

NEW ACCOUNTANT[®]

Women Making Strides in Becoming Leaders in Public Accounting More Professionals Choosing Alternative Career Paths

(February 2006) – Women increasingly are attaining leadership positions in public accounting firms, and many more women, as well as men, are taking advantage of alternative career paths offered by an increasing number of firms. These are two of the findings of a study by the American Institute of Certified Public Accountants (AICPA).

The study, “A Decade of Changes in the Accounting Profession: Workforce Trends and Human Capital Practices,” was conducted under the aegis of the AICPA’s Work/Life and Women’s Initiatives Executive Committee and explored a wide range of topics, including career advancement, turnover, and mentoring.

Over 2,600 CPAs took part in the research, including those working both in firms and in business and industry. This was the fourth such study the Executive Committee commissioned since 1992.

Women now account for 19 per cent of all firm partners, up from 12 percent a decade ago, the survey found. Even more significantly, women partners do not appear to be experiencing barriers to leadership positions in their firms such as firm director of tax or audit or office managing partner.

Many CPA firms are moving beyond the up or out philosophy of the past. They recognize that choosing an alternative career path is often a solution for some individuals to help them cope with children, aging parents or other issues. The study reported, however, that only 38 percent of the firms surveyed offered some kind of alternative career path that does not lead to partner, i.e., choosing to stay as a senior manager or moving into an area like recruiting that is less client service driven.

“Management of firms who demonstrate a passion for achieving work/life effectiveness can illuminate the path for others,” said Leslie A. Murphy, AICPA Chair. “Leadership needs to spend more time, effort and resources at all levels to redefine what it is that people really need to thrive today.”

The report concluded that the accounting workforce is changing faster than human resources policies can adjust, noting significant gaps between what firms think motivates and retains people and what is effective in actual practice.

The report offered a number of recommendations for both firms and individual CPAs, among them:

- Employers should be more proactive in providing guidance to both mentors and protégés on how to have a more effective relationship; professionals, in turn, should actively seek out mentors
- Firms and companies must provide access to professional development opportunities in response to an increasingly diverse workforce
- Women should be more aggressive about seeking out career opportunities and informing their supervisors about their aspirations.

- Work/life effectiveness must be perceived as a business strategy.

“I consider it a real plus for the CPA profession that a growing number of firms have policies and programs in place which provide the flexibility that the young women and men of our profession expect,” said Elizabeth Almer, Associate Professor of Accounting and Meadows Faculty Fellow at Portland State University in Portland, Oregon and a member of the Executive Committee, “That 90 percent of women taking maternity leave are returning to work on either a full or part-time basis is an example of the effectiveness of these policies. Clearly, a good work/life policy is good business.”
Among the other findings of the study, included in the committee’s report were:

- Women are gravitating to smaller firms where the trend of their advancement is more pronounced and where they represent 47 per cent of the workforce compared to 40 per cent at larger firms.
- There is a gender gap in the desire for partnership. Among senior managers only 41 per cent of women as opposed to 65 per cent of men expressed the desire to become a partner.
- Female professionals are less likely to be aware of networking opportunities, leadership development programs and practice development training.
- Men in the CPA profession are becoming as interested in, and as affected by, work/life policies as women. This is part of a wider, national trend that is becoming stronger.
- CPA firms that focus on the personal needs of their professional staff are seeing productivity gains because motivated employees reciprocate by nurturing the firm’s valued client base.
- Among CPAs in business and industry the two most cited reasons for leaving public accounting were working conditions (schedules, hours, assignments) and work/life issues.

The report is available as a PDF document from the AICPA Web Site. Go to www.aicpa.org/worklife and click on the “Research.” tab.

The American Institute of Certified Public Accountants (www.aicpa.org) is the national, professional association of CPAs, with approximately 350,000 members, including CPAs in business and industry, public practice, government, and education; student affiliates; and international associates. It sets ethical standards for the profession and U.S. auditing standards for audits of private companies; federal, state and local governments; and non-profit organizations. It also develops and grades the Uniform CPA Examination.