ORGANIZATIONAL STRATEGIES
RETAINING & DEVELOPING WOMEN LEADERS
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UNDERSTANDING THE GENDER GAP IN THE ACCOUNTING PROFESSION

This toolkit is derived from the AICPA Women’s Initiatives Executive Committee guide, *Organizational Strategies: Retaining and Developing Women Leaders*. This chapter of the toolkit provides key statistics behind the gender gap, a discussion of barriers to women’s advancement and the success factors that can promote it and a review of some common misconceptions about women’s initiatives and experiences in CPA firms.
KEY STATISTICS

Organizations that want to improve their track records in retaining and developing women leaders must have a realistic understanding of the status of women in the profession.

In the United States, women have been represented in the accounting profession in equal numbers to men for over 25 years.

Only 19% of firm partners are female, which is actually down from an all-time high of 23%.

The most improvement has occurred at smaller firms. Firms with up to 50 professionals report that 32% to 33% of their partners are female, but at larger firms it is only 17%.*

* For more details, consult the AICPA’s most recent Trends Survey.
BARRIERS/SUCCESS FACTORS

According to the AICPA white paper, there are barriers to the advancement of women within the profession that can become success factors if addressed properly. The barriers fall into three broad categories:

- **Career advocacy/advancement** — Women often have unequal access to career development and advocacy experiences and relationships. It is most often not intentional, but it results from the human tendency to mentor and advocate for people like ourselves. In addition, firms are hindered by stereotypes of female leadership styles and abilities. A largely male leadership unconsciously influences expectations for this role. This unequal access to targeted career development and advocacy has had a significant impact on the careers of many talented women in the profession.

- **Lack of visible female role models** — Women who see other women following diverse paths to success believe that they can also get ahead. 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.

- **Career/life integration** — Career/life integration issues are a significant source of turnover among men and women, but more typically for women. Flexibility programs should not be limited to structured flextime, but should be able to accommodate people who want to work full time but maintain more control over their schedules, hours and travel for a variety of reasons.
COMMON MISCONCEPTIONS

These are some of the myths and realities of women’s initiatives and experiences in CPA firms.

**MYTH:** Flexibility is a “women’s initiative.”

**REALITY:** Both male and female younger professionals want greater career/life integration and favor using technology to allow more fluidity in how they work. In particular, millennials (born between 1980 and about 2000) value flexibility to a greater extent than can be found at the typical traditional accounting firm.

**MYTH:** “Women’s initiatives” means flexible schedules.

**REALITY:** Firms that focus exclusively on flexibility have usually improved women’s retention but not their advancement. This stagnation occurs when initiatives such as reduced work hours become an alternate career track that can slow or even halt women’s advancement.

**MYTH:** There is only one definition of flexibility.

**REALITY:** There is a huge continuum of options. Full-time flexibility usually means having the same workload as one’s peers but with a twist, such as telecommuting from home for some portion of the day or leaving work to pick up children from child care and then working again later in the day, as appropriate for the client deadlines and family needs. In other cases, hours may be reduced.

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**MYTH:** Flexibility is the only solution.

**REALITY:** Successful role models are another key to women’s advancement. Without them, firms must work hard to create early successes that will give emerging women leaders the road map, confidence and advocacy they need to succeed. But the most critical element in making a real change in the numbers of women at the leadership level is advocacy, also known as sponsorship. It is not “special treatment” for women but, rather, an attempt to ensure they have the same advantages that men do.

**MYTH:** Flexibility limits your contribution to the firm.

**REALITY:** Many firms that did not believe they could envision flexibility at the partner level see it now as not only possible but commonplace. Many women lead practice areas and sell millions of dollars of business, creating tremendous growth for their firms. Some work traditional schedules, some do not. Young parents or partners heading toward retirement are all candidates for making a contribution at the partner level while on a flexible schedule. A schedule is really not the most important factor in how well someone can operate technically or as a firm or market leader.
**MYTH:** There are no biases against women in our firm.

**REALITY:** Leaders don’t intend to discriminate, but their unconscious actions can still have negative unintended consequences. Influential firm leaders are usually male and this status quo works against progress. Affinity bias occurs when we choose to mentor and sponsor individuals who remind us of ourselves because of common interests and backgrounds, such as the same university, fraternity, sorority, country club, athletic interests, hobbies, technical discipline, etc. A long list of critical career turning points may be affected by affinity bias, beginning with campus or other interviews and moving to engagement assignments, scheduling, committee opportunities, prospect and client visits, client events, business development opportunities and transitioning of client responsibilities, including client relationships. Women are less likely to have strong sponsorship and therefore less likely to have the critical experiences at the most important times in their careers.

**MYTH:** Women have equal opportunities to advance, they just don’t pursue them.

**REALITY:** Women are often left out of networking lunches and internal meetings with clients and prospects. There are many reasons for this behavior, including comfort levels, assumptions about men’s and women’s career interests, lack of awareness, education, and failures to communicate or build relationships. In most organizations, leaders are unaware there is a day-to-day difference in men’s and women’s experiences and how it creates an uneven playing field.

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MYTH: There is a clear path to leadership in our firm.

REALITY: Firm leaders often are unaware of how timing can be a factor in career navigation. Fortuitous career timing comes naturally to people with strong sponsors. Important foundations for moving forward include leadership of key client engagements, partnering with an influential shareholder on a new niche client, inclusion in a large proposal project or participation in a visible committee. Without those experiences or the right sponsors, it is clear why there will be a significant difference in the speed and trajectory of someone’s career.

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MYTH: There are no particular barriers to partnership.

REALITY: To be elected to ownership, a professional must be recommended to the partnership group. They need a sponsor willing to put personal political capital and reputation on the line to further their career path. Sponsors often also act as advisers, teachers and sounding boards, but affinity bias can prevent male leaders from becoming sponsors to emerging women leaders, which accounts for significant differences in the experience women have as they navigate their careers. Sponsors can be male or female but must be influential in the organization and able to positively impact the protégé’s career trajectory.
COULD THIS HAPPEN IN YOUR FIRM?

Here’s a common scenario that illustrates how unconscious bias or perceptual filters affect careers: Firm leaders are meeting to determine who is on the partner track. They consider Jena, a senior manager, who handles a large consulting client load yet works flexibly. One younger male partner, John, asks with surprise why Jena is being considered, since he has never heard her express an interest in being partner. A female partner asks why the group would assume she doesn’t want to be a partner. John points out that she has two children and already needs a flexible schedule to handle the profession’s demands. He assumes she will not want to take on greater responsibilities.

This scenario illustrates many unfounded assumptions.

1. Jena does not want to be a partner.

2. She is working flexibly because she can’t handle the profession’s demands.

3. It’s not necessary to have career conversations with Jena to determine her career goals.

These are all examples of perceptual filters. If the female partner had not seen the unconscious assumptions being made, Jena’s name would not have been considered for partner track even though she was working at the same level — or in some cases a higher level — than her male peers. The male leaders also had not gotten to know Jena as well as the male candidates for whom they were advocating.
BUILDING THE BUSINESS CASE FOR GENDER DIVERSITY IN ACCOUNTING

This toolkit is derived from the AICPA Women’s Initiative Executive Committee guide, *Organizational Strategies: Retaining and Developing Women Leaders*. This chapter:

- Explains the importance of creating a business case
- Offers tips on achieving alignment and buy-in
- Discusses best practices that can be implemented by firms.
UNDERSTANDING THE BUSINESS CASE

The AICPA white paper *The Attraction, Retention and Advancement of Women Leaders: Strategies for Organizational Sustainability* lays out the business case for women’s progress in the profession, noting these compelling facts:

- Projected demographics indicate a growing talent shortage will increase over the next decade.

- Given demographic trends, firm staff, leadership and the composition of clients will continue to change dramatically in terms of gender, ethnicity and other diversity variables.

- Since talent is our No. 1 asset, the profession can’t sustain growth, succession planning models or viable exit paths without a strategy to increase attractiveness to a larger talent pool.

- Organizations that prepare for the attraction, retention and development of all talent have an immediate and ongoing competitive advantage.

- Retaining the top talent helps firms save money, enhance efficiency and more effectively serve clients.

- Firms benefit from diverse talent that mirrors the marketplace and broadens the organizational perspective to more effectively deal with increasing complexities.

- The main reasons for the profession’s M&A boom are the aging of the baby boomer generation, combined with the shortage of qualified successors. The pool of quality staff and young partners may be the central consideration in many current and future deals.

- Avoiding some of the problems discussed here produces a cost benefit that may easily fund a women’s leadership program, even before considering the longer-term potential business benefits.
CREATING ALIGNMENT AND BUY-IN

A solid, professionally documented and customized business case should be completed early in the introductory phase of gender diversity efforts. The steps should include:

► Develop a business case specifically customized for your firm.

► Engage in an extensive communication campaign, using various platforms with customized content to appeal to each audience while concentrating on a very specific message that links the effort to the firm’s strategic plan.

► Update the business case regularly and use the content for staff, manager and partner training as well as new partner orientation.

► Debunk myths and misperceptions about the retention and development of women leaders and all top talent and emphasize the importance of retention and development for business sustainability.

VALUABLE RESOURCES

For a Diversity Initiatives Sample Business Case presentation, see Appendix A of Organizational Strategies: Retaining and Developing Women Leaders. This online tool is ready to use and customizable to your firm’s needs at aicpa.org/PCPS/WI.

Readers can find links to extensive research on the progress of women in the accounting profession on the AICPA WIEC website.
ESSENTIAL BEST PRACTICES TO CONSIDER WHEN DEVELOPING A FIRM’S CUSTOMIZED BUSINESS CASE:

- The business case must be tied specifically to the firm’s business.

- The firm’s vision, mission, values and business strategies should be considered to ensure alignment and buy-in. Consider the impact of women’s progress (or lack thereof) on your vision, mission, values and business strategies.

- Use existing employee engagement and satisfaction surveys to filter and analyze existing data on the retention and progression of men and women in the firm by level.

- Include a representation of firm statistics vs. industry statistics.

- Document the cost of firm turnover for the past two to three years using traditionally accepted human resource methodologies.

- Consider the AICPA business case elements and align them with the firm’s business objectives.

- Consider the vision of the future status of women in the firm: What is the goal?

- Refrain from drawing conclusions from the data while compiling the business case (strategic diagnostics are the next step). The focus at this stage is impact. Based on the data, what impact is likely?

- Obtain as much objective information on the firm’s reputation in the marketplace as possible.

Each firm is at a unique point in its evolution relative to its strategic direction and its gender diversity challenges. A customized business case can pinpoint why the journey is important and provide a foundation for the next step, strategic diagnostics.
DIAGNOSTICS

This toolkit is derived from the AICPA Women’s Initiatives Executive Committee guide, *Organizational Strategies: Retaining and Developing Women Leaders*. This chapter reviews the strategic diagnostics that firms can use to gain a customized perspective on the issues surrounding the progress of women in the practice.
There are common barriers and success factors found in nearly all firms. Each organization has its own culture, driven by the founders, current leaders, client and service matrices, size, structure and many more factors. While benchmarking can offer firms some perspective, it cannot replace an understanding of each firm’s status relative to the progress of women.

Strategic diagnostics are an efficient and effective approach and they can help provide a more customized perspective. Since few firms have unlimited resources to invest in their strategic objectives, implementing a strategic diagnostics means firms are less likely to waste time trying to understand the nature of their diversity challenges.

Strategic diagnostics allow a firm to analyze and understand how commonly observed factors work in an individual firm. The data set collected in the customized business case provides a foundation for strategic diagnostics, and additional data is used to clarify the firm’s unique scenario.
REFLECTION & DOCUMENTATION

Strategic diagnostics involves gathering information and statistics and using the information to determine the status of women in the firm. Areas to consider include:

- Turnover rates of men and women by level? Based on current trends, what will the numbers look like in three or five years? What does this suggest about potential problems with turnover or other business concerns? What does it say about needed strategic interventions?

- Promotion statistics by gender and level? Length of time that individuals stay at one level before being promoted?

- Differences between the numbers of men and women? Are rationalizations used to justify these numbers? (“None of these women want to advance” or “this group of women lacks commitment”?) These are warning signs that firm culture is contributing to stagnation.

- Percentage of women leading geographic, industry or technical practice areas? Percentage of women participating in or leading firm/organizational governing committees, such as management and executive board positions? History of women in leadership roles?

- Percentage of women in visible and/or notable business development positions?

- Are there warning signs that your firm’s practices may not be optimal? Have concerns about the present or future prompted the firm to improve the retention and development of women?

- Is there resistance to a formal, organized effort to retain and develop women leaders? What is the cause? Does it occur among partners? Board? Senior female leaders?

- If you conduct employee engagement or satisfaction surveys, what do differences in various statistics by gender indicate about the experiences of men and women in the firm?

- Does top talent have access to role models and sponsors that are evenly divided by gender?
Are women given fewer chances for networking opportunities for relationship building both inside and outside the firm compared to their male counterparts? As a result, are emerging women leaders less visible to influential leaders than emerging male leaders? Are they less prepared for important assignments? Promotions? Do these differences in experience affect the assignments they receive and to continued stereotyping of women?

Do both men and women take advantage of the firm flexibility policy? Is the use of flexible hours or reduced hours mutually exclusive with advancement? Have individuals opting for flexible schedules advanced? To what levels?

Is the current flexibility culture and/or policy contributing to retention of women or detracting from it?

Is there a pipeline of women at all levels who are expected to advance to the next level? Where are the gaps in this pipeline? Do the gaps highlight the impact of turnover and/or stagnation?
SUMMARIZING DIAGNOSTICS

To synthesize the information into meaningful conclusions and prepare for action:

- Carefully review all of your observations and reflections.
- Include women and men in this process.
- Engage in dialogue.
- Identify the most important implications for your firm, based on your strategic goals and priorities.
- As you review, consider these questions to compile a list of implications:
  - What items or observations resonate most?
  - Are additional steps needed to gain more information?
  - Where are the firm’s potential “blind spot” — areas in where rationalizing the status quo is common?
  - Are some items more urgent than others? Why are they urgent? What are the implications of acting or not acting in the next three to six months?
- Rank the implications based on urgency.
- Assemble preliminary timetables for all the items ranked.

Each firm’s conclusions will vary based on its strategy, evolution, culture and barriers/success factors for women. It is important to analyze and diagnose the firm’s current evolution honestly and accurately.

NOTE: For a Diversity Sample Baseline Survey, see Appendix B of Organizational Strategies: Retaining and Developing Women Leaders. This online tool is available for download at aicpa.org/PCPS/WI and customizable to your firm’s needs.
VALUABLE RESOURCES

Readers can find links to extensive research on the progress of women in the accounting profession on the AICPA WIEC website at aicpa.org/PCPS/WI.
PROVEN STRATEGIES AND SOLUTIONS

This toolkit is derived from the AICPA Women’s Initiatives Executive Committee guide, *Organizational Strategies: Retaining and Developing Women Leaders*. This chapter of the toolkit reviews some of the proven strategies that firms can use and highlights areas where firms can customize their approach.
Link to Organizational Strategy

- The business case for women’s advancement is meant to create buy-in, alignment and maintain clarity of direction and purpose. It should be updated annually as the firm moves into new phases.
- Any effort to retain and develop women and create a more inclusive culture must eventually become part of the way the firm does business and should not remain separate from other strategic initiatives.

Firm Leadership Commitment

- The importance of top-down support and visible involvement cannot be overstated. Any effort to retain and develop women leaders must involve firm leadership and include both men and women in setting strategy, evaluating and continually revising approach.
- The effort must be tightly linked with firm strategy.

Business Leader Involvement

- Business unit leaders must be included in execution of strategies, including taking on responsibility and accountability.

Accountability Mechanisms

- There should be defined and written annual strategies and action plans for accountability.
- Firm leadership should receive an annual report detailing the year’s activity and progress.
- Metrics, both qualitative and quantitative, should be outlined at the start of the effort and updated annually as one component of the annual review. Baseline surveys can also measure attitudinal and other culture shifts, making qualitative components more quantitative.

Awareness and Education at All Levels

- Awareness and education are ongoing strategies that never will be complete. Current mechanisms, such as level training, manager and partner retreats and other CPE events, should be used to promote awareness, raising education across the firm.
- How quickly the education is layered in is one of the strategic elements that must be customized for each organization based on its readiness.
INDIVIDUAL STRATEGIES TO BE CUSTOMIZED FOR EACH FIRM (KEY POINTS)

Advocacy/Sponsorship

- Sponsors offer organizational awareness, tips on political navigation and access to appropriate opportunities with a deep understanding of proper career timing.

- Sponsorship starts long before the leadership level, so firms must be prepared to begin early in the careers of promising professionals.

- Educating managers and partners about sponsorship and how it is subject to affinity bias is an essential element in any management and leadership training for improving gender diversity.

Mentors, Coaches and Leaders Committed to Change

- The more actively mentors, coaches and leaders inspire promising women professionals to expand their skills and knowledge and spread awareness about the need for gender diversity, the more quickly culture will shift and women will begin to stay and advance in greater numbers.

Networking

- Many firms mistakenly believe that women’s networks are the only strategy needed to retain and develop women leaders.

- They can fill gaps if there is a lack of sponsorship and advocacy or role models.

- Best practices for networks include:
  - Use business-focused content, minimizing the group’s social focus and avoiding events that stereotype women.
  - Network events should feature consistent messaging and branding about the business case and the firm’s approach to retaining and developing women.
  - Host events that include men.
  - Use networks to enhance access to visible female role models and peers and the different paths they have taken.
  - Include prospects and referral sources in some events, as well as alumni, interns or women interested in joining the firm.
Role Models

- Visible female role models within the firm can have a powerful impact on a firm’s efforts toward greater advancement of women.
- Role models can also be found at clients, prospects and in non-competing firms in your accounting associations.
- It is very important to provide a wide diversity of role models in terms of leadership style, career-life integration choices, business development approaches and functional and technical roles.

Career-Life Integration Support

- It must be possible for those who choose flexible options to advance or the effort will not promote gender diversity at the leadership levels. This does not mean lowering standards for promotions.

VALUABLE RESOURCES

For a sample Action Plan, see appendix C of Organizational and Developing Women Leaders. For a Steering Committee Charter Template, see appendix D of Organizational and Developing Women Leaders. These online tools are available for download at aicpa.org/PCPS/WI and customizable to your firm’s needs.

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THANK YOU

For more details or information, please visit aicpa.org/PCPS/WI.
Presented by the Women’s Initiatives Executive Committee.