CPA
Practice Advisor

The AICPA has projected that 75% of CPAs will be eligible to retire in the next 15 years, and most will be men. Meanwhile, the number of women graduating college with accounting degrees has reached near parity with men, over the last decade. Thus, we have a situation where most partners are reaching retirement age, and there is 50% chance that their replacement could be a woman. Given the long period of time it takes to train a future partner, now is the time to start seriously considering how you

With men comprising the preponderance of partners across all firm sizes, it makes sense that additional insight is needed by CPA firms on how best to recruit and retain women. After all, the very existence of your firm in the future may be at stake. With this in mind, the accounting profession is ageing, and firms will need to increasingly look towards catering to the specific needs of women. This will ensure they are able to fill their staff ranks at the present, and remain viably staffed for the future.

The Power of Flexible Work Schedules

The Women's Initiatives Executive Committee CPA Gender Survey of 2015 provides outstanding insight into how you can retain talented women. Regardless of the firm size, most female partners used flexible working arrangements on their path to partner. While not as easy to implement as it sounds, this is a great example of an inexpensive solution to a common problem.

Play the Long Game: Adapt the Working Environment

It's worth remembering that hiring staff is much different that retaining staff. Ultimately, adding female specific amenities and benefits can not only add to future recruiting efforts, but increase your retention levels. PWC is offering six weeks of fully paid leave to new parents in addition to another six to eight weeks off for short term disability. If a staff member has more than one child at a time, they get another two paid weeks off. Not to be outdone, KPMG is offering child care services and, "discounts to many brand name retail products and services as well as local shops around your home and office."

In short, if you aren't already offering comparable amenities, your firm is behind the curve. While most firms don't have the resources or clout to offer discounts on name brand clothing, there are other female specific benefits that are much more affordable.

According to a recent study by marketing firm Fractl, women were more likely to

what would be most favorably viewed and appreciated.

Of course, these changes won't come cheap. However, it's shortsighted to consider these benefits as expenses. They can become investments as firms with more women throughout the hierarchy tend to increase their revenues.

When Dollars Make Sense

In a 2012 Zenger Folkman study surveying 7,280 leaders, women were found to outperform men in many key metrics of leadership. These included: Takes Initiative, Inspires and Motivates Others, Solves Problems and Analyzes Issues, and Drives for Results. Further findings in the study showed that women also outperformed men in sales, marketing, customer service, and general management. Naturally these attributes directly translate to higher revenues.

An earlier report by the research group Catalyst discovered, "*Fortune* 500 companies with the highest representation of women board directors attained significantly higher financial performance, on average, than those with the lowest representation of women board directors." Specifically reported were a 53 percent greater return on equity, 42 greater return on sales, and a 66 percent greater return on invested capital.

Depending on the scope of services your firm offers, you may have also seen a Request for Proposal (RFP) that wants to know the number or percentage of women employed within your firm. Most often this type of request is seen in the coveted non-profit sphere. Thus, hiring more women can give you another strategic advantage over your competition that can increase your firm's revenues.

Conversely, you could nothing to make your firm more attractive to recruit and retain half the available work force. The M&A market is always looking for firms that failed to plan and adapt.

Insurance Considerations:

Both Title VII and the Equal Pay Act (EPA) will likely require you to offer the same benefits to both men and women. Obviously, you can't pay men and women differently for the same job. Likewise, you can't solely offer child care services to female employees. The same benefit must also be extended to male employees and their children. This is a fine line to walk.

The law in this area is both complex and evolving rapidly; our society has undergone profound changes over the last four decades. Your firm does not want to undergo a process of making the firm more female friendly to only face an employment practices claim. It is best to first seek advice from your employment practices liability insurance (EPLI) policy insurer and competent legal counsel before embarking on any changes to the status quo.

Partner Action Items

Seek competent legal advice: Before pursuing any action, consult with your employment practices liability insurance provider and competent legal counsel. If you have an internal HR professional, they can also provide additional guidance.

Get flexible: Depending on your firm size, composition, and scope of practice, flexible work schedules can either be easy to implement, or require significant planning. Keep in mind that the majority of female partner in all firm sizes used this technique on the path to partner.

Play the long game: Determine what amenities or benefits would provide the highest cost to reward ratio. These can ultimately double as both recruiting and retention tools.

Advise your clients: Accounting is not the only profession facing a shortage of qualified staff. Undoubtedly your clients in fields such as engineering, architecture, marketing, IT, law, and the medical field – to name a few – are all fighting the talent

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Firm Management