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Job Satisfaction and Intended Turnover in the Large CPA Firm

Differences by Tenure, Education, and Sex

By Maria Lombardi Bullen and Lisa Cline Martin

The uncontrolled high rate of turnover experienced by large CPA firms is a problem that has been recognized by the public accounting profession [Doll, 1983]. Between 70% and 80% of professional personnel leave within five years of joining a firm, and the costs associated with such turnover are great. These include the specific, direct costs of selection and training and the indirect costs of supervision and lowered productivity during training periods. In the last decade, more women have been included in the turnover percentages of large CPA firms since more women have been employed by these firms. According to the American Woman's Society of Certified Public Accountants (AWSCPA) 1985 Statistical Survey, the ratio of women CPAs working in public accounting declined from 61.6% in 1979 to 58.5% in 1985, and only 26.2% of women working in public accounting in 1985 were employed in international and national CPA firms, down from 38.8% in 1979. During the same time period, the percentage of women in local firms increased from 35.5% to 42.1%, and the ratio of women with their own practices increased from 20.9% to 25.4%. This shift may have occurred in reaction to the actual or perceived existence of barriers to women's upward mobility in the major accounting firms. The move may suggest that leaving large firms afforded women more flexibility with respect to workload, working hours, and assignments.

A number of researchers have at-

tempted to identify the reasons for CPA firm turnover in an effort to find solutions to the problem. Many of these studies showed an inverse relationship between aspects of job

satisfaction and turnover. However, the limited number of studies and somewhat conflicting results have suggested a need for continued research. In a recent study, job satisfaction and turnover in a large CPA firm were examined. This article offers several reasons for the heavy turnover in and flight of women from large CPA firms as suggested by the findings. Other research is also surveyed, and current issues such as stress and opportunities for promotion, particularly as related to women CPAs, are discussed.

The Study

This exploratory study examined sources of satisfaction and dissatisfaction in a large CPA firm. Specifically, differences in intended turnover, overall job satisfaction, and 11 dimensions of job satisfaction within a large CPA firm were investigated in relation to length of employment with the firm, education, and sex.

TABLE 1
Selected Items Composing the 11 Satisfaction Dimensions as Determined by Factor Analysis

1. Higher Needs and Work Itself

Amount of authority
Freedom and flexibility
Use of skills and abilities
Significance of work
Experience and skill acquisition
Ability to see total picture of project

2. Pressures

Time deadlines
Number of hours worked
Distances to commute in town
People to report to at same time
Assignments to do at same time
Time budgets

3. Communication

Exchange with higher levels in department
Exchange with own level in department
Feeling of being a part of the group
Exchange with other offices

4. Promotion

Opportunity for advancement
Manner promotions determined
Upper level position availability
Predictability of promotion

5. Supervision and Evaluation

Quality of supervision
Consistency of supervision
Extent of fair evaluation

6. Office Support

Typing services
Copying services
Secretarial/administrative support

7. Staffing

Extent of rumor mill in assignments
Input in choosing assignments
Extent of rumor mill in evaluations
Equity in job assignments

8. Appreciation and Participation

Partners' expression of appreciation
Consistency of support/appreciation
Feedback on performance
Opportunity to make suggestions

9. Client Range and Assignments

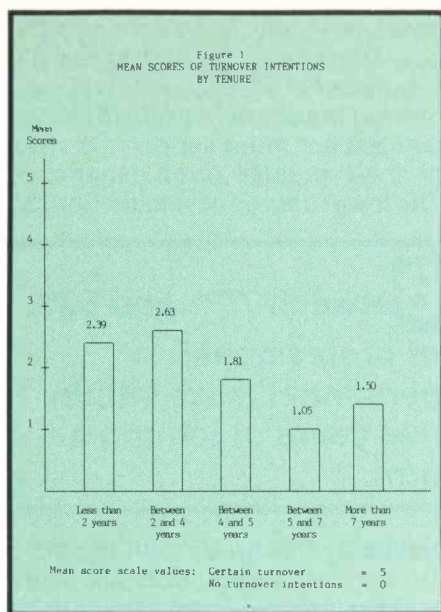
Client range (size, type, industry)
Variety of assignments

10. Financial Compensation

MBA pay differential
Salary, including bonus
Equity in salaries in level
Channels of communication understood

11. Counseling and Training

Counseling partner familiar with work
Guidance from counseling partner



The 11 dimensions of job satisfaction were: (1) higher needs and work itself, (2) pressures, (3) communication, (4) promotion, (5) supervision and evaluation, (6) office support, (7) staffing, (8) appreciation and participation, (9) client range and assignments, (10) compensation, and (11) counseling and training. Table 1 presents the major work aspects that are reflected in the 11 dimensions.

Subjects in the study were male and female nonpartner members from a large United States metropolitan office of a Big Eight CPA firm. The firm had experienced a significant turnover rate of approximately 34%, and partners expressed an interest in reducing turnover to a healthier 20% range. Their conservative estimate was that \$5,000 per recruit was expended for the more identifiable costs of recruiters' salaries, travel, and time spent in recruiting or formal training.

A questionnaire was distributed to nonpartner firm members, producing 125 usable responses, which represented a response rate of 76%. The questionnaire was developed with the participation of a preliminary interview group of nonsubject firm members who assisted in the process of identifying an appropriate set of variables to be measured in the large CPA firm environment. The data were analyzed statistically using descriptive statistics, factor analysis, multivariate and univariate analyses of variance, and Student *t* tests.

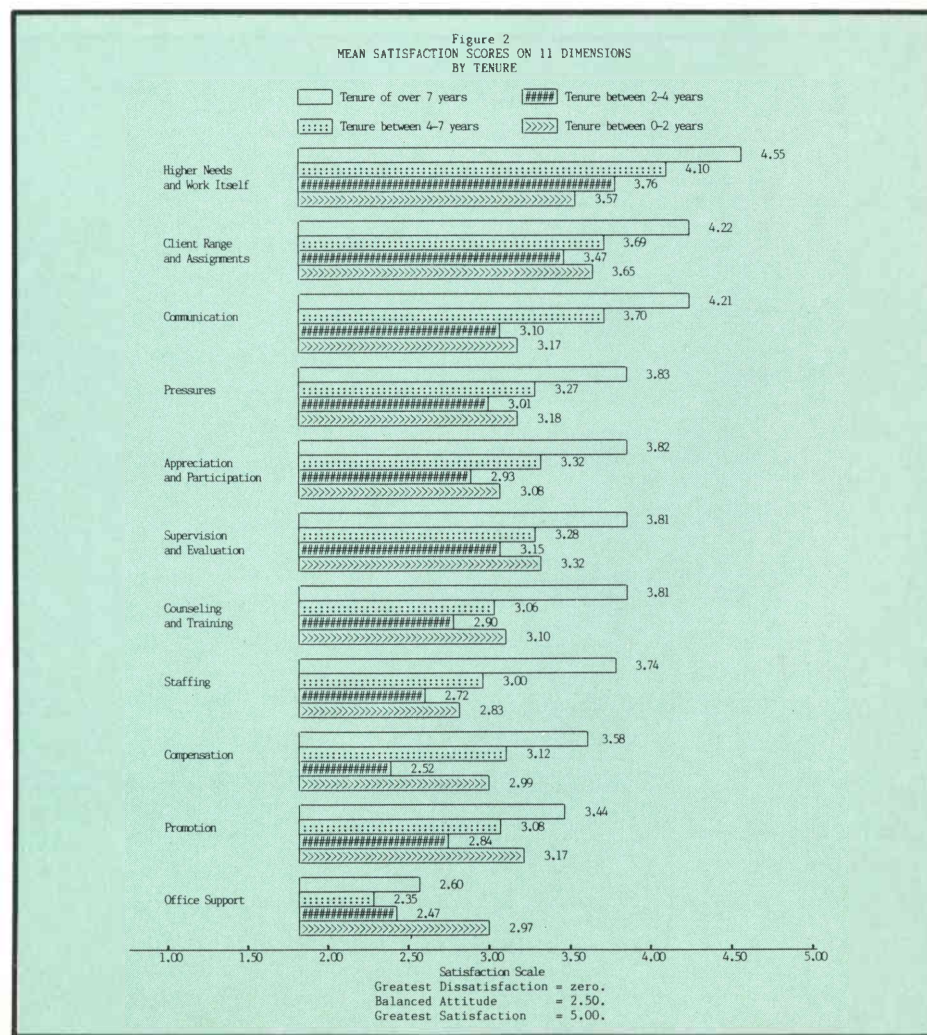
The Results

The data analyses produced statistically significant differences in *intended turnover* by tenure ($p < .023$), but not by education or sex. The group with two to four years at the firm expressed the strongest turnover intentions, and the group with five to seven years of tenure exhibited the smallest likelihood of turnover. Figure 1 presents the mean scores on turnover intentions by length of time with the firm.

No statistically significant differences were found in *overall satisfaction*. However, in a number of the satisfaction dimensions, there were differences. The major results for the dimensions studied are discussed in the sections that follow.

Differences in Satisfaction Dimensions by Tenure with Firm. Significant differences by tenure emerged at $p < .10$ in all but one of the satisfaction dimensions (supervision and evaluation). This finding was somewhat surprising, since no significant

differences were found in overall job satisfaction. The direction of the means, however, was as expected. The highest means in overall satisfaction came from the group with tenure of more than seven years, followed by staff with tenure of five to seven years. Figure 2 presents the mean scores on 11 satisfaction dimensions by tenure with the firm. The results also revealed that the high-tenure groups (over five years with the firm) were more satisfied than the less tenured groups on the dimensions of higher needs and work itself, communication, counseling and training, pressures, and compensation. The low-tenure groups were more satisfied with office support. Staff with the firm two to four years were shown to be the least satisfied on all dimensions, except for higher needs or work itself and office support. Thus, it was not surprising that the highest intended turnover was reported by groups employed two to four years with the firm.



Middle Tenure Group Least Satisfied. The results document the existence of greater dissatisfaction in important areas within the middle tenure group, basically the senior level. This is the level at which CPA firms generally experience increased problems with uncontrolled, undesired turnover. At the senior level, pressures mount with responsibility for staff, particularly long overtime hours, and possibly conflicting assignments carried out under tight time budgets and multiple supervisors. Seniors apparently feel locked into high-pressure positions for which they are not adequately compensated.

The above results are partially consistent with prior findings, although most research of job satisfaction in the large CPA firm environment has studied position level in firm rather than tenure with firm. It is reasonable to expect similarities in results, since CPA firms generally follow an "up or out" policy. Research by Albrecht, Brown, and Field

[1981] has shown that upper level employees experienced higher overall satisfaction and lower intended turnover than those on lower and middle levels. Other studies found that middle level employees were least satisfied on an overall basis [Norris and Niebuhr, 1984], or least satisfied in work load and pay [Gaertner and Ruhe, 1981] or in working conditions [Albrecht, Brown, and Field, 1981].

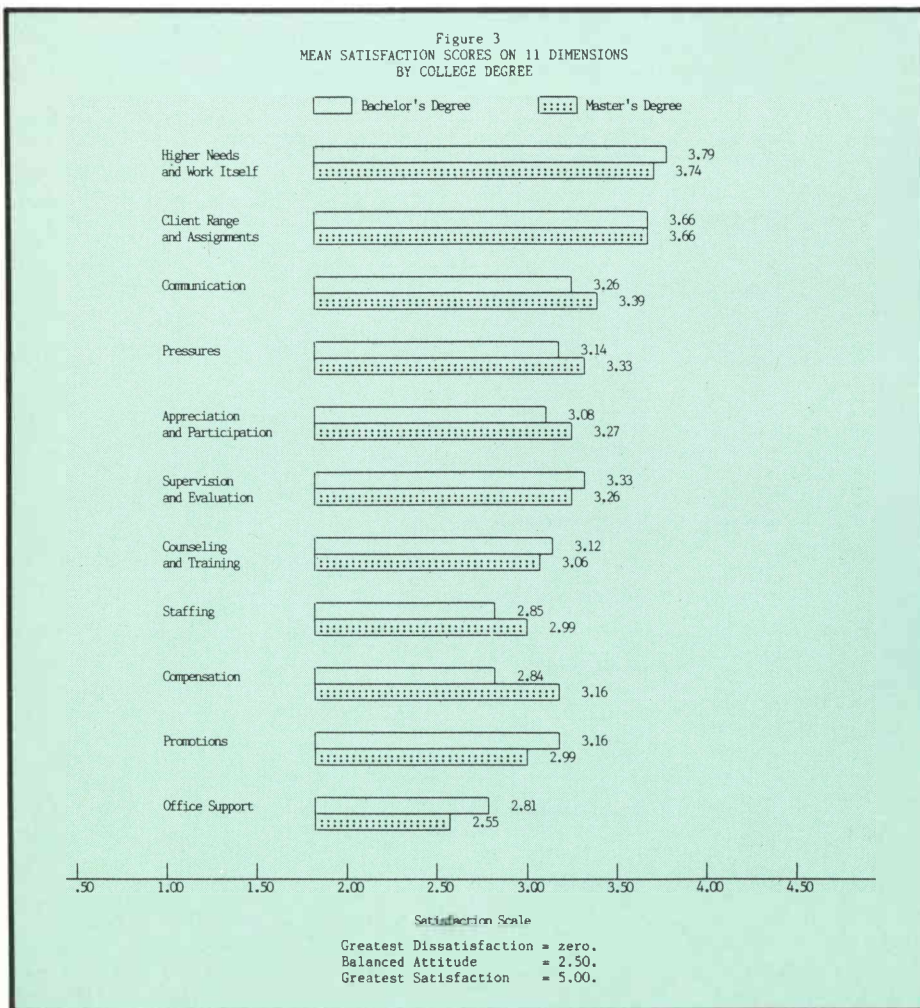
Differences in Satisfaction Dimensions by Education. Statistically significant differences by education emerged at $p < .10$ on the three satisfaction dimensions of promotions, office support, and compensation. The firm members with a bachelor's degree were more satisfied with promotion and office support than those holding a master's degree. However, on the compensation dimension, those with postgraduate degrees were more satisfied, as shown in Figure 3. This last result was expected since at the lower and middle levels, personnel with advanced de-

grees generally earn more than their counterparts with lesser degrees. In the area of office support, it is possible that the accountants with a master's expect more support by virtue of their greater prior experience. The lower degree of satisfaction dis-

Between 70% and 80% of professional personnel leave within five years of joining a firm.

played by this group with regard to promotions is also understandable, as these professionals expect to receive more frequent promotions. However, it is difficult to affirm that the differences on the three satisfaction dimensions are definitive, even in the immediate environment studied. Although some prior research [Albrecht, Brown, and Field, 1981] found that CPA firm members with a master's degree were less satisfied on promotion as well as on most other facets of satisfaction (although an "office support" item was not tested), other researchers concluded that it was not possible to significantly predict satisfaction [Benke and Rhode, 1980] or tenure [Loeb and Gannon, 1976; Rhode, Sorensen, and Lawler, 1976; and Sorensen et al., 1985] from educational factors.

Differences in Satisfaction Dimensions by Sex. Statistically significant differences by sex emerged on two individual dimensions. Women were less satisfied than men (at a significance level of $p < .05$) with aspects related to promotion: opportunities for advancement, the manner in which promotions were determined, the availability of upper-level positions, and the extent to which women knew when they would be promoted. The mean ratings on the satisfaction dimensions are reported in Figure 4. At the firm studied, the proportion of women declined at each successively higher firm level since there were only a few women at the upper levels. Women also seemed less satisfied than men ($p < .10$) on the dimension of pressures, such as time deadlines, number of hours worked, distances to commute in town, and



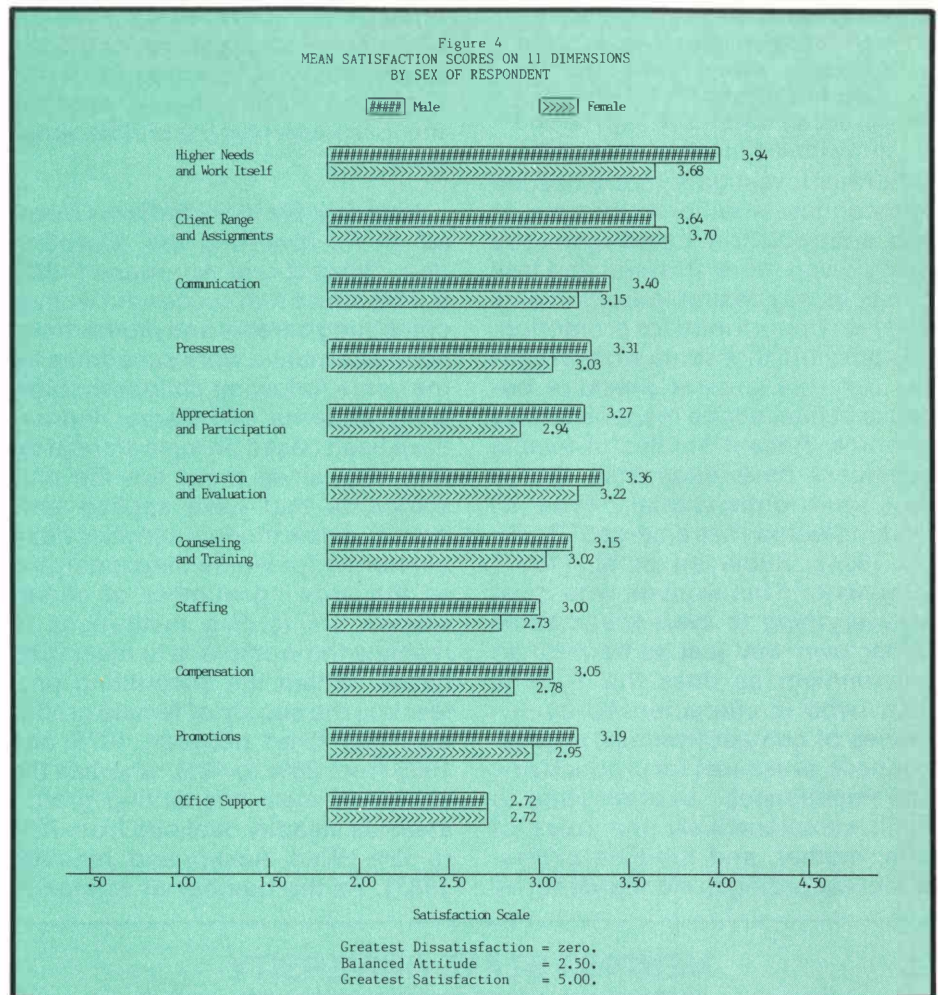
number of people to report to at the same time.

These results are partially consistent with other findings. For example, other research has shown that, in general, women CPAs and women in public accounting are satisfied in their jobs [Melcher and Welker, 1980; and Ward, Moseley, and Ward, 1986] and their rate of turnover is no higher than that of their male counterparts [Rhode, Sorensen, and Lawler, 1976; and Sorensen et al., 1985]. However, researchers also have reported patterns of positive relationships between feelings of or actual discrimination and the number of years of public accounting experience [Walkup and Fenzau, 1980; Patrick, 1984; and Hutton, Tucker, and Bradley, 1986]. Relatively low levels of satisfaction with promotions (and pay) among women CPAs have been documented by Ward, Moseley, and Ward [1986]. Maupin [1986] found that androgynous women CPAs achieved the greatest job satisfaction and were also more likely than other women to rise to the upper levels in the public accounting profession.

Discussion and Implications

Questions measuring overall satisfaction did not lead to identification of different satisfaction levels for individuals grouped by tenure, education, or sex. The analyses of individual satisfaction dimensions, however, revealed some noteworthy differences, with implications to the Big Eight firm and its professional staff. Differences were found in intended turnover, with the middle tenure groups reporting the greatest likelihood of migration. Since only one firm office participated in the study, however, the results cannot be generalized (from a statistical standpoint) to all large firms. But because of the environmental similarities among large firms, the results may have implications outside the organization studied.

Improvements for Seniors. One improvement suggested by the results is for employers to rethink some of their practices with regard to senior staff, since the greatest turnover tendencies were found to exist in this group of accountants who have between two and four years of tenure. Large CPA firms could open the channels of com-



munication, provide more mentors, make efforts to improve scheduling, and perhaps recognize specific preferences of seniors in the choice of clients, industries, or areas of specialization. When possible, firms might provide some relief for senior-level staff to prevent the burnout that many experience and which may drive them from the firm. For example, seniors might be encouraged to give more consideration to the use of task delegation to relieve time pressures, and firms might provide special training to improve the supervisory skills of senior-level firm members. Another approach might be for managers to carry some of the workload when necessary. In addition, the firms might consider an increased compensation package for seniors.

Promotions and Pressures of Women CPAs. With respect to women CPAs, changes are suggested by the findings that women are less satisfied than men on the dimensions of promotions and pressures. As it

now stands, the advancement rate for professional women in large CPA firms appears to be below that of other minority groups. In 1984, for example, a total of 6,870 women CPAs were employed by major accounting firms and only 2.1% of them (146) were partners in the firms; in contrast, the 1,144 CPAs from minority groups including American Indians, Asians, Blacks, and Hispanics supplied 12.8% (or 147) partners in major, non-minority firms [Professional Women and Minorities, 1986, pp. 3-4]. Ried, Acken, and Jancura [1987, p. 338], in their history of women CPAs prepared for the Centennial Issue of the *Journal of Accountancy*, state:

The history of women in accounting reflects a long struggle to overcome the barriers of rigid social structures, discrimination, misconceptions and conflicts between the demands of motherhood and career. Women's competence in accounting has long been recognized. Yet, even today few women

have risen to the top of the profession. Women have made major strides in recent years, but the opportunities and rewards for women accountants still lag behind those for their male counterparts.

Further investigations are needed to determine whether women are, in fact, subtly discriminated against by being given more stressful and less prestigious or desirable assignments and less opportunity for promotion. It is possible that some women simply perceive greater pressure because of their added responsibilities at home. Recent studies of female managers have suggested that a new multi-dimensional "Type E" working woman has emerged [Braiker, 1984]. Suojanen et al. [1987] comment: "This woman, who must be *everything to everyone*, creates in her own way just as harmful an environment as does the Type A man [who is characterized by extremes of competitiveness, aggressiveness, pressures for productivity, and impatience]." In attempting to fulfill simultaneously the roles of wife, mother, and full-time professional according to standards set by

others, many women find themselves under constant pressure. Under current conditions, this situation is very likely to prevail in public accounting, particularly at the middle senior level.

New Flexible Work Patterns Needed. In *Re-Inventing the Corporation*, Naisbitt and Aburdene [1985, p. 213] stress that successful women combining careers and motherhood need alternative work schedules for the years following childbirth. Most work patterns and career ladders have been based on male standards, they say, since those are the only standards that have applied until now. But new models allowing flexible norms for women are emerging as the growing number of career women are forcing institutions to reshape the workplace to meet their needs. Within the accounting profession, the supply of female graduates has risen between 1976 and 1985 from 28% to 48%, whereas the supply of male accounting graduates has steadily declined from 72% to 52% [Ried, Acken, and Jancura, 1987]. As the number of women in

accounting increases, the need for a reshaping of their working environment becomes apparent. Mary A. Finan [1985], a partner in Arthur Young, suggests that women in public accounting may be subject to personal frustration because of society's continued pressure on them to assume the role of child-raiser and generally be the caring center of family units. To fulfill professional and family responsibilities at the same time, she states, women may need flexibility in their professional work.

Secondary Promotional Track Needed. If CPA firms want to keep valuable employees, they need to get away from the "up or out" philosophy. In addition to allowing flexibility in work schedules and limiting travel, CPA firms might create and have a stated policy for a secondary promotional track for women with family responsibilities. Although financial compensation would be lower the the speed of advancement decreased, the firm would remove the stigma that is normally attached to lower pay and slower upward mobility. Such policies could bring relief to two-career couples or single parents, who may find it difficult to cope on the fast track. As children grow up and responsibilities at home stabilize, these professionals would begin to catch up.

The idea of getting off the fast track may disappoint some women. However, professional women need to realize that they do not have to be the "best" (by other people's standards) in all areas of their multidimensional lives. The same holds true for men who may have unusually heavy family responsibilities. It is generally not in the best interest of professionals or their employers to stay in overly stressful situations. In effect, employees in these situations may have to be satisfied with a slower pace of advancement. Nykodym et al. [1987] note:

Women may wish to be more successful or to have a better-paying job or higher status. Being realistic, women may need to content themselves with mild successes at first.

Not *all* women, of course, including those with children, would opt for a slower track; some women are able to combine family life and a high-

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powered career. But knowing that a slower track was available could ease the pressure even for these women.

Furthering Women's Careers. One reason that women perceive less opportunity for promotion is because conventional standards have often prevented women from engaging in particular activities that traditionally have been employed by men to further their careers. For example, men sometimes use private, male-only clubs to meet clients or colleagues. Men also frequently participate in informal all-male networks and often develop powerful mentor/protégé relationships. It is important that women also make special efforts to form their own networks; that they encourage, help, and actively support one another; and that they aggressively search for their own, powerful mentors who appear to be important to the professional development, status, and power of the CPA firm member. It is not necessary for women to participate in all of the traditionally male socialization processes. Their time is more wisely spent on efforts that serve to increase their professional visibility: participating in professional organizations, publishing in partnership with academics, accepting speaking engagements, and becoming involved in community matters. Women are often accused of being task-rather than goal-oriented and of not being able to delegate or supervise effectively, but women are also known to be articulate and creative. Further investigation is needed to determine how these and other factors affect both the job pressure and opportunity for promotion experienced by female CPA firm members.

Conclusion

Prior research and the current study suggest the need for further research. Although there is reason to believe that because of similar prior findings the results of this study reflect conditions that are typical for the Big Eight firm environment, more research is needed to provide an enlarged basis upon which to draw conclusions. Additional research is needed since prior work in the areas investigated has not been extensive, entirely consistent, or completely definitive. Ω

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