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# Balancing Act: Trends and Current Issues of Retaining and Promoting Women in Accounting

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# Balancing Act: Trends and Current Issues of Retaining and Promoting Women in Accounting

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## **I. Introduction**

Balance. In accounting, balance is a guiding principle of the trade. Assets, Liabilities and Equity need to be balanced. The industry as a whole needs to be perceived as fair, stable, and balanced in the public eye. Firms need to be independent and balance their commercial endeavors with reliable assurance. Individually, employees must balance the time demands of “busy season” with personal obligations at home. While each level of this hierarchy comes with different challenges to be resolved, one pervasive issue among all levels is the issue of balancing gender in Public Accounting.

At the lower levels, for those graduating with degrees in accounting and entering firms as new hires, the gender breakdown is roughly equal. As one moves up the management ladder, however, the demographics do not reflect the balance seen at lower levels. Only about one quarter of the partners at all firms are women. Since women are entering the profession in equal numbers, their exclusion from the top leads to two conclusions; either firms have difficulty retaining women long enough for them become a partner, or firms have not been promoting women through the ranks at the same rate as they have promoted men.

In recent years, various initiatives have been aimed at combatting these two issues, yet the numbers still reflect an uneven distribution. Recently introduced programs like Alternative Work Arrangements and post-senior manager positions have brought some positive change, but these relatively new concepts still have their drawbacks. Women’s representation in accounting has been trending upward and great progress has been made, but there are still issues that need to be overcome in order to achieve complete parity in the profession.

Several surveys of accounting professionals in recent decades have contributed to a better understanding of gender differences and general suggestions for improvement in the field. The

following literature review summarizes historical and recent data in an attempt to paint a portrait of the state of the profession in regards to gender issues. Results of a survey created and distributed are also analyzed, to learn more about accounting student's perceptions of their future careers. Together, the literature and survey provide a look at how far women, and the accounting firms they work for, have progressed, their current status, and where they still have to go.

## **II. Background**

### **History**

Women's participation in Public Accounting is fairly recent. The first recorded effort to include women in the field came from the United Kingdom in 1900. By 1901 there were two female accountants in the country (Lehman, 1992). As time went on, and after much debate from men with differing opinions, women in both the UK and the United States slowly gained the ability to practice – at least in theory. In order to become a certified public accountant (CPA), one needed experience working with a public firm. In the earlier years of the twentieth century, although they were legally allowed to practice, it was difficult for women to gain this initial required experience for certification. The law and the official statements of various accounting societies did not exclude women from the profession, but societies, firms, and the men who dominated them did. Women were perceived as inferior candidates to men. Clients claimed not to trust women's work, the long hours and travel requirements were deemed unsuitable for women, and conventional wisdom held that women would quit the firm once they got married or had children (Lehman, 1992). In addition to these stigmas, many colleges did not offer accounting as a major to women, or otherwise did not encourage them to pursue the career, resulting in fewer qualified female accounting candidates.

Because of the many barriers to certification, for much of the 20<sup>th</sup> century, a majority of women were confined to secretarial and clerical roles, unable to partake in client service. In 1933, the Women's Society of Certified Public Accountants was founded with only 130 members. Later, in 1940, about 475,000 women were employed as bookkeepers, while only about 18,000 were accountants and auditors. Furthermore, only 175 out of the total 16,000 certified public accountants in the country were female (Lehman, 1992). Though women were slowly gaining representation, these statistics reflect women's exclusion from the profession, and especially from official certification, throughout the early decades of the twentieth century. Beginning in 1940, though, with the onset of World War II, women took on a newfound importance in the accounting sphere.

As men left or were drafted to serve their country in the war, accounting firms that had previously only hired men found themselves with a drastically reduced workforce and no graduating new hires to fill their needs. It is estimated that firms had lost about one third of their workforce by 1943 (Spruill & Wootton, 1994). At the same time, war industries required audits, so the demand for accounting professionals was high. In order to meet the need for increased audits with a reduced workforce, many firms began hiring women who had relevant backgrounds in accounting. The number of women employed as accountants tripled in the 10 years between 1940 and 1950, from about 18,000 to about 55,000 (Spruill & Wootton, 1994). Once men returned from the war and graduated from college on the GI bill, though, there was a surplus of accountants. Many firms reverted to their old hiring practices in which they gave male candidates precedence over females.

Although firms preferred to hire male accountants in the years following the war, World War II was still a significant milestone for women in the profession. Their participation during

this time increased the number of women employed as accountants and indicated to firms and clients that they were equally as capable as men of being successful in this line of work.

Universities also changed to an extent, in that most stopped openly discouraging women from majoring in accounting. Women's inclusion in accounting during the war years laid the foundation for many significant advances to come.

In the following decades many legal decisions contributed to women's advancement in accounting. Notably, the Civil Rights Act of 1964's title VII came into effect. Title VII prohibited discriminatory hiring and firing practices based on factors like sex (Lehman, 1992). Following the creation of this law, it was amended in 1978 to also prevent discrimination based on pregnancy. With increased legal rights, women were able to steadily gain more opportunities in the field. Toward the end of the 20<sup>th</sup> century female representation increased. In 1979, about 34% of all auditors were female. Later, in 1986, that percentage had increased to about 45% (Lehman, 1992). Since then, professional accountants have maintained a steady ratio of males to females.

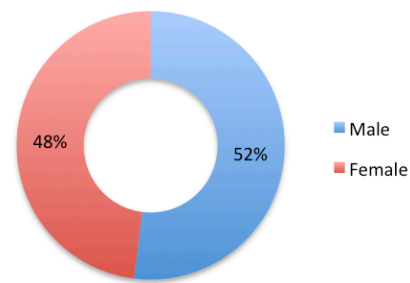
### **Current Demographics**

After much improvement of women's position in the accounting field before the turn of the century, the more recent demographics reveal trends in the current state of accounting. The American Institute of Certified Public Accountants (AICPA) publishes an annual report on the status of supply and demand in accounting, breaking down the data based on factors like gender, region, firm size, and level of education. Because the AICPA has been engaged in collecting this information for several decades, their infographics reveal both the progress that has been made, and the work still left to be done.

### ***Graduates and New Hires***

Using data from 2014, the AICPA recently found that the gender distribution among recent accounting graduates and entry-level new hires at firms is about equal. Bachelor's and Master's degree graduates combined were 48% female and 52% male

**Accounting Graduates (BA & MA)**



(American Institute of Certified Public

Accountants, 2015). This statistic shows that men and women are equally interested in and committed to accounting as a major. Given that women were once prohibited from studying accounting in college, the current equality of interest demonstrates the great progress that has been made in the past several decades.

The demographics of new graduates hired at CPA firms were slightly more balanced, at 49% female and 51% male. While this equality is positive news, in terms of trends over the past 14 years, the 2014 ratio actually reflects a generally downward trend for females. Women's position peaked in 2003, making up over 60% of new accounting graduates hired. Since then, the percentage of women as new hires has steadily declined, with only one upturn in 2010. Still, the demographics are about equal as of 2014, making it clear that accounting firms recognize the equality of men and women's skills and hire new graduates at about equal rates.

### ***Partners***

The most glaring disparity appears when examining the overall gender makeup of partners. Among all firms, women are only 24% of partners. The fact that less than 1/4 of partners are female indicates that there is still major progress to be made in terms of women's representation in upper-level positions. In the year 2000, women were 55% of new hires (AICPA



, 2009). In general, it takes about 10-15 years for an accountant to make partner (Baysden, 2014).

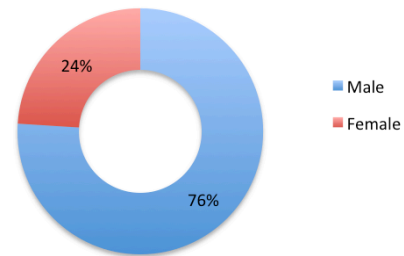
Therefore, the trend of women's equality as new hires is not so recent that they would not have made partner yet. If all other factors remained equal, women and men should be progressing to partner at a relatively equal rate, and women should make up more than one quarter of partners.

The disproportion at the partner level reveals a major issue for women in accounting and leads to two major conclusions. First, firms have difficulty retaining women for the number of years required to be promoted to partner. Second, firms are retaining some women but failing to promote them.

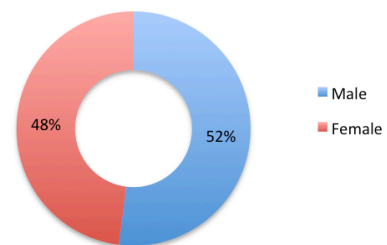
### ***Demographics By Firm Size***

When considering the demographics of all CPA firms, some interesting patterns arise. Of all professional staff in all firms, about 48% are women. That number drops slightly when narrowed to examine just Certified Public Accountants. Women make up just 41% of CPAs (American Institute of Certified Public Accountants, 2015). Smaller firms tend to have above-average female representation, while large firms are generally below this average. As the firm size increases, the percentage of female professional staff and the percentage female CPAs decreases.

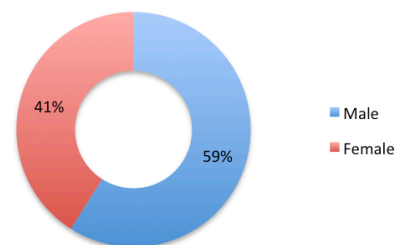
**Partners - All Firm Sizes**



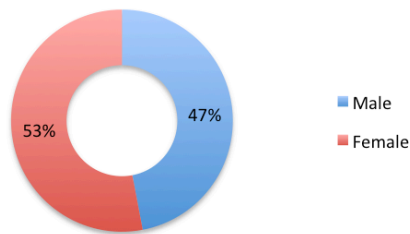
**Professional Staff - All Firm Sizes**



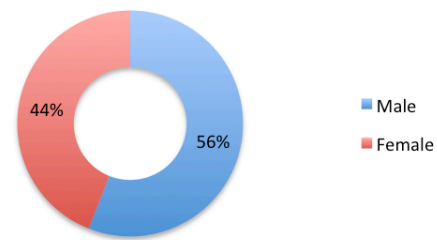
**CPAs - All Firm Sizes**



**Professional Staff - Firms with Less than 10 CPAs**

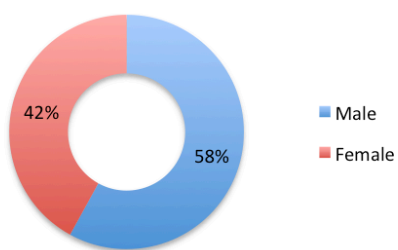


**Professional Staff - Firms with more than 200 CPAs**

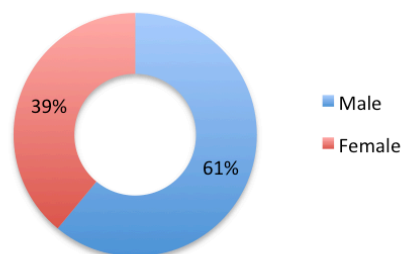


When considering all professional staff at all firms, men and women are fairly equally represented with 52% men and 48% women. When broken down to examine different firm sizes, it becomes evident that smaller firms attract more women. Women make up the majority of staff at firms with less than 10 CPAs. They represent 53% of professional staff at firms of this size. At larger firms with more than 200 CPAs, women's representation drops by 9%, as they make up only 44% of professional staff.

**CPAs - Firms with Less than 10 CPAs**

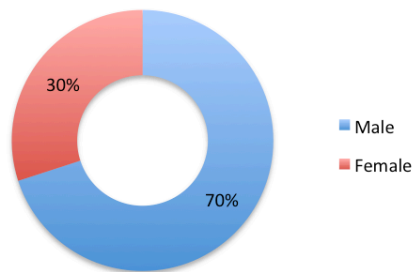


**CPAs - Firms with More than 200 CPAs**

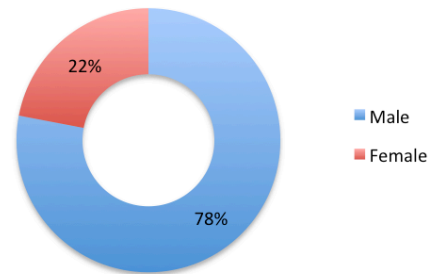


Small firms do slightly better than average in terms of CPAs specifically. In firms of less than 10 CPAs, 42% of those with a CPA license are female. In large firms of over 200 CPAs, women make up only 39% of CPAs.

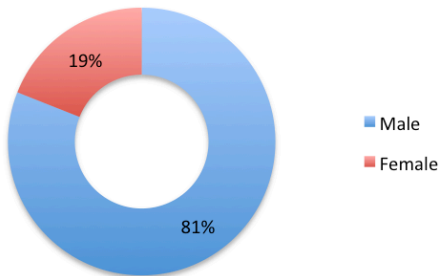
**Partners - Firms with Less than 10 CPAs**



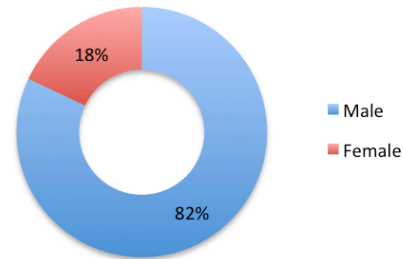
**Partners - Firms with 10-50 CPAs**



**Partners - Firms with 50-200 CPAs**



**Partners - Firms with more than 200 CPAs**



Looking again at the partner statistics among firms of various sizes, the issue of partnership becomes more prevalent. As the firm size grows, women's representation as partners shrinks. In firms with less than 10 CPAs, women are 30% of partners. At firms of 10-49 CPAs, 22% of partners are women. Firms of 50-200 CPAs have 19% of partners as women, and at firms with more than 200 CPAs, 18% partners are women. The difference of 12 percentage points between the smallest and largest firms indicates that the largest firms have the most difficulty retaining and promoting women. Insights for some of the causes of this misrepresentation can be gained from prior research relating to gender, work-life balance, and current practices in the field.

## **Insights Gained**

Since women first began entering the accounting profession, much progress has been made. From only 175 female CPAs in the country in 1940, to nearly equal new hire rates today, women's pursuit of an accounting career has increased drastically. Still, the demographics reveal that while women are increasingly studying accounting and getting hired at firms, there is not complete parity across all levels of the profession. Women represent a larger share of professionals at smaller firms, which is positive news, as opposed to large firms employing over 200 CPAs where women are slightly underrepresented. Partner demographics are also cause for concern. Across all firm sizes, women comprise very low percentages of partners. Women are not being promoted to the upper-level management positions. It can be inferred that this lack of women at the top is either a result of firms failing to promote women, or firms' struggle to retain women. Accounting literature delves further into these issues, offering more details on issues facing the field, programs currently in place to solve these issues, and their effectiveness thus far.

## **III. Current Issues, Trends, and Programs**

As reflected in the partner demographics of the AICPA (2015), women are not advancing to the higher levels of accounting organizations, even though they are entering at equal rates. The general consensus among those in the industry is that this disproportion is a result of firms' difficulty retaining and promoting women. Accounting literature offers more insight into factors like burnout, work family conflict, and turnover intentions that contribute to these issues. Recent literature also analyzes various programs such as post-senior manager positions, and Alternative

Work Arrangements that have been put in place to try to progress past this point in accounting history.

### **Burnout, Work-Life Balance, and Turnover**

Accounting has long been believed to be a demanding career, and recent studies have concluded the same. Long hours, travel requirements, and other work demands can interfere with professionals' lives at home. Work-life conflict, burnout, and high turnover are prevalent issues for all accounting professionals, but affect women in greater rates. It has been proven that work-life conflict and burnout lead to lower job satisfaction, which often ultimately results in turnover.

#### ***Burnout***

Burnout is a common issue that affects public accountants more than professionals in other fields. The combination of "busy seasons," deadlines, and other job stressors can leave employees exhausted. Burnout consists of emotional exhaustion, reduced personal accomplishment, and depersonalization. In general, those experiencing burnout feel a lack of energy for their work, a lack of achievement or competency, and/or a detachment from clients and others at work (Guthrie & Jones III, 2012). They do not feel meaningfully involved in their work, which can have many consequences for the firm including reduced quality of work, reduced efficiency, lower productivity, and retention issues.

According to a 2012 study by Guthrie and Jones, men and women in public accounting experience similar levels of burnout. Their emotional exhaustion is manifested in different ways, however. Women are more likely to feel a reduced sense of personal accomplishment. They may feel that they are not competent enough for the job, or that they are not achieving as highly as they should be. Women's reaction to burnout is most highly correlated with higher turnover intentions. When they feel as though they are not achieving, they consider leaving the firm. Men,

on the other hand, experience depersonalization when they become burned out. They may no longer connect with clients or others in the office. Men's experiences with burnout are most highly correlated with decreased job satisfaction, but not necessarily with turnover.

Another study extends this research, by examining burnout based on firm size. "A Contemporary Analysis of Accounting Professionals' Work-Life Balance" (2016) asked survey participants to rate their level of agreement with several different statements representative of burnout. Some statements like, "I feel emotionally drained from my work" aimed to understand whether work exhausted employees. Participants were also asked to react to the statements that would gauge whether accountants felt that their work was meaningful. For example, strong agreement with the statement, "I feel like I am positively influencing other people's lives through my work" would indicate less burnout. Results of the study determined that employees of Big 4 firms on average were more likely to agree with exhaustion statements, and less likely to agree with the more positive statements about their work. The conclusions suggested that employees at Big 4 firms experience the most burnout. Employees of small local firms reported the least amount of burnout, while midsize firm employees fell somewhere in the middle.

### ***Work-life Conflict***

Work-life balance has been defined as "satisfaction and good functioning at work and at home, with a minimum of role conflict." This means that employees can remain satisfied and effective at their jobs, while also keeping up with commitments at home. When these two roles are incompatible or are in opposition, however, there is work-life conflict. Often the commitments outside of work stem from family demands, like caring for children or aging loved ones. A 2006 study by Pasewark and Viator entitled "Sources of Work-family Conflict in the Accounting Profession" (2006) refers to this specifically as work-family conflict. The study breaks work-

family conflict down further into WIF, or work interfering with family, and FIW, or family interfering with work. In a WIF scenario, a professional may feel that they are spending too much time at the office, and are not available at home enough. In a FIW scenario, an employee may feel as though they have to leave work frequently to care for children.

The results of the survey revealed that both men and women experience similar levels of conflict. Work interfering with family was proven to have a negative effect on job satisfaction for both genders, whereas family interfering with work had very little effect on satisfaction. Therefore, when work causes professionals to miss out on family time, that professional enjoys their job less. If their family interferes with work commitments, however, they do not experience a change in attitude toward their job.

Bucheit, Dalton, Harp, and Hollingsworth's "Contemporary Analysis" (2016) echoed Pasewark and Viator's findings that men and women experience similar levels of work-family conflict. It can be concluded that the profession as a whole creates issues with work-family conflict. This more recent study, though, looked at the conflict based on firm size. To assess this dimension of conflict, the survey asked participants to react to statements such as, "the demands of my work interfere with my personal life (home, family, or leisure time)" and, "the time demands of my job make it difficult to attend to home, family, or personal responsibilities." Researchers then took the mean level of agreement with statements like these to understand the accounting professionals' average sentiments. The results of the survey were divided into Big 4 responses, midsize firm responses, local firm responses, and industry responses to reveal greater insights. When analyzed by firm size, it is clear that the issue of work-family conflict is greatest for employees working at Big 4 firms. Midsize firm employees reported less conflict than Big 4 employees, but more than local firm employees for nearly every factor. Finally, local public

accounting firms experienced higher conflict than industry accountants employed in areas other than public accounting (Bucheit, Dalton, Harp, & Hollingsworth, 2016). Just as was the case in burnout, Big 4 firms create more conflict and stress than smaller firms. As firms get smaller, conflict is reduced.

These two studies reveal important insights about the state of accountant's work-life balance. Evidently, public accounting professionals experience greater conflict between work and family than do accountants within industry. Large firms, in particular, create more conflict between work demands and family demands for their employees. Prior research indicates that when families interfere with work, job satisfaction remains unchanged. When work interferes with families, though, both males and females employed in accounting experience similar levels of reduced satisfaction. This finding may be contrary to popular belief, as stereotypes about working women tend to imply that women experience more work-family conflict.

### ***Turnover***

Both high burnout and high work-life conflict culminate in issues of turnover. When professionals feel emotionally exhausted from their work, they are likely to leave the firm. Additionally, when work interferes with family life, turnover intentions increase, as professionals aim to balance their demands. A number of other factors contribute to accountants' turnover intentions as well. The troubling problem is that women's turnover rates in accounting are very high when contrasted with men's (Pittman, Gaertner, & Hemmeter, 1986). If women are leaving firms in large numbers, they cannot be promoted to upper management and increase female representation at the top.

Men and women's job satisfaction decreases to a similar extent when work interferes with their families, but this dissatisfaction leads to worse outcomes for women. Lower job satisfaction



caused by work interfering with family prompts turnover intentions in women more often than in men. Both genders experience some amount of pressure to leave the firm when WIF occurs, but women in particular experience more of this pressure. The same study found that family interfering with work did not lead to higher turnover intentions in either men or women.

While the 2006 finding from the “Sources of Work-family Conflict in the Accounting Profession” study seems to suggest that women leave the firm because of family demands, other studies have demonstrated that this does not always hold true. In a 1986 study by Pittman, Gaertner, and Hemmeter, many gender stereotypes were disproven. The study “A study of Male and Female Employee Turnover in Public Accounting Firms” asked men and women who had left firms to rate to what extent given factors played into their decision to leave. Factors ranged from “physical illness” to better opportunities elsewhere. Some of the factors presented pointed toward stereotypes about women’s participation in the field. Historically and still today, many believe that women will leave their careers after marriage or to care for a family. In the 1986 study these perceptions were proved untrue based on women’s responses to the items “family demands” and “transfer of spouse.” The results showed that these factors did not significantly play into women’s turnover decisions. Instead, items like “dissatisfaction with firm direction,” “overtime demands,” and “quality of job assignments” were rated as significant factors in their decisions. Issues with supervisors were also significant factors. Although this data is somewhat outdated, many of the same stereotypes that existed then still hold true in society today. Considering the fact that women have only gained representation in accounting since this report, it seems unlikely that their turnover intentions have shifted to be more related to stereotypical gender roles.

The information from these two studies reveals two important insights for firms. First, work interfering with families does, at times, increase turnover intentions. Women experiencing

high levels of conflict without any opportunity to relieve some of this conflict may be inclined to leave the firm. It should also be noted, however, that turnover intentions are not always related to family demands alone. Job quality and other factors over which the firm has control are also likely to influence women's turnover intentions. Firms unable or unwilling to help employees accommodate family balance risk losing female workers. At the same time, focusing too much on work-family conflict can also be a mistake. Low quality job assignments, excessive overtime, and dissatisfaction with the firm's direction can also persuade women to leave a firm. These issues need to be resolved or improved in order to retain more women to eventually be promoted to the upper levels of accounting.

## **Mentorship**

In any organization, formal and informal mentors are important to maintain company norms and keep employees engaged. Within accounting firms, where long hours and high stress lead to high burnout and high turnover rates, mentors serve multiple important purposes at all levels and for all genders (Viator, 2001). Women in particular benefit from having mentors as they climb the ladder toward upper-level management, where their representation quickly diminishes. Mentors can help female accountants navigate their career paths by advocating for them, alleviating role stress, and by providing an example through their day-to-day behaviors.

## ***Advocacy***

As a mentor, a person in an upper-level position has the opportunity to support women below them as they progress through their careers. This type of career support may come in many forms. For example, a superior mentor may help another woman to procure higher-profile projects by asking for the subordinate to join an engagement team. Any opportunity to work on a big or important project advances a woman's position within the firm. When it comes time for

promotions in the company, a mentor may recommend their protégé for a higher position, once again advocating for the protégé when she may not advocate for herself. Even helping women navigate any workplace politics is an important mentorship function that helps women work toward upper management positions (Viator, 2001). In all of these ways and more, mentors play an important role in improving women's upward mobility in a male-dominated upper-management structure. Mentor sponsorship allows women who may otherwise be overlooked the visibility and equity of access to projects and positions.

### ***Role Stress***

At the same time that mentors serve an important role in advocating for women, they are also critical in reducing some of the stressors that come with the job and accounting environment. In his study "The association of formal and informal public accounting mentoring with role stress and related job outcomes" (2001), Ralph Viator examines the effect of both formal and informal mentors on role stress and job outcomes. Formal mentors are those who are assigned to other employees through a company program, whereas informal mentors pair up after getting to know one another for a period of time. In this research, role stress was defined by factors like role ambiguity and role conflict. Role ambiguity occurs when an employee's exact duties and responsibilities are unclear (Rizzo, House, & Lirtzman, 1970). The employee isn't given enough information and cannot make decisions, which may cause frustration or anxiety. Role conflict is a result of multiple superiors sending mixed messages regarding employee expectations (Rizzo, House, & Lirtzman, 1970). Role conflict causes stress and the employee will not perform the job as effectively as possible. The study measured employees' job performance based on their most recent performance evaluation as well as their perception of the likelihood that they will be promoted. Additionally, it measured employee's turnover intentions based on if they were considering leaving the firm and their reported probability of looking for another job.

When analyzing the results of this study, Viator found that informal mentors are particularly important at many levels. As compared to formal mentors, informal mentors were more effective at lowering role stress among the sample. This finding is important when considering some of the study's other findings. For example, Viator confirmed that role ambiguity was negatively associated with job performance, meaning that if the employee's role is ambiguous, their job performance will be negatively affected. Similarly, both role conflict and role ambiguity were positively related to an employee's turnover intentions. Thus, if an employee is experiencing ambiguity or conflict in their position, they are more likely to leave the firm. After analyzing the data by gender, it became evident that for women in particular, informal mentors were positively related to job performance. If a woman has an informal mentor to refer to, her performance will be improved.

Viator's study confirms many of the suspicions surrounding mentors. Informal mentors in particular are needed to reduce turnover-causing stressors like role conflict and ambiguity. As role stress is reduced, job performance will improve. Prior studies have also suggested that same-gender mentorship relationships offer more support than do cross-gender mentorship relationships (Viator, 2001). Thus, it is essential that women have female mentors for maximum benefit.

### ***Self-Perpetuating Cycle***

Given that the presence of female mentors is so influential on the success of female subordinates, the lack of women at the top of organizations becomes an even more consequential issue. In fact, the absence of women in partnership positions is a result of a self-perpetuating cycle. As previously mentioned, only 24% of partners are female as of 2014 (American Institute of Certified Public Accountants, 2015). With so few women in these upper-level positions, there are very few visible mentors for lower-level employees to look up to. Without mentors, role stress

is increased, thereby decreasing job performance and increasing turnover intentions. As a result, women do not advance through the company. Women without mentors have no advocate lobbying for their promotion, they may not have worked on high-quality projects that would get them noticed, and their job performance may have suffered as a result of role stress. For all of these reasons, or because women have left the firm, few female junior employees are promoted. With very few women rising through the ranks, the problem of having so few women at the top is prolonged, starting the cycle again.

Mentors' ability to help reduce role stress benefits the company because turnover intentions are reduced and job performance increases. Women with mentors, especially same-gender mentors, are more efficient and productive. Superior mentors also act as advocates within the firm, allowing their protégés opportunities for better projects and promotion. All of these actions contribute to creating an equitable workplace, as they retain and promote women throughout their careers. Since the research shows that informal mentors are the most effective mentors, the firm does not have to be directly involved in mentorship relationships. Instead, the company should encourage women to seek out mentors with whom they connect on a personal level. By encouraging mentorship among employees, firms can create an atmosphere where women are supported, leading to increased retention and better promotions.

### **Post-Senior Manager Positions**

In an effort to keep more women with the company over time, and promote them accordingly, a new trend in firm structure has emerged. Many firms have created a "Post-Senior Manager" (PSM) position in recent years. Sometimes referred to as "Principal" or "Director," these positions are highly variable between firms, but are always a position that employees are promoted to after having worked as a senior manager (Almer, Lightbody, & Single, 2012).

Because post-senior manager positions are a fairly recent trend with ambiguous descriptions, not much is known about their impact on the accounting field or their impact for women specifically. There are, however, many opinions in the industry that are important to take note of.

In a study by Elizabeth Almer, Margaret Lightbody, and Louise Single, a literature review and survey of women in the industry revealed the uncertainty surrounding post-senior manager positions. For instance, it is unclear where on one's career path these positions generally fall. As a senior manager in some firms, a promotion to a non-equity position is one step toward a subsequent promotion to an equity partnership position. At other firms, however, the same promotion to a non-equity partnership position is the final possible promotion within the firm. The PSM is a terminal role, without an opportunity to move into a partnership position later. Whether or not the position is a terminal destination can also vary on a case-by-case basis according to survey respondents.

Most firms advertise the position as a step necessary before partnership. It is described as a chance to teach employees the skills they will need before taking on a partnership role with increased responsibilities. Taken at face value, this is a positive description of a post-senior manager position, as it allows both men and women to progress through the company naturally, gaining the skills necessary for success as they move into new positions. The results of the survey, however, indicate that the position is often seen as a "trial" run before partnership. If a candidate does not appear to take on the leadership skills and responsibilities necessary for further promotion, they may stay at the PSM level.

Still, the post-senior manager position has its benefits for some. Survey results revealed that 64% of female professionals surveyed believed that these positions "somewhat" retained experienced professionals. 32% believed that they retained professionals "quite a lot" (Almer,

Lightbody, & Single, 2012). It was also discovered that the professionals surveyed felt that PSM positions improved technical expertise and improved client service. Therefore, it can be interpreted that the emergence of these positions has somewhat reduced turnover while improving high-quality client service. Qualitative responses collected by the researchers also indicated that, even as a terminal position, a PSM role could be enticing for those who do not aspire to become equity partners.

While post-senior manager positions have their benefits of retaining employees and providing an extra level of promotion opportunity, the concerns are revealed in the statistics. In 2005, a survey by the AICPA reported that women are disproportionately promoted to post-senior manager positions. Women make up 48% of PSM promotions, but only 17% of promotions to equity partnership positions (Almer, Lightbody, & Single, 2012). Additionally, of the women surveyed, only 10.7% aspired to a post-senior manager role, while 68.8% aspired to become an equity partner. Clearly, for the majority of women, the PSM position is not a desirable destination. Furthermore, 74% of survey respondents indicated that firm leadership makes the decision of whether an employee is promoted to a PSM position, rather than the individual (Almer, Lightbody, & Single, 2012). Although these statistics are limited, they do raise concerns. Women do not aspire to PSM roles, but they are disproportionately promoted into them at the discretion of firm leadership. Aside from often being terminal positions, PSM roles do not have the prestige or benefits that come with equity partnership. Post-senior managers are compensated about half as much as equity partners, and are excluded from the networks that partners enjoy (Almer, Lightbody, & Single, 2012). Considering that women are disproportionately promoted to these non-equity positions, some have expressed concern that PSM roles reinforce the glass ceiling.

While post-senior manager positions were intended to create a more flexible alternate career path, more information about their use in differing firms and their impact is needed to fully understand their future. In some ways, PSM roles have been effective at retaining employees and providing improved client service. At the same time, though, some personal experiences indicate that initial retention is not long lasting if the position is terminal. If women are disproportionately promoted to PSM positions and not to the partnership positions to which they aspire, it is foreseeable that the addition of PSM positions will not create the desired parity among partners. They run the risk of becoming a “mommy track” where women trying to balance work and family commitments are retained in the short term, but still fail to get the promotions they desire.

### **Alternative Work Arrangements**

Alternative Work Arrangements (AWAs) are another solution that several firms have implemented in an attempt to equalize the gender make-up of firms. Firms are increasingly offering new types of AWA programs in order to help reduce work-life conflict. In part, AWA programs attract new talent to firms, because millennials value work-life balance more than other groups (Lindquist, 2008). More importantly, though, they help to retain current talent. All of the large international firms and at least 75% of national and regional firms offer some type of flexible arrangement to employees. While the opportunity to participate is normally available to all genders, research states that women are more likely to partake in Alternative Work Arrangements (Johnson, Lowe, & Reckers, 2012). Family demands are a frequently cited reason for choosing to work in an alternative arrangement (Johnson, Lowe, & Reckers, 2008). In many ways, AWAs have alleviated conflicts between work and family demands, but they have created a new set of problems as well.



### ***Types of AWAs***

Alternative work arrangements come in many forms. Offerings like flextime, condensed workweeks, leaves of absences, telecommuting, and part-time work are just a sample of the many flexible work configurations that firms have come up with to improve work-life balance for participants (Bucheit, Dalton, Harp, & Hollingsworth, 2016). Since accounting has a reputation as a demanding career with long hours, strict deadlines, and exceptionally busy periods, firms have been quick to adopt as many effective solutions as possible. Although all of the programs listed above and more are offered in some capacity by multiple accounting firms, flextime and condensed workweeks are two of the more notable arrangements aimed at improving work-life balance.

Flextime allows an employee to choose their start and end times while committing to work during core hours of operation (Bucheit, Dalton, Harp, & Hollingsworth, 2016). The company can decide what the core business hours will be, and identify a range of times at the beginning and end of the day that are available as “flextime.” In most situations an employee needs to work for about eight hours. For example, an employee may get to work early at 7 am and be able to leave at 3 pm to spend the late afternoon and evening at home with their family. The employee has worked their required eight hours and been present in the office for the peak business hours of the day, but is able to go home to fulfill their other obligations. Taking advantage of flextime often reduces time spent commuting as well, giving participants extra free time in their days. The balance between time spent at work and at home reflects the equal importance of the two aspects of one’s life.

A condensed workweek is another alternative work option that enables employees to have a free day during the week. To partake in such an arrangement, an employee works the typical

number of weekly hours in fewer days (Bucheit, Dalton, Harp, & Hollingsworth, 2016). This schedule can be arranged in any number of ways, but one of the more common is an arrangement where employees work 10-hour days four days per week and have one full day off. For instance, an employee may work from 8 am until 6 pm Monday through Thursday, but not work at all on Friday. Because they still worked a full week's worth of hours, they are able to meet deadlines and keep up with responsibilities at work. Meanwhile, extra day gives them a chance to focus exclusively on non-work related demands.

One other Alternative work Arrangement that has become slightly more prevalent and has interesting implications for the future is a leave of absence (LOA) program. Leaves can be either paid or unpaid, depending on the firm and whether they are mandated or voluntary. Some leaves of absence must be offered under the Family and Medical Leave Act, as well as other regulations (Mariano, 2015). Obligatory family leave offerings created positive change for employees needing flexibility for life circumstances, but many firms are taking the concept of LOAs one step further. Some now offer voluntary sabbatical-type leave during which employees have an opportunity to take time off and refresh before coming back to work. PricewaterhouseCoopers, for example, currently offers a sabbatical program, in which employees can take a leave of absence while maintaining a reduced salary rate and benefits (PricewaterhouseCoopers, 2016). These few months away from work bring some balance into employees' lives, as they are able to pursue other interests.

PricewaterhouseCoopers also runs a "Full Circle" program (PricewaterhouseCoopers, 2008). The goal of this program is to keep in contact with members who have left the firm for an extended period of time. Many participants in the program have left to raise children or provide assistance to aging parents. Open communication gives former employees access to information

about their options so that they can seamlessly return if they make that decision. The firm will also stay in contact with past employees for up to five years and help them maintain any certifications they may need to keep up with in that time. This type of program helps to retain experienced professionals as their circumstances change. They can reenter the firm where they left off without as much of a toll on their career progression.

With arrangements like flextime, condensed workweeks, and leaves of absences, firms have been successful in bringing more balance to the lives of their employees. Alternative work arrangements have been proven to give participating employees a higher level of job satisfaction while reducing turnover. Furthermore, research has proved that simply having the option to take advantage of a flexible arrangement improves an employee's job satisfaction (Pasewark & Viator, 2006). When firms offer these types of arrangements, employees experiencing high work-family conflict are less likely to want to leave the firm. This optimistic research indicates that alternative working arrangements are beneficial to firms, as they can improve performance. They are also effective in reducing turnover, meaning that more employees stay with the firm. This positive outcome of AWAs has contributed to firms' efforts to retain women in particular.

### ***Issues with AWAs***

Women are more likely to participate in AWAs, and based on prior research, the program offerings have been successful in working towards the goal of retaining women (Johnson, Lowe, & Reckers, 2012). AWAs are not perfect solutions, however, and do not have the same effectiveness in getting women promoted to upper-level management positions. In fact, participation in an AWA can be a career setback, as they have been linked to fewer promotions and raises, lower work quality assignments, and fewer networking opportunities (Bucheit, Dalton, Harp, & Hollingsworth, 2016). Inadequate access to these career milestones can inhibit a person's

professional success. Given that women are more likely to adopt these programs, they also more likely to be constrained by AWAs.

Rationally, it makes sense that issues with promotions and raises could arise under some systems of Alternative Work Arrangements. If an employee is working from home, absent one day per week, or leaving early, it is easy to see how this person would have fewer face-to-face interactions with clients and peers. The employee may be excluded from after work networking events as well as informal networking on the job. This lack of exposure could create difficulties when promotion decisions are being made. While the exclusion from networking could be one component of the issues with Alternative Work Arrangements, research shows that the issues are even more underlying.

Research as revealed that peers may judge colleagues using AWAs. Peer employees may feel as though the AWA participant does not have the same commitment to the organization. They may also feel that the AWA employee does not do a fair share of work, which burdens employees who have not adopted AWAs (Johnson, Lowe, & Reckers, 2008). This negative perception can create a hostile environment in some workplaces, leading a lack of support for the programs in the company. If the programs are not supported, employees needing flexibility may be less likely to adopt them, and choose other avenues when experiencing work-life conflict.

A recent study by Johnson, Lowe, and Reckers (2008) “Alternative work arrangements and perceived career success: Current evidence from the big four firms in the US,” looked more closely at AWAs as they relate to future career progression. Managers were asked to evaluate four types of subordinates, three of whom were using Alternative Work Arrangements. The questions posed prompted responses about the managers’ evaluation of that subordinate, both formally and informally. To obtain a formal evaluation, they asked about the subordinate’s performance on the

current engagement; to get an informal evaluation, they inquired as to the likelihood that the manager would request them on another engagement, and the manager's perceived likelihood that the subordinate would receive less challenging future engagement assignments.

The results showed that anyone participating in an AWA was evaluated less favorably compared to those working a typical schedule. Those employees working reduced hours, as opposed to flex hours, were judged even less favorably, possibly indicating that their superiors perceive a lack of commitment to the organization. Interestingly, the formal evaluation measure did not show a great deal of negative judgment toward AWA participants. The informal measures such as the manager's willingness to request the employee on a future engagement was negatively affected when the employee was on an alternative schedule (Johnson, Lowe, & Reckers, 2008). This result may suggest that managers find it politically incorrect to give a negative formal evaluation based on participation in AWAs, but have underlying bias and are negatively judging AWA participants in informal ways. Manager bias can contribute to some of the issues that AWA adopters face. Because managers have more influence over assigning jobs, if a manager does not support the employee or thinks they are not committed to the organization, opportunities to partake in higher-quality assignments and opportunities for promotion will be limited. These underlying biases contribute to women's difficulty in being promoted through the ranks of the firm after taking on an AWA.

Other studies have also revealed that, in addition to managers having preconceptions about the use of AWAs, many employees have negative perceptions about them as well. Especially in large firms like the Big 4, many employees perceive decreased career possibilities after participating in an AWA. Results of an 2006 AICPA survey showed that of staff-level employees, 47% of females and 34% of males believed that adopting an AWA after parental leave would

have negative career impact (American Institute of Certified Public Accountants, 2006). The Big 4 struggle in particular to maintain a viable Alternative Work Arrangement program. Research from the study “A Contemporary Analysis of Accounting Professionals' Work-Life Balance” (2016) shows that, overall, employees of Big 4 firms perceive that their firms are less supportive of AWAs as compared to their counterparts working for mid-size and local firms. Big 4 employees also feel that AWAs are less viable at their firm, meaning that these employees on average do not feel that they could remain effective at their jobs while on an Alternative Work Arrangement. The many demands of Big 4 firms seem to create an atmosphere in which employees do not believe they can adopt an AWA. Keeping in mind that Big 4 employees experience the highest levels of burnout, these attitudes towards AWAs could be detrimental (Bucheit, Dalton, Harp, & Hollingsworth, 2016). If employees do not feel they can achieve balance by using an AWA they may leave the firm. In this case, the firm loses valuable mentors, and may perpetuate negative cycles and attitudes that already exist.

When the same data is interpreted through the lens of gender, it appears that there is a stigma surrounding AWAs, which can also hurt the public accounting field as a whole. In general, men perceive less support for AWAs from their organizations. They also believe that they are less likely to be effective at their jobs if they partake in an AWA (Bucheit, Dalton, Harp, & Hollingsworth, 2016). If men believe that organizations don't support AWAs and men are the majority of upper management, the cycle may continue. AWAs are often seen as an option designed specifically for women. Even PwC, which offers some of the best flexible arrangements in the industry, boasts the following quote on their website: "When it comes to our women within the firm, we want to provide maximum flexibility. What we're trying to do is create opportunities for them to maximize their professional and their personal choices, and be successful in both"

(PricewaterhouseCoopers, 2016). While reassuring to women participating in AWAs, this quote from Bob Moritz, Chairman and senior partner, neglects over half of the firm by insinuating that only females need to balance work and personal commitments. Perspectives like this reinforce common stereotypes that women should be the ones managing this balancing act.

AWAs have gained much momentum in the accounting industry in recent years. In theory, they allow professionals to continue to work while still having time to tend to family or personal needs outside of the office. Although the options are generally open to all employees, women are more likely to adopt an AWA. These programs have advanced the objective of retaining more women, as they are effective in reducing turnover and mitigating effects of high work-life conflict. Still, they are not universally successful in doing so. Even if AWAs help firms to retain women, they often inhibit the second goal of promotion for women. Employees partaking in AWAs are excluded from essential networking activities. They also may be harshly judged by managers, which could negatively affect their career progression. For these reasons and more, many professionals, including those in the highest-stress Big 4 firms, perceive AWAs as nonviable.

## **IV. Survey**

Attitudes surrounding Alternative Work Arrangements and work-life balance have been well-documented in studies of accounting professionals for several decades. Personally, I was curious whether students who had aspirations of entering the accounting field held similar attitudes as preconceptions before joining a firm, or whether perceptions about work-life balance and AWAs were formed after gaining a few years of experience. To delve further into the issues presented, I decided to survey accounting students to try to understand whether their attitudes

were consistent with those of accountants already in the industry. The results of the survey revealed interesting trends not only in students' perceptions of AWAs and have interesting implications considering students' desired career paths.

The survey consisted of 13 questions of various types. The first several questions asked for demographic information such as age and gender. The survey also asked participants to indicate what size of firm they aspire to join after graduation and what type of career in accounting they intend to pursue. The information collected in these types of questions would allow my analysis to be filtered by gender, firm size, or career type. Then, respondents were asked to rank 8 factors in order of their importance when making a decision to work for a company. Possible factors included potential considerations like "Mentorship Programs" and "Company Culture." This question about students' priorities when choosing a firm would allow me to see which factors are important to the majority of students, and which are irrelevant to their decisions.

Next, the questions moved into specific prompts about Alternative Work Arrangements. Although there are many possible AWAs, I focused on only flextime schedules and condensed workweeks. These two options were chosen based on Buckheit, Dalton, Harp, and Hollingsworth's (2016) results, which found that "Flexible Scheduling" and "Compressed Workweek" were perceived as having both the highest organizational support and viability among employees at all firms, and therefore seemed to be the most common. Survey participants were asked to rate the likelihood that the firm they aspire to work at would offer a given option, as well as the likelihood that they would take part in the program if it were to be offered. Inquiring about students' perceptions that the firm offers the AWA assesses their perceptions of a basic level of organizational support. That is to say, if a firm offers an AWA, they have taken the first step in



supporting employees looking for flexibility in their schedules. The second question that asked how likely the survey participant would be to use the AWA assesses a basic level of viability. In other words, the question gauges whether or not a respondent can picture himself or herself both working and using a flexible schedule to meet other demands. Ratings were on a one to five scale, with one being “very likely” and five being “very unlikely”. Therefore, a lower score indicates a higher likelihood. These scale questions allowed me to gauge students’ perceptions as to the current state of AWA offerings in the field, as well as get an idea as to their desire to adopt them. Finally, the last two questions asked students to choose an age range during which they would be most likely to take part in AWAs, and a qualitative question asking why they chose that range. These final questions allowed me to look for trends in the age and reasoning for potentially adopting an AWA. A copy of this survey is available in the appendix.

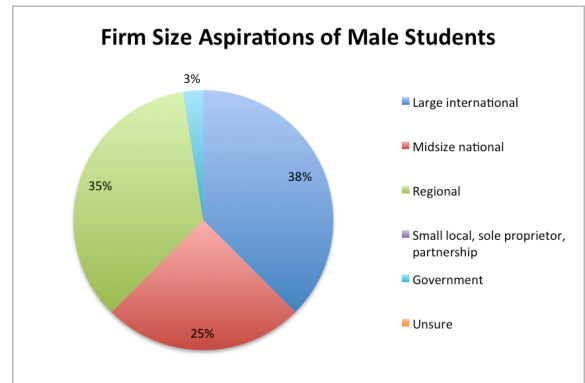
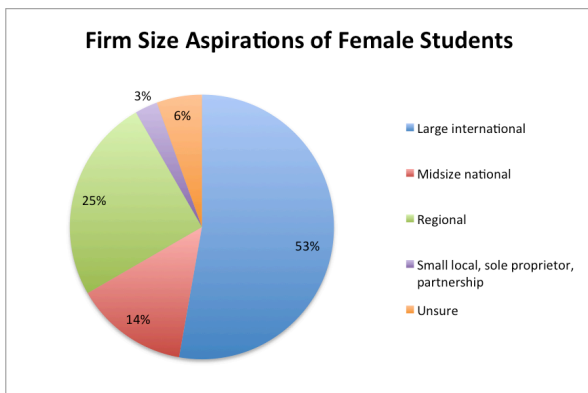
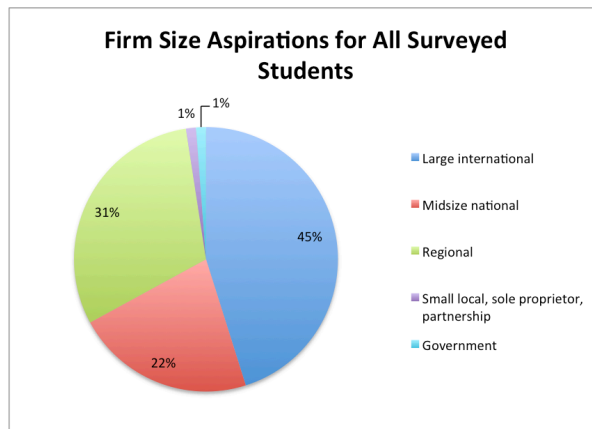
The survey was distributed to accounting students at the University of New Hampshire in March and April of 2016. In total, 80 students completed the survey. Of those, 39 were undergraduate students who have designated accounting as their option or double option, while the remaining 41 were graduate students enrolled in the Master of Science in Accounting program. Most respondents were between the ages of 19 and 23. 36 respondents were female, 40 were male and 4 did not specify a gender.

To interpret the results, I entered the data collected on the physical surveys into Microsoft Excel. I then created tables and charts to analyze the patterns that I believed would be most interesting and relevant to the literature I had reviewed. The resulting trends provided greater insight into the current perceptions of students about to enter the accounting field.

## Results

### *Firm Size*

Many UNH accounting students aspire to work for a large international accounting firm. One interesting outcome of the survey was the finding that a higher percentage of women aspire to work for these large firms, such as one of the Big 4. Of all the women surveyed, 53% aspire to work for these large firms, whereas 38% of men surveyed do.



### ***Perception that Future Employer Firm Offers AWAs***

The survey results indicate that, in general, students believe that firms are more likely to offer flextime schedules, as opposed to condensed workweeks. Flextime schedules had an average score of 2.98, while condensed workweeks had an average of 3.4. Both of these scores are fairly neutral on the 1-5 scale, but since a 1 indicates a higher perceived likelihood that the firm offers the AWA, it is clear that students expect flextime to be offered more than condensed workweeks.

Average Perception of AWA Offerings at All Firms – All Students	
Flextime	Condensed Workweek
<b>2.98</b>	<b>3.4</b>

### ***By Gender***

After filtering the data into sets of males' responses and females' responses, an apparent gender difference appears. Women generally perceive a higher likelihood that their firm will offer these AWAs. The tables below show that women's scores tend to be about .2 points lower than men's, which indicates higher likelihood that the firm will offer the AWA. Among women at all firms, the perceived likelihood that the company offers flextime scheduling was rated at 2.81. For men at all firms, the flextime likelihood was recorded at a 3.00. In the case of condensed workweeks, women perceived a likelihood of 3.25 while men on average believed they were less likely to be offered resulting in a score of 3.48. The trend that men perceive less likelihood of AWA offerings was also consistent across all firm sizes

Average Perception of AWA Offerings by Firm Size- Female		
	Flextime	Condensed Workweek
<b>All Firm Sizes</b>	<b>2.81</b>	<b>3.25</b>
Large International	3.05	3.11
Midsize	3.00	3.20

Regional	2.33	3.44
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Average Perception of AWA Offerings by Firm Size - Male		
	Flextime	Condensed Workweek
<b>All Firm Sizes</b>	<b>3.00</b>	<b>3.48</b>
Large International	3.13	3.40
Midsize	3.20	3.30
Regional	2.64	3.57

### *By Firm Size*

Interpreting the data by firm size was slightly more complex. When the data is categorized into men and women's responses, the patterns are mostly consistent. Large international firms are perceived as less likely to offer AWAs. Midsize firms are more likely than large firms to offer them, but less likely than small firms. Small firms, in turn, are perceived as being more likely to offer AWAs than both midsize and large firms. This pattern does not hold true for men's perceptions of condensed workweeks, however.

The aggregated data also does not offer a clear pattern. In regards to flextime, survey participants aspiring to small firms perceived the highest average likelihood that the company would offer this AWA. Large firms were perceived by their future employees as the next most likely to offer flextime, with midsize firms having the lowest average perceived likelihood. Perceptions of the condensed workweek were exactly the opposite, with midsize firms perceived as most likely to offer this AWA and small firms perceived as least likely.

The finding that women perceive large firms as the least likely to offer AWAs is interesting given that a large percentage of women surveyed aspire to enter the same Large companies. This perception is also contrary to many reports that state that the Big 4, because of their resources, are able to offer the most support for AWAs.

Average Perception of AWA Offerings by Firm Size – All Students		
	Flextime	Condensed Workweek
<b>All firm sizes</b>	<b>2.98</b>	<b>3.4</b>
Large International	3.17	3.28
Midsize	3.24	2.82
Regional	2.52	3.52

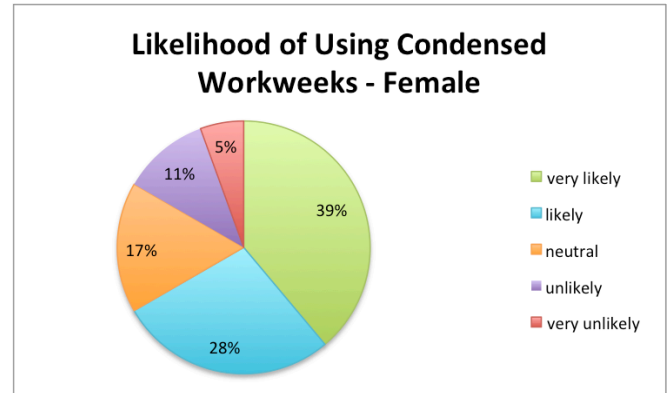
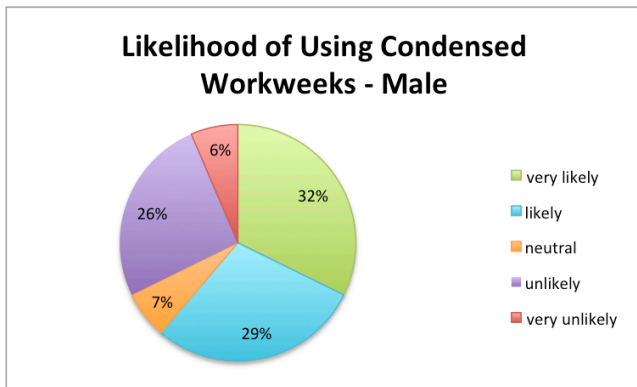
### ***Respondents' Likelihood of Taking Advantage of AWAs***

Aggregated data shows that respondents are more likely to partake in a flextime schedule, as opposed to a condensed workweek. The average reported likelihood that a respondent would adopt a flextime arrangement was 1.95 indicating a strong likelihood that these future accountants would adopt this AWA. Condensed workweeks showed slightly less likelihood at 2.44. Still, survey participants did express interest in taking the opportunity if it were available.

Likelihood of Respondent to Use AWA if Available		
	Flextime	Condensed Workweek
Overall	1.95	2.44
Female	1.75	2.17
Male	2.13	2.53

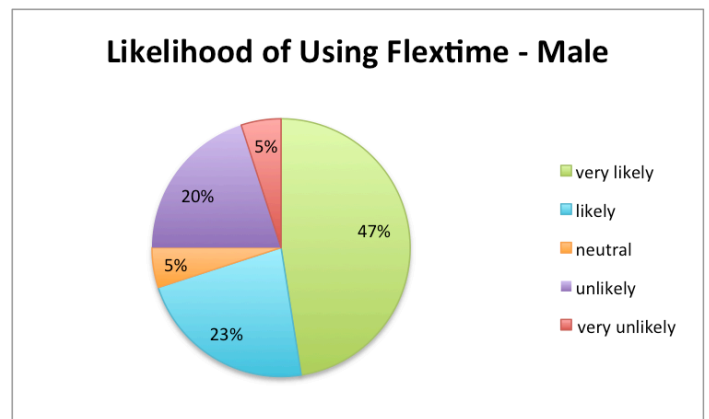
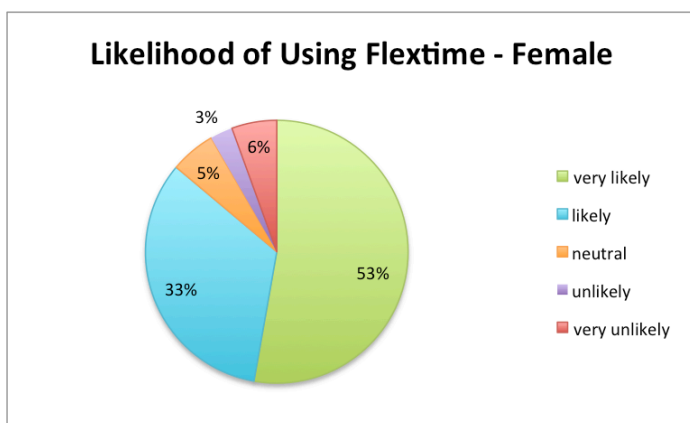
### ***By Gender***

Female respondents showed a higher likelihood of participating in both types of AWA. On the likelihood scale, women reported a 1.75 in regards to flextime, and a 2.17 in regards to a condensed workweek. Men's scores were slightly higher, indicating less willingness to adopt AWAs. They reported 2.13 and 2.53 for flextime and condensed workweeks, respectively.



The results as a percentage are equally as interesting. Over half of women indicated that they would be “very likely” to use flextime if their firm offered it. Yet another 33% responded that they would be “likely” to use it. Only 9% of women said that they would be “unlikely” or “very unlikely” to adopt flextime, compared to 25% of men. 67% of women said that they would be “very likely” or “likely” to use a condensed workweek, while 55% of men said the same.

### ***Qualitative Data***



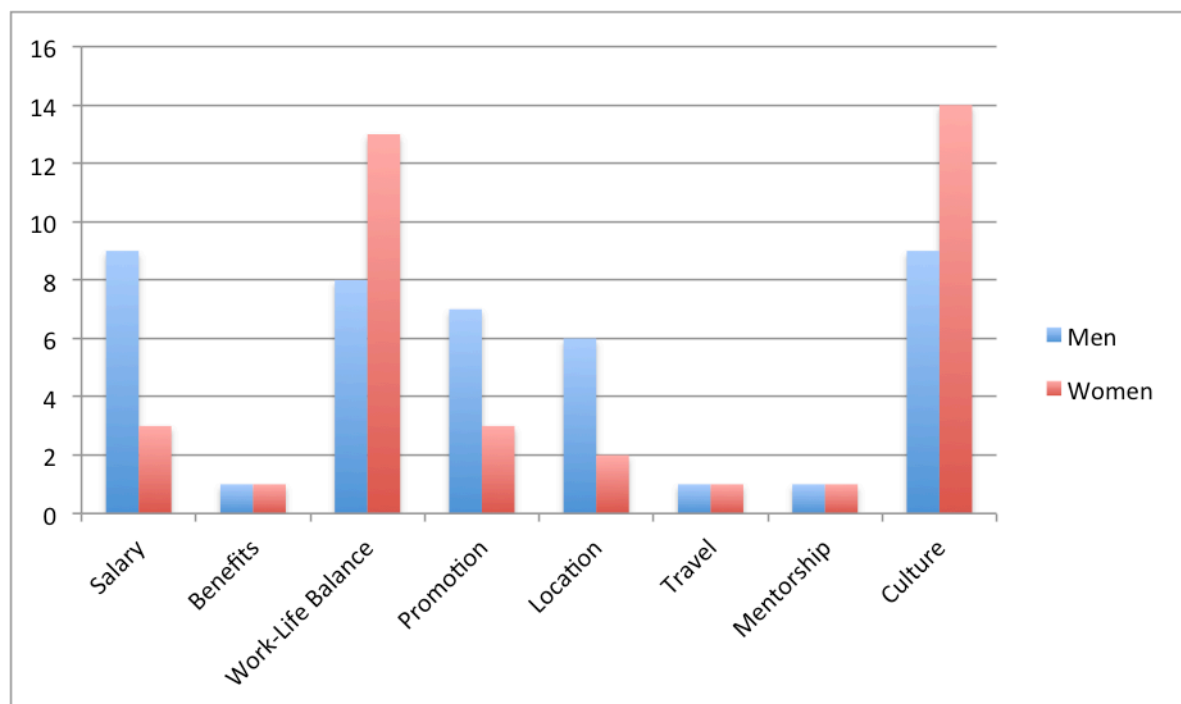
Qualitative data from the open-ended question also reveals that women in their early 20s seem to be thinking about balancing work and family-life before they have even entered the workforce. Only five of the 36 women did not cite a family or children as a reason that they would participate in an AWA. One 21 year old female explained that an AWA would be most beneficial between the ages of 36-45 because: “I plan to have a family at this point in my life so it will be important to have flexible hours to attend to their needs. It will help balance work and home life.” Another 22 year old said, “I want the opportunity to be a mom and still work.” Clearly, these young women already foresee some of the issues of balancing work and family, but see promise in AWAs.

Men were slightly less likely to mention families or kids as reasons to adopt an AWA, although many still did. Out of the 40 men, 29 referenced family or kids in their responses as to why an AWA would be beneficial. Others cited reasons like “flexibility for weekend travel.” One male wrote, “...I think people [with] children are the ones who need a flexible work schedule, but I think most people could benefit from it.” This idea reflects the commonly held perception that AWAs are exclusively meant to balance work-family conflict. It also raises a good point that there can be other benefits associated for those who do not have families to balance, though.

### ***Job Characteristics***

Finally, participants’ rankings of the factors that influence their decisions to join firms reveal what college-aged accounting students about to enter the work force feel is important in a future workplace. The results below depict the frequency that each factor was ranked as the number one most important factor. The data is also divided by gender. The chart overwhelmingly shows that corporate culture and work-life balance are important to both genders, but especially to women. This too, could indicate a shift in priorities away from constant work and toward more

personal time. Still, women chose work-life balance much more frequently than men, which could indicate that they are already preparing for a time when they might have to care for a family. This finding would reinforce gender stereotypes that hold women as primary caregivers. The results from males also may reinforce some gender stereotypes. Men chose factors like salary and opportunity for promotion more frequently than did women. Typically seen as more assertive, men are often stereotyped as looking for more salary and better promotions sooner and more often. The priorities of UNH accounting students seem to be consistent with a drive to attain better salaries and promotion opportunities. It is also interesting to note that mentorship received very few votes as the most important factor in deciding on a future firm.



## Discussion

The data reported here reflects some of the more important insights of the study. First, the survey reveals that many accounting students at the University of New Hampshire aspire to work at large international firms. Interestingly, women aspire to these large firms at greater rates. These



aspirations are interesting considering patterns in women's careers combined with the atmosphere in the Big 4. Females have been shown to have higher burnout and turnover rates, and to be more likely to partake in AWAs (Guthrie & Jones III, 2012). Big 4 have been proven to have the highest burnout, lowest perceived viability of AWAs, and fewest women in upper management (Bucheit, Dalton, Harp, & Hollingsworth, 2016) (American Institute of Certified Public Accountants, 2015). The combination of these facts does not seem optimistic for women aiming to enter the Big 4. It would seem likely that women would be less inclined to work for firms that have issues retaining, promoting, and being flexible for women, and instead tend toward firms that have more flexibility. However, this survey reveals that women are still attracted to the Large firms even though they are often associated with more issues. The fact that women are choosing Big 4 in greater numbers could suggest many things. First, current students may be unaware of the demands that Big 4 requires as opposed to smaller firms. Alternatively, they may be optimistic that firms are undergoing change, and that flexibility for work-life balance will not be an issue in the future.

Results also indicated that women perceived a higher likelihood that their firms would offer AWAs. This trend could indicate that men are less aware of programs that may be offered, which would be consistent with the theory that Alternative Work Arrangements are targeted more at females. Young men also may not have considered the potential future need for a flexible schedule, whereas young women have often anecdotally shared that they think about such factors long in advance. This finding could also mean that men do not feel they personally would be offered an AWA, but women believe that they would be.

Similarly, women believed themselves to be more likely to partake in AWAs. They see flexible arrangements as a more viable option in their future. This finding is consistent with prior

research that states that women are more likely to adopt AWAs (Johnson, Lowe, & Reckers, 2012). The fact that men do not see AWAs as a viable option, however, could also be representative of a stigma that AWAs are meant only for women. Still, some qualitative results revealed that men would be willing to take part in AWAs if they were offered. This could reflect a general increased demand for flexibility and work-life balance among all future employees.

When choosing firms, men and women both value culture and work-life balance as the most important factors in their decisions. Men, however, favor promotional opportunities and salary more than women. Women's responses reflect a higher preference for work-life balance. Students perceive flextime schedules as more likely to be offered, and therefore somewhat supported, than condensed workweeks. Women as a whole perceive higher likelihood that their firms would offer AWAs. The results of perceived firm offering were not consistent when broken down by firm size. When filtered by gender and firm size, though, it is generally perceived that large firms are the least likely to offer AWAs, and small firms are the most likely to. The exception to this pattern is in men's perception of firms offering condensed workweeks. Finally, a large percentage of men and women appeared likely to adopt an AWA if it were offered. Flextime was an especially popular possibility, and women were more likely than men to adopt both of the AWAs.

### ***Implications***

The findings in this data have several implications. The clearest trends show that women at all firms perceive the highest likelihood that firms will offer AWAs, and they are more likely to adopt some program at some point in their careers. Still, men show interest in AWAs for a variety of reasons. Since students of all genders are attracted to companies for their culture and work-life

balance, it seems clear that this balance needs to be a priority for firms looking to attract new talent.

Given that so many students are attracted to large firms and are interested in taking on an AWA, large firms especially need to focus on their flexible programs. Big 4 firms have the highest rates of burnout and turnover, but are often perceived by students as unlikely to offer AWAs that have been proven to alleviate these issues. In the field, professionals in these large firms feel that adopting an AWA is not a viable option. With this information, it can be inferred that the Big 4 are attracting many graduating accounting students, but are not able to retain them once they have a need for more flexible schedules. Accounting students seem to be willing to adopt AWAs if they are offered, but working professionals tend to think that doing so is unrealistic. Research has also shown that millennials, those born between about 1980 and 2000, value leisure time more than previous generations (Bucheit, Dalton, Harp, & Hollingsworth, 2016) (Lindquist, 2008). (AICPA , 2009) The same is supported by the survey of UNH students who report culture and work-life balance as two of the most important factors in choosing a firm to work for. Therefore, as more millennials join accounting firms, corporate culture will have to adapt to changing priorities.

Firms may have to better advertise their flexible programs to make all employees aware of the possibilities. In doing so, they may retain more employees and lessen negative effects of work demands. A major cultural shift in priorities could even change the way employees using AWAs are perceived. If more men and women use flexible schedules, it is possible that women will gain the representation in upper levels of management that they have lacked for so long.

## **V. Conclusion**

Women have made a tremendous amount of progress in the field of accounting in the past several decades, and change is still on the horizon. World War II marked a moment of transformation for female representation in the industry, which has steadily increased since. Graduating accounting students and newly hired professionals are now approximately equally comprised of 50% females and 50% males. Yet, another major societal shift is needed to achieve the complete parity that women are capable of attaining.

The major issue in public accounting today is the lack of female partners. Women are not staying at the firms for the number of years required to make partners, or else are staying but not being promoted at equal rates to men. A variety of factors contribute to the lack of promotion and retention possibilities. Issues like burnout and work-family conflict prompt women's turnover intentions more than men's. Other issues, though, like dissatisfaction with the firm direction and overtime demands, also contribute to women's turnover. Mentorship is another important dimension of women's issues in accounting. Without women at the top of organizations there are very few possible mentors. A self-perpetuating cycle has been created because women are leaving firms or are not visible enough in firms, and therefore cannot mentor others. Underlying biases in firms have hindered women's advancement. Even programs meant to be responsive to some of the issues in the field have not been without their own problems.

Post-senior manager positions, for example, have emerged as a recent trend in the industry. In some ways, they may help retain women who are not yet ready to take on a partnership role, but should be promoted to encourage them to stay with the firm. While this emerging trend could be successful in retaining qualified women, there are also some concerns in

the industry. In some cases, PSMs could become a terminal position with no opportunity to become partner. In these scenarios, without equal benefits in the firm, PSMs only reinforce the phenomenon of firms failing to promote women to the equity positions. In addition, these positions may not retain women long term, as most do not aspire to such a role.

Finally, Alternative Work Arrangements have been a large trend in most firms, as the field attempts to reduce common issues with work-life conflict and prevent turnover. Women are more likely to take part, and these programs have been somewhat effective at reducing the stressors commonly found in the industry. Although AWAs have helped women's cause by increasing retention, they can also impede promotion. Managers and peers may negatively evaluate women on AWAs, and reinforce stereotypes that flexible schedules are designed for women only.

All of these different dimensions of the issue of retaining and promoting women culminate in significant setbacks for women in the industry. Issues are also disproportionately felt in larger firms as well. A survey shows, though, that soon-to-be graduates are still targeting Big 4 firms. They are also highly receptive to Alternative Work Arrangements, and value culture and work-life balance. As these new professionals enter the work force, there is optimism that both women and men will be able to balance it all. It remains to be seen whether firms can create and sustain efforts to achieve equilibrium. The efforts are there, but a more widespread change still needs to be undertaken to push women to the partnership level. The next generation may be the ones to normalize work-life balance and promote women to the top.

## VI. Appendix

### Survey

Age:

Gender:

Major(s):

What career are you planning to pursue after graduation?

- A. Public Accounting - Audit
- B. Public Accounting – Tax
- C. Consulting
- D. Corporate Accounting
- E. Finance
- F. Other

What size company do you aspire to work for after graduation?

- A. Large international firm
- B. Midsize national firm
- C. Regional Firm
- D. Small local firm, partnership, or sole-proprietorship
- E. State or Federal Government

How important are the following factors when making your decision to work for a company.

Please rank them from 1-8, 1 being the most important factor, 8 being the least important factor

- \_\_\_ Salary
- \_\_\_ Benefits
- \_\_\_ Work-Life balance
- \_\_\_ Opportunity for Promotion
- \_\_\_ Location
- \_\_\_ Opportunity for Travel
- \_\_\_ Mentorship Programs
- \_\_\_ Company Culture

How long do you think you will stay with your first employer?

With your ideal firm size and industry in mind, how likely do you believe it is that this company offers a flextime work schedule? (ex: Working “core” hours but choosing a start and end time.) 1 = Very Likely, 5= Very Unlikely

1                      2                      3                      4                      5

If your company offered it, how likely would you be to use a flextime work schedule (ex: Working “core” hours but choosing a start and end time). 1= Very Likely, 5 = Very Unlikely)

1                      2                      3                      4                      5

With your ideal firm size and industry in mind, how likely do you believe it is that this company offers a compressed workweek schedule? (ex: working longer hours four days a week) 1 = Very Likely, 5= Very Unlikely

1                      2                      3                      4                      5

If your company offered it, how likely would you be to use a compressed workweek schedule? (ex: working a four day workweek, with longer hours on each day worked) 1= Very Likely 5= Very Unlikely

1                      2                      3                      4                      5

At what age do you believe any of these Alternative Work Arrangements would be most beneficial to you?

- A. 20-25
- B. 26-35
- C. 36-45
- D. 46-55
- E. 56-65
- F. 65+
- G. Never

Why?

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