The attraction, retention and advancement of women leaders: Strategies for organizational sustainability
INTRODUCTION

Organizational leaders have a duty to anticipate issues and opportunities that may impact the sustainability of their organizations. They also have a duty to put into place strategies and action plans that will address these issues and opportunities. The attraction, retention and advancement of top talent comprise one such issue — and a business imperative that is increasing in significance. The U.S. Bureau of Labor Statistics projects a labor force of 162.3 million individuals in 2012 and expects that the economy will require 165.3 million jobs to be filled that year. The sustainability of our industry depends not only on our ability to attract top talent, but to retain and advance that talent within our organizations as well. Succession planning is rising to the top of the list for many accounting firms, regardless of size.

BUSINESS CASE

Projected demographics indicate the talent shortage will increase over the next decade. Baby boomers will continue to retire in large numbers. These retirements have not been, nor will be, offset by new entries into the workforce. This will continue to create a large staffing gap that must be filled. At the same time, demand for professional services is rising, and many industries project further increases. The U.S. Department of Labor predicts a 22.4% increase in jobs in the accounting and auditing field from 2004 to 2014.

In the 1960s, women started entering the workforce in great numbers. As a result, the U.S. labor force started growing faster than the overall population. Women’s participation in the workforce is now at parity with men’s. At the organizational level, in order to match workforce demographics, firms may need to focus on ensuring positions dominated by one gender are open to all. Trends in outsourcing and recruiting from other countries are resulting in sources of talent to fill gaps in staffing — but demographic changes (baby-boomer retirement, the influx of women) impact most other countries as well. Talent wars are already shifting scope to include global workforce pools. Our staff, leadership and the composition of our clients will continue to change dramatically in terms of gender, ethnicity and other diversity variables.

Organizations that prepare themselves for the attraction, retention and development of all talent pools have an immediate and ongoing competitive advantage. Because of the shifts in population, this competitive advantage will only increase as we move into the next decade and beyond. In professional services firms, the talent of our people is our No. 1 asset. It defines the quality of our service offerings and our ability to fuel our growth. We cannot continue sustainable growth without a strategy to increase our attractiveness to larger talent pools.

These talent issues impact firms of all sizes, from firms that intend to remain independent to those that intend to target merger as an exit strategy. According to the 2007 Private Company Practice Section (PCPS) Management of
Accounting Practice (MAP) Survey, finding qualified staff was the top-rated concern among firms with two or more CPAs. Retaining talent was also among the top five concerns.

Merger and acquisition activity in accounting is increasing. Recent media coverage stresses that the main reason for this increased merger activity is the aging of accounting firm partners combined with the shortage of qualified successors. Secondary reasons listed include the desire to maintain significant growth rates through increased access to the new markets that mergers can provide. It has also been observed that, while traditional measures of firm value are still important, the pool of quality staff and young partners may be the central consideration in many current and future deals. The value of acquiring access to an increased client base and broader market opportunities is limited unless talented resources are available to service and sustain this growth.

In addition to the business issues stated above, there are significant dollars to be saved, efficiencies to be gained and clients to be more effectively served if the retention and advancement of the largest proportion of talent resources can be maximized. There are currently more female enrollments in accounting than male, with a 48% to 52% male-to-female ratio of accounting students. Due to the success of part-time and full-time flexibility programs within many firms, we see increased numbers of female managers, with 43% female senior managers and managers in 2004, compared to 26% senior managers and 35% managers in 1993. However, we continue to see turnover or stagnation of these managers as they approach director and ownership career stages. The turnover or stagnation of management-level resources represents the loss of a significant investment. Client service is often severely impacted, especially in this time of resource shortages. Firm reputation from lack of service continuity can also be impacted. The cost of turnover can be calculated using standard industry norms. For many firms, impacting these statistics produces a cost benefit that easily funds any women’s leadership program, even before considering the long-term potential business benefits referenced above.

Retaining our talent is the first step — but not the endgame. We must also ensure that talent advances, if our business model is to be sustainable. One of the issues we face once we begin to increase retention of these resources is the lack of progression toward ownership, as clearly evidenced by industry statistics. In addition, we see a lack of progression into senior leadership positions within the firms’ governance structures. We will explore the barriers that contribute to the slower career progression of the female leaders within our industry.

The issues related to the shortage of talent are not exclusive to men or women, minority or majority. We must work to attract, retain and advance all available top talent and to maximize the benefits that diversity in top talent brings to our organizations. So why are strategies specifically aimed at the advancement of women still relevant? Research shows us that women are more than 50% of the talent pool in our industry, and have been for more than 20 years. We still suffer from the myth of the pipeline solution, but having women in the pipeline will not solve the problem. Women have been in the profession in equal numbers to men for more than 20 years, yet women represent just 19% of the U.S. public accounting shareholder/partner population. One component of maximizing talent and protecting the sustainability of your firm is to ensure women are proportionately represented at all levels. If our current talent development models produce a management and ownership distribution that is as severely disproportionate as the statistics show, we must make focused, strategic changes until we see measurable and significant change. This change is crucial to the sustainability of our firms in terms of providing future owner candidates.

The change is also relevant in terms of building a model of leadership that supports the increased diversity and complexity of our markets. Maximizing the leadership attributes and styles of all talent pools broadens our leadership response patterns, which enables us to deal more effectively with our complex business landscape. Most organizations agree that we can all count on continual acceleration in the pace of change resulting from technology, shifting populations,
innovation, globalization and many other factors. Research and history has proven that civilizations, organizations and communities that embrace diversity are more likely to survive and thrive.

It is not easy to truly embrace a more fully dimensional leadership model — doing so requires a culture that effectively mines multiple opinions and can produce leaders who are able to lead teams with diverse opinions to identify and execute the most effective strategies. This effort begins by allowing those who represent various aspects of diversity to have a voice that is clearly heard within our organizations.

The final element of our business case relates to the adaptability of the applicable solutions to other critical and growing portions of our employee population. Most firms are currently experiencing the impact of the generation X (b. 1961 to 1981) and generation Y (b. 1982 to 2001) talent pools, whose numbers are rapidly increasing at all levels in our organizations. The strategies utilized to address the retention and advancement of women leaders will positively impact the culture shifts needed to retain and maximize the generation X and generation Y talent pools. One example is the need for a systemic approach to building a career that provides for maximum customization in timeframe, advancement, hours worked, etc.

There are many other elements of culture change that will occur in organizations successful in retaining and advancing women leaders that will positively impact our ability to attract and retain emerging leaders from generations X and Y.

The business case for focusing on the advancement of women within our firms is solidly supported by several major components:

- Sustainable growth models
- Sustainable succession planning models
- Viable exit strategies
- Bottom-line impact of talent shortages
- Increased need for diverse talent that:
  - mirrors our marketplace
  - broadens our organizational perspective to more effectively deal with increasing complexity

BARRIERS & SUCCESS FACTORS OVERVIEW

The barriers to the advancement of women within our profession can become success factors and, in fact, become “barriers to exit” for women leaders if appropriate solutions are offered. The barriers fall into three broad categories:

- Career advocacy/advancement
- Lack of visible female role models
- Work/life integration

Women often have unequal access to career development and advocacy experiences and relationships. This uneven access is most often not intentional, but it results from the human tendency to mentor those who remind us of ourselves. In addition, stereotyping regarding the lack of alignment of female leadership styles and abilities with expected leadership styles and abilities impacts the careers of many women who aspire to leadership positions. Expected leadership styles and abilities, or norms, are based on a population of largely male leaders that has influenced our view of leadership, in many cases in an unconscious manner. This unequal access to targeted career development and advocacy has had a significant impact on the career of many women in our industry. Access to high-impact and high-influence career advocates who assist in providing a road map for navigating the culture and career stages within the firm is essential for success. Advocates provide valuable information regarding strategies to increase individuals’ value.
to the organization. Lack of access to this differentiating asset will impact a career significantly over the course of time.

In addition, it is critical to have access to other career advancement assets such as stretch assignments, targeted experiences necessary for advancement, and networking opportunities that enhance the participant’s knowledge of the organization and its clients. Without targeted efforts, women continue to have uneven access to these important assets, which can result in these women being perceived as less experienced and ready for promotions than their male peers.

The second barrier is the lack of visible female role models. Women who see other women with diverse paths and experiences succeed within the firm begin to believe that they can also succeed. Without these role models, it is very difficult for many women to aspire to ownership and leadership roles within the firm. The impact of this issue should not be underestimated. The models of success must be diverse in their career/life circumstances, roles within the firm, and paths to success. Only with diversity in these role models can we successfully address this barrier. All women are not alike either in aspiration or in desired path to successfully reaching those aspirations.

We also know that career/life integration issues are a significant source of turnover among men and women within our profession. We still find that women are more intensely impacted by these issues due to societal norms related to child care, elder care and home responsibilities. 66% of all firms have implemented some type of flexibility policy that includes an official flextime program. In the future, flexibility programs will not be limited to structured flextime: firms will adopt a flexibility philosophy that becomes part of their culture. Many individuals wish to work full-time and desire only some control over their schedule, hours and travel in order to assist in managing career/life conflicts and quality of life.

A flexibility philosophy is a cultural issue that cannot only be dealt with by implementing formal programs. The solutions to career/life integration involve flexibility not only in schedule but also in career path models — options that historically have been designed for individuals with non-working spouses and a traditional career trajectory in mind. These models no longer address the needs of all career-driven employees and may not address the needs of the majority of female employees. Any cultural changes that result in solutions that mitigate career/life integration challenges will position firms to be more attractive to both male and female talent pools. This makes investing in solutions and programs that aid in shifting culture a good use of resources and a proactive measure to maximize access to the best talent pools overall.

Career/life integration is not a “women’s issue,” however — it is one of the critical business issues we must address if we are to retain and develop female talent. Due to societal norms, these issues do still have a more significant impact on women. There is still strong bias and stereotyping in our society and workplace environments as it relates to women’s and men’s roles at home and at work. While these stereotypes are slowly changing, research shows that career advocacy and targeted career development for women can be negatively impacted by these stereotypes.

It is very important to note that strategies at both the individual and the organizational levels are required if these barriers are to be successfully mitigated. Organizational strategies deal with cultural awareness and commitment to change at the organizational level. Individual strategies deal with awareness, access and advocacy and are directed specifically at the talented individuals we wish to retain and develop.
The business case for public accounting firms to invest in and focus on the retention and development of its female leaders is very clear. The firms that have begun this process have a competitive advantage as a result of increased access to larger talent pools. The talent shortage is going to continue and increase for some time. Firms who have access to broader talent pools will have an advantage. Women currently represent more than 50% of the talent pool, with numbers continuing to increase. In addition, recent research shows that organizations with diverse leadership teams outperform those with homogeneous leadership teams. The factors that are thought to drive these interesting results — such as increased complexity in our competition, marketplace alliances, rapid change, etc. — are rapidly increasing. Maximizing the potential of female leaders is essential to ensuring our organizations’ future.

STRATEGIES

Strategies for organizational change:
- Understanding of and buy-in to the business case
- Tie initiatives to the firm’s strategy and goals
- Top-down leadership support (CEO, chairman and managing-partner levels)
- Geographic and/or functional leadership involvement
- Strategy, action plans, measurements and accountability
- Increased organizational awareness and education about barriers and success factors

Strategies at the individual level include providing:
- Advocates who offer organizational awareness, political navigation and appropriate opportunities
- Mentors, coaches and leaders who are committed to change
- Networking opportunities
- Visible female role models
- Support for customized integration of multiple life commitments

CONCLUSIONS