

A major resource to firms is their female employees. Now it's up to firms to derive the full benefit through proper diversity programs.

Managing Diversity: Accounting Firms and Female Employees

By Robert D. Hayes and Kenneth W. Hollman

There are still great gaps in gender equity within public accounting firms. The authors review the challenges to management; present a comprehensive list of suggestions for addressing the needs of women and cite the advantages of embracing women's initiatives.

One highly visible demographic trend in the last decade has been the surge in the number of female CPAs. Women now account for about 25% of all CPAs. There are several reasons for believing that the percentage of women accountants will continue to rise:

- For the past several years around 50% of all accounting graduates have been women.
- Barriers to female employment and progress continue to break down as more women are promoted to senior level positions.
- The accounting profession has several characteristics especially appealing to women, such as relatively high pay, good working conditions, and a foundation in business that often leads to management or ownership career alternatives.

However, women in the accounting profession have not been promoted as rapidly as their male counterparts. A disproportionately small number of managers (35%) are women. A 1992 study showed that less than five percent of the senior partner positions, and less than 20% of the top managerial positions in the Big Six accounting firms were held by women.

The turnover rate is also higher for women than men; among lower and middle level managers this leaves fewer females available for promotion to senior positions. It is encouraging, however, that recent partner admissions reflect an equitable gender distribution based on the relative proportions of men and women in the senior manager positions from which partners are chosen.

Women's lack of success in reaching partnership and manager status persists, despite overwhelming research evidence showing that women possess similar skills in accounting and general management. Studies have revealed no significant gender differences in behavioral traits, work ethics, perceptions of occupational value,

Women enter the accounting field because they feel it is challenging and offers opportunities. Yet the high female attrition rate and limited success in being promoted to partner and managerial positions do not reflect the other changing demographics. They suggest that gender may be an obstacle to career advancement and that existing policies of accounting firms are not adequate to address women's unique needs. Firms wishing to hold onto top talent in the future must remove obstacles to the upward mobility of women. They must support women and encourage them to contribute to the firm and to the profession throughout their working lives.

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or career expectations. Similarly, studies show that men and women are much alike in feelings of job stress and commitment to the profession. Women, however, are promoted less frequently and earn less than men at every level after initial entry. The disparity in pay and advancement cannot be explained by differences in age, experience, and education.

Challenges to Management

Business conduct and rules in many accounting organizations have worked against women. Female characteristics are often viewed negatively or stereotyped by men, who usually do not face the same career constraints as women. The rules and systems are male-originated and reflect mostly middle class, white male

needs, ambitions, attitudes, norms, and values. For example, due to differential sex-role socialization in early life, many men view women as indecisive, moody, and manipulative; they see women as "lone rangers" who are not good team players and who somehow lack requisite managerial traits. Women supposedly interact differently and less effectively than men with male clients and colleagues.

Men have also raised the issue of different gender priorities, citing intensive female involvement with family matters as something which may reduce the number of hours available for work, divert attention, and undermine women's commitment to work responsibilities. They sometimes point out that women leave accounting after having children, so there is little point in investing the firm's time and financial resources in people who may or may not return to work after maternity leave. However, figures show that almost 90% of the women who go on maternity leave return to their jobs on a full-time or part-time basis after their child is born. Other men feel that women are incapable of coping with the profession's demands and stress and that male clients prefer men to service their accounts.

As recruitment becomes more competitive in the face of anticipated shortages in the labor market, many accounting firms will be driven to reassess their personnel policies and practices, work environment, and managerial philosophies concerning women. The traditional source of skilled staff—the white male, college-educated middle class—is dwindling. Competitive pressures will cause companies to remove subtle roadblocks to advancement—the so-called "glass ceilings"—and to provide women with equal pay and equal access to career opportunities if they hope to retain the best and brightest employees. Changes in attitude by male partners and managers are necessary so that barriers to gender parity in compensation and advancement can be recognized and removed.

Addressing the Needs of Women

There is a long way to go to significantly increase the number of women in

senior positions. A competitive edge will be gained by accounting firms that devise creative human resources programs that enhance female job satisfaction and recognize the vital link between a sound bottom line and creation of a vigorous quality of work life for female workers. Firms that develop such a focus will ensure themselves of an adequate, flexible, and productive workforce that can react quickly to changing work content. Following are some ways that an accounting firm can remove obstacles to advancement and accommodate the unique needs of its mature, committed, and conscientious female employees:

Innovative Schedules. Women are most likely to bear children in the crucial early years of their careers. Work and family conflicts can easily arise during this period because male mates—particularly in cases of dual-career couples—may be reluctant or unwilling to assume a fair share of child-care and housekeeping duties. Companies can support the balance of multiple female employee commitments during this period through the use of a wide-ranging program of innovative schedules including flex-time, flex-place, and flex-schedule. The alternatives

include doing job sharing, letting workers select their own hours, working fewer hours, or permitting them to work at home, perhaps with telecommuting facilities (computer and modem). Other women- and family-friendly policies include refresher courses for women reentering accounting after leaves of absence to make their returns successful, and the use of staggered hours to meet the special needs of the working mother or the female employee with elder care or parental responsibilities. Employers could offer nongender specific "family leave" and flexible work scheduling for all employees with children, encouraging men to be equal partners in child rearing.

Low-Cost Day Care. Many female accountants may, at some time, be forced to reassess their careers, or perhaps put them on hold due to the difficulty of juggling parenthood and very demanding professional obligations. To help achieve balance between work and family demands, firms can provide free or low-cost day care for all employees, perhaps year-round, but certainly during tax season or other heavy workload periods. This would help relieve the anxiety and workload of workers with children and make



the firm a place where individuals with families want to work. Affordable child care should be available for all employees with children, not just female employees—gender equity implies making all services and opportunities available to all workers. Firms can also provide parents other dispensations such as reduced travel, work compressed schedules (completing a week's work in less than five days), and time-off policies that allow workers to self-manage their vacation and sick time from a personal pool.

Mentor Programs. Use of a formal mentor or "buddy" system, where a manager or partner provides guidance and support and serves as a role model for an aspiring female manager can heighten female career awareness. Mentor programs should exist for all aspiring managers; the mentor probably should not be assigned on a gender basis unless the protegee specifically requests a mentor of the same gender. Higher-level mentors engender commitment to the organization and

advancement can be coordinated with the mentor program, where people in management positions help less-experienced and perhaps younger colleagues to define their career paths; determine if their workload is manageable and sufficiently diverse and challenging to keep them on a career track; and monitor their progress in achieving their goals. Of course, the written guidelines should spell out clearly that the firm seriously considers all qualified persons for promotion when leadership positions become available.

Annual Surveys. Annual surveys, of all employees, on career and family issues should be conducted to help reveal underlying problems related to motivation, job satisfaction, and career development. Exit interviews with departing female employees can also provide valuable and perhaps surprising insight that will help firms to determine how their policies regarding women are perceived and how effectively they are being implemented.

Mommy Track. Career-break schemes,

specialized track for people who cannot or choose not to do those things necessary to become a partner. The non-partnership career path permits employees to stay with the firm but forego the opportunity to become a partner. For those who choose not to work overtime on such things as practice development—which is essential for those who would become partners or managers—the specialized track is a practical alternative because they can maintain their relatively high paying position and enjoy job security.

Career-Enhancing Opportunities. In public accounting, careers are built around, and are highly dependent upon, informal relationships which help determine the kinds of assignments and the engagement team. Men have long used networks of cooperating and interconnected colleagues to monitor the environment for problems and opportunities. Networks are often tight-knit and exclusive. Firms can promote the idea of collegiality by encouraging women and minority employees to participate in all firm or profession-related functions such as staff meetings, professional development seminars, meals with existing or potential clients, and state CPA organization committee meetings and activities. While such career-enhancing opportunities may be expensive, the time and money invested will yield dividends if some of the women later become managers or partners. To be most effective, program activities and related policy changes should be championed by top management and be effectively communicated both inside and outside the firm.

Support Groups. Women's issue committees or other support groups should be formed to meet at brown bag luncheons or at other times compatible with company policy. Female employees can use these meetings as a forum to exchange ideas and strategies regarding the problems they face in their firm and in the profession. In particular, women could discuss issues here that they might be reluctant to bring up with male superiors for fear of retribution, e.g., sexual harassment in the workplace as an obstacle to employment parity and advancement.

Equivalent Jobs. The same variety and depth should be assigned to people of equivalent knowledge and experience regardless of gender. Women should be

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explain or teach "partner presence," (e.g., proper dress) and organizational socialization—how to "network" and deal with peers, subordinates, and superiors. Mentors are crucial to career success. Mentor-protege pairing provides an opportunity for young women accountants to get to know partners and managers and learn from them. It also lays the groundwork for upwardly mobile female employees to eventually assemble their own personal success teams.

Guidelines on Success Criteria. Written guidelines about the firm's success criteria provide details on how to advance to manager and what is required to become a partner. This is not only a prudent management practice, but it may serve as a defense if a disgruntled employee later sues because of discriminatory promotion practices. Formally prepared criteria for

delayed partnership tracks, or other specialized career plans for workers who temporarily find family responsibilities incompatible with their accounting career should be developed and permitted. Individuals may not wish to, or perhaps cannot, make the commitment necessary to stay on the traditional career path continuously due to parental or other family responsibilities. With a delayed partnership track, they can retain their place on the career ladder, when not at work, without sacrificing their ultimate goal of becoming a partner or manager.

Nonpartnership Career Path. Firms should have formal, long-term career planning for professional employees. For example, as an alternative to the traditional career track, which typically involves a 10- to 12-year commitment to become a partner in a major firm, there can be a spe-

provided equal opportunity to develop industry specialization and given the same pay for equivalent responsibility and performance.

Diversity Training. Managers and partners should be exposed to compulsory and comprehensive gender-sensitivity and diversity training, and tying their compensation evaluations to the retention of women and minorities in their units. This will help ensure that programs to assist in the recruitment, development, and retention of women will receive commitment from the top. Some firms have created positions such as director of diversity to coordinate initiatives for women and minorities.

The 11 suggestions above are examples of practices that have worked for some firms, though with the possible exception of those dealing with professional development and advancement, they are still relatively uncommon. Obviously, no general prescriptive format will meet the needs of every firm and every employee; this is the nature of diversity. Many additional policies that could reduce work/family conflict and nurture an attitude and culture of flexibility could be used. If these kinds of incentives were made available by more firms, greater numbers of women might be attracted into the accounting profession, and there likely would be a lower turnover of those hired.

Advantages of Embracing Women's Initiatives

The continuing entry of women into the workplace will be a major factor influencing the future accounting work environment. A two-gender workforce is advantageous to accounting firms in that it makes the pool of workers available for the top jobs much larger.

Accounting firms must begin to understand what industry has known for a long time: There is a bottom-line business motivation for tapping women's talents. For example, gender-sensitive personnel and promotion policies help to reduce turnover, which is very expensive to firms of every kind and size. Turnover generates needless costs in the form of recruiting, selecting, and training personnel; creates difficulties in balancing and executing work assignments; disrupts client relationships; and gives rise to opportunity costs associated with the loss of qualified people.

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The savings from reducing turnover can be great. One large nonaccounting company estimates that it saves \$2 million annually through reduced turnover with its work/family program. A large accounting firm estimates that it saved \$4 million through the reduction of female turnover over a two-year period. It discovered that the cost of training new workers is far more than that of adjusting a current employee's hours. Accounting firms can control some of the factors that cause women to leave public accounting, particularly at the middle management level where female turnover is most disproportionate.

In light of the expected relative scarcity of younger workers, firms must adopt different attitudes toward and create new initiatives regarding the employment, training, development, promotion, and retention of female employees. Then they must aggressively implement those plans for moving the initiative forward. It makes sound business sense to do so. Firms that are able to meet the needs of female employees will be better able to expand the pool of eligible candidates from which future managers are drawn; galvanize the loyalty of and retain talented female staff; and encourage women employees to reach their full potential. □

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