

ORGANIZATIONAL STRATEGIES

RETAINING & DEVELOPING WOMEN LEADERS

Presented by the Women's Initiatives Executive Committee



AUTHOR:

Mary L. Bennett, MBA, CEC, CIA
MLBennett Consulting LLC

AICPA Women's Initiatives Executive Chair (2010–13)

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Table of Content

- How This Publication Came to Be and How to Use It.....2
- Phase One:**
- Understanding the Gender Gap in the Accounting Profession..... 4**
 - 1.1 Women in the Profession 4
 - 1.2 Understanding Gender Diversity..... 4
 - 1.3 Unconscious Bias7
- Phase Two:**
- Building the Business Case for Gender Diversity in Accounting..... 11**
 - 2.1 Understanding the Industry Business Case..... 11
 - 2.2 Customize the Firm-Specific Business Case:
Create Alignment and Buy-In 11
 - 2.2a Customized Business Case:
Reflection & Documentation Section 12
 - 2.3 Sample Business Communication Document Template:
See Appendix A 13
- Phase Three: Diagnostics..... 14**
 - 3.1 Reflection & Documentation 14
 - 3.1a Summarizing Diagnostics..... 16
- Phase Four: Proven Strategies and Solutions 17**
 - 4.1 Understanding Strategy Basics..... 17
 - 4.2 Customizing Organizational Strategies 17
 - 4.3 Customizing Individual Strategies 18
 - 4.4 Finalizing the Plan:
Continuous Evaluation of Outcomes and ROI..... 19
 - 4.5 Action Plan Template: See Appendix C 20
 - 4.6 Steering Committee Charter Template: See Appendix D..... 20
- Conclusions 20**

How This Publication Came to Be and How to Use It

In 2008, the AICPA Women's Initiative Executive Committee (WIEC) sponsored a pilot program that is now known as Retaining and Developing Women Leaders: Organizational Strategy Workshop, also informally known as the "boot camp." The informal name reflects the vision for the pilot. Even though the WIEC provides research, communication, information and tools to address women's lack of progress in the accounting profession, accounting firms still sorely needed practical assistance in understanding what the existing barriers and challenges mean to them.

After brainstorming on the progress made to date, as well as the long road ahead, WIEC created a vision for a practical workshop for accounting firms (and other organizations with female financial professionals). The result was a 1½-day boot-camp-style event. Teams of three to four people from each participating accounting firm or organization attended. Team members represented firm leadership (CEO, COO or influential partner/shareholder in a leadership role) as well as, one or two senior ranking female partners or senior managers and possibly the HR director. Each team was asked to bring a detailed packet of pre-work including the firm's vital statistics along with other pertinent information that provided insight into the challenges, opportunities, questions and answers surrounding women's lack of progress in the firm.

Boot camp participant teams explored comprehensive materials related to retaining and developing women leaders. Firms explored their path toward improved gender diversity by exploring many relevant topics and best practices, including: research, industry business case, common barriers and success factors, myths and misperceptions. The teams also had brief consultative sessions with the boot camp content author, Mary L. Bennett. In open sessions, participants discussed specifics with other teams, comparing and contrasting their approach. Each team left the boot camp with a packet of deliverables customized to their organization and its particular challenges and opportunities. Boot camp takeaways include a communication document, a customized business case and multi-year plan, which provided solutions and action plans developed to meet the individual needs of each firm.

This publication can be used in conjunction with attendance at organizational strategy workshops or as a stand-alone guide. It should be read cover to cover and referenced by accounting firms when developing and implementing strategies that facilitate progress for women in the industry.

Partners and executives should be required to read this communications document, since it provides education, raises awareness and debunks persistent myths regarding the progress of women in business. It can also be used by organizational steering committees working on gender diversity and by those creating women's networks to establish a solid baseline of education and awareness. The guide highlights research; strategies; opportunities; challenges; recommendations for gaining buy-in and executive support, network guidelines and much more. Finally, it provides insights that align with many aspects of broader diversity and inclusion strategies beyond gender diversity. The sections on career-life integration apply to all top talent, particularly Generation X and Y.

The WIEC Organizational Strategy Workshop brands the boot camp. The author of this publication, Mary L. Bennett, creates all the materials for these workshops and serves as their primary instructor. Bennett is North America's leading consultant and speaker on gender diversity in the accounting profession. She has 25 years of experience in the profession, including many years in leadership roles as a client service partner. She served in a top 10 U.S. firm practicing in audit, tax and bank risk management. She also currently consults on succession planning, leadership development and building inclusive environments. Bennett works internationally with individual firms and accounting firm networks.



Phase One: Understanding the Gender Gap in the Accounting Profession

1.1 Women in the Profession

Organizations that want to improve their track record 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. The AICPA's most recent [Trends Survey](#)¹ (2013) shows that women represent 45.6% of all B.A. graduates and 50.4% of all M.A. candidates in accounting programs. These numbers have fluctuated between 40% and 60% for over 25 years. Hiring statistics in most firms have mirrored these graduation statistics during this period. Firms report, however, that only 19% of their partners are female, which is actually down from an all-time high of 23% in 2010. The current statistics seem to indicate that the previously noted slow process of retaining and promoting female executives has begun a reverse pattern

Examining the statistics more closely, it's interesting to see that the greatest improvements have occurred in smaller firms. Firms with 50 or fewer professionals report that 32% to 33% of their partners are female; conversely, at larger firms with greater than 50 employees, only 17% of the partners are female.

These data beg the question, "If women and men have been entering the profession in the same numbers for a quarter century, why aren't there more women in leadership positions?" The answers to this question may surprise you.

1.2 Understanding Gender Diversity

Benchmarking is the first step in understanding the barriers and success factors impacting the progress of women in the accounting profession. Before an organization can begin undertaking strategic diagnostics and applying solutions, an organization must be clear about where it stands and what work already has been done to address this issue.

This work examines why there has been so little success in women's advancement in the profession. Making assumptions regarding a firm's diversity challenges is a common misstep for many firms. The following excerpt, from the [AICPA white paper](#), *The Attraction, Retention and Advancement of Women Leaders: Strategies for Organizational Sustainability*, discusses some of the surprising barriers and success factors for women.

The barriers to the advancement of women within our profession can become success factors and, in fact, become "barriers to exit" for women leaders if appropriate solutions are offered. The barriers fall into three broad categories:

- ▶ Career advocacy/advancement
- ▶ Lack of visible female role models
- ▶ Career-Life integration

Career Advocacy/Advancement

Women often have unequal access to career development and advocacy experiences and relationships. This uneven access most often is not intentional, but is a result of the human tendency to mentor and advocate for those who remind us of ourselves. In addition, stereotyping regarding the lack of alignment of female leadership styles and abilities with expected leadership styles and abilities has an impact on the careers of many women who aspire to leadership positions. Expected leadership styles and abilities, or norms, are based on a largely male population of leaders who have influenced our view of leadership, in many cases in an unconscious manner. This unequal access to targeted career development and advocacy has had a significant impact on the career of many women in our industry. Access to high-impact and high-influence career advocates who assist in providing a road map for navigating the culture and career stages within the firm is essential for success. Advocates provide valuable information regarding strategies to increase an individual's value to the organization. Lack of access to this differentiating asset will have an impact on a career significantly over the course of time.

¹ "2013 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits" (AICPA 2013)

In addition, it is critical to have access to other career advancement opportunities such as stretch assignments, targeted experiences necessary for advancement, and networking opportunities that enhance the participant's knowledge of the organization and its clients. Without targeted efforts, women continue to have uneven access to these important assets, which can result in these women being perceived as not ready for promotions and less experienced than their male peers.

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Lack of Visible Female Role Models

Women who see other women with diverse paths and experiences succeed within the firm begin to believe that they also can succeed. Without these visible 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. The models of success must be diverse in their career/life circumstances, roles within the firm, and paths to success. Only with diversity in these role models can we successfully address this barrier. All women are not alike either in aspiration or in desired path to successfully reaching those aspirations.

Career-Life Integration

We also know that career-life integration issues are a significant source of turnover among men and women within our profession. We still find that women are more intensely affected by these issues due to societal norms related to child care, elder care and home responsibilities. Sixty-six percent of all firms have implemented some type of flexibility policy that includes an official flextime program. In the future, flexibility programs will not be limited to structured flextime: Firms will adopt a flexibility philosophy that becomes part of their culture. Many individuals wish to work full time and desire only some control over their schedule, hours and travel in order to assist in managing career-life conflicts and quality of life.

A flexibility philosophy is a cultural issue which cannot be dealt with only which cannot be dealt only by implementing formal programs. The solutions to career-life integration involve flexibility not only in schedule but also in career path models — options that historically have been designed for individuals with non-working spouses and a traditional career trajectory in mind. These models no longer address the needs of all career-driven employees and may not address the needs of the majority of female employees. Any cultural changes that result in solutions that mitigate career-life integration challenges will position firms to be more attractive to both male and female talent pools. This makes investing in solutions and programs that aid in shifting culture a good use of resources and a proactive measure to maximize access to the best talent pools overall.

Career/life integration is not a “women’s issue,” however — it is one of the critical business issues we must address if we are to retain and develop female talent. There still are strong biases and stereotyping in our society and workplace environments as they relate to women’s and men’s roles at home and at work. While these stereotypes slowly are changing, research shows that career advocacy and targeted career development for women can be negatively impacted by these stereotypes.

Strategy Summary

It is very important to note that strategies at both the individual and the organizational levels are required if these barriers are to be successfully mitigated. Organizational strategies deal with cultural awareness and commitment to change at the organizational level. Individual strategies deal with awareness, access and advocacy and are directed specifically at the talented individuals we wish to retain and develop.

One of the most common misconceptions relative to gender diversity in the accounting profession is the notion that implementing gender diversity or a “women’s initiative” is merely about accommodating part-time work schedules. This thinking has slowed the progress of many firms, since flexibility is simply one tool to retain and develop women leaders. In addition, as many are keenly aware, flexibility is not just a women’s issue.

Flexibility in work schedules is also an important issue for an intergenerational workforce that includes baby boomers, Gen Xers and millennials. Much has been written about the three generations sharing the workplace today in most firms: Baby Boomers (born between 1946 and 1964), Generation X (1965 to 1980) and Generation Y, also called millennials (1980 to about 2000). Typically Gen Xers want a smoother career-life balance. Similarly, yet distinctly, millennials have repeatedly shown the desire for greater flexibility than can be found at the typical traditional accounting firm. They are comfortable using technology to work more fluidly and expect a greater blend of career and life. The fluidity in their approach to work is the distinction between Gen X and millennials. The latter will work anywhere and anytime, but also expect to be able to handle personal commitments the same way.

Why is a discussion of flexibility important in a gender diversity guide? Firms that have successfully begun to implement flexible work cultures to improve the retention and development of women have a head start on making changes that will help retain Gen X and the millennials. In addition, while career/life conflicts don't apply only to women, women still bear a greater responsibility for family commitments. For that reason, solutions to retain them must include a flexible work culture for all that goes beyond simply reducing hours for a few.

Flexibility is not the sole solution, however. Firms that focus on it exclusively have usually improved women's retention but not their advancement. This is known as stagnation, a concern described later in this guide. In many firms, flexibility is considered a separate, special program for women. Reduced work hours are an alternate career track that can slow or even halt advancement.

One of partners' most frequent questions: Should the use of flexibility options slow a career or not? The answer is: It depends. There is a huge continuum of flexibility 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 childcare and then working again later in the day, as appropriate for the client deadlines and family needs. In other cases, hours may be reduced. Some flexibility choices will affect how long it takes to amass the experience and learning necessary to advance, while others will not. The required path to advancement should be measured by technical knowledge, leadership skills and experience and other relevant performance competencies, not by hours worked. There may be as many variations in flexibility options in a firm as there are women and men in the firm.





Mass Career Customization,² a book written by two Deloitte partners, is a technical guide that provides details on the multitude of career variations available and how they can be used to design approaches that work for individuals and the organization. “The Business Case for Flexibility,”³ published by the AICPA, also offers important information and a list of resources on building a flexible work environment.

Flexibility cannot stand alone in women’s advancement, though, because other factors also come into play. In particular, successful role models in the firm create a ripple effect of subsequent success. Firms without these role models must work very hard to create early successes so that the ripple effect can begin to pay off. There will be more about this in the section on strategies and action plans.

The most critical element in making a real change in the number 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 already have.

1.3 Unconscious Bias

Current leaders don’t intend to discriminate. In fact, much of their behavior in maintaining the status quo is unconscious. Unconscious action still can have negative unintended consequences. We all have biases, also known as perceptual filters. All of our collective experiences form our filters and help us to create patterns and make sense of the world around us. Much of the time we are unaware of the degree to which we rely on our perceptual filters, but we regularly make assumptions and act on them. The result may be positive, or we may end up in unconscious faulty assumptions.

For example, two or three situations involving women with similar levels of experience within a firm may cause us to believe, and act on the belief, that all women have similar perceptions relative to the challenges women face in the accounting profession. In fact, the environment may very well be creating a self-fulfilling prophecy by unconsciously directing women toward the path that other women in the firm have taken. This can lead to greater turnover or stagnation among women professionals.

² *Mass Career Customization: Aligning the Workplace with Today’s Nontraditional Workforce*, Cathleen Benko, Anne Weisberg (Harvard Business School Press, 2007)

³ “[Flexibility: The Business Case](#),” Mary L. Bennett (AICPA)

The following common scenario 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 a flexible schedule. A younger male partner, John, asks with surprise why Jena is being considered, since he never has 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 is a demanding career," he says, "and it's not for the lighthearted or those who cannot commit fully."

In this situation, which occurs often, many assumptions are evident. First is that Jena does not want to be a partner; second is that she is working flexibly because she can't handle the profession's demands; third is that 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 witnessed 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.

Women often are unconsciously 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 failure to communicate or build relationships. Both men and women exhibit unconscious behavioral patterns. In most organizations, leaders are unaware there is a day-to-day difference in men and women's experiences. Almost all are unaware of the degree to which this silent, almost invisible behavior creates an uneven playing field. Day-to-day interactions and informal discussions about the business and the client's businesses contribute to becoming a strong business person, successful professional and qualified candidate for future opportunities.

While these interactions and patterns may seem harmless, they are a key factor in the uneven playing field. Women are sometimes aware of these inequities, but many do not understand the degree to which they affect their development. Not only do those who are offered these critical experiences become more qualified, but they also become more visible and risk-free choices for subsequent opportunities. This cycle repeats itself over and over as strong advocacy/sponsor relationships begin to form between young men and influential male leaders in the firm. Conversely, there is a notable lack of sponsorship relationship formation between influential leaders and emerging female leaders. In the accounting profession, advocacy/sponsorship is a requirement for promotion and most especially for election to partner or shareholder.

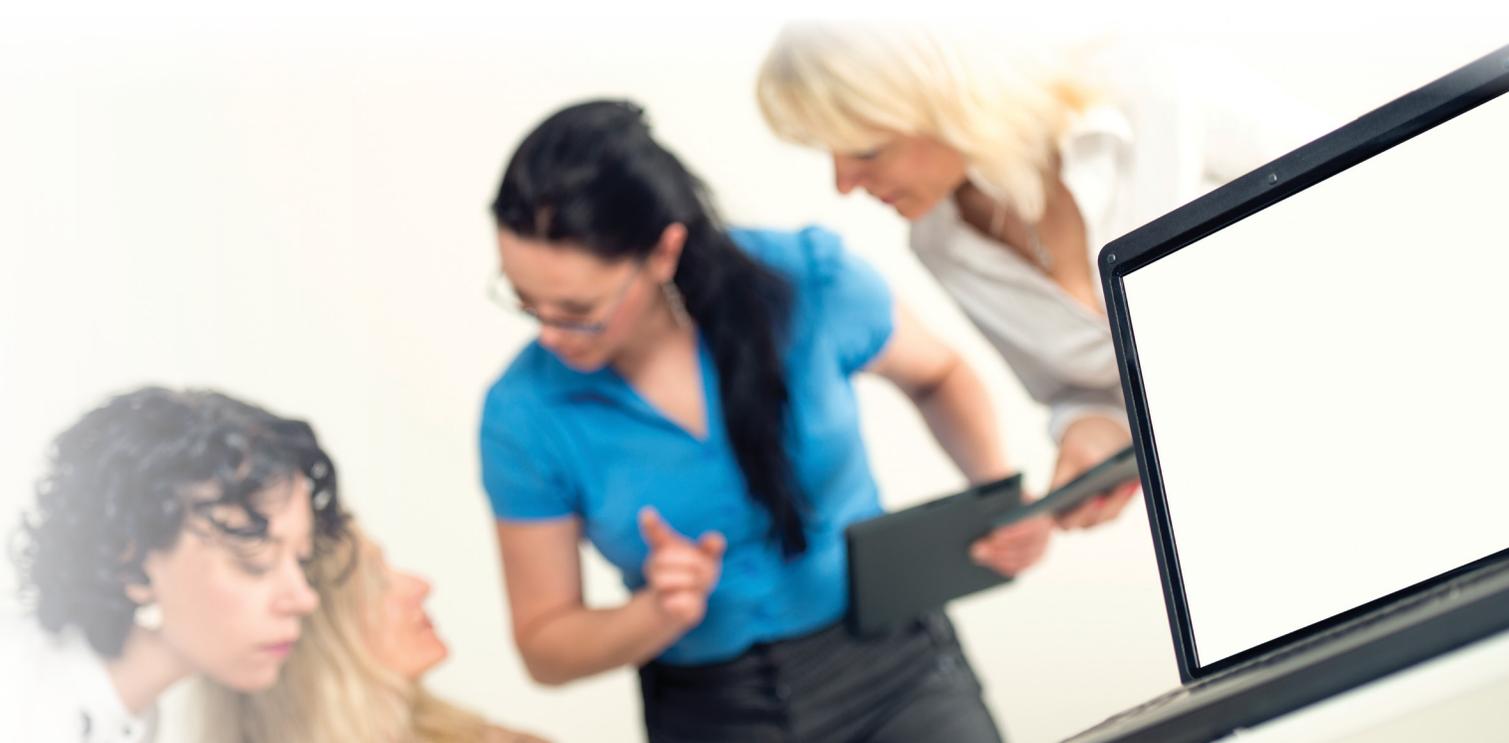
An example of an unconscious bias operating in nearly all accounting firms is affinity bias. It is a part of human nature and simply means we choose to mentor and sponsor individuals who remind us of ourselves. We are drawn to people who share common interests and backgrounds with us, such as the same university, fraternity, sorority, country club, athletic interests, hobbies, technical discipline, etc. Many critical career turning points may be affected by affinity bias, beginning with campus or employment 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. Most influential leaders in accounting firms have their "go to" people who usually are sponsored by the leader and often become owners themselves. Affinity bias is another contributor to the uneven playing field for women, and, therefore, a core issue in any effort to improve gender diversity. Many leaders or managers confuse affinity bias with firm culture and tradition. Often the bias cannot be addressed without a certain amount of education that allows the partners and managers to address the often unfair practice. Even women may be unaware of how the lack of sponsorship and visibility affects their ability to ascend in an organization. This is why solving the challenges of gender diversity is not as straightforward as asking women about their experiences. Some cultural factors are as ever-present as the air we breathe every day; although the composition of the air impacts us, we do not see it.

Firm leaders also are often unaware of how important timing can be in career navigation. Fortuitous career timing often comes naturally to individuals who have strong sponsors. Examples of experiences that are essential to moving forward in the public accounting field include: leading important client engagements, partnering with an influential shareholder on a new niche client, inclusion in a large proposal project or participation in a visible committee. An employee without a sponsor is disadvantaged, since they are not able to engage in or have access to the right experiences at the right time. These same individuals are further disadvantaged without an influential sponsor to position or recommend these experiences. These disadvantages often affect the speed and trajectory of an employee who lacks a sponsor.

In fact, advocacy/sponsorship can sometimes make the difference between movement and complete stagnation. Conversely, a sponsor's role in a person's success often is invisible, since it often seems like standard operating procedure. Firm members "forget" that those who have obtained the right experiences at just the right time in their careers did not procure these opportunities independently. Unconsciously, organizations often award these "stars" extra success points for having had these experiences without stopping to consider how they came to have them. These factors perpetuate the gender gaps sometimes seen at promotion time. When we hear that

there are no women qualified for promotion, it's not a reflection of staff members' ability. It may, however painful it is to admit, reflect their qualifying experiences. Women are less likely to have strong sponsorship and therefore are less likely to have the critical experiences at the most important times in their careers. There is no suggestion here that individuals should be promoted based on their gender, only that gender should not prevent them from having equal access to opportunities and that their performance and overall contribution should be judged equitably with their peers, considering the role of sponsorship — or lack thereof — in each person's career progress.

Sponsorship is necessary for election to ownership. To be elected, a professional must be recommended. Willingness to put personal political capital and reputation on the line to further the career path of another is one of the primary differences between a sponsor and mentor. In a manner similar to that of mentors, 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.



Despite its importance, there are critical stumbling blocks for women when it comes to sponsorship. It is still mostly men who hold influence in accounting firms. As more women assume leadership roles within the firm, they will then be in a better position to increase the level and effectiveness of the sponsorship they can provide to other women. The pitfall here is that women still are criticized for playing favorites if they are seen assisting other women. The functional approach to this issue is to ensure that all top talent has access to sponsorship and to raise awareness of factors such as perceptual filters and affinity bias that prevent leaders from providing equitable advocacy/sponsorship.

Institutional and unconscious bias is broken down only when people get to know each other as individuals. This personal contact also helps us recognize the other person's strengths and abilities and gain faith in them. We can envision women succeeding in ways we might not have imagined when we view them as part of a group, such as "a mother in public accounting" with "a working spouse who is having her second child." Rather than grouping her with others who may not choose to remain with the firm, we are now able to see her as someone in whom we are willing to invest, who will get the job done, whom we can trust.

Firms that take this individualized approach will likely realize that flexibility may be a worthwhile option for various firm members. Many firms that did not believe they could envision flexibility at the partner level see it now as not only possible but commonplace. A flexible schedule can benefit young parents and seasoned partners heading toward retirement alike. Since a woman can be successful in creating business and growth for the firm whether working a traditional schedule or on a flexible schedule, her ability to contribute should be the first consideration when evaluating contribution. Getting to know people as individuals can change a firm's ideas about the status quo, aspirations, cultural norms, stereotypes. This approach can literally change how women's experiences and contributions are viewed in the workplace. In other words, we are able to create new cultural norms.



Phase Two: Building the Business Case for Gender Diversity in Accounting

2.1 Understanding the Industry Business Case

The 2013 AICPA white paper already cited succinctly lays out the business case for women's progress in the profession. As the white paper explains in greater detail, there are some compelling elements in the business case for gender diversity:

- ▶ Projected demographics indicate the talent shortage will increase over the next decade. Baby boomers' retirements are not being offset by new entries into the workforce. At the same time, demand for professional services is rising. The U.S. Department of Labor predicts a 13.6% increase in jobs in the accounting and auditing field from 2010 to 2020
- ▶ Given demographic trends, our staff, leadership and the composition of our clients will continue to change dramatically in terms of gender, ethnicity and other diversity variables
- ▶ The talent of our people is our top asset. We cannot sustain growth without a strategy to increase our attractiveness to larger talent pools
- ▶ Organizations that prepare themselves for the attraction, retention and development of all talent pools have an immediate and ongoing competitive advantage
- ▶ Firms that draw the most talented professionals from the entire talent pool — and develop them to their full potential — create more sustainable growth and succession-planning models, as well as viable exit strategies for current owners
- ▶ 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 complexity

- ▶ Key factors in the industry's M&A boom are the aging of the baby boomer generation combined with the shortage of qualified successors. While traditional measures of firm value are still important, the pool of quality staff and young partners may be the central consideration in many current and future deals
- ▶ The turnover or stagnation of management-level resources represents the loss of a significant investment. A shortage in talent resources may lead to service continuity problems, which can ultimately damage a firm's reputation
- ▶ Avoiding some of the issues discussed in this document produces a cost benefit that might easily fund a women's leadership program, even before considering the longer-term potential business benefits

2.2 Customize the Firm-Specific Business Case: Create Alignment and Buy-In

Organizational context is another important element in addressing the progress of women in any organization. The business case for change must be clearly articulated to the leadership of a firm. Although there may be a general understanding of the value of adopting a gender diversity program, many firms underestimate the impact of a well-thought-out and documented business case. In fact, a strong customized business case is an important predictor of success. A solid, professionally documented and customized business case should be completed very early in the introductory phase of any gender-based diversity effort. The steps to success should include:

- ▶ Developing a business case specifically customized to your firm
- ▶ Engaging in an extensive communication campaign, using various media platforms and adjusting content to appeal to each audience while concentrating on a very specific message that links the effort to firm strategy

- ▶ Updating the business case regularly and use the content as an integral component of the firm's internal communications strategy
- ▶ Emphasizing the importance of retention and development to business sustainability to dispel misconceptions regarding the retention and development of women leaders

The first step in creating a customized business case is identifying the context in which your firm is operating. Most accounting firms share a desire for firm growth, compete for talent and are committed to delivering excellent client service. Beyond these noted commonalities, a firm's business case will need to be customized based on individual firm priorities.

2.2a Customized Business Case: Reflection and Documentation Section

To develop a customized business case a firm should consider the following questions:

What are the firm's strategic growth goals? How quickly does the firm plan to grow? What growth mechanisms does the firm plan to pursue? Is a merger and/or acquisition likely? Will the firm expand into another geographic region? Does the firm operate in a new technical or industry niche?

What is the competitive environment for your firm, in terms of both clients and talent? Who is your competition for talent acquisition, new clients, emerging industries, niche markets and expanding geographic markets? Does the firm have a positive image in the industry when it comes to promoting the success of female talent? What do college students and recent graduates say about your firm regarding the retention and promotion of women? Does this reputation reflect on/impact the firm positively or negatively?

What do the firm's statistics say about your firm? What is the percentage of women at each level within the firm? What percentage of women are in visible leadership roles within the firm, including functional leaders, geographic leadership, board or executive committee positions, managing/executive partner, COO, industry and niche leadership roles, other lead market-facing roles?

What are turnover rates? Are these similar for men and women? Are women progressing at the same pace as men? How does your firm compare with current AICPA statistics? How is turnover impacting the firm's profitability? (Standard HR measure of turnover cost is 1.5x to 2x salary for professional staff per person, and can be as much as 2.5x salary for higher level positions.)

Is there a shortage of talent at any specific level? How might the firm's retention of and continued access to top talent impact growth strategies?

What is the succession-planning forecast for the firm? What is the likely timing of partner retirements? Will new professionals be ready to take on leadership roles when those partners retire? Is the availability of top talent likely to impact the retirement strategies of the partner/shareholder group presently or in the future? Is partnership a desirable career path for both men and women in the firm today?

The answers to these questions provide the foundation for a customized business case.

From there, these best practices are essential in compiling your firm's business case:

- ▶ The customized business case must be tied specifically to the business of the firm.
- ▶ Your firm vision, mission, values and business strategies should be taken into account to ensure the alignment and buy-in essential to move forward. Consider the impact of women's progress (or lack thereof) on your vision, mission, values and business strategies.
- ▶ Filter and analyze existing data relative to the retention and progression of men and women in the firm by level, use any existing employee engagement/satisfaction surveys (see strategic diagnostics section for more information on baseline surveys).
- ▶ Include a representation of the firm statistics compared with the industry statistics.
- ▶ Document the cost of turnover in the firm for the past two to three years using traditionally accepted HR methodologies.

- ▶ Consider the AICPA business case elements and align them with the specific 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. What impact is likely based on the data?
- ▶ 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 help a firm understand why this journey is important and provide a foundation for strategic diagnostics.

2.3 Sample Business Communication Document Template: See Appendix A

For a sample PowerPoint presentation on the business case for retaining and advancing women leaders and improving gender diversity, see the online tool available for download at aicpa.org/pccps/wj. This presentation is ready to use and is customizable to your firm's needs.



Phase Three: Diagnostics

Readers can find links to extensive research on the progress of women in the accounting profession on the AICPA WIEC website.⁴

The AICPA resources are valuable in developing an approach to gender-diversity improvement; however, this information is not a substitute for the work necessary to analyze the individual needs of a firm.

As previously noted, there are common barriers and success factors found in nearly all firms to some degree. Each organization has its own culture, which affects the effect of the barriers and success factors present in each firm.

Strategic diagnostics provide customized solutions for firms that are both efficient and effective. They provide the framework to analyze and understand how certain conditions affect an individual firm. Engaging in strategic diagnostics enables a firm to make clear decisions about strategy, design and implementation. Strategic diagnostics begin with the data set collected in the customized business case, then uses additional data to clarify the firm's unique scenario. The following section can help firms explore the strategic diagnostic process.

3.1 Reflection & Documentation

What do the statistics you have gathered suggest about the status of women in your firm?

- ▶ Turnover rates of men and women by level:
 - If you were to forecast the trajectory of the male and female top talent by year, what will the numbers look like in three or five years based on historical patterns? What does this suggest about needed strategic interventions? Do bottom line losses from turnover add to your business case? What other business problems are likely to occur in the near and midterm as a result of the patterns and forecasts you have formulated?

- ▶ Promotion statistics by gender and level:
 - What is the length of time individuals stay at one level before being promoted to another? What are the differences between the numbers of men and women? Is it common for men to be promoted more often than women? Slow progress from one level to another is called stagnation. Do your statistics show it exists? Do firm members regularly rationalize stagnation by saying, "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:
 - What percentage of women are participating in firm/organizational governing committees, such as management and executive board positions? What percentage of women are leading these governing groups? What is the history of women in leadership roles, such as board, managing/executive partner, other?
- ▶ Percentage of women in visible and/or notable business development positions within the firm:
 - What percentage of women make up these positions?

⁴ AICPA — [Women in the Profession](#)

Why has your organization turned to this publication? Are there warning signs that your firm's practices may not be optimal? Have concerns about the present or future prompted you to improve the retention and development of women? Record your thoughts and observations here.

Is there resistance to a formal, organized effort to retain and develop women leaders? What is the cause of this resistance? Where is the resistance? Partners? Board? Senior female leaders?

Do you have data from employee engagement or satisfaction surveys? What do differences in various statistics by gender indicate about the experiences of men and women in the firm? Are there differences and/or similarities by level?

If no data are available, are you willing to engage in a brief baseline survey to assist in further strategic diagnostic efforts? Are you willing to send the survey to both men and women to enable comparisons by gender and level? Alternatively, are you willing to include targeted questions relative to gender diversity in other surveys the firm periodically administers?

Do the statistics at the leadership level indicate a shortage of female role models? Are there multiple female role models of success in the firm? Are they visible to the women in the firm?

Do all top talent in the firm have access to sponsors? Are the sponsors and protégés oriented to their roles to enhance effectiveness? Do the sponsors have influence in the firm and actively advocate for their protégés, as described elsewhere in this guide? Are the sponsorships evenly divided between men and women? If not, is that situation rationalized as normal and inevitable?

Are women given fewer chances for networking opportunities for relationship building both inside and outside the firm than their male counterparts? Are women excluded from some opportunities because they have always involved men alone? [Examples include (with or without clients) lunch meetings, golf outings, sporting events, etc.]

As a result of being excluded from sponsorship and networking opportunities, are emerging women leaders less visible to influential leaders? Are they less prepared for important assignments? Promotions? Are they less knowledgeable about the business? Do these differences in experience affect their confidence when an opportunity arises? Do they contribute to assignment choices made? Do differences in experiences lead to continued stereotyping or assumptions?

Does the organization have a flexibility policy? Are women and men taking advantage of it? Does the firm have a flexible work culture beyond its formal flexibility policy? Is the use of flexible hours or reduced hours mutually exclusive with advancement? Have individuals using flexibility advanced? To what levels?

Is the current flexibility culture and/or policy contributing to success in retaining women or detracting from it? Is the culture of flexibility positively or negatively affecting the advancement of women in the firm?

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 gaps in the pipeline spotlight the impact of turnover and/or stagnation issues? Is the pipeline leaking or becoming clogged?

3.1a Summarizing Diagnostics

After reflecting on and documenting the answers to the questions above, how do you synthesize the information into meaningful conclusions? There are multiple ways to effectively bring all of the observations into clear focus and prepare for action:

- ▶ Carefully review all your observations and reflections throughout all of the sections you've completed so far.

- ▶ 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?
 - Do you have enough information to compile a list of implications?
 - Are there additional steps necessary to get more information?
 - Where are the firm's potential "blind spots," areas where rationalizing the status quo is common?
 - Do you need professional assistance to identify blind spots and encourage awareness of them?
 - Can you prioritize the implications for retaining and developing women leaders?
 - 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 own strategy, evolution, culture and barriers/success factors for women. It is important to analyze and diagnose the firm's current evolution honestly and accurately. If accurate assessment seems impossible based on the strength of current norms, resistance, fear and other concerns, then professional assistance can help in early phases of performing diagnostics.

One of the most common mistakes firms make is initiating a women's network before laying the proper foundation with a business case and diagnostics. Basic strategies such as flexibility and women's networks are tools in the tool box. Ironically, they are often the very tools that can lead a firm astray early in the process. Use of strategies and solutions will be discussed in more detail in the Solutions section.

Another common mistake is not communicating the business case and educational content to a broad audience. All firm members must understand these basics at some level. Partners/shareholders need the most detail, with managers a close second. Women need additional communication to raise their own awareness.

As these examples demonstrate, it is important to prioritize the implications from the strategic diagnostics carefully before designing a solution and corresponding action plan.

Phase Four: Proven Strategies and Solutions

4.1 Understanding Strategy Basics

Understanding the strategies that will best address your strategic diagnostics is part art and part science. Multiple strategies may be applied to one issue, such as turnover or stagnation. Similarly, one strategy may help to mitigate multiple issues, such as sponsor/advocacy programs or visibility. That's why it is important to understand the proven best-practice strategies, their purpose and multiple applications.

4.2 Customizing Organizational Strategies

▶ The Customized Business Case

▶ Link to Organizational Strategy

The purpose and essential nature of the customized business case is to create buy-in and alignment and maintain clarity of direction and purpose. It should be updated annually as the firm moves into new phases.

▶ Firm Leadership Commitment

The importance of top-down support and visible involvement cannot be overstated. One of the common missteps is to assign the gender diversity project to the HR department or to one or two of the most-senior women in the organization and expect them to effect change. Any effort to retain and develop women leaders must involve firm leadership and include both men and women in setting strategy and evaluating and continually revising approach. The effort must be tightly linked with firm strategy. It will be long-term in nature, since culture will not shift and metrics will not change overnight. Leaders must be able and willing to speak to the business case and to represent the effort to the board and other governance bodies as well as play a role in ensuring accountability from geographic and practice leaders.

3.2 Baseline Survey Sample: See Appendix B

For a diversity sample baseline survey, see appendix B of *Organizational and Developing Women Leaders*. This online tool is available for download at aicpa.org/pccps/wi and is customizable to your firm's needs.

▶ Business Leader Involvement

Geographic or functional involvement refers to the mechanisms that must be used to implement the strategies and action plans throughout the organization. The initiative must have a governance structure that aligns with those already in place within the organization. Leaders of business units 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. An annual report detailing the year's activity and progress should be available to firm leadership. If there are annual meetings within the firm to review the past year, a summary of results should be a part of the overall annual reporting. Metrics, both qualitative and quantitative, should be outlined at the start of the effort and updated annually as one component of annual review. These are generally not quotas. Baseline surveys are often used as a way to measure attitudinal and other culture shifts, making qualitative components more quantitative.

Any effort to retain and develop women and create a more inclusive culture must eventually become part of the way in which the firm does business and should not remain separate from other strategic initiatives. Focused gender diversity should be integrated in firm processes, procedures, reporting and accountability wherever possible to increase credibility and the institutionalization of the effort. A women's initiative committee does not need to own all of the solutions, but in some cases only be a catalyst to ensure solutions are being implemented successfully and in a manner that will be sustainable long-term.

► Awareness and Education at All Levels

Awareness and education are ongoing strategies that will never be complete. In the early phases, there will also be a greater push to ensure that leadership, owners, managers — in fact, all male and female team members — have a basic understanding of the barriers and success factors, as well as concepts such as unconscious bias, adverse impact and affinity. 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. Firm members will need to hear about the business case and basic educational principles more than once to ensure comprehensive across-the-board understanding. The level of detail should vary based upon the audience. Key messages should connect directly to the role the audience is expected to play in the culture shift and operational realities.

In some organizations, it is necessary to move more slowly and engage in more education and awareness training due to the culture, degree of unconscious bias or resistance. Slower progress may occur in organizations that have had little success in retaining and developing women, such as firms with few, if any, women partners.

4.3 Customizing Individual Strategies

► Advocacy/Sponsorship

Encouraging advocacy/sponsorship efforts is one of the most important and challenging of the strategies to undertake. Sponsors offer organizational awareness, tips on political navigation and access to appropriate opportunities with a deep understanding of proper career timing. There are many ways to implement the sponsorship programming, but, as noted, in all cases, sponsorship is an essential factor relative to being elected partner or shareholder. Advancement to positions of influence within the partner group also depends on the sponsorship of those already in positions of power and influence. It is not a coincidence that most sponsorship takes place at the ownership and leadership level, where the fewest women are represented.

Since sponsorship starts long before the leadership level, 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.

In the business case and strategic diagnostic sections, we discussed the importance of understanding the pipeline of men and women at each level. Firms should consider whether women with leadership potential have sponsors.

► 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.

Their efforts will cause a ripple effect that will spotlight barriers once invisible and make them easier to mitigate. All this is accomplished with layered, steady, consistent education on gender diversity as a business issue that is included in multiple formal and informal educational offerings.

► Networking

Women's networks are a frequently used but often poorly executed strategy. Many firms believe the only strategy needed to retain and develop women leaders is the formation of a women's network. On its own, a women's network will not have a significant long-term impact, any more than a flex-time arrangement implemented in isolation will single-handedly bring about change. Women's networks must be used strategically and with skill.

Women's networks can play an important role in filling the gaps left by the lack of sponsorship and advocacy and assisting with the lack of access to female role models. Women need hope and a sense of belonging to believe they can survive and thrive in organizations that to date do not have a successful track record of women's advancement. Networks should be organized based on these observations and best practices:

- All content should be business-focused and fill gaps in learning that women face as a result of the lack of sponsorship

- The social aspects are important, but not the main purpose. In fact, networks that seem purely social can trivialize the effort
- Network events should feature consistent messaging and branding about the business case and the firm's approach to retaining and developing women
- Networks should consider hosting events that include men
- Networks give women excellent access to visible female role models and the different paths they have taken, as well as offer them tips, techniques and lessons learned
- The further a woman moves in her career, the more likely she will experience isolation as she encounters fewer women peers. Women at senior levels must have the opportunity to network with female peers inside and outside the organization
- Networks are often used in early phases of a career to give women the chance to be involved in business development and recruiting. Prospects and referral sources may be included in the events, as might alumni, interns or women interested in joining the firm
- Care should be taken to ensure that women's networks do not host events that stereotype women. Charity events, fashion shows, overly feminine parties and similar social events should be avoided. There is nothing inherently wrong with these types of events, nor should any woman be ashamed of participating in them, but they draw attention away from the business purpose and outcomes the firm wants to achieve

► Role Models

Visible female role models can have a powerful impact on a firm's efforts toward greater advancement of women. As noted, women's networks can offer visibility to role models inside and outside the firm. 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, since women professionals are not all alike.

► Career-Life Integration Support

No firm can successfully retain and develop women without a commitment to building a flexible work culture for all. 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. There are thousands of examples of women and men who work flexibly who are also leading at high levels. As an AICPA article notes, "Building a flexible work culture is a business strategy that supports the accomplishment of other business strategies. The business case for flexibility is supported by a deep connection with many common business strategies in play today at most organizations. These business strategies include: top talent attraction and retention from all pools of workers, productivity gains, improved client service and satisfaction and improved business effectiveness."⁵

4.4 Finalizing the Plan: Continuous Evaluation of Outcomes and ROI

This is where your firm puts the pieces together by using the business case, diagnostics and best practice strategies, to guide the firm's selection of the strategies that reflect its current diagnostics. Determining a plan for the first 12 months, as well as a tentative-but-documented plan for the next 24 to 36 months, is recommended because it encourages the team to focus on urgent priorities yet not lose sight of those that will be important down the road.

The plan is unique to each firm, its structure and resources. There may be commonalities in some plans, but none are identical.

When setting priorities based on the greatest business impact, ask these questions: Is this a retention initiative? Is this a retention and advancement initiative? Is this effort one aspect of succession planning and/or leadership development? How does it serve your firm's business case?

Each plan should have strategies and action items that detail the necessary steps to implement the strategy.

Strategies that increase the visibility of women internally and externally and the development of an equitable sponsorship model within the firm are examples of

⁵ "Flexibility: The Business Case," Mary L. Bennett (AICPA)

effective approaches to gender diversity initiatives. Action items should have a primary owner as they are the very specific steps that allow a firm to carry out the strategy.

Depending on the size of the firm, an acting project manager might be responsible for keeping the plan up to date and communicating deadlines and milestones.

The effort should be run as a significant ongoing strategic initiative. The steering committee is ultimately responsible for design and evaluation of current strategies relative to desired outcomes.

Prioritize carefully. A common misstep is to take on too much too soon. What is done must be done well, resources must be invested and results analyzed. Short-cutting these steps will cost time, money, reputation and people. Most firms feel a fair amount of urgency once they understand the business case for change. For some, there is extreme urgency, often driven by the pipeline or lack thereof. The assessment of business impact drives the urgency behind creating strategies and action items, making fundamental changes and investing resources.

Many firms use AICPA WIEC⁶ resources and even outside consultants to assist with aspects of the effort, including validating diagnostics, strategy formulation, ongoing advisory assistance and execution of elements, such as the business case or formulating content for education and awareness. The path taken is always unique for each firm. Firms benefit from the education and awareness gained in discussion and benchmarking in forums such

Conclusions

This guide is intended to raise awareness and provide education to firms seeking to retain and develop women leaders. This tool provides insight to organizations that are new to this effort as well as firms with existing initiatives that need to be enhanced. When implementing these strategies, place emphasis on the business case for gender diversity initiatives, and the rest will flow from there.

as the WIEC Organizational Strategies Workshop. In addition, accounting associations and social media channels with specific subgroup communities, such as the AICPA Women in the Profession subgroup on LinkedIn, can be very valuable resources for all firm members.

Metrics are the final consideration when wrapping up the plan. They are one tool firms can use to gauge progress. Metrics are not quotas but rather parts of the annual scorecard used in judging the firm's effort to retain and develop women leaders. Metrics may include percentage of women employees by level, turnover percentages, representation of women and men at leadership levels, stagnation metrics relative to the progression of men and women through various levels, as well as use of surveys for quantitative representation of qualitative data. (See Business Case and Diagnostics reflection sections.)

4.5 Action Plan Template: See Appendix C

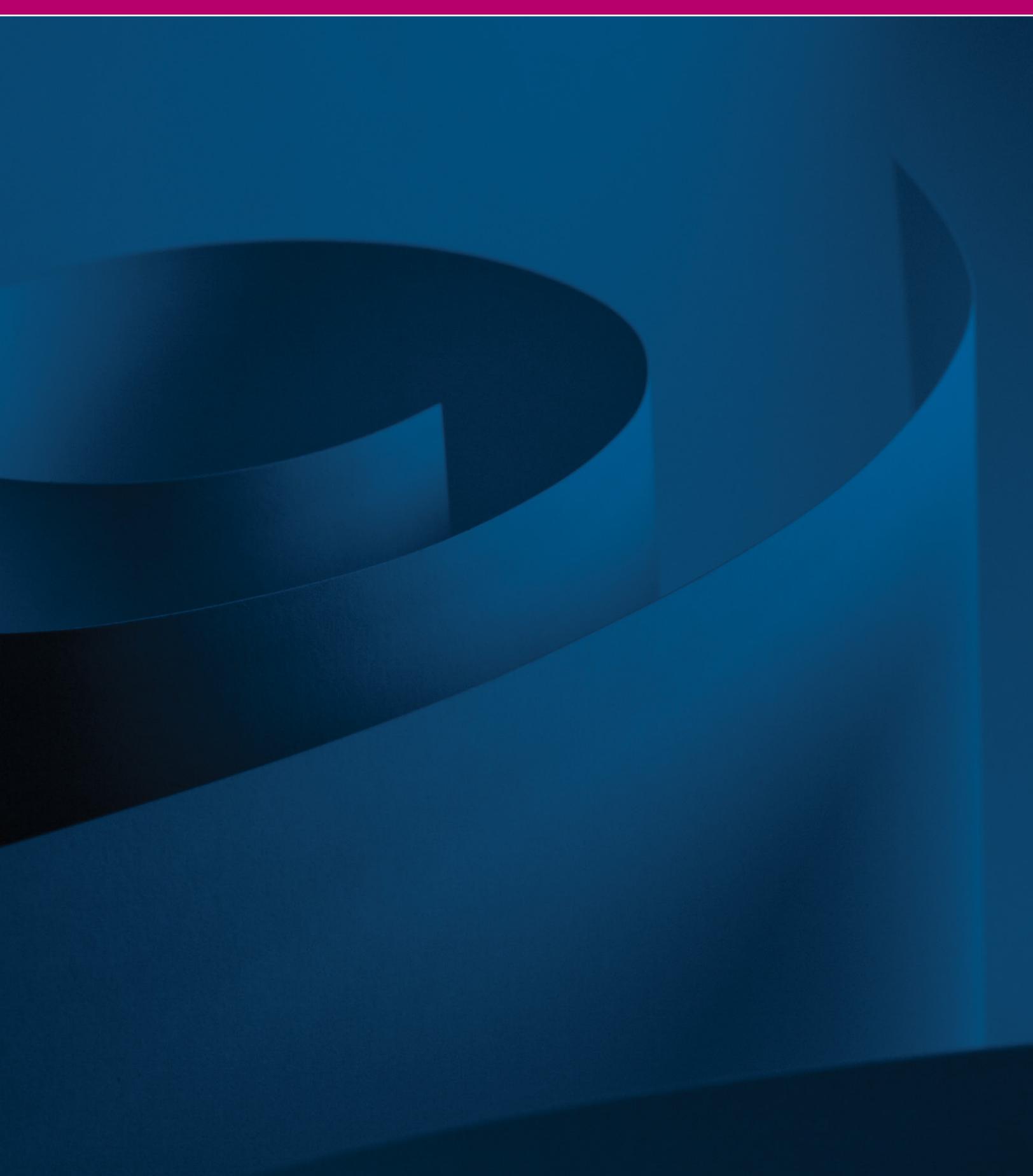
For a sample Action Plan, see appendix C of Organizational and Developing Women Leaders. This online tool is available for download at aicpa.org/pcps/wi and is customizable to your firm's needs.

4.6 Steering Committee Charter Template: See Appendix D

For a Steering Committee Charter Template, see appendix D of Organizational and Developing Women Leaders. This online tool is available for download at aicpa.org/pcps/wi and is customizable to your firm's needs.

Thank you for bringing this guide along on your journey. See additional online tools for assistance as you move forward.

⁶ aicpa.org/pcps/wi



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