt bias in the evaluation of women may be on the decline. For example, Johnson et al. (1998) did not find a main effect for gender in managers' evaluations of seniors' performance. Since any bias against women in public accounting appears to be indirect and subtle (Hooks, 1992), we do not expect a main effect for gender.

However, Johnson et al. (1998) did find that a manager's tolerance for ambiguity significantly interacted with gender in affecting the evaluation of the senior's performance. Hooks (1992) posits that family structure and work-family balance issues disproportionately affect women. She argues (p. 362) that, "unless the work ethic and present way of doing business in the public accounting industry is drastically altered, alternative work schedules may only be feasible if used by few employees or if participating employees are not assigned critical deadline clients."

Maupin and Lehman (1994) found that women who are successful in public accounting tend to adopt more "masculine" attributes (e.g.

aggressive, analytical, assertive, forceful) as they progress in their career. If participation in a flexible work arrangement is perceived to be "feminine" (e.g. affectionate, compassionate, gentle, caring about children), then women who take part in flexible work arrangements might be perceived as lacking a sufficient commitment to the firm and to their profession. Himelstein and Forest (1997) discuss anecdotal examples indicating that this perception exists among multinational accounting firm employees. Thus, we expect that because women disproportionately endure the stress of juggling work-family balance issues (Hooks et al., 1997), there will be a significant interaction effect between flexible work arrangements and gender.

Our expectations on gender and the interaction effect is presented in the following two hypotheses:

- H2: There will be no main effect for gender for perceived desirability on an engagement, perceived likelihood to receive advancement and perceived likelihood to leave the firm.
- H3: As compared to all other scenarios, women who participate in flexible work arrangements will be perceived as the least desirable on an engagement, least likely to receive advancement and most likely to leave the firm.

Research method

Each of the subjects responded to a series of questions concerning a vignette profiling a manager. The independent variables of flexible work arrangement and gender are manipulated in a 2×2 ANOVA experimental design. The subjects are audit seniors and managers of one multinational accounting firm. Each of these elements of the research method is discussed in turn.

Vignette and questionnaire development

The vignette was adapted from a case developed by Cohen (1997) that illustrates the decision by a public accounting firm to adopt a flexible scheduling program. To ensure the validity of the case, we held a round table discussion on the issues surrounding flexible scheduling work arrangements with Human Resources Managers responsible for the Business Assurance and Tax Practices of one large northeast office of a multinational accounting firm, as well as the firm's National Director of College Recruiting. One of the individuals also served on the firm's national task force for the retention and advancement of women. This round table discussion assisted us in developing realistic profiles of managers who either are on, or are not on a flexible work arrangement. The instrument was then pilot tested and reviewed by three partners and two managers, who also commented on any ambiguities in the case.

Based on these discussions, we refined the different manipulations and developed a set of questions to assess the desirability of the described individual for an engagement, for professional advancement and the potential for both voluntary and involuntary turnover. Finally, subjects responded to open-ended questions by listing the factors that they, their peers and their superiors would perceive as most likely to enhance or hinder the case protagonist's successful career progression.¹

Independent and dependent variables

The design is a fully crossed orthogonal 2×2 context. The independent variables are flexible work arrangement (participate/do not participate) and gender (the individual is described as being either male or female). For example, in the case of a female manager participating in a flexible work arrangement it states that she has "a reduced workload of 60% of the normal 60 hour per week expectation. Since then she has been spending three days in the office or with clients and completing her work at home." Based on the round table discussions with practitioners

and the pilot test we conducted, the case also describes the juggling of client service, practice development, training and mentoring activities consistent with a manager who takes part in a flexible work arrangement. In contrast, in the case of a female manager not participating in the flexible work arrangement, the case states that she "puts in a typical sixty hour work week, except during busy season when she puts in many more hours." The case then describes the client service, practice development, training and mentoring activities consistent with a manager who does not take part in a flexible work arrangement.

As mentioned earlier, the dependent variables are the desirability of the described individual for an engagement, for professional advancement and the potential for both voluntary and involuntary turnover. The responses were collected on a ten-point Likert-type scale with the end points being "Extremely Likely" to "Extremely Unlikely."² In addition to the independent and dependent variables, we used as covariates the gender, rank, office, family structure and area of specialization (e.g. audit versus tax) of the respondents.

Subjects and administration of questionnaire

Subjects were seniors and managers from two large offices of one multinational accounting firm. The instructions stated that all respondents were guaranteed anonymity. The questionnaires were administered and collected by a contact person from each office and took approximately 30 minutes to complete. To control for order effects, we randomized the order and sequence of questions, the polarity of scales and whether the respondents answered the qualitative or scale-based questions first. Because of randomization, any order effects do not systematically affect the results. Of the 107 subjects who responded, two did not include demographic data. Table I presents the demographics of the sample. Since a contact person administered the questionnaires, no response bias could be assessed. It is interesting to note, however, that there were more female than male respondents perhaps indicating

that women had greater interest in the subject matter.³

Results

Test of flexible work arrangement and gender effects

Table II presents the cell means (standard deviations) for the set of questions related to desirability on an engagement, likelihood to receive advancement, and likelihood to leave the firm.

To test whether participation in a flexible work arrangement and the gender of the participant had an effect on the responses, we ran an overall flexible work arrangement by gender MANCOVA. MANCOVA was used because the dependent variables are likely to be correlated. To control for a respondent's background, we included gender, rank, office, family structure and area of specialization of the respondent as

TABLE I
Demographics

	Males	Females	Total
<i>Rank</i>			
Senior	18	22	40
Manager	17	21	38
Sr. Manager	13	14	27
<i>Department</i>			
Audit	22	29	51
Tax	26	28	54
<i>Office</i>			
Atlanta	22	25	47
Boston	26	32	58
<i>Marital status</i>			
Married	34	32	66
Single	14	25	39
<i>Children</i>			
Yes	21	15	36
No	27	42	69

$n = 105$ for each demographic variable. Note that the full sample equals 107, but two respondents did not complete the demographic information.

TABLE II
Descriptive statistics (mean (s.d.) by condition)

Outcome ¹	Flexible work arrangement/ male <i>n</i> = 27	Flexible work arrangement/ female <i>n</i> = 28	No flexible work arrangement/ male <i>n</i> = 27	No flexible work arrangement/ female <i>n</i> = 25
1. Advancing to partner level	4.926 (2.111)	4.643 (2.438)	7.852 (2.107)	7.397 (1.896)
2. Being involuntarily counseled out	4.556 (2.276)	4.357 (2.697)	2.556 (2.136)	3.690 (2.579)
3. Voluntarily leaving the firm	7.259 (2.280)	7.786 (2.331)	6.556 (2.486)	6.810 (2.466)
4. Being requested on next engagement	4.296 (2.334)	4.536 (2.081)	7.815 (1.755)	7.793 (2.161)

¹ Each of these questions uses a ten-point scale anchored by (1) "Extremely Unlikely", and (10) "Extremely Likely". A higher score indicates that subjects perceive that the event is more likely to occur.

covariates. The results are reported in Table III. The significance of Pillai's statistic is reported because it is most robust to possible violations of the distributional assumptions of MANCOVA (Tabachnick and Fidell, 1989).

Recall that in H1, we hypothesized that individuals taking part in a flexible work arrangement will be perceived in a more negative light. An examination of Table III suggests strong

support for H1. The results indicate that taking part in a flexible work arrangement had a significant effect on all of the judgments. The Pillai's criterion for flexible work arrangements is 0.537 (*F* approximation of 17.417) with $p < 0.001$. Looking at the individual univariate tests, the flexible work arrangement is significant at $p < 0.001$ for desirability on an engagement and likelihood to receive advancement, while it

TABLE III
By gender and flexible work arrangement participation with subject demographic factors as covariates

	Pillai's criterion (<i>F</i> approximation)	<i>p</i> -value
<i>Independent variable</i>		
Gender	0.081 (1.315)	0.259
Flexible work arrangement	0.537 (17.417)	0.000
Gender × flexible work arrangement	0.265 (0.265)	0.952
<i>Covariates</i>		
Rank	0.054 (0.854)	0.532
Department	0.179 (3.273)	0.006
Marital status	0.064 (1.030)	0.411
Children	0.092 (1.522)	0.180
Gender	0.062 (0.985)	0.440
Office	0.057 (0.912)	0.490

Note: The significance of the main effect for flexible work arrangement is in the direction that participation in a flexible work arrangement is perceived to negatively affect your professional opportunities. The significance of the covariate of department is that respondents specializing in tax viewed flexible work arrangement participants more negatively than did respondents specializing in audit.

was significant at $p < 0.05$ for the turnover measures.

An examination of Table III also suggests support for H2, which stated our expectation of no main effect for gender. The Pillai's criterion for gender is 0.081 (F approximation of 1.315) which is not significant ($p = 0.259$). However, the univariate test for voluntary turnover is marginally significant ($p = 0.079$) with the perception that women were more likely to leave than men. The third hypothesis predicted an interaction effect between flexible work arrangement and gender. The evidence does not support H3 as the Pillai's criterion for the interaction is 0.017 (F approximation of 0.265) with $p = 0.952$.⁴

Since both gender and the interaction effect were not significant, we present the data in two groups, flexible work arrangement vs. no flexible work arrangement. This is reported in Table IV. The differences in the responses are significant ($p < 0.01$) for desirability on an engagement, likelihood to receive advancement and the involuntary turnover measures. Overall, these results suggest that taking part in a flexible work arrangement is perceived to negatively affect a participant's professional success.

We also elicited from respondents the qualitative factors that both enhance and hinder the career progression of the hypothetical manager described in their version of the instrument. Table V, Panel A lists the factors that would enhance career progression for the managers described in the case. Although many of the factors are identical across the manager on a flexible work arrangement and not on one, there

is one interesting difference. The "ability to balance" is listed as a strength for the manager on a flexible work arrangement. Table V, Panel B lists the factors that would hinder career progression. Note that "lack of balance" is a weakness of the manager not on a flexible work arrangement. The fact that these attributes are specifically mentioned indicates that there is an awareness that the ability to balance multiple demands is an important factor for career success and that the individual who is on a flexible work arrangement is demonstrating that he/she possesses that attribute. The manager not on a flexible work arrangement has not had an opportunity to demonstrate whether he/she is capable of flexibility and may be viewed as more risky since this person is described as desiring a family in the future.

Panel B shows that the factors that hinder career progression for the individual on a flexible work arrangement are all related to the sacrifices that are necessary for someone who is trying to achieve a work/family balance by reducing hours at work. Certain work activities have to be reduced when hours are reduced, and the comments listed indicate that there are penalties to cutting back on training, mentoring and overall "face time" in the office. The comments listed for the manager not on a flexible work arrangement indicate that there are also negative perceptions associated with spending "too much" time at work.

One interesting difference across conditions is in the comments about performance ratings. In all conditions the description of the manager's performance evaluation was identical. Yet it

TABLE IV
Mean (s.d.) effect of flexible work arrangement on career progression

Outcome ¹	No flexible work arrangement	Flexible work arrangement
1. Advancing to partner level	7.865 (1.951)	4.782 (2.266)*
2. Being involuntarily counseled out	3.096 (2.337)	4.455 (2.478)*
3. Voluntarily leaving the firm	6.875 (2.431)	7.527 (2.300)
4. Being requested on next engagement	7.865 (1.951)	4.418 (2.192)*

¹ The response scale used for the ten point scale, 1 = "Extremely Unlikely," 10 = "Extremely Unlikely."

* Significant at $p < 0.01$.

TABLE V
Factors that will enhance/hinder career progression for a female/male participant in a flexible work arrangement¹

Manager on a flexible work arrangement	Manager not on a flexible work arrangement
<i>Panel A: Factors that enhance career progression</i>	
1. High profile client/keeping client happy	1. High profile client/keeping client happy
2. Mentoring activity	2. Long hours/hard worker
3. Good performance rating	3. Practice development activities
4. Commitment	4. Mentoring activity
5. Training activity	5. Involvement in office
6. Flexibility/ability to balance	6. Technical competence
<i>Panel B: Factors that hinder career progression</i>	
1. Lack of practice development activities	1. Performance evaluations not good enough
2. Limited exposure/lack of face time	2. Burnout potential
3. Lack of time for training activities	3. Lack of balance
4. Lack of time for mentoring	4. Future desire for a family
5. Negative perception of others	5. Importance of personal/leisure time
6. Reduced workload	

¹ The factors listed represent the most frequent responses to the free-response question: Please list the characteristics you feel are most likely to “enhance/hinder Elaine’s (Robert’s) successful career progression”.

appears to be interpreted differently depending upon whether the manager is on a flexible work arrangement. For that manager it is viewed as a positive. For the manager not on a flexible work arrangement the performance evaluation is viewed as not good enough. This suggests that there are different expectations for these two different types of employees, that the standards for evaluating them may be different, and that employees who are not on a flexible work arrangement are held to a higher standard. There are several potential explanations for this. One is that there is an expectation that an individual who works more hours should produce more than a counterpart who works fewer hours, in other words more inputs should lead to better outputs. Another potential explanation is that there is an attitude that those who are struggling to achieve a balance between work and family responsibilities should not be held to as high a performance standard simply because there are more demands on his/her time.

There appeared to be some gender based differences in the responses to the open ended questions. Only one male respondent (as opposed

to six female respondents) noted that a woman taking part in a flexible work arrangement would evoke negative perceptions. Perhaps women are more attuned than men to the informal negative perceptions to individuals who are thought not to be “pulling their weight”. Alternatively, women may believe that the perceptions of males are more harsh than they really are. The lack of a main effect for gender in our quantitative analysis would support the latter conclusion. Future research should explore this issue further.

Conclusions and implications

This study reports the responses from 107 seniors and managers of one multinational accounting firm to a questionnaire about their perceptions of a manager who does (does not) participate in a flexible work arrangement program. The results indicate that taking part in a flexible work arrangement is perceived to negatively affect an individual’s professional success in public accounting. Neither the main effect for gender nor the interaction term was significant. Follow-

up questions about the factors that enhance and hinder individuals' career success in each work scenario indicated that the perceived ability to "juggle" and the ability to "pull one's weight" potentially affects evaluations of what it takes to be a successful professional in the financial services environment.

The finding of a main effect for a flexible work arrangement may be due to the lack of a critical mass of individuals who have participated in the arrangement and have been successful. One question that arises is whether firms that offer these programs without creating a truly supportive environment are acting unethically. Although firms have established these programs and they have received the support of top management at the national level (Cook, 1999), the practice partners in the "trenches" may not be as wholeheartedly behind it as there are relatively few successful role models. Thus, it might be good "ethics public relations" to offer these programs even though in reality many individuals don't feel comfortable taking advantage of them. A future study may employ the attitude-behavior literature (Ajzen, 1988) to more closely identify the salient beliefs that help categorize individuals into those more or less supportive of flexible work arrangements. Further, prior research has found that moral development (Thorne, 1999; Shaub, 1994) and the moral perspective used by an individual (Reidenbach and Robin, 1988; Cohen et al., 1993) affects ethical decision making. These approaches could be used to identify individuals likely to support or impede the advancement of flexible work arrangement participants. A firm could then adopt effective persuasion messages and programs that will allow the programs to flourish (Ajzen, 1988).

Examining the findings more closely, it is striking how dramatic the magnitude of the difference is between participants and non-participants in flexible work arrangements for the question on the desirability for an engagement. If the workload for the rest of the audit team increases as a result of one of their members being on a flexible work arrangement, this could result in other members of the audit team perceiving that the individual is not pulling their

weight. This potentially leads to a "self-fulfilling prophecy" that individuals who take part in the program will not gain the breadth or depth of expertise needed to eventually achieve partnership. At least one firm explicitly recognizes this danger (Cook, 1999), and currently attempts to ensure that participants receive sufficiently challenging engagements. A future study could explicitly manipulate the types of engagements an individual has and determine whether and how this affects their future professional success.

The responses to the qualitative questions are also of interest to practice and research. Since the results indicate a main effect for participation in a flexible work arrangement, future research should explore the qualitative issues we have identified to determine the attitudes underlying the differences we identified. The former attitude could result in employees feeling that they are not being treated fairly, and that they are pulling some of the weight for their peers who work fewer hours. The latter attitude could result in a self-fulfilling prophecy if it reflects and or creates an attitude that employees on flexible work arrangements are less capable of advancement, which is what is suggested by our quantitative analysis. With the inexorable trend towards more dual career couples, it is inevitable that work-family balance issues will become more important for both genders in the future. A future study could use attribution theory (Green and Mitchell, 1979) to motivate a study that would investigate whether success or failure of participants in flexible work arrangements is attributable to their performance or to the external environment. It would raise an ethical "red flag" if the attributions differ because of the gender of the individual.

As in all studies there are limitations that represent opportunities for future research. One limitation is that this study uses experimental data. Future studies should look at archival data from various professional services firms. All respondents came from two East Coast offices of a single multinational accounting firm noted for its work-family policies. Different firms are likely to have different organizational cultures that perhaps may limit the generalizability of the results. A future study could look at other "Big

Five” firms as well as smaller accounting firms and firms in other industries that may perhaps have more difficulty in successfully implementing flexible work arrangements. As the number of flexible work arrangement participants inevitably grows in the future, it is imperative for work in this area to fully understand the actual experiences of this ever-expanding pool of participants. Current opinion about flexible work arrangements, both for participants and observers, is biased toward the experiences of females since they are in overwhelming majority of flexible work arrangement participants. If the number of male participants increases in the future, it will be important to determine whether their experiences are similar to or different from those of female participants. Finally, based on discussions with the individuals managing the implementation of the program, we developed profiles of participants and nonparticipants in the program. We assumed that participants aspired to achieve partnership and significant career success. A future study should expand the profiles used in this study and use varying family structure and other demographic factors that may influence future success in the profession (Almer et al., 1998).

Despite these limitations, this study adds to the gender and work-family literature in the professional work environment by examining the impact of flexible work arrangements on multiple indicators of professional success. We need to understand more fully the factors that will enhance gender diversity in the ranks of leadership in the financial services professions. This may be especially important given recent evidence, for example, in accounting that suggests that women may view ethical dilemmas from a different lens (Cohen et al., 1998; Sweeney and Roberts, 1997; Shaub, 1994). In fact, when discussing the moral development “*p*-scores”, Thorne (1999, p. 162) states that “the existing empirical evidence suggests female accountants, and female accounting students appear to possess higher *p*-scores than their male counterparts.” In the absence of gender diversity, accounting firms will be lacking this lens in decision making.

Although this study was conducted with a

multinational firm, we only collected data from U.S. subjects. It is unclear how widespread the flexible work arrangement is in professional services firms offices outside the United States. It would be interesting to collect data from a number of different countries to examine the effect of culture on the potential success of offering the flexible work arrangement. One framework for studying the effect of culture was developed by Hofstede (1980, 1991). The five values of culture that Hofstede identified include Power Distance (the extent to which power is unequally shared in society), Uncertainty Avoidance (the need in a culture for security and the general level of anxiety created by the uncertainties of life), Individualism/Collectivism (the relationship of an individual relative to his or her group and the relative importance in the culture placed on the individual relative to his or her group membership), Masculinity/Femininity (the extent to which a culture values assertive “masculine” rather than supportive, nurturing “feminine” values) and Confucian Dynamism (the extent to which a culture is long-term or short-term oriented). For example, a culture that values more assertive values (“masculinity”) may view participants in flexible work arrangements as lacking sufficient focus and drive to succeed in the firm.

As noted previously, there is anecdotal evidence that participation in a flexible work arrangement may result in negative outcomes for participants. If participating in the flexible work arrangement unfairly impedes appropriate career advancement this potentially needs to be addressed to curtail biased and unethical perceptions. This study sheds light on the nature of these negative outcomes, i.e. the potential “costs” of participation. Specifically, participants are perceived as less likely to advance to partner level, and less likely to be requested on an engagement. These findings indicate support for the attitude that flexible work arrangements may not end career advancement but they do make it more difficult to achieve. Understanding the nature of these costs is important for firms and their employees so that they can make more informed decisions about whether the benefits of a flexible work arrangement outweigh these costs. Framing

the issues in cost/benefit terms is also beneficial for ethical analysis. As Cohen et al. (1993) demonstrate, examining a utilitarianism perspective is important for understanding the ethical decision making process of financial professionals.

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Notes

¹ The fact that the subjects are evaluating a hypothetical manager means that they do not have the benefit of additional personal information about the individual that would influence their perceptions in a "real world" setting. This is a limitation of the experimental approach, which is discussed more fully in the conclusions.

² To control for a social desirability response bias (Randall and Fernandes, 1992; Cohen et al., 1998), each set of questions was couched in terms of both first person ("you") and second person ("your peers", "your colleagues"). For example, we asked "How likely do you assess the chances that Elaine (Robert) could advance through the ranks to partnership at your current firm." We then repeated the questions twice asking, "How likely would your peers" and "How likely would your superiors" assess the chances that Elaine (Robert) could advance through the ranks to partnership at your current firm. Although, there were some differences in the ratings across reference groups, there were no differences in the statistical outcomes for the manipulated variables.

³ Eleven participants indicated that they had adopted a flexible work arrangement at some point in their careers. Eliminating these subjects from the analysis does not change the direction or significance of the results.

⁴ The overall effect in the MANCOVA for the covariates of gender of the respondent and family structure was not significant while the covariate of area of specialization was significant at $p = 0.006$. An examination of the individual univariate tests indicates

that there was a significant effect ($p = 0.014$) for the voluntary turnover measure with tax respondents perceiving that there was a greater likelihood, than did audit respondents, that the flexible work arrangement participant would voluntarily leave. The marginal effect ($p = 0.061$) for desirability on an engagement was in a similar direction with tax respondents perceiving the flexible work arrangement participant as less desirable than did the audit respondents. One possible explanation for this result is that tax professionals have an even more pronounced "busy season" than do auditors and may resent flexible work arrangement participants for not willing to pull their load when others are working so hard.

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