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STAFFING INITIATIVES

The Tide Is Turning Back to Women-Focused Programs

In the 1980s, initiatives to attract and retain women CPAs were all the rage. Though women have made great strides in the profession since then, there is more to be done, and the profession is poised for another period of diversity initiatives relating to women and others.

Shifts in what staff and partners want from their careers, staffing shortages, and a growing emphasis on work-life initiatives are powerful encouragement for CPA firms to revisit the issue of "women friendly" initiatives, according to Leslie Murphy, immediate past chairperson of the American Institute of Certified Public Accountants.

Murphy, who is now managing partner of a practice group at Plante & Moran, discussed the history of women's initiatives and how things have changed (or not) in a presentation at the first Forum for Women in Accounting in Las Vegas. (A second forum is already scheduled for June 2008.) The conference was sponsored by The Advisory Board (www.advisoryboard.net) and by consultant Gale Crosley of Crosley & Company (www.crosleycompany.com).

Women are a growing presence—up to a point. Murphy, who began her career at Plante & Moran 34 years ago and has never left that firm, was a rarity when she began

working as a CPA in the early 1970s. There were only 2,004 women CPAs in the United States in 1972. In 2006, about 110,000 women CPAs were members of the AICPA, representing about one-third of its membership. Enrollments in accounting programs at the college and university level are now more than half female, Murphy reports.

Today, about 19% of all CPA firm partners are female (in larger firms, this average is about 13% and in smaller firms, about 27%). That overall 19% figure is up from the overall average of 12% in 1993. However, the number has been static for several years now.

The sheer numbers cited above do speak to change, but many of the same challenges face women today that were around when Murphy began her career. These include how to balance family life with traditional CPA firm demands, breaking into the "good old boys' network," finding good female role models, and obtaining the mentoring and training that are crucial to achieving leadership status.

That things have changed and continue to change in terms of flexible schedules and work-life-oriented opportunities is also clear. Murphy, who was central to the founding of Plante & Moran's well-known and much

admired work-life committee, agrees that things are changing. Today's changes are being driven by women and men CPAs, both of whom want flexibility and work-life options.

However, there are signs of trouble: As noted, the percentage of women partners is no longer increasing. And AICPA research on work-life issues finds that many women simply do not want to be partners. Fewer women want partnership now than in the past—yet now the percentage of women entering the profession is at a record high.

"The retention issues [the profession is suffering now] will be forever, if the profession can't get people to stay," Murphy said.

It's not just the women who are concerned about work-life. AICPA research found in 2004 that 72% of male CPAs and 92% of female CPAs said that work-life concerns were very important. And for the first time, this importance was deemed to be equal to that of career progression—surely a sign that things have changed.

Among those women who have achieved partnership, a greater proportion are seizing what Murphy called "midlevel leadership roles" in their firms, taking on responsibilities such as heading practice groups. The 19% of partners who are women now fill about 40% of such leadership roles, she noted. This indicates that the women who have achieved partnership have strength; the trick is to increase their numbers.

"There's still a long way to go," Murphy said. The stagnation of the number of women at the top is not unique to CPA firms; she cited a Catalyst research finding, for instance, that the 15% of CFOs in the corporate world who are female is also a number that has not risen recently.

Is history repeating itself? The 1980s were the first decade to see "women's initiatives" being offered by CPA firms. The driver back then was similar to today's goals: a quest to stem the tide of turnover at CPA firms.

The AICPA formed its Women & Family Issues Committee, and the large firms, particularly Deloitte & Touche, made a vocal and public investment in developing women CPAs.

Changes implemented during the decade included better leave policies and family-friendly programs. Many women became successful, although within the constraints of a "traditional" CPA firm schedule.

By the 1990s, retention of women staff CPAs and the population of women partners were on the rise. However, women struggled to be accepted as equals by their male counterparts. At the same time, the entry of Gen X staffers caused a shift in philosophy from "pure" women's initiatives to work-life programs.

While firms heard what Gen Xers had to say—that they wanted to work less hours on a more flexible basis—they were slow to act. The AICPA's research on alternative work arrangements offered at CPA firms between 1993 and 2004 showed little change.

Work-life came slowly to the surface in the 1990s as technology increasingly allowed more home and flex work for both men and women. It became more feasible to do what Gen Xers asked, and the pressure grew on firms to start considering changes. The time men are spending with their families has increased significantly, and both genders made clear that they wanted more time for their lives away from work.

The millennium saw an end to the economic boom of the 1990s and severe

change to the profession as well. The major financial failures and the subsequent introduction of the Sarbanes-Oxley Act suddenly created more talent demands than firms could fill with the available staff. Add to this the arrival of Generation Y staff, who were even more insistent upon flexibility and balance, and the current talent crisis arrived. Today's environment is one in which firms are finally starting to take some steps to address what staff are asking for.

Now women CPAs are again reaching out to other women for affiliation and support. Murphy pointed out that the conference she was speaking at was the first such meeting of women CPAs. Big firms have begun to reinstitute initiatives specifically to develop women and retain their talent.

All firms continue to struggle with the generational issues, with an individual approach replacing the old team orientation. To win staff, "every employer strives to be an 'employer of choice,'" Murphy said, noting that she receives frequent requests from firms to teach them how to achieve this status.

As a result, innovations are beginning to be developed, and not a moment too soon. In addition to the CPA profession's current staff shortage, the retirement of the baby-boomer generation is looming. It will bring an even more severe labor shortage and, coupled with a lower number of entrants to the workplace, means that it is going to be even harder to find staff in coming years.

What firms can do now. Leaders of both genders need to understand the changing issues and champion change in their firms. Murphy suggested the following steps:

- Build a business case for investment. This time, firms need to consider more than just retention—women's initiatives, diver-

sity initiatives, and work-life programs are about long-term potential and the firm's future.

- Use culture to drive change. First, you must understand what your firm's culture is, and then all leaders must develop—and implement—a consistent approach and behavior. Today's staff "won't tolerate" slip-ups in this, she said.

- Understand staff needs. Talk to your staff, and ask them what they want—and then be ready to individualize solutions. The days of "one-size-fits-all" programs are gone, Murphy maintained. Instead, develop a "one-size-fits-one" mentality—and expect that to change as well. Staff and partner needs change from year to year, with the impact of growing children and aging parents affecting flexibility.

- Invest in mentoring programs. Murphy pointed out what is widely being recognized by all employers: that the trend now is loyalty to individuals, not to a firm. Mentoring is key to building those relationships, as well as to helping women and other minorities to feel more comfortable as they build their careers. "It takes time and emotional energy" to mentor, Murphy said, but it is worth it for the long-term gains that will be available to your firm.

- Rerecruit your staff every day. This means helping staff to see what the next step will be at the firm for them. Start this early, she said, noting that staff are turning over earlier in their careers than in the past.

- Evolve development and training approaches. The focus should now be developing successors, not workers, Murphy said.

The trend now is loyalty to individuals, not to a firm.

- Innovate your firm's business model. These central changes to how staff want to work mean that firms must change how they make use of staff resources. This involves rethinking how firms make money, and then revisiting training, development, and processes. Changes are happening already, she said, such as outsourcing certain types of work to India so that local staff can focus on other work.

- Consider diversity an important goal. Firms must work on this, she said, noting

that there is still bias in firms. CPA firms have a long way to go in attracting and retaining minority candidates, she noted.

- Challenge paradigms. All leaders must be involved in this job. Attacking biases of all types, understanding the organizational culture, and advocating change will make a difference.

- Be patient. Change takes time, she said, and is a process. The profession has come far in changing for women, and the time is ripe for firms to do so once again. □

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