

Spring 2018

Perceptions on the Advancement of Women to Public Accounting Leadership Roles

Mylane Bella-Smuts

John Carroll University, mbellasmuts18@jcu.edu

Follow this and additional works at: <https://collected.jcu.edu/honorspapers>

 Part of the [Accounting Commons](#)

Recommended Citation

Bella-Smuts, Mylane, "Perceptions on the Advancement of Women to Public Accounting Leadership Roles" (2018). *Senior Honors Projects*. 112.

<https://collected.jcu.edu/honorspapers/112>

This Honors Paper/Project is brought to you for free and open access by the Theses, Essays, and Senior Honors Projects at Carroll Collected. It has been accepted for inclusion in Senior Honors Projects by an authorized administrator of Carroll Collected. For more information, please contact connell@jcu.edu.

Perceptions on the Advancement of Women to Public Accounting Leadership Roles

Mylane Bella-Smuts
John Carroll University
Senior Honors Project
Spring, 2018

Abstract

For more than 21 years, women have joined the accounting profession in equal numbers to men, yet women represent just 19% of the U.S. public accounting partner population (Bennett, 2013). This research project looks at the current environment for women in leadership positions in public accounting firms by analyzing perceptions on the work environment for women, work-life balance, and implementation effectiveness of firm initiatives related to the advancement of women. Results from one-on-one interviews and surveys suggest that the perception of the work environment for women in the public accounting profession is positive, but women's commitment to achieving partnership status in public accounting is lower than their male counterparts. Further, perceptions of women in public accounting leadership positions did not differ between male and female respondents, and across the board, a majority of the respondents agree that it is difficult for males and females at all professional levels to balance family life and work. Also, the results suggest that the most successful strategies to encourage women's advancement include implementing top-down leadership support for the advancement of women and having visible female role models. The results from this research give insight into a continuing issue within the accounting profession.

Introduction

The accounting profession is continuously being shaped by the demographic of CPAs that make up today's accountants. Women in particular have made giant strides in gaining a foothold in a world that was previously dominated by males. Through one-on-one interviews with leaders in the accounting profession and surveys of John Carroll alumni currently working as public accountants, supported by secondary research, this paper gives insight into possible barriers that women face in reaching leadership positions, including to what extent firms are adopting policies to ensure that women are given the same opportunities for advancement as their male counterparts.

Previous Research

To inform my study I examined three streams of research, gender differences in leadership styles in general, potential barriers to advancement for women in public accounting specifically, and proposed strategies to ensure gender parity in public accounting leadership advancement.

In his book titled "Leadership: Theory and Practice," Peter G. Northouse (2016) finds that women lead with a transformative style of leadership. This means that women are more participative and interpersonally oriented in their leadership roles than most men who lead using a task-oriented leadership style. The task-oriented leadership style "expresses the degree to which a leader defines the roles of their followers, focuses on goal achievement, and establishes well-defined patterns of communication" (Taberner, 2009, p. 1394). Although the transformative style of leadership was processed differently by followers in comparison to the task-oriented leadership style, men and women were found to be equally effective in their leadership positions (Northouse, 2016). There were gender differences in leadership effectiveness, however, such that

women and men were more effective in leadership roles that were congruent with their gender (Northouse, 2016). For example, generally women are more effective leaders than men in roles as educators, but men are more effective leaders than women in roles as mechanics. Further, Northouse (2016) finds that “women were less effective than men were when they supervised a higher proportion of male subordinates or when a greater proportion of male raters assessed the leaders’ performance” (p. 403).

Prior research concludes women face more barriers than men in regards to advancing into public accounting leadership positions. The barriers to the advancement fall into three broad categories: career advocacy/advancement, lack of visible female role models, and work/life integration (Bennett, 2013). The career advocacy/advancement barrier stems from the human tendency to mentor those who remind us of ourselves (Bennett, 2013). One study finds that males are ultimately judged less harshly than females because of the positive stereotypes that men have in regards to their leadership abilities (Iyer, et al., 2016). Aggressiveness was also an issue; women were perceived as either too aggressive, or not tough enough (Iyer et al., 2016). In addition, a study by Kaufman and Fetters (1983) finds that women are generally not perceived as ready for managerial positions due to their lack of both a strong executive presence and interpersonal skills.

The lack of visible female role models barrier is similar to the career advocacy/advancement barrier because of the low numbers of women in public accounting leadership positions. “Women who see other women with diverse paths and experiences succeed within the firm begin to believe they also can succeed” (Bennett, 2013, pg. 7). Not only is this a matter of being a barrier for women to succeed, but this also is a matter of organizational sustainability in the long-run. “Organizations that prepare themselves for the attraction, retention

and development of all talent pools [(including women)] have an immediate and ongoing competitive advantage” (Bennett, 2013, pg. 3). Diversity amongst employees at all levels is vital for success.

The career/life integration barrier is a significant problem that women continuously face. Women are impacted by this barrier more than men due to societal norms related to child care, elder care, and home responsibilities (Bennett, 2013, pg. 7). One study finds that “female accountants experience higher levels of job-related tension than do their male counterparts and that stress is more important in the decision to leave public accounting for females than for males” (Collins, 1993, p. 35). According to Collins (1993) this stress stems from lack of job fulfillment, lack of advancement opportunities, and heavy time demands which interfere with child care. In order to combat these various barriers, it is vital for public accounting firms to implement strategies that promote the advancement of women to public accounting leadership positions.

In an article published by the AICPA Women’s Initiative Executive Committee, Bennett (2013) suggests strategies to ensure that women in public accounting are advancing to leadership roles. Written as a guide for both small and large public accounting firms, the article reports statistics on the lack of women in public accounting leadership positions, examines the barriers that women face in advancing to leadership positions, and provides strategies that firms can use in order to provide more opportunities for women. The strategies I found to be the most salient given the research cited above include: top-down leadership support, visible female role models, and support of family/work life balance. Many firms have integrated some of these strategies in a variety of different ways. One firm has successfully integrated visible female role models through a program called WomenCAN: A Collaborative Advocacy Network for Women that

gives female employees “access to mentors, roundtable discussions with firm partners, leadership development courses, and other professional growth opportunities” (Rampe, 2016, p. 10).

Another smaller firm is integrating support of family/work life balance by making sure that every employee has the accommodations they need for their personal lives. This could be through a flexible schedule to tend to children, or an extra hour at lunch to go to the gym (Rampe, 2016).

Overall, the strategies recommended by the AICPA are the best way to promote the advancement of women to public accounting leadership positions.

The leadership differences outlined by Northouse, potential barriers to the advancement of women, and the strategies recommended by the AICPA, each provide input to the study of perceptions on the advancement of women to public accounting leadership roles.

Methodology

Data for this study was collected in two phases: one-on-one interviews and surveys. In order to better understand the differences in perception that individuals have on women advancing to public accounting leadership roles, I conducted a survey that was distributed to John Carroll alumni who are currently working as public accountants. The survey was designed to collect respondents’ perceptions on the work environment for women, work life balance, and implementation of firm initiatives related to the advancement of women.

To get a more personal point of view and in depth look at the perceptions of women in public accounting, I also conducted one-on-one interviews with leaders within the accounting profession. The information gathered from these interviews helped to better understand the initiatives that both firms are implementing and accounting societies are encouraging to be implemented in response to the lack of women in public accounting leadership roles.

Interviews

To gain insights on the different styles of leadership that are present and the perceptions of women within public accounting leadership positions, I spoke with five individuals who hold positions in firms ranging from regional to national. For each interview, I asked the same questions, in order to compare responses across interviewees. The identity of the individuals I interviewed will remain confidential therefore I will refer to the individuals by the letters A through E.

A is a Certified Public Accountant (CPA), Personal Financial Specialist, Certified Financial Planner, and Founding Principal and President of a small wealth management firm with all female employees. When I asked A about her personal leadership style, she indicated she always works collaboratively. “As a leader I encourage others to take on different roles in the projects that we’re working on. I want people to get out of their comfort zone so that they can realize the strengths that will make them great leaders as well.” I also asked A about how she balances her work and family life. A indicated she had a significant track record before she had children, and thus she believed the firm at which she worked was more accommodating because of this. As a leader at her firm now, she makes sure that her employees have the flexibility to balance their work and family life by accommodating time off for unexpected snow days, or dance recitals, and allowing individuals to work from home if necessary.

B is a CPA, partner, and leader for his market at a big four accounting firm in Cleveland, Ohio. During my interview, he told me that his personal leadership style is relationship driven. In a team setting he makes sure that everyone is collaborative and that everyone’s voices are heard. B does not think that his leadership style differs from his female counterparts, and he believes that women have the same chances to succeed at his firm as men do. The most valuable piece of

information that I got out of my interview with B was his advice for me as an emerging leader in the public accounting profession. He said, “Always challenge your leadership. If you see something not working and being a barrier to your success, then speak out and bring it up. Go to your mentors and know that they are willing to listen to you and to help.” One of the biggest barriers for women to overcome in their advancement to accounting leadership roles is their lack of self-promotion (Bennett, 2016, p. 4) so this advice was extremely helpful.

C is a CPA, Certified Government Financial Manager, and the Partner-in-Charge at a big four firm in Washington D.C. Her current role has her in charge of over 300 partners and professionals who provide guidance to federal financial statement and performance audits. As the lead audit partner C is also responsible for overall audit strategy, assessing audit risks, developing audit programs, providing the partner review of critical audit areas, and drafting audit reports performed in accordance with Government Auditing Standards. C described her personal leadership style as actively involved in overseeing the practice that she is in charge of. She told me that she would never ask anyone to do something that she would not do herself, and that she continues to lead audit engagements, even though someone in her position usually would not do that. One of the most interesting things that C told me in the interview was the strategies that her firm has implemented to ensure that women are advancing to public accounting leadership positions. With various programs such as a firm network of women, lean in circles, and mentoring programs, this firm definitely has an environment that encourages women to lead. The biggest barrier that she saw for women advancing to leadership positions was that women do not self-promote. She said, “Generally women are not self-promoting. Often you will find that women are more reflective and will wait for people to ask them to do something. So, [our firm]

encourages our partners and managers to nominate women to go to certain leadership programs or to apply to jobs, which really motivates them.”

D is a Certified Association Executive, and President and CEO of a large accounting society. In this role, he provides the executive vision for one of the nation’s top accounting associations and creates and delivers education and business solutions for 85,000 CPAs and accounting professionals. D described his personal leadership style as inclusive, which he does not think differs from his female counterparts. When I asked D about family and work life balance he told me that he has seen an increase of men taking paternity leave to help raise their families. Still, he feels that it is more difficult for female partners to balance family and work life than it is for their male counterparts. What I found to be most surprising from D’s answers was his insight on the difference between a mentor and a sponsor. “As an emerging leader in the accounting profession, it is vital to find someone who can act as your sponsor, and find someone else who can act as your mentor. A sponsor will help you to advance throughout your career into different positions, and a mentor will be there for emotional support along the way.”

Finally, E is a Certified Association Executive, Senior Manager, and Director of Student and Young Professional Engagement and Women’s Initiatives Programs at a large accounting society. I first asked E about her personal leadership style. She said that as a leader she tries not to micro manage. She believes that when people can work through difficult problems on their own they grow and develop as leaders themselves. When I talked to her we spoke a lot about women’s chances to succeed in leadership roles in public accounting. E believes that even though many firms claim to have flexibility plans available for working mothers, they are not as effective as they could be. That is why she is working to come up with initiatives and strategies that firms should implement to ensure that women in public accounting have the chance to

succeed. “It is important that we are not just focused on women at the top either. We need to support women who are comfortable where they are as well because maybe their definition of success is staying in the position that they are in. We want those women to be leaders too.” E also shared her belief that there are not enough resources for women who are trying to get back into the public accounting profession after coming back from a long break to raise their children. She said, “If we can come up with strategies such as mentoring programs, to ensure that women coming back into the workforce after a maternity leave have success, then I think we can increase the number of women partners.”

Surveys

To include a more diverse and larger population in my study, I sent out surveys to over 1,000 John Carroll alumni who majored in accounting. In the survey, I specified that I only wanted responses from individuals who are currently employed as public accountants. I received responses from 36 individuals with only 26 of those being complete. 56% of the respondents were male, and 44% were female. For a breakdown of the area of service, age, and family structure of the respondents by gender see Figures 1-1 through 1-3.

The survey included questions to gauge perceptions on the work environment for women, work life balance, and implementation of firm initiatives related to the advancement of women.

To get a better understanding of the perceptions on the work environment for women I asked the survey respondents the following:

- For the following statements please indicate whether you strongly disagree, disagree, are neutral, agree, or strongly agree.
 - Women are afforded the same opportunities to succeed in public accounting as are men.
 - Women receive the same level of respect from clients as men do when they are working on engagements.

- Women are generally as committed to achieving partnership status in public accounting as are men.
 - If the respondent chose strongly disagree, or disagree they were prompted with this statement: Please indicate whether you believe women are more or less committed to achieving partnership status in public accounting as are men.

While a majority of the respondents either agreed or strongly agreed that women are afforded the same opportunities to succeed in public accounting as are men (as shown in Figure 2-1), the responses did vary by gender. As shown in Figure 2-2, for the most part, men either agreed or strongly agreed that women had the same opportunities to succeed while most women were neutral or agreed. Again, as shown in Figure 3-1, a majority of the respondents either agreed or strongly agreed that women receive the same level of respect from clients as men do when they are working on engagements, however the responses varied by gender. Figure 3-2 shows that for the most part males either agreed or strongly agreed that women received the same level of respect from clients as men while most women ranged between disagree and agree. Figure 4-1 shows that 47% of respondents either strongly disagreed or disagreed that women are generally as committed to achieving partnership status in public accounting as are men whereas only 36% of respondents either agreed or strongly agreed. Compared to the other questions regarding perception, this result showed a more negative perception of women in public accounting. Figure 4-2 shows that 94% of the respondents who chose strongly disagree, or disagree believed that women are less committed than men. Unlike the previous results, responses were fairly consistent across gender (Figure 4-3).

To get a better understanding of work/life balance related to the advancement of women to public accounting leadership roles, the survey asked the following:

- For the following statements please indicate whether you strongly agree, agree, are neutral, disagree, strongly disagree, or are not sure.
 - It is difficult for women associates to balance family life and work.
 - It is difficult for male associates to balance family life and work.
 - It is difficult for women senior associates to balance family life and work.
 - It is difficult for male senior associates to balance family life and work.
 - It is difficult for women managers to balance family life and work.
 - It is difficult for male managers to balance family life and work.
 - It is difficult for women partners to balance family life and work.
 - It is difficult for male partners to balance family life and work.

The purpose of these questions were to compare the differences in respondents' perception of work/life balance difficulties for males and females at the same levels. As shown in Figures 5-1 through 5-6, for the most part respondents agree that it is difficult for both males and females at all professional levels to balance family life and work. It is important to note that for respondents who strongly agree that it is difficult for individuals to balance family life and work, at all levels, these respondents perceived that it is more difficult for females to balance family life and work.

Finally, to get a better understanding of the implementation of firm initiatives related to the advancement of women the survey asked the following:

- For the following statements indicate whether you strongly agree, agree, are neutral, disagree, or strongly disagree that your firm is successful in implementing the following strategies.
 - My firm is successful in implementing top-down leadership support (CEO, chairman and managing partner levels) for the advancement of women.

- My firm is successful in implementing organizational awareness and education about barriers and success factors for women.
- My firm is successful in utilizing mentors and coaches who are committed to supporting the advancement of women.
- My firm is successful in providing meaningful networking opportunities for women.
- My firm has visible female role models.
- My firm is successful in implementing support for customized integration of multiple life commitments.

The purpose of these questions were to understand if strategies are being implemented successfully at firms and which strategies are most successful. Figure 6-1 shows the most successful strategies based on the responses. To get the mean for each of these charts I assigned a value to each response: strongly disagree – 1, disagree – 2, neutral – 3, agree – 4, strongly agree – 5. The higher value for each strategy, the better. The two strategies that are perceived as most successfully implemented include top-down leadership support and visible female role models. The strategy that is perceived as least successfully implemented is utilizing mentors and coaches.

Analysis

The interviews provided valuable insight on perceptions of the advancement of women to public accounting leadership roles. The following are the most important insights I gleaned from the interviews:

- Although Northouse (2016) finds that women lead with a transformative style of leadership and men with a task-oriented style of leadership, four out of the five interviewees did not believe that their leadership style differed from their male/female counterparts.

- The individual who believed that her leadership style differed from her male counterpart described her leadership style as more transformative, and her male counterparts as more task-oriented.
- One interviewee said that she believed the biggest barrier for women's advancement was that they do not self-promote. This comment is consistent with Northouse's (2016) research which states that men are more likely than women to ask for what they want. This point is important because the AICPA did not recognize this as a barrier or address it within their potential strategies. This could be a strategy that should be implemented more in the future. The surveys also provided insight on perceptions of the advancement of women to public accounting leadership roles.
- For the most part, the perception of the work environment for women in the accounting profession is positive, except for their commitment to achieving partnership status in public accounting when compared to men. This is inconsistent with Northouse's (2016) research which indicates that "women show the same level of identification with and commitment to paid employment roles as men do".
- More than 75% of the respondents agree or strongly agree that women receive the same level of respect from clients as men do when they are working on engagements. Research from Kaufman et al. (1983) finds that both women and men thought it was harder for female accountants to receive respect from clients. The results of the current survey suggest that perhaps there has been positive growth in the perceptions of women in public accounting leadership roles over time.
- Across the board, a majority of the respondents agree that it is difficult for males and females at all professional levels to balance family life and work, but for respondents that found this

issue to be particularly acute, they believed females experienced this more so than men, at all professional levels.

- According to the respondents, the most successful strategies include implementing top-down leadership support for the advancement of women and having visible female role models, while the least successful strategy is utilizing mentors and coaches who are committed to supporting the advancement of women. This is consistent with both Iyer et al.'s (2005) and Collins' (1993) research which finds that women in public accounting are less likely than men to have mentoring relationships with key organizational members. Iyer et al.'s (2005) research, which was done in 1991, shows that mentors and coaches for women in accounting is a strategy that has been recognized as important for over over 25 years, and this research suggests that to this day it has not been utilized effectively.

Conclusion

In conclusion, the public accounting profession still has a long way to go before women are at parity with men in partnership positions. By improving and continuously implementing the strategies recommended by the AICPA, as well as new strategies specific to each firm, it is likely that more women will continue to advance. By simply having a better understanding of the information provided in this research study women can have a better idea of how to overcome the barriers that are presented to them, and utilize the strategies that are being implemented in their firms. From a personal standpoint, this research has given me a unique perspective on the barriers and issues faced by women striving to advance to leadership roles in public accounting which I believe will better prepare me to take on these challenges as I progress through my career in public accounting.

Works Cited

- Bennett, Mary L. "Organizational Strategies: Retaining & Developing Women Leaders."
American Institute of CPAs. Women's Initiatives Executive Committee. Nov. 2016.
- Bennett, Mary L. "The Attraction, Retention and Advancement of Women Leaders: Strategies for Organizational Sustainability." *AICPA*, July 2013.
- Collins, Karen M. "Stress and Departures from the Public Accounting Profession: A Study of Gender Differences." *Accounting Horizons*, vol. 7, Mar. 1993, pp. 29-38. EBSCOhost.
- Iyer, Venkataraman, et al. "Gender Differences in Perceptions of Accounting Firm Alumni." *Managerial Auditing Journal*, no. 5, 2005, p. 449. EBSCOhost.
- Kaufman, Debra, and Michael L. Fetters. "The Executive Suite: Are Women Perceived as Ready for the Managerial Climb?." *Journal of Business Ethics*, no. 3, 1983, p. 203. EBSCOhost.
- Northouse, Peter G. *Leadership: Theory and Practice*. 7th ed., SAGE Publications, 2016.
- Rampe, K. and S. Elliott. "Gender Equity in Accounting: How the CPA Profession Is Balancing the Numbers." *Global Business and Organizational Excellence*, vol. 35, no. 5, 01 July 2016, p. 6-18. EBSCOhost.
- Tabernerero, Carmen, et al. "The Role of Task-Oriented Versus Relationship-Oriented Leadership on Normative Contract and Group Performance." *Social Behavior & Personality: An International Journal*, vol. 37, no. 10, Dec. 2009, pp. 1391-1404. EBSCOhost.
- Trapp, Michael, et al. "Current Perceptions of Issues Related to Women Employed in Public Accounting." *Accounting Horizons*, vol. 3, no. 1, Mar. 1989, pp. 71-85. EBSCOhost.