Women's Summit

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Helping Women Professionals Succeed

WORK/LIFE & WOMEN'S INITIATIVES
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Summit Analysis

Promoting the advancement of women is good for business. With that thought in mind, "Helping Women Professionals Succeed" was the official theme of the first AICPA Women's Summit, which took place in Chicago in October 2005. Women are entering the accounting profession in increasing numbers—currently totaling more than 50% of all accounting graduates. The Summit, chaired by AICPA Chair Leslie Murphy and hosted by the AICPA Work/Life & Women's Initiatives Executive Committee, brought together firm managing partners, human resources professionals and female CPAs to share ideas and devise strategies about the retention and advancement of women. Presenters included researchers, human resource and work-life professionals and CPA firm representatives. The result was a collection of valuable data and best practices that will help ensure that the profession continues to attract and keep women in the profession.

Women's Advancement

There is a strong business case for recruiting and retaining women.

In order for programs to work, senior leadership buy-in is crucial, says consultant Cheryl Leitschuh, EdD. Presenting a compelling business case that aligns a program with an organization's strategic goals helps convince top executives of the value. Business-based issues to consider include lowered turnover and training costs, improved financial performance if the organization can retain top talent and more effective transition to future leaders.

- Statistics certainly help present a compelling argument. Women are expected to make up 48% of the labor force in 2008, up from 45% in 1988, according to Shaun Budnick of Deloitte. Within the profession, 55% of the accounting degrees awarded in 2004 went to women.
- An increasing number of clients will likely be women, too. According to Deloitte, more than one-half of the 10.6 million private companies in the U.S. are owned by women. These companies account for over $2 trillion in sales and employ 19 million people. Within larger companies, a greater number have women directors and 51% of the positions that fall within two levels of the executive level are held by women. When firms work with company leaders in the future, many of them clearly will be women.
- Another aspect of the business case is the fact that companies can cut costs when they find ways to lower turnover. Clifton Gunderson reports that its hands-on management efforts, although initially time-consuming, provided a positive return on investment and increased productivity, morale and retention.

While work-life programs and policies address challenges that go far beyond women's advancement, the continued presence of a glass ceiling, particularly in accounting, is one reason for firms to enhance the work-life effectiveness of their employees.

There are numerous barriers to women's advancement.

Women are more likely than men to leave an organization to develop new skills or to attain greater advancement, reported Catalyst's Paulette Gerkovich, but less likely to depart for greater compensation. Gerkovich reported results from a recent Catalyst study, Women and Men in U.S. Corporate Leadership. A lack of line experience is one serious barrier to women's advancement. In fact, research shows that women held less than 10% of corporate line positions in 2002. At the same time, 51% of women reported they found it difficult to balance work and their personal lives, while only 43% of men did so. Most men (53%) said they relied on sharing duties with their spouses or partners to balance work and family responsibilities, while most women (84%) relied on outside domestic help.

Further findings from Catalyst, a nonprofit research and advisory organization, showed that other obstacles for women include exclusion from informal business networks, gender-based stereotypes, lack of role models, the failure to promote women and personal and family responsibilities. Women of color face even greater hurdles.

Within the profession, there is both good and bad news. AICPA Board Chair Leslie Murphy noted that there were over 106,000 women CPAs in 2005—or 31% of AICPA members—compared with 750 female CPAs in 1952. However, although women have represented more than 50% of new accounting graduates since 1986, only 19% of partners in 2005 were women, a small increase from the 12% who held that title in 1993.

Succession planning should target women.

Elizabeth Almer, CPA, PhD, presented the findings of a Pre-Summit Survey that asked respondents about their firms' succession planning. The results presented were limited to firms with more than 50 AICPA members, but smaller than the four largest firms. Most firms (65%) have a succession plan and 40% have formalized it. Very few (18%), however, target women in their plan. When asked about leadership promotions to equity and non equity partner, firms reported:

- Total leadership promotions
    - Equity 20%
    - Non equity 80
- Women promoted to leadership
    - Equity 9%
    - Non equity 91
- Men promoted to leadership
    - Equity 29%
    - Non equity 71

Mentoring provides myriad benefits.

Mentors can help offset some of the obstacles to advancement. In fact, 78% of firms surveyed by the AICPA Work/Life and Women's Initiatives Executive Committee offered mentoring programs. A mentor can coach, provide challenges, promote visibility, offer access to networks and alliances and promote self-confidence, according to Leitschuh. One size does not fit all, however. In their careers and their mentoring relationships, women have different expectations, a greater willingness to accommodate, the likelihood of greater parenting responsibilities in their personal lives and gender-related workplace constraints. Within mentoring arrangements, for example, men are more likely to focus on brevity and confident solutions and results while women are more likely to discuss details, acknowledge uncertainty, express their feelings and seek help.

Women also have different leadership approaches, Leitschuh says. Men favor taking credit for their accomplishments and maintaining their own visibility, while women often emphasize giving credit and focus on the process rather than the accomplishment.

What makes a good mentoring program? Among other steps, separate mentoring from performance evaluation. Employees should regularly evaluate their mentoring experience against expectations, while mentors should be held accountable for the program's achievements. Challenges to a mentoring program's success include requiring senior leadership buy-in, a lack of qualified mentors and finding time for an effective effort.

Networking is another key to success.

According to Grant Thornton's Anne Lang, when organizations help employees develop internal and external networking skills—and encourage them to integrate those skills into their daily responsibilities—there are numerous benefits. These include:

- Advantages in recruiting top talent
- Improvements in advancement and retention
- Better communication and information sharing with the company
- Easier identification and preparation of employees for growth and leadership roles
- Greater facility in identifying mentors and opportunities
- Increased visibility for involved employees
- More effective confidence building

To set the stage for better networking opportunities, companies can research their options, identify existing best practices and establish frameworks, Lang suggests. To promote its networking initiative, the firm also created a "meeting in a box" that provided a range of networking materials that different offices could use for their specific needs.

Recruitment and Retention

Flexibility is an important issue for all firms.

According to AICPA research, 77% have or plan to supply part-time opportunities and 73% of CPA firms offer or plan to offer flextime. A full 57% provide or plan to offer special summer or holiday hours, while 36% have or foresee having work-at-home options. It is likely this trend will continue to expand.

According to Retensa, a retention consulting firm, flexible work opportunities offer organizations numerous long- and short-term benefits, including recruiting advantages, greater productivity and diversity, as well as higher retention at all levels and reduced office space needs. Intangible benefits include better employee morale, lower levels of staff stress and higher client satisfaction.

Companies should regard flexible work options as a reward or strategic incentive.

As Paul Rupert of work/life consulting firm Rupert & Co. points out, flexible work arrangements should be part of a business-based policy designed to achieve operational objectives. It is a mistake to regard them as an accommodation or an employee right or entitlement. At the same time, companies should recognize that an employee's presence onsite does not necessarily equate to enhanced job performance. Organizations can develop effective programs when they focus on the strategic advantages.

Most organizations offer a menu of choices that can be adapted to employee and department needs, such as flex time, compressed or reduced work schedules, job sharing and telecommuting or remote work. Programs work best when there is an established policy and a clear process and guidelines, Rupert says. Employees value the programs because they help mitigate their ongoing time-crunch and offer them control over when and how they work. As a result, the programs have a strong positive impact on employee satisfaction and retention. The programs work best when usage is tracked, efforts are monitored and evaluated, success is communicated and those involved receive appropriate training.

No compelling evidence of an opt-out revolution.

According to research by the AICPA Work/Life and Women's Initiatives Executive Committee (WLWIEC), almost all firms report having a professional on maternity leave. There is no compelling evidence, however, of an opt-out revolution (women who choose to stay home to care for children) since a mere 5% of women did not return from maternity leave. Firms reported that 69% of women who had been on maternity leave are still with the firm, 16% returned to work and left in one year and 10% returned to the firm and left in 1 to 3 years.

Women don't necessarily end their careers when they leave a firm.

Almer reported that 35% of women who quit sometime after having been on maternity leave went to work in industry or government, while 31% stayed home with their children. To retain or at least maintain ongoing contact with these professionals, she recommended that firms add them to alumni mailings, continue to work with them as independent contractors, help them find part-time work with clients and offer alternate work schedules.

Programs that add value.

The Pre-Summit Survey asked firms about new programs added in the past year to recognize professionals' needs.

- Encourage flexible schedules, especially during tax season
- New technology for telecommuting purposes
- Summer hours
- Domestic partner benefits, sabbaticals, paternity leave, adoption leave, flexible environment training
- Employee assistance program, child care subsidy
- Continuous communication about firm work/life options
- Establish a work/life committee and include equity/non equity partners and managers of both genders

Employees value organizations that provide opportunities.

According to research by Robert Half International, Inc. (RHI), limited advancement opportunity was the number one reason that people left their jobs, while inadequate salary or benefits came in at a low 11%. Formal approaches to resolving retention problems, as recommended by RHI, include:

- Tying the efforts to the company mission
- Providing challenging assignments that promote skill development
- Subsidizing training and formal mentoring
- Establishing set goals, criteria and a budget
- Making an inclusive and team-oriented effort
- Involving employees in program design
- Publicizing and gaining feedback on the effort

Informal but meaningful gestures also help, such as offering time off, giving written thanks for notable efforts and recognizing special achievements.

Performance reviews should be designed to reinforce exceptional performance, RHI recommends, and should be part of a year-round process. Reviews should recognize professional development needs and be part of a two-way dialogue. Other positive steps include:

- Developing a career map for each employee
- Creating action plans
- Providing training and support in implementing the effort
- Reviewing the process frequently

Companies should encourage risk-taking by, among other steps, rewarding risks taken even if they're not fully successful. To provide a more dynamic and appealing environment, companies can also solicit ideas and solutions, hire more outspoken people and make time for fun.

It’s important to manage change.

At Clifton Gunderson, for example, a Hands-On Transactional (HOT) Management approach helped return turnover to a low 15% level after it had spiked upward. HOT Management is a concept developed by consultant Bruce Tulgen, founder of RainmakerThinking Inc. The firm realized that employees wanted more individualized supervision and rewards from their immediate supervisors and the opportunity to work on high-performance teams. In fact, it determined that the immediate supervisor is the number one factor in productivity, morale and retention. Other data support this conclusion. According to Robert Half International, Inc., 43% of employees said their job satisfaction was most closely related to their relationship with their manager.

However, managers often are not empowered to reward or retain staff, feel compelled to treat everyone equally and spend excessive time with low performers. The Clifton Gunderson strategy directed managers not only to gain greater knowledge of their staffs’ duties, but also to closely monitor and measure their progress on a regular basis. Financial and nonfinancial compensation were tied more visibly to performance and programs were customized for each individual. The effort involved all partners and managers and included a statement of values as its basis and rewards for achievements.

- Managers feel empowered to start thinking and acting differently with direct reports which required no changes in policies.
- As part of the initiative, the firm offered a HOT SPOT (Salute Performance and Outstanding Talent) program that provided managers with incentives to offer employees at their discretion, including money, time off and gifts.

How should a company handle a new program like this one? RHI recommends that companies take steps to communicate changes and expectations, highlighting the benefits associated with any change. They suggest creating a positive work environment and focusing on continuing to reach deadlines and maintain quality.

The Bottom Line
The effort is well worth it.

In the early 1990s, Deloitte & Touche had 22% annual turnover among women, according to a case study cited by Rupert. At entry level, 50% of employees were women, while only 5% of partners were female, demonstrating high turnover as they moved up the ranks. Turnover costs were estimated to be 150% of a professional’s annual salary, including recruitment-related expenses as well as the intangible costs of productivity and training, lost intellectual capital, and the negative impact on client and employee relationships.

The firm instituted flexible schedules, professional networks and child care support initiatives as part of an effort to address the problem. By 2000, it had cut turnover to 16% and women made up 14% of partners. The firm had saved $11 million in related costs by 1996 and $25 million by 1999.

Deloitte has been piloting Personal Pursuits, a new program that allows employees who leave the workforce for up to five years to stay connected to Deloitte through mentor and training opportunities. Personal Pursuits provides participants with a host of resources to keep them connected, skilled and up-to-date, including training, mentors, networking events, short-term work assignments, career coaches and resources to maintain professional licenses and professional association memberships.

In past eras, when women took years off to care for children, it often meant giving up their career goals. But Deloitte is bolstering and designing flexibility programs with the goal of retaining valuable employees.

Women’s advancement and retention is important to the firm of the future

The majority of accounting graduates and new hires into public accounting are women. The firm of the future will:

- Be a diverse workplace and will mirror client diversity
- Count female owners in the majority
- Have a flexible work environment to allow professionals control over their time
- Offer leadership development opportunities
- Provide mentoring and other developmental support
- Encourage volunteerism and networking
- Be a family friendly environment

More information on related AICPA initiatives can be found at: www.aicpa.org/worklife.