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TESTIMONY BEFORE THE GLASS CEILING COMMISSION
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Thank you for the opportunity to share our experience in addressing women's upward mobility and minorities' entrance into the accounting profession, and our recommendations for addressing the glass ceiling. Our purpose in testifying is to illustrate that professional associations can play an important and unique role in removing the barriers to advancement for women and minorities in our respective memberships. I would like to briefly describe the American Institute of Certified Public Accountants, outline women's status within the accounting profession and summarize what we've done that we believe is effectively addressing the glass ceiling.

The American Institute of Certified Public Accountants (AICPA) is the national professional association of CPAs in the United States, with over 310,000 members from every state and territory of the US and the District of Columbia, 23% of whom are women. Approximately 46% of AICPA members are in public practice, 45% are employed in industry, and others are employed as educators, in government and in other work categories.1

1 Source: AICPA Member Profile Report, January 16, 1994.
The AICPA has been measuring the supply of accounting graduates and the demand for public accounting recruits by gender since 1976, and we have seen a steady rise in both female graduates and female public accounting recruits. Women have comprised about half of accounting graduates since the mid 1980’s, and about half of public accounting recruits since the late 1980’s. ²

A summary of female CPAs by various levels within work categories, however, reveals a dearth of women represented at senior levels. For instance, according to a Public Accounting Report survey of the nation’s 16 largest public accounting firms, in 1992, 14.2% of new partners were women, while only 4.9% of total partners were women.³ Factoring in the 10 - 13 - year road to partnership, one would expect many more women to have reached that level, since thirteen years earlier women were 30% of public accounting recruits. Female AICPA members in industry follow a similar pattern, with 41% at management-level, and 20% having reached the level of Financial Officer or Chief Financial Officer. Not surprisingly, only 1% have reached the level of President or Chief Executive Officer.⁴

² Source: The Supply of Accounting Graduates and the Demand for Public Accounting Recruits. 1978-1993, AICPA
³ Source: Public Accounting Report Newsletter, September 30, 1992
⁴ Source: AICPA Member Profile Report, January 16, 1994
Minorities have made less progress in the profession. For example, available data show that minority employment in major accounting firms increased from approximately 4% in 1976 to only 6% in 1989. During this period the number of African Americans as a percentage of total professionals employed actually decreased from 1.8% to 1.3%. Although respondents to a survey of major accounting firms reported that minority partners had increased from 45 in 1976 to 257 in 1989, minority leadership representation in the profession remains woefully inadequate. While the overall statistics indicate that some progress has been made, additional and greater efforts are being made to accomplish the goal as stated by the AICPA Council resolution of "integrating the accounting profession in fact as well as in idea."5 I will speak first to the Institute's women and family issues activities and then report on our minority initiatives.

The Institute has been formally addressing women's upward mobility since 1984, when it was identified as one of the most important issues facing the profession. Its priority status was elevated last year with the creation of the Executive Committee, reporting directly to the AICPA Board of Directors, and the hiring of a full time staff aide.

Institute reports published in 1988, 1990 and 19926 identified obstacles to women's


6 Sources: Upward Mobility of Women: Special Committee Report to the AICPA Board of Directors, 1988; MAP Committee Survey on Professional Staff, 1990; and How the Accounting Profession is
advancement such as ambiguous success criteria, employers' inaccurate perceptions of women's aspirations and progress and cultural biases toward working women. A major finding was the need for alternative work schedules -- part-time, flex-time, compressed work schedules, seasonal work and job-sharing -- in breaking down the barriers to women's upward mobility. One cannot overstate the challenge faced by CPAs attempting to balance work and family while carrying a full-time plus workload during the four-month tax season. Family leave policies and child and elder care assistance were also cited as critical needs.

The reports also gave specific recommendations to employers and cited real-life examples of various size accounting firms' and companies' policies and programs, including leaves of absence, alternative work schedules, child- and elder care resource and referral services and emergency sick child care. In addition, a mandate for AICPA action was articulated.

The Women and Family Issues Executive Committee's mission is to influence the accounting profession to effect the necessary changes for developing a more competitive workforce so that women are well represented in top management and leadership positions, and men and women achieve a balance among their work, personal and family responsibilities. We recognize that women's upward mobility and balancing work and family are linked, and we are also aware that work and family issues are not exclusively women's issues. Male CPAs are also concerned about balance in their lives.

Our four goals are promoting awareness and recognition within the profession of the need to remove barriers to enhance women's upward mobility, providing information to the profession about women's status and progress, providing guidance in developing programs and policies and supporting and monitoring AICPA efforts to increase women's participation within our own organization.

One of our current projects is a written survey of 5,000 public accounting firms to establish baseline data on women's status and the work and family policies and programs already existing within firms. The results of the survey and the second phase of the research, discussions with managing partners of a sample of firms, will be available to members in a published report as well as through our first conference. The conference, to be cosponsored with Catalyst in June, will also provide members with an opportunity to learn more about new developments in the profession.

We have also been raising awareness of these issues by developing sessions on "Managing a Diverse Workforce," and "Gender Awareness for Better Practice Management" at conferences attended by managing partners of small and medium size firms. Members employed in accounting firms and companies discuss such issues as fostering gender-aware workplaces through training and demonstrating how they have implemented flexible work arrangements and parental leave. In addition, we are working with our Continuing Professional Education Division to increase the development of self-study and group course offerings on topics of interest to women,
such as practice development.

As members begin to assess glass ceiling issues in their workplaces, they often start with reviewing current research and gathering benchmarking data. To help meet those needs, we established a Resource Database on Women and Family Issues in the Accounting Workplace, from which members can access articles, reports, bibliographies, policy manuals and referrals to other organizations through the AICPA library. To reach a broader audience, Committee members and staff regularly participate in media interviews and serve as speakers at other organizations' conferences.

In 1992 we started the State Society Liaison Network, designed to increase communication among the state CPA societies and with the Institute on these issues. Because we believe local level action is critical, we've been gratified to see many of the state societies utilize the Women and Family Issues Executive Committee model in starting their own committees and task forces. Recently local affiliates of the American Woman's Society of CPAs have joined our liaison network meetings, increasing the networking value.

It is vital that women actively participate on AICPA committees, to provide the necessary leadership and also because committee service can enhance their careers. Therefore one of our top priorities is identifying and recommending qualified women for committee service. For the past two years we have requested assistance from the state
societies in this effort and our committee Chair personally contacts her peers and the Chair of the Board to recommend women. We are already seeing measurable results, though considerable improvement can still be made. We recognize that the AICPA can be a model for the profession, and we measure, monitor and publish data regarding women’s status within the Institute annually.

We have been influential in some subtle changes over the years that we think are important in creating a positive environment for women and families -- for instance the AICPA created an Inactive Member category for CPAs who are either unemployed, full-time students, or temporarily out of the workforce, such as parents taking time off to raise families. The category allows inactive members to maintain their membership at a significantly reduced rate, helping them to stay current during their hiatus. This year, the title "Chairman" of the Institute and of all committees was changed to a gender-neutral term, "Chair." The AICPA Academic and Career Development Division has created recruiting materials that include female and ethnic minority role models to attract students into the accounting profession.

Last, but not least, we have created a subcommittee within the Women and Family Issues Executive Committee to work with the AICPA’s Washington DC staff in monitoring and addressing relevant legislative and policy concerns. One example is our current work with the AICPA Tax Executive Committee to monitor and comment on bills addressing the so-called "Zoe Baird" issue, or, domestic employees tax
simplification. Adequate child care is extremely important to women's ability to attain upward mobility.

I would like to briefly address the AICPA Minority Educational Initiatives Committee's efforts to increase minority representation in the accounting profession. The committee's primary efforts are focused on recruitment into the profession, however, because of the underrepresentation of minorities at senior levels of the profession, the committee plans to research and promote successful employer initiatives that address minorities' upward mobility. Currently, one activity is increasing accounting career awareness among minorities at the high school and college levels and encouraging them to consider careers in accounting by creating appealing recruitment materials such as the new accounting video and career guide, Accounting. The One Degree with 360 Degrees of Opportunities. Another committee priority is providing financial assistance through scholarships at the undergraduate level and fellowships for minority doctoral candidates, with the addition this year of a mentoring program matching CPAs with scholarship recipients throughout their college years. Since the 1970's, approximately $5 million in scholarships have been awarded.

The AICPA also invites a representative of the accounting faculty from each of the historically black colleges and universities and doctoral fellowship recipients to attend the Faculty Summer Seminar at no cost to the schools. Participants address pedagogical innovations, program accreditation, student recruitment and retention, and have
opportunities to network. The Minority Educational Initiatives Committee is also
developing stronger ties with the state CPA Societies, the National Association of Black
Accountants, the American Association of Hispanic CPAs, and other business
organizations to strengthen minority recruitment efforts.\(^7\)

In summary, our committee would suggest the Glass Ceiling Commission draw upon the
AICPA's experience in recommending that in addressing the glass ceiling, organizations
must first commit both human and financial resources. Second, they might assess and
define the issues by collecting data; to establish a baseline, to monitor progress and to
prevent complacency or backsliding. Third, they can use as many forums and media as
possible to inform and build awareness among their target population, especially their
organization's leadership. Our tools have included gender awareness training, a formal
communication network with other organizations, written reports, articles, a dedicated
research facility, conferences and continuing education courses. Organizations must
include in their communications real-life, replicable examples of effective initiatives.

Finally, we would caution others not to expect immediate, quantitative results from all
of their actions. Research shows and our experience corroborates that many of the
barriers associated with advancement to the highest levels of organizations are subtle,
including attitudinal biases that people are unaware of. At the same time, association

members would probably not respond positively to a list of "shoulds" for changing their behavior. Therefore, consistent awareness-building through communication over the long-term is key. The desired results will sometimes be less direct than with the issues associations typically address, but our experience is that advances are visible with time.

Thank you again for this opportunity and please call on the AICPA Women and Family Issues Executive Committee if we can assist you in reaching your goals.