

## CPA FIRM PERSONNEL PREFERENCES FOR SOCIAL INTERACTION: AN EXAMINATION USING THE FIRO-B

Philip H. Siegel

James W. Smith

Fairleigh Dickinson

University of Washington

### ABSTRACT

*This study examines the social interaction preferences of regional accounting firm personnel, and compares these preferences to the preferences of national firm personnel. Understanding the differences between preferences for social interaction is important because such information sheds light on the types of personnel who are more likely to succeed in the different work environments of regional versus national firms. The findings showed that employees at regional accounting firms had significantly higher social interaction index scores than employees of national firms, contrary to other research literature that found no personality differences between CPAs in regional and national firms. Among the regional firm respondents, we found that males had significantly higher SII scores than did females.*

### INTRODUCTION

Recent research suggests that it is important to know whether individuals entering or staying in professions have the personality characteristics that fit the kind of work that they do (e.g., Holland, 1985; Kleinman, 1992; Kleinman & Palmon, 2001). Understanding the congruence of personality to the professional task is necessary since the failure of personality to match the type of work that the individual has to do may lead to dissatisfaction, poorer performance and higher turnover (Holland, 1985; Scarborough, 1993). Professional service firms have an important stake in understanding the fit between their employees and the work that they do. Professional services firms market their products by assuring clients and potential clients about their professional employees' capabilities and providing information on the scope and quality of their services. Given the high costs to CPA firms of turnover (e.g., recruitment and training costs) among their personnel, and the current severe shortage of new accounting graduates, it is very important for CPA firms to recruit capable people who will prosper in the firm's environment. Therefore firms have compelling reasons to understand which personality characteristics foster success in their work environment.

Prior studies have examined the personality characteristics of individuals in large accounting firms (Jacoby, 1981; Satava, 1996; Schloemer & Schloemer, 1997; Siegel, Smith, & Mosca, 2001). These studies examined the personality characteristics of individuals in large accounting firms using either the Myers-Briggs Type Indicator (MBTI) or the Fundamental Interpersonal Relationship Orientation-B (FIRO-B). Some of these studies also examined local CPA firms (Otte, 1984; Satava, 1996; Schloemer & Schloemer, 1997). The studies that used the MBTI did not find consistent personality differences between accounting professionals. Because of these inconsistent results, this study examines the presence, or absence, of different personality characteristics among, and between, accountants from regional and national accounting firms. The personality characteristics of interest are the interpersonal orientation of accountants working in these firms. At present, the Siegel et al. (2001) study is the only study which studies the tendency of CPA firm personnel to behave in a certain way when interacting with other people. Since public accounting work often requires frequent contact with clients and other professionals (Schloemer & Schloemer, 1997), individuals who enjoy such contact should have an easier time working in the public accounting environment than others. This study, like Siegel et al. (2001), uses Thompson and Schutz's (2000) version of the FIRO-B instrument to measure interpersonal orientation.

We compare the results of this study with Siegel et al., (2001) for several reasons. While both studies use public accounting firm personnel, the major activity of the largest accounting firms is usually auditing and corporate consulting. However, the major activity of local or regional accounting firms is often compilation, record-keeping, small business consulting, and tax preparation work. Auditing work is often a small part of the workload of local and regional accounting firm personnel. The differences in tasks between the two sets of firms suggest that the qualities required to succeed in these firms may differ as well. Given that two sets of selection processes operate whenever a person contemplates entering a firm, and a firm contemplates hiring a new employee, individuals probably will choose the environment within which they anticipate feeling most comfortable (Wheeler, 2001). Similarly, firms could be expected to hire employees that they believe will best fit into their work environment. After entry into the firms, however, these selection processes continue as individuals choose whether to remain in the firm, and firms choose whether to foster the individual's career within the firm. (Kleinman & Palmon, 2001, provide a review of the literature on individual and firm employment selection decisions within CPA firms.)

Self-selection into accounting is described by Kleinman and Palmon (2001) as a factor that reduces behavioral variation within the accounting work

setting. Individual self-selection into specific public accounting work settings is obviously most possible with larger CPA firms. The latter have reputations that attract interested individuals. Street and Bishop (1991) examined the needs of accountants entering different areas of accounting work. They found significant need differences between accountants seeking entrance into such different areas as Big Six public accounting, management accounting, and government accounting work. Jacoby (1981) studied audit and tax professionals and found that they had different personality types. The large, international CPA firms have significant prestige and financial resources. Therefore, they should have the ability to attract the people with characteristics that they desire. Some characteristics that may influence their choice include the ability to (a) make a positive skill contribution, (b) mesh well with current employees, and (c) deal well with clients (Ahadiat, & Smith, 1994; Malos & Campion, 1995; Roslender, 1992).

A recent study by Wheeler (2001) concludes that personality types of professional accountants do not differ over time, firm size, work settings and locations.<sup>1</sup> Differences in needs amongst people in different settings and individual self-selection into compatible work environments suggest that the personality and need structures of accountants will differ between work settings.

Mechanisms for selecting individuals who have the requisite characteristics for the professional environment could make the selection process more effective. Research by Ponemon (1992) indicated that promoted auditors had greater ethical similarity to their superiors than those not promoted. This phenomenon has been found in non-accounting settings as well (see Milliken & Martins, 1996, p. 406, for a review of prior studies). Such selection and retention processes further reduce the potential for (unwanted) variation in the behavior of the individuals as they climb the career ladder.

The current selection processes may be somewhat ineffective. For example, when individuals find that the reality of public accounting work is not what they expected they leave (e.g., Dean, Ferris, & Konstans, 1988). Dean, Ferris, & Konstans (1984) found a similar phenomenon in the management accounting area (see also O'Reilly, Chatman, & Caldwell, 1991; Street & Bishop, 1991). Pasewark and Strawser (1996) found that accounting employees of large CPA firms who had less than two years of experience had less job satisfaction and less organizational commitment, but had higher turnover intentions than did employees with more experience.

With respect to this exploratory study, therefore, it is important to gain insight into whether accountants differ by firm size. We also examined whether there are any gender differences associated with firm size. Specifically, we are investigating whether there are personality characteristic differences between

those individuals who have achieved success in large firms as compared to their counterparts in local and regional firms. We also sought to determine whether there are gender-based differences within size category and between size categories. Thus, this study seeks preliminary information with respect to how people chose different work settings within accounting, and how such self-selection influences the relative success of the individuals involved. Having such information could enable prospective or current employees to better understand how well they fit in with their current work environment, as well as to enable employers to have better insight into which personality set is most appropriate for their work task. These measures might foster a more satisfied work force that is less likely to leave.

The AICPA (1999) has indicated that personal competencies are important to the success in the accounting field. Knowledge of the individual personality makeup of successful accounting personnel, as measured by the desire to engage in social interaction, may serve as a variable in assisting professors to encourage individuals who have a positive proclivity toward the requisite personality competencies to study accounting. Restructuring of accounting education might be required to attract additional students who potentially have the strong personal and interpersonal skills needed to succeed in accounting (see Wheeler, 2001).

We offer several hypotheses concerning interpersonal orientation on the one hand, and gender, status within the firm and firm-size membership on the other. Our planned program for studying interpersonal orientation in work settings within public accounting could provide a better understanding of accounting professionals who might succeed within different work environments.

While previous research has been conducted using other instruments (Kleinman, 1992, for a literature review; also, Kleinman, & Palmon, 2001, for further discussion), this is only the second study that we are aware of that uses the FIRO-B Interpersonal Orientation instrument to explore individuals desire to express, and receive, affection, control and inclusion. Wheeler (2001) provides a complete review of MBTI personality type research in accounting. The characteristics of the FIRO-B instrument are described as follows.

## **BACKGROUND ON FIRO-B**

### *Interpersonal Orientation*

The FIRO-B theory of personality originally was developed by Schutz in 1958. During the past 45 years, Schutz has significantly revised and expanded the FIRO-B instruments (Schutz, 1992, 1994; Thompson & Schutz, 2000). The theory postulates that three basic interpersonal needs account for interpersonal

behavior – inclusion, control and affection. There are two manifestations of the three interpersonal needs – expressed and wanted. People desire to express the need toward others and wanted from others aspects of the three interpersonal needs. A basic assumption of the model is that all individuals seek to establish compatible relationships with others in their social interactions. To satisfy their needs, people strive for compatible relationships in inclusion, control and affection to avoid stress and frustration (Thompson & Schutz, 2000; Whetten & Cameron, 1988).

The inclusion FIRO-B area refers to a person's general social orientation and need for interaction and belonging. In maintaining relationships with other people, there is a need to be included in their activities or to include them in your activities. To some extent, people seek to belong to a group, but there is also a need to be left alone. Individuals differ in the strength of the need for inclusion and the associated level of comfort. They need to include or show interest in others, which is termed "expressed inclusion." "Wanted inclusion" refers to the need to be included by others (i.e. to gain acceptance). At the extremes, "under social" people are introverted and withdrawn and "over social" people are extroverted, narcissistic and superficial. Schutz stated that inclusion relates to feelings of self-worth, i.e. a need to feel worthwhile and respected (1966). "Under social" people feel socially abandoned, uninvolved, and uncommitted. "Over social" people seek to focus attention on themselves, to be prominent, to be listened to, and to be noticed as a way of boosting self-worth.

Affection is the second behavioral area that refers to the need for intimacy and friendship. Affection includes the need for warmth, intimacy, and love (the need to feel close to others), which need not include physical or romantic relationships. All individuals need to express affection toward other people but also need to maintain distance. They want affection or liking expressed toward them. These needs vary in strength.

The third behavior area is control, the need for power and influence. This need refers to maintaining a satisfactory balance of power and influence in relationships. All individuals need to demonstrate leadership or to control others to some extent, which the FIRO-B model refers to as expressed control. Individuals also have a wanted control need. They want to be controlled or guided by others to some degree. While individuals want freedom and individuality, there is a need for varying degrees of expressed and wanted control.

Schutz developed the FIRO-B instrument to measure interpersonal orientation (1966). The instrument uses scores ranging from 0 to 9 for expressed and wanted needs for each of the three behavioral areas -- inclusion, control and affection. The total score can range from 0 to 54. This score is called the Social



Interaction Index (SII). The SII measures the overall interpersonal need. The higher the score, the higher the overall interpersonal need.

Thompson observed that the FIRO-B has been elevated in status by practitioners (1998). He describes the FIRO-B's advantages in working with teams, team leaders, and executives. The FIRO-B provides team insights with regard to individual interactions, team dynamics, team member compatibility, team development, team effectiveness, and team member satisfaction. The FIRO-B theory has been extensively revised and strengthened, which has resulted in important improvements (see Schutz, 1994).

### **FIRO-B Studies**

The FIRO-B theory has been used extensively. Schutz used the FIRO-B instrument on over 6,000 people from the educational community. It was validated and found reliable (1976). The theory was also used to (a) organize the major theories of family therapy (Doherty, & Colangelo, 1984), and (b) classify approaches to decision-making (Schutz, 1987).

McRae and Young (1990) found no significant gender differences for the FIRO-B, with reported SII scores for Canadian undergraduate business male and female students of 21.33 and 25.68, respectively. Kubes (1992) study of research and development professionals found significant correlations of interpersonal needs with adaptation/innovation scores as measured by the KAI inventory. The SII in the Kubes study was 30.54, with no significant gender differences.

Siegel et al. (2001) found that the Big 6 firm CPAs had, on average, lower social index indicator scores than the national average. These scores, however, were higher than prior studies taken of undergraduate accounting and business students. In contrast to most prior studies, they found significant gender differences in interpersonal orientation.

Wiedmann et al. suggested that the inclusion and affection scores added together measured general warmth (1979). Fisher et al.'s (1995) study of software creation teams supported Wiedmann et al.'s general warmth construct. The results of this study suggested that the FIRO-B assesses what Fisher et al. labeled group warmth. Such warmth has implications for managing teams. Since auditors usually work in a team setting, the warmth construct was considered in the current study.

The reliability of the FIRO-B scales is excellent; it also has evidenced good stability over time (Lifton, 1975). FIRO-B's validity in predicting interpersonal compatibility has been tested with mixed results. Lifton's (1975) review of FIRO-B studies of various populations showed that the "scales provide useful information concerning the nature of interpersonal relationships." Fisher et

al. (1995) noted that the FIRO-B model continues to be popular with personnel professionals, and has been almost since its inception.

### **Hypotheses, and Justifications**

Previous studies have not shown consistent results with respect to the existence of personality differences among individuals working within different size accounting firms. Several studies examined the relationship between personality type and firm size (Otte, 1984; Satava, 1996; Schloemer & Schloemer, 1997). These studies have primarily used the MBTI, a psychometric instrument that measures personality type, not interpersonal orientation. Wheeler (2001) indicated that there are no personality differences between individuals employed in larger and smaller CPA firms. Using a measure of interpersonal orientation, however, may provide a more effective measure of what characteristics are needed to be successful in public accounting. Personality characteristics may not be effective predictors of success in that personality characteristics may not be related to success in the CPA firms, nor may they be related to selection processes. This may lead to the inconsistent results. Thus, using a better measure may lead to more consistency in the findings, and serve as a better predictor of success. Therefore, our research study seeks to shed additional light on the interpersonal orientation differences, or lack of same, between differently sized accounting firms, genders, and hierarchical positions within the firms. Hence, we offer the following hypotheses.

*H1: There are no significant differences between the largest CPA firm SII scores and smaller CPA firm SII scores.*

Only Scarborough (1993) examined gender differences using the MBTI, finding significant differences. The Siegel et al. (2001) study found that there were gender differences among large CPA firm personnel, using the FIRO-B. We seek to understand whether these differences carry over to small firms, and whether there are gender differences between the differently sized firms.

*H2: There are no significant social interaction score differences between the sexes.*

*H3: There are no significant differences in social interaction score between members of a gender employed by different size categories of firms.*

*H3a: There are no significant differences in social interaction scores between males employed by the national firms and males employed by the regional firms.*

*H3b: There are no significant differences in social interaction scores between females employed by the national firms and females employed by the regional firms.*

The prior research by Siegel et al. (2001) found differences based on level in the firm, using large national firms. In smaller firms, we have less of a hierarchy and greater levels of social interaction between individuals occupying different hierarchical levels (Siegel, Shelton, & Omer, 1994). This suggests that there are greater opportunities for individuals at different levels of a firm to come to share characteristics, or to allow individuals who are senior in a firm to promote those with social interaction propensities that are more like their own.

*H4: There are no significant differences in social interaction scores between individuals occupying different levels of the hierarchy.*

## METHODOLOGY

A survey instrument was designed to gather information on respondents' need for, and desire to express, inclusion, affection and control (as measured by the FIRO-B), demographic information, information about the respondents' job satisfaction, and information about the respondents' work experiences. The instrument, developed by Whetten and Cameron, (1988) and modified by Thompson (1998) based on earlier work on the FIRO-B, was presented at four regional (considered state-wide) CPA firms with a coordinating representative at each firm distributing the questionnaires to randomly selected audit personnel. The respondents returned the completed, anonymous questionnaires directly to the researchers. The demographic and background portions of the questionnaire appear below.

1. Please indicate your age.
2. Please indicate your sex.
3. Indicate how many hours you work on average per week?
4. What is your position within the organization?
5. How long have you worked in the field of accounting?
6. Indicate your level of education. (6 Choices)
7. Are you a CPA?
8. What is your marital status? (2 Choices)



9. What is your employment status?
10. Which area do you work?
11. Years since last promotion.
12. Indicate your job satisfaction. (Scale of 1 to 7)
13. Please indicate your heritage. (10 Choices)

## **RESULTS**

Responses to the questionnaire were received from 54 participants with two (2) in administrative positions, nine (9) as staff accountants, 16 senior accountants, 17 managers, and 10 partners. The gender profile was 29 men and 25 women. The sampling procedure did not allow for an accurate calculation of a response rate. We could not identify any significant differences between the earlier and later responders. This study also draws on data collected, published and provided by Siegel et al (2001). Please see their study for information on their data collection methods and results. Their study had responses from what they describe as two 'premier' auditing firms.

The results of the descriptive analysis of the regional firm participants shows the mean age at around 35 years with the mean length of employment in the field at 12 years and approximately three (3) years mean time since last promotion. The remaining demographic information for the regional firms was as follows:

1. Education – 65% Bachelor degrees, 35% Graduate degrees
2. CPA – 32% No CPA, 68% CPA
3. Married – 47% Unmarried, 53% Married
4. Department – 46% Tax experts, 31% Auditors, 15% Accounting, 8% other
5. Heritage – 82% North America, 9% Western Europe, 9% Other

When asked about their job satisfaction the respondents indicated that the mean satisfaction level was at 5.5 illustrating that the majority were more than satisfied. The preliminary results of the survey indicated that the respondents were of even mix between men and women, they were about 30 to 35 years of age, approximately 50% married, and are above the scale midpoint in their job satisfaction.

Tables 1 through 6 provide information on the regional firm samples and available information on the national firm samples. This information is broken out further by gender. Table 1 provides regional firm information. The Siegel, Mosca and Smith (2001) demographic information on their national firm

respondents is provided in Table 2. We broke the regional and national firm down further, by the gender of the respondent. Data on females employed by the regional firms is shown in Table 3. Table 4 presents information on males employed by the regional firms. Demographic and other data on males employed by Big 6 firms is reported in Table 5. Demographic and other data on females employed by Big 6 firms is reported in Table 6.

### Social Interaction Index (SII) Scores

The mean SII score for the 54 respondents was 28.6. This number is higher than that found in a previous study by Siegel et al (2001). Siegel et al. respondents reported a mean score of 25.1. This indicates a higher social score for the regional firms. The scores from this study are roughly equivalent to the national average of 29.3, as reported in a prior study by Whetton and Cameron (1988). Thus, the regional firms more closely compare to the cross-discipline national study than to Siegel et al.'s respondents from premier auditing firms. The FIRO-B score for affection, defined as the amount of closeness that a person seeks to give, and wishes from, others are also shown in the tables.

### Gender Differences

Prior FIRO-B studies, such as the national study cited above, have generally found no significant gender differences in SII scores, however the study of national CPA firms by Siegel, Smith et al.(2001) revealed significant gender differences in SII scores. Female mean SII scores were 28.2 as compared to 23.8 for the males, indicating a higher overall interpersonal social score for females (the results were significant,  $p = .032$ ). (See Tables 5 and 6). This current study, which covered regional CPA firms, indicated different SII scores between the genders. As shown in Table 3 and 4, the mean for the male SII score is higher at 30.5, compared to the female SII score at 26.4, indicating that the male component had a higher social interaction score.

**Table 1. Regional Firm Information**

Variable	N	Mean	Std. Dev.	Minimum	Maximum
AGE	54	35.9	12.6	22.0	81.0
SII INDEX	54	28.6	6.8	7.0	39.0
AFFECTION	54	1.2	0.6	0.0	2.0
TITLE	52				
ADMIN.	9	17.3%			
SENIOR	16	30.8%			
MANAGER	17	32.7%			
PARTNER	10	19.2%			
ACCOUNTING FIRM					
EXPERIENCE	54	12.5	12.7	1.0	61.0

**Table 2. National Firm Information (from data provided by Siegel, Mosca, & Smith (2001))<sup>3</sup>**

Variable	N	Mean	Std. Dev.	Minimum	Maximum
SII INDEX	81	25.1	8.0	7.0	42.0
AFFECTION	81	1.2	0.6	0.0	2.0
TITLE	80				
ADMIN.	3	3.8%			
SENIOR	6	7.5%			
MANAGER	65	81.3%			
PARTNER	6	7.5%			
ACCOUNTING FIRM					
EXPERIENCE	79	7.5	3.5	0.3	17.0

**Table 3. Information on Females Employed by Regional Firms**

Variable	N	Mean	Std. Dev.	Minimum	Maximum
AGE	25	30.1	6.9	22.0	56.0
SII	25	26.4	6.7	11.0	37.0
AFFECTION	25	1.3	0.6	0.0	2.0
ACCOUNTING FIRM					
EXPERIENCE	25	5.8	3.8	1.0	15.0

**Table 4. Information on Males Employed by Regional Firms**

Variable	N	Mean	Std. Dev.	Minimum	Maximum
AGE	29	40.8	14.4	26.0	81.0
SII	29	30.5	6.4	7.0	39.0
AFFECTION	29	1.2	0.7	0.0	2.0
ACCOUNTING FIRM					
EXPERIENCE	29	18.3	14.8	3.0	61.0

**Table 5. Information on Males Employed by National Firms<sup>4</sup>**

Variable	N	Mean	Std. Dev.	Minimum	Maximum
SII	56	23.9	8.0	7.0	42.0
AFFECTION	56	1.2	0.6	0.0	2.0
ACCOUNTING FIRM					
EXPERIENCE	55	7.8	3.7	0.3	17.0

**Table 6. Information on Females Employed by National Firms<sup>5</sup>**

Variable	N	Mean	Std. Dev.	Minimum	Maximum
SII	24	28.1	7.7	16.0	42.0
AFFECTION	24	1.4	0.7	0.0	2.0
ACCOUNTING FIRM					
EXPERIENCE	24	7.0	2.8	2.5	13.5

We presented four hypotheses above. In order to evaluate the four hypotheses, we conducted t-tests and ANOVAs, as appropriate. For example, our first hypothesis, in null form, states that no association exists between national and regional firm membership and SII scores. Other (null) hypotheses offered state that gender and hierarchical position are not related to SII scores. Given that (a) gender and hierarchical position may be related to SII, (b) that these gender/hierarchical relationships to SII may differ between regional and national firms, it seemed reasonable to examine the hypotheses using t-tests as well. Multiple regression analyses were not used due to the limited number of independent variables of interest and the fact that two of these (sex and national versus regional firm membership) were dichotomous variables. The use of dichotomous variables may lead to misleading results in multiple regression analyses (Kerlinger, 1986).

Hypothesis 1 stated that there would be no difference between regional and national firm SII scores. Our ANOVA analysis found that members of the regional firms were found to have significantly higher (F-value equaled 6.97,  $p < .01$ ,  $n = 135$ ) SII scores than members of national firms. The respective means and standard deviation information for regional and national firms is shown in Tables 1 and 2 above. This finding is contrary to much of the literature with respect to personality differences between CPAs in national and regional firms (see Wheeler, 2001, for a review).

Hypothesis 2 stated that there would be no association between gender and SII scores. Siegel et al (2001) reported significant differences between the sexes using national firm respondents alone. We examined whether such differences existed among regional firm personnel of opposite genders too. We found that regional firm males had significantly higher SII scores (mean = 30.5, standard deviation = 6.4,  $n = 29$ ) than regional firm females (mean = 26.4, standard deviation = 6.71,  $n = 25$ ). The p-value for this test was 0.027. Thus the results found here using regional firm members differed from those reported in the Siegel et al. (2001) study.

Hypothesis 3 stated that there would be no significant intra-gender differences when first males from national and regional firms were compared among themselves, and when females from national and regional firms were

compared among themselves (i.e., males from national firms to males from regional firms, and so on). To test this hypothesis, we conducted a t-test of sub-samples of males and females.

To do this, we subdivided the sample by gender and examined whether females in regional firms have SII scores statistically indistinguishable from SII scores of females in national CPA firms. The respective means, standard deviations and n's are 26.4, 6.7, and 25 for the regional firm females, and 28.1, 7.7, and 24 for the national firm females. We found that there were no significant differences. Thus, hypothesis 3a was not rejected.

We performed a similar t-test using males employed in both national and regional CPA firms. We found that there were significant differences between males in the national firms (mean = 23.9, standard deviation = 7.98, n = 56) and males in the regional firms (mean = 30.5, standard deviation = 6.4, n = 29). Thus, hypothesis 3b was rejected.

Hypothesis 4 stated that there would be no relationship between hierarchical position and SII scores. This would be the case, for example, if having a greater propensity to engage in social interaction as measured by the SII had no bearing on promotion decisions within the CPA firms studied. We tested this hypothesis with ANOVA. We used only accounting professionals in this test, and did not use individuals who had administrative titles since their hierarchical position relative to the auditing or practitioner professional sample could not be established. Overall, we found that there was no relationship between hierarchical position and SII scores (n = 119).

Given that selection effects, or the influence of such personality attributes as SII on promotion or self-selection decisions may differ between national and regional firms, we tested the hypothesis in additional ways. With respect to national firms, we found that there was no relationship between SII scores and hierarchical level (n = 77). With respect to regional firms, we also found that there was no relationship between SII scores and hierarchical level (n = 42).

Since Siegel et al.'s (2001) prior investigations showed that gender was significantly related to SII scores, we broke our national and regional firm data down further. We then asked whether there was a relationship between hierarchical position and SII scores among men working in national CPA firms. We did not find a significant effect (n = 52). We ran the same analysis using males working in regional CPA firms. Here, we also did not find a significant relationship between hierarchical position and SII scores (n = 26).

We then asked whether there was a relationship between hierarchical position and SII scores among women working in national CPA firms. We found a significant effect ( $p = .027$ , n = 25). The r-squared for this analysis was .29.



With respect to the females working for the regional firms, we did not find a significant relationship between hierarchical position and SII scores ( $n = 16$ ).

Since hierarchical position may have a tenuous relationship to years of experience in the accounting arena, we correlated years of experience in accounting with SII scores. The only significant relationship found between SII scores and years of experience was for regional firm males ( $r = -.35$ ,  $p = .059$ ,  $n = 29$ ). None of the other eight relationships examined was significant (i.e., between SII scores and years of experience for regional firm females, national firm females, national firm males, regional firm employees in total, and national firm employees in total, and across the whole sample first of females and second of males).

### **Limitations**

The major limitation to this study was the number of respondents from one geographic area (the Mid-Atlantic region) of the United States. Using a lengthy survey it is difficult to retrieve a large number of responses as each one has to be "chaperoned" in order to get them completed. In addition, a broader survey covering small local offices would present a more complete picture regarding the social interaction preferences, gender, and hierarchical status and accounting professionals.

## **CONCLUSION**

This second exploratory survey of the interpersonal orientation of auditors provides continued insight into their overall interpersonal needs. The regional firm SII scores reported are on par with the national average and higher than the prior study of national accounting firms. In today's team-oriented environment, CPA firm personnel are in frequent contact with clients and other professionals. In recruiting and assigning personnel, understanding interpersonal orientation is an important factor because those disposed toward a high amount of interpersonal contact will generally find the frequent contact to be easier as compared to those not so disposed. These exploratory findings on interpersonal orientation provide an expanded view of CPA firm professionals when used in conjunction with prior Myers-Briggs Type Indicator studies of personality types.

One major question the research seeks to address is whether there are social interaction preference differences between individuals in national CPA firms and individuals in regional CPA firms. The question is important because it enables us to understand better whether individuals with different social interaction preferences self-select themselves into, or are selected by, differently sized accounting firms. Here, we found that regional firms had significantly



higher social interaction preference scores than did members of the national firms studied by Siegel et al. (2001). The result suggests that individuals preferring more social interaction select employment in, or are more likely to be selected for employment by, regional accounting firms.

The result, however, may have been driven by the gender or other aspects of our sample. Therefore we sought to understand whether there were differences between males and females in our sample. In contrast to the prior FIRO-B study of (national) accounting firm personnel, our study found gender differences in SII. The prior study indicated that females had a higher overall interpersonal need than men, derived from what they want from others. But the difference was not significant. Our study indicated, however, that in the regional accounting firms the males had a significantly higher SII index than the regional firm females. This indicates that they are more disposed towards personal contact than the prior study indicated. The finding indicates that males in the smaller firms have, or desire, more direct client contact and employee contact than seems to be true with the females in the smaller firms, and therefore are also more prone towards higher social interaction scores.

Given that there were also no differences between females in the regional firms and females in the national firms, as found in our testing of hypothesis 3, and that there were significant differences between males in the regional firms and males in the national firms, it seems that our finding of significant differences between employees in regional and employees in national firms were driven by differences in the male populations of the two firms. The combination of findings suggests that males who are more interested in social interaction prefer the regional firms as employers, while females are equally willing to work in, or to be employed by, either size firm. While either gender may be attracted by the prestige that employees of the larger firms may experience, perhaps females—historically less sought by the larger firms—may be more willing to choose larger firms regardless of their social interaction level preferences (Pillsbury, Capazolli, & Ciampa, 1988).

Additional research should be undertaken to further examine the relationship between work environment choice and social interaction preference. While the relationship between personality and work environment has been studied often (e.g., Holland, 1985; Wheeler, 2001), understanding the relationship between social interaction preference and work environment choice is also important. Another interesting question raised by these results rests in the different results for females and males. Further research should address the question of how the opportunity structure facing each gender, perceptions of prior inequities in treatment, and status consciousness affect employment decisions by males and females.

The lack of a significant relationship between hierarchical status and SII scores suggests either (a) individuals self-select themselves into accounting work environments in which they feel comfortable and may remain, (b) that promotion is not dependent upon individuals perceived levels of social interaction preference, or (c) that individuals conform their actual levels of social interaction to the demands of their work environment, regardless of their preferences with respect to the level of social interaction desired. These findings are important because they suggest that accounting educators and researchers need be less concerned about how well specific individuals 'fit the social interaction profile' of the differently-sized firms than might be the case had we found a relationship between hierarchical status and SII scores. Our results suggest that individuals with different social interaction preferences are either not 'punished' by failing to conform to a desired interaction style preference, or are successfully finding niches or sub-environments within their respective firms that enable them to perform well.

Kleinman and Palmon (2001), note that the failure of individuals to fit their environments may cause them some level of discomfort. In this case, the lack of a clear relationship between social interaction preferences and both hierarchical status and years of experience in the accounting field suggest that our respondents, at least, have not found sufficient reason to leave their current employment setting due to such discomfort.

Our study provides exploratory benchmark information for future research on the interpersonal orientation of CPA firm professionals. Additional research is needed to investigate whether these findings have implications for all premier, national, regional and local CPA firms. Future studies should focus on local CPA firms to complete the broad range of this study where correlations between firm size and customer orientation can be accurately analyzed. Also, further research should study other specialties such as tax and consulting. If these results can be extended to other areas, it may be possible to build a more general theory of professional personnel selection.

## ENDNOTES

<sup>1</sup> Vassen, Baker, and Hayes (1993) found that the MBTI results from the three largest public accounting firms in the Netherlands did not differ from the largest public accounting firms in the US.

<sup>2,3,4,5</sup> Differing numbers of responses for each variable reflect non-responses to certain questions.

## REFERENCES

- Ahadiat, N., & Smith, K. J. (1994). A factor-analytic investigation of employee selection factors of significance to recruiters of entry-level accountants. *Issues in Accounting Education, 9*, 59-79.
- American Institute of Certified Public Accountants (AICPA). (1999). AICPA core competency framework for entry into the accounting profession. Available at: <http://www.aicpa.org/edu/corecomp.htm> on November 26, 2001.
- Dean, R. A., Ferris, K. R., & Konstans, C. (1988). Occupational reality shock and organizational commitment: Evidence from the accounting profession. *Accounting, Organization and Society, 13*, 235-250.
- Dean, R. A., Ferris, K. R., & Konstans, C. (1984). Reality shock: What happens when a new job doesn't match expectations. *Management Research News, 7*, 27-31.
- Dirsmith, M. W., & Covaleski, M. A. (1985). Informal communications, non-formal communications and mentoring in public accounting firms. *Accounting, Organizations and Society, 10*, 149-169.
- Doherty, W. J., & Colangelo, N. (1984). The family FIRO model: A modest proposal for organizing family treatment. *Journal of Marital and Family Therapy, 10*, 19-29.
- Fisher, S. G., Macrossen, W., & Walker, C. A. (1995). FIRO-B: The power of love and the love of power. *Psychological Reports, 76*, 195-206.
- Holland, J. L. (1985). *Making vocational choices: A theory of vocational personalities & work environments* (2<sup>nd</sup> ed). Englewood Cliffs, NJ: Prentice-Hall, Inc.
- Jacoby, P. F. (1981). Psychological types and career success in the accounting profession. *Research in Psychological Types, 4*, 24-37.
- Kerlinger, F. N. (1986). *Foundations of behavioral research* (3<sup>rd</sup> ed.). New York: Holt, Rinehart & Winston.

- Kleinman, G. (1992). *Constructing the auditor and accountant*. Doctoral dissertation. Rutgers Graduate School-Newark, Newark, NJ.
- Kleinman, G., & Palmon, D. (2001). *Understanding auditor-client relationships: A multi-faceted analysis*. Princeton, NJ: Markus Weiner Publishers, Inc.
- Kubes, M. (1992). Cognitive style and interpersonal behavior: The Kirton Adaptation-Innovation and Schutz's FIRO-B inventories. *Psychology—A Journal of Human Behavior*, 29, 33-38.
- Lifton, P. E. (1975). FIRO-B scales. In O. K. Buros (Ed). *Social studies tests and reviews*. Highland Park, NJ: Gryphon Press.
- Malos, S. B., & Campion, M. A. (1995). An options-based model of career mobility in professional service firms. *Academy of Management Review*, 20, 611-644.
- McRae, L., & Young, J. (1990). Field independence and the FIRO-B. *Perceptual and Motor Skills*, 70, 493-494.
- Milliken, F. J., & Martins, L. L. (1996). Searching for common threads: Understanding the multiple effects of diversity in organizations and groups. *Academy of Management Review*, 21, 402- 433.
- O'Reilly III, C. A., Chatman, J. & Caldwell, D. F. (1991). People and organizational culture: A profile comparison approach to assessing person-organization fit. *Academy of Management Journal*, 34, 487-546.
- Otte, P. J. (1984). Do CPAs have a unique personality: Are certain personality types found more frequently in our profession? *Michigan CPA*, Spring, 29-36.
- Pasewark, W. R., & Strawser, J. R. (1996). Determinants and outcomes associated with job insecurity in a professional accounting environment. *Behavioral Research in Accounting*, 8, 91-113.
- Pillsbury, C., Capozzoli, L., & Ciampa, A. (1989, March). A synthesis of research studies regarding the upward mobility of women in public accounting. *Accounting Horizons*, 63-70.

- Ponemon, L. A. (1992). Ethical reasoning and selection socialization in accounting. *Accounting, Organizations and Society*, 17, 239-258.
- Roslender, R. (1992). *Sociological perspectives on modern accountancy*. New York: Routledge.
- Satava, D. (1996). Personality types of CPAs: National versus local firms. *Journal of Psychological Type*, 36, 36-41.
- Scarborough, D. P. (1993). Personality types and job satisfaction of accountants. *Journal of Psychological Type*, 25, 3-10.
- Schutz, W. C. (1966). *The FIRO scales manual*. Palo Alto, CA: Consulting Psychologists Press.
- Schutz, W. C. (1987). *Concordance: Decision making*. Mill Valley, CA: WAS.
- Schutz, W. (1992). Beyond FIRO-B: Three new theory derived measures. Element B: Behavior, Element F: Feelings, Element S: Self. *Psychological Reports*, 70, 915-937.
- Schutz, W. (1994). *The human element: Productivity, self-esteem and the bottom line*. San Francisco, CA: Jossey-Bass.
- Siegel, P. H., Smith, J. W., & Mosca, J. B. (2001). Mentoring relationships and interpersonal orientation. *The Leadership & Organizational Development Journal*, 22, 114-126.
- Siegel, P. H., Shelton, M., & Omer, K. (1994). The mentoring relationship within a regional public accounting firm. *Journal of Business and Entrepreneurship* 6, 71-83.
- Street, D. L., & Bishop, C. A. (1991). An empirical examination of the need profiles of professional accountants. *Behavioral Research in Accounting*, 3, 97-116.
- Thompson, H. (1998). Using the FIRO-B and MBTI. *Management & Organization Development*, 21, 18-20.

- Thompson, H., & Schutz, W. (2000). *FIRO element B organizational interpretive report*. Watkinsville, GA: High Performing Systems, Inc.
- Vassen, E., Baker, C., & Hayes, R. (1993). Cognitive styles of experienced auditors in the Netherlands. *British Accounting Review*, 25, 367-382.
- Wheeler, P. (2001). The Myers-Briggs Type indicator and applications to accounting education and research. *Issues in Accounting Education*, 16, 125-150.
- Whetten, D., & Cameron, K. (1988), *Developing management skills*. Glenview, IL: Scott, Foresman and Company.
- Wiedemann, C., Waxenberg, S., & Mona, L. C. (1979). Factor analysis of FIRO-B and FIRO-F. *Small Group Behavior*, 10, 49-61.

#### AUTHOR NOTE

Dr. Philip H. Siegel has a DBA from the University of Memphis. He has published close to 100 articles in refereed journals. These articles cover a wide range of behavioral accounting topics, mentorship in public accounting firms, intangible assets, fuzzy logic in accounting, taxation, and so forth. Dr. Siegel is an associate professor of accounting at Fairleigh Dickinson University, Madison, NJ.

Dr. James W. Smith has a doctorate in International Business Administration from Nova Southeastern University. He currently teaches management information systems at the University of Washington. Dr. Smith has conducted research on the interpersonal orientation of accountants, on real estate syndications, the organizational effectiveness of CPA firms, and mentorship in public accounting.