Why women’s advancement is good for business

It’s the right thing to do — and the smart thing to do.
Strategic goal: strong leadership

Many firms have taken a “wait-and-see” approach to women’s leadership, assuming that women will eventually move up the ranks on their own.

However, the belief that the issue will be solved once enough women enter the profession has proven to be incorrect. The fact is that women and men have been entering the profession in equal numbers for years, yet women still make up only 24% of CPA firm partners. An organization’s future depends on its leaders’ ability to identify and take advantage of opportunities and to address threats or weaknesses. Organizations may be short-changing themselves, if they aren’t grooming qualified professionals from the entire talent pool for management positions. That leadership gap could weaken an organization’s competitiveness over time by limiting its ability to attract female graduates and retain talent.
While many leaders support the advancement of women in levels and roles within the organization, they may not be fully aware of the many tangible competitive advantages to an organization that has established women’s advancement programs.

For organizations that do not yet have established programs and culture to support the advancement of women, there are several benefits that should be considered. This brochure offers a concise review of several critical strategic planning imperatives and how they are linked to women’s initiatives.
Talent is an organization’s most important asset

With that in mind, there are several risks for organizations that lack gender diversity at all levels. Among them is the loss of qualified women who don’t feel there is a place for them in their organization because they can’t envision a satisfying future for themselves. When organizations have programs to support males and females and provide them opportunities to network and grow in leadership as well as in diverse technical areas, they can better retain top-quality women.
Strategic goal: diversity as a financial and marketplace advantage

Diversity of talent should be a strategic goal for any organization, since it offers new perspectives, experiences and networking opportunities.

Organizations with diverse management and boards have better financial results, on average, than those that don’t. For example, Catalyst research has found that companies with the most women board directors outperformed those with the least women in areas that included return on sales by 16% and return on invested capital by 26%. Organizations must mirror the marketplace in today’s competitive environment, and diversity can help distinguish an organization among clients, whose management is becoming increasingly diverse.
Strategic goal: smooth succession

A shortage of leadership talent is an even greater problem given current demographics. Baby boomer professionals are reaching the age of 65 at the rate of about 10,000 a day. Firms must do a thorough job of nurturing all their promising professionals, males and females, in order to develop the most qualified people for future leadership.

What happens when firms don’t have a sufficient number of strong, experienced leaders to take over for retiring partners? Many may be forced to merge, sell or close their practices. And, given the large volume of M&A activity underway in the profession, firms in this position will be entering a buyer’s market.
Strategic goal: robust recruitment and retention

The workforce also is becoming more diverse, and talented young people want to work for organizations that reflect the world in which they live.

Additionally, when organizations lose top people, they face hiring costs that can average over $4,000 per position, according to the Society for Human Resource Management, and the time to fill a position is roughly 42 days. Other disadvantages include lost efficiencies, lost expertise and experience, service continuity challenges and possible client loss.

Changing your mindset

It’s certainly important for firms to adopt policies that offer equal opportunities at all levels. In addition to being socially responsible, it is also imperative for future firm sustainability. If organizations fail to realize that there are many other significant business reasons to institute gender diversity initiatives, they will be at a competitive disadvantage due to loss of potential leaders and the skills, expertise and practice opportunities that talented professional women may have brought with them. Their long-term success and viability may be threatened. Now is the time to consider how gender diversity affects your strategic initiatives and to determine how to address problems that could prevent your organization from achieving its goals.
Tools for firms

More information on the business case can be found in “The Attraction, Retention and Advancement of Women Leaders: Strategies for Organizational Stability.” The AICPA Women in the Profession site also contains a wealth of other resources for firms, including “Organizational Strategies: Retaining & Developing Women Leaders,” which offers background information on the profession’s gender gap, spells out the business case for gender diversity, sets forth diagnostics firms can use to understand their own situation, and describes proven strategies and solutions. The AICPA PCPS Firm inMotion e-Toolkit can also help in firms’ transformation to a high-performance organization of the future.