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Women in Accounting

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Abstract

There is gender inequality at the equity partner level in public accounting firms. The number of female partners is much lower than male partners. This paper examines the three main reasons for this discrepancy. The reasons are the difficulty in finding an appropriate work-life balance, good formal and informal mentors, and the extra financial risk associated with being an equity partner. Next, comparisons to law firms and educators are made examining the reasons for any gender inequality in those industries. Finally, proposed solutions to the three main reasons for the gender inequality in public accounting are explored.

Introduction

Businesses in America have taken significant steps to help women be as successful as men in the workforce, but have they done enough to put the two groups on an equal playing field? Recent data in the public accounting industry suggests that men are still experiencing more career success than women. According to the AICPA, Association of International Certified Public Accountants (2019a), 50% of new bachelor's and 53% of new master's of accounting graduates for the 2017-2018 school year were women (p. 15). At small firms with no more than 10 certified public accountants (CPAs), 66% of associates are women while this percentage decreases to 48% for large firms with over 100 CPAs (AICPA, 2019b, pp. 4-5). Despite statistics showing that the percent of women at entry level positions is either equal to or slightly above the percent of men, the percent of women equity partners is drastically lower. The AICPA (2019b) reports that 77% of partners in accounting or finance functions at United States public accounting firms are male, and only 23% are female (p. 3).

Hypothesis

The proportion of women at the partner level in public accounting firms is significantly smaller as a result of the difficulties women face in finding an appropriate work-life balance, good mentorship to help them advance in their career, and dealing with the financial risk associated with being an equity partner.

Statistics

The gap between men and women at the partner level is at odds with the gender distribution at other levels. The number of women working higher positions does decrease, but nothing as drastically as the decrease seen when examining the partner level. Recent data from the AICPA has shown that firms with under one 100 CPAs tend to have more women senior managers than men, with the highest being 71% women in firms with two to ten CPAs, and the lowest being 51% women in firms with 21 to 99 CPAs. The next level, which would be directly under the equity partner level, is the directors or non-equity partners. Here we can see a definite drop in the number of women working these positions, but the drop is not nearly as big as the one to equity partner. In the small firms with two to ten CPAs, women make up 51% of directors or non-equity managers. While this statistic appears promising, the percentage actually dropped 20% from 71% at the senior manager level. Firms with 11 to 20 CPAs show the lowest percent of women directors or non-equity partners at 40%. This decline is slightly lower than the previous one at 18% but makes the women at this position a minority. There is an 8% decline from 51% to 43% at firms with 21 to 99 CPAs. At the large firms with 100 or more CPAs, the percentage of women directors or non-equity partners remains the same as it was for senior managers. At 45%, women are still the minority when they actually are a slight majority of the educated graduates looking for jobs. Going off the lowest percentage of women at the director or non-equity level, 40%, there is a decrease of at least 17% when moving to the equity partner level. At 23% of equity partners, women are the obvious minority. Not only are they underrepresented at this level, but they are also a clear minority on executive committees. At the smallest accounting firms with two to ten CPAs, 53% of executives are women. This percentage decreases as firms get bigger, going to 35%, then 29%, and finally only 16% at large firms with over 100 CPAs (AICPA, 2019b, pp. 3-5). These statistics clearly show that there is at least one problem women are facing when they are trying to be promoted to partner.

Main Issues Women Experience

One of the main issues holding women back from advancing to the equity partner level in public accounting firms is the difficulty they often experience in trying to find an appropriate work-life balance. According to Stephanie Peters, chief executive officer of the Virginia Society of Certified Public Accountants, many public accounting firms continue to define success in the same way they have for years. This definition ties success with the number of hours put into work. There may still be a belief that people who are able to work the longest hours are the most committed to the company's success and should be the ones getting promotions (S. Peters, personal communication, September 25, 2020). This theory often hurts women because they may not be able to work as demanding hours as men. Gender stereotypes are breaking, and women are not automatically the primary caregiver of a couple's children anymore. For some families, the mother may decide to be the primary caregiver. For others, the father may decide to handle that responsibility. Some families may even decide to split responsibility between parents.

Regardless of who takes care of a couple's children, a woman will miss some time at work when she must take off to give birth and heal afterwards. The Society for Human Resource Management (2019) reports that "most [fathers] take only about one day of leave to bond with their new children for every month the typical mother takes" (para. 5). The Family and Medical

Leave Act allows for up to 12 weeks to be taken off. If a woman has multiple children, she will have to take time off on multiple different occasions which could be held against her especially if she chooses to take more time off than what is necessary to heal. If a firm's standard of success is hours worked, a man who has been employed the same amount of time as a woman with children may be favored to get promoted to the partner level because he put in more hours over that time than she did even if he has children for whom he took a few days off to bond with after their births. The woman may be able to produce either the same or higher quality work in less time, but the man could still be chosen because the firm believes he is more committed and therefore a better asset to them. Both men and women are able to choose how much time they want to spend with their children.

Women who decide that they want to spend a bit more time caring for their children and a bit less time at work may have a difficult time finding an appropriate balance between the two. One of the downsides of public accounting, especially taxation, is the heavy workload during busy season. For a woman, or even a man, already struggling to balance family and work, the extra time to do activities related to becoming a partner may be too much to handle. When talking to accountant Stefanie Payne, she brought up the topic of networking. As a mother of two, she indicated the extra time spent networking to become a partner deterred her from trying to achieve that level (S. Payne, personal communication, September 15, 2020). Other women interviewed have echoed her thoughts that more networking needs to be done when trying to become a partner. When thinking about public accounting, many people would consider it to be a solitary job. Many accountants, both men and women, may enjoy this set up. They may not want to become partners simply because they would not enjoy the extra interaction when it came to networking. This preference is personal but could also be a reason why some women may not want to be equity partners. If they still want to pursue being a partner, networking will have to be done to help eliminate any unintentional discrimination.

In the past, discrimination was one of the main reasons why women were underrepresented in public accounting. Today, discrimination is not as big of a factor, but Stephanie Peters believes it is still present. The type of discrimination that is more common now is unintentional. When partners are discussing who they want to join them, they may be inclined to choose people who are similar to them. When you have to work closely with someone, it is nice to have common interests that you can bond over. If no networking is done, the men partners may assume they have more in common with other men and choose them to join their ranks (S. Peters, personal communication, September 25, 2020). This scenario would only worsen the proportion of women partners. Women need to spend the extra time networking to make connections. They can find common interests with current partners, or they can show them that they are responsible and would be a pleasure to work with. For these reasons, networking is important, but women with families may not have the time to go to events. Single mothers with young children would have to pay for childcare to watch their children when they wanted to attend networking events that take place after hours. For women who rely on hours after work to spend time with their kids, they would be sacrificing that valuable time to network. The already demanding nature of public accounting combined with the extra hours needed to become a partner makes it a career that is hard for anyone to find a work-life balance. Women especially can have a hard time causing them to avoid the decision to become a partner. Another one of the reasons why networking is valuable is because it can help women find informal mentors which is something they are currently lacking.

One of the main reasons why there are less women equity partners in public accounting firms than men is because there is a lack of mentorship for women to help guide them through career advancement. Specifically, there is a lack of women mentors. With a lack of women partners in general, one would reasonably expect there to also be a lack of mentors. This can be a detriment to many women because the transition through different stages of a career in public accounting can be rather challenging especially when trying to reach the equity partner level. Having a mentor who has gone through the partnership path before can help make navigation easier. This advantage can even be stronger if the mentor and mentee are from the same firm. According to Reinstein, Sinason, and Fogarty (2012), "mentors convey knowledge about organizational routines and systems" that will help their mentees understand how to navigate the company specific political culture (p. 42). Another benefit is that women can make the decision on whether or not they want to become a partner more quickly if they have someone who can explain to them what would be required of them and what differences they would experience. There may be misconceptions about how many hours would need to be worked at the partner level. If they have young children, they may want to delay any thoughts about becoming a partner until their children are older. If these women do eventually decide they want to become a partner, it may take them longer to reach that level than a man their age that made the decision years ago and has been working towards it ever since. A mentor can disprove any misconceptions, and they can also emphasize the importance of always working towards the partner level even if a woman does not want to become a partner until later in life. According to certified public accountant JuJuan Williams (2020), "a mentor will help [one] to improve faster within [their] career with fewer detours along the way, because they have the experience [one] might not have under [their] belt just yet" (para. 4). Many of the larger firms recognize the value that mentorship programs have, so they set up formal mentors for their employees. Through these programs, many women are assigned men as their mentors.

Although having any mentor can prove helpful for women, having a woman mentor, whether formal or informal, is important. According to Williams (2020), a woman mentor is able to provide “guidance on trickier situations and obstacles [one] might encounter, as they’ve likely had to figure out these solutions themselves” (para. 4). Men may face challenges that can make them valuable as mentors, but women tend to either face more challenges or face challenges that other women will be more likely to relate with. An example of this would be missing time from work due to a pregnancy. As previously discussed, time off to have children can be detrimental to a woman trying to make the partner level, if the firm relies on hours worked. Women partners who have had to take time off to have children will likely have insight men do not have. Based on their experiences, they can provide other women with advice to help them avoid or at least reduce any of the challenges they may experience when in that position. Women may be able to relate to other women better and create a more comfortable environment which is important when it comes to mentoring. Comfort comes into play in a different way as well.

Not only may women be more comfortable with other women, but according to Fottrell and Settembre (2019), “an increasing number of men say they are fearful of working with female colleagues in the #MeToo era: 60% of male managers say they are uncomfortable mentoring, socializing with or even working alone with women in the workplace” (para. 3). If men are afraid of giving their mentees honest criticism for fear of being accused of discrimination, they may not give their honest opinions. Melissa Tarkett, CPA who is a newly promoted senior manager at RSM mentioned that she has seen a pattern of women being quieter in company meetings than men. She attributed this to the difference in authority rather than gender dynamics. The women are letting the male partners speak before them because they are their superiors, not because they are men (M. Tarkett, personal communication, September 18, 2020). Mentors can help give women the confidence to speak up during meetings about any ideas they may have. "They listen to your pitches without harsh judgement, but instead with constructive criticism, so that you may aim for success without as many beginner's mistakes along the way" (Williams, 2020, para. 10). If a mentor helps a woman refine their idea or gives them confidence that their idea is good, they may be more likely to share it. Speaking up in meetings with quality ideas can help women set themselves apart from others and up for promotions. Also, women should not have to worry about their mentor "steer[ing them] wrong or try[ing] to take credit for [their] successes, simply because it's not the inherent nature of the relationship" (Williams, 2020, para. 11). This aspect is where comfort level comes into play. If women are even comfortable sharing their ideas with their male mentors and the men in turn are scared to give honest constructive criticism, they could be inadvertently allowing their mentees to bring up underdeveloped or even inappropriate ideas. The shared experiences and the increased comfort level are some of the reasons why women mentors are important in public accounting. Mentors can even help explain the extra financial risk that can deter women from wanting to advance their career to the partner level.

Becoming an equity partner puts that person at greater financial risk than if they were only an employee which can be a reason why more women are not becoming partners. According to Cheryl Meyer (n.d.), "firms can be structured very differently, and aspiring partners need to know what will be expected of them financially" (para. 3). For example, some firms require "soon-to-be equity partners to either write a hefty check or finance a large loan through a local banking institution" (Meyer, n.d., para 3). Brandon Allfrey, CPA became a tax partner at a firm where "partners typically take almost four years to pay off their buy-in amounts" that "are often financed through money that comes from the firm's real estate holdings-money that would otherwise be allocated to them as owners" (Meyer, n.d., para. 5). If other firms are set up like this, partners who do not have enough billings in their early years may not be making enough money to make their necessary payment and have extra to take home. Not only do partners face the risk of losing money because of their own actions, but they can also lose money because of the actions of other partners. Depending on the setup of the partnership, partners can either have limited or unlimited liability. Partners with unlimited liability are responsible for any of the partnership's liabilities. One partner could make a decision that sends the firm into bankruptcy. If that partner or any other partners are unable to pay their share of the partnership's debts, all other partners are responsible for covering the debt. These partner's losses are not limited to what they invested in the partnership. In some of the worst-case scenarios, partnership bankruptcies can cause partners themselves to go into bankruptcy. Partners with limited liability can still lose up to their investment in the business, which can be a significant amount. Some women are not willing to take this chance of losing their money.

Many more women are becoming the primary breadwinners for their families and cannot afford to take on the risk of losing money or having an unpredictable income stream. Most employees of public accounting firms are salaried workers. They have a set amount of money that they will bring home each week. Single mothers or mothers who are the only person earning money for their families may need that stability. They may need a set paycheck every two weeks to buy the food their family needs. For some women, the stability may be more attractive than the higher amounts that could be made as a partner. This is especially true if they have a buy-in amount that forces them to make a minimum amount before they are able to take home any extra money. According to Brian Bloch (2019), "men are financial daredevils who like risk, and women are cautious and want security" (para. 1). There are many studies that have been performed to determine why women tend to be more risk averse than men. These studies show different causes, but they all echo that there is a difference in the preferred amount of financial risk men and women want to take. Even if a woman is not the sole provider for her family, she simply may not want to take on the extra financial risk associated with being an equity partner. Although men can also opt to avoid this heightened risk, statistics show that there is a greater chance that women will shy away from it making it one of the possible reasons why there are less women partners than men.

Comparison to Other Industries

Statistics prove that there are fewer women partners than men partners in public accounting. Is this discrepancy an industry issue, or are other industries observing the same issues? The same discrepancy is shown among law firm partners. According to Brodherson, McGee, and Pires dos Reis (2017), men made up 53% while women made up 47% of junior associates in law firms in 2017 (p. 3). The percentage of women at the mid-level and senior associate positions remains relatively stable. Similar to smaller sized public accounting firms, the percentage of women begins to drop around the non-equity partner level. At law firms, women occupy 37% of the non-equity partner positions. This decrease of 9% from the senior associate level is mild compared to the 18% decrease when moving from non-equity partners to equity partners. Men make up around 82% of equity partners while their female counterparts only represent around 19% (Brodherson et al., 2017, p. 3). Female representation at the equity partner level in law firms is about 4% less than representation in public accounting firms. Also, women are the minority at every position, whereas in public accounting, women are the majority in certain positions like the senior associate level. "For every 100 women promoted to partner, 141 men are promoted," which ensures that women will continue to be the minority for some time to come (Brodherson et al., 2017, p. 4). In order to close the gap, more women would need to be promoted than men. Some of the reasons why women are being promoted to the partner level less than men are similar to the reasons in public accounting.

The number one given reason why some women lawyers do not want to become partners is because of the difficulty associated with balancing family and work commitments. "Almost half of female attorneys call prioritizing work-life balance one of the greatest challenges to their professional success" (Brodherson et al., 2017, p. 6). Similar to public accounting, lawyering is a demanding career industry. Attorneys often spend long hours preparing for cases. Women with families may have to choose whether work or family gets more of their attention. They may believe that more will be expected of them at the partner level which would cause them to have less free time to spend with their families. If a woman is not comfortable with this expected new work-life balance, she may not want to become a partner. The next most influential reason why some female attorneys do not want to be partners is because they feel the benefits are inadequate compared to the personal costs. Equity partners in law firms experience the same financial risk that public accounting firm partners experience. Greater rewards, such as more income, may come from the greater risk. Also, partners often "receive access to a better package of employee benefits, but will need to pay for them" (Gaffney, 2014, para. 10). For some women, the costs outweigh the possible benefits, and they do not think becoming a partner would benefit them in the long run. A third reason why some women choose not to become partners is because they do not believe they will be able to. According to Brodherson (2017), "the strength and depth of client relationships is perceived by female attorneys as the number-two factor in the partner-election decision … and they believe they have fewer opportunities than male attorneys to network with clients" (pp. 7-8). The reasons why they do not have the opportunity to network can vary, but ultimately if a female lawyer does not feel confident that she has established solid client relationships, she may choose not to become a partner for fear she would not succeed. Accounting and law are two professional services that require a similar level of dedication which is why they have similar reasons that women are not advancing to the partner level as frequently. The education industry is not as similar but still shows women representing the minority at the higher level of professor.

Education is an interesting industry to study regarding gender because the majority of kindergarten through high school teachers are women, but the majority of college professors are men. Alia Wong (2019) reports the following:

> According to [a] study, led by the University of Pennsylvania professor Richard Ingersoll, the nation has witnessed a 'slow but steady' increase in the share of K-12 educators who are women. During the 1980-81 school year, roughly two in three – 67 percent – public-school teachers were women; by the 2015-16 school year, the share of women teachers had grown to more than three in four, at 76 percent. (para. 3)

Women's hold on the majority of educators quickly deteriorates when college professors are considered. Bridget Turner Kelly (2019) reports:

> the overall number of women full-time faculty increased from 31 percent [in 2003] to 45 percent. … These increases are from more women faculty hired in the roles of instructors, lecturers, and assistant professors – all untenured ranks. … in 2016, women represented 26 percent of all tenured professors, down a notch from the 27 percent mark in 2003. (para. 15)

In public accounting, women do hold the majority in certain positions, but it is not overwhelming like in teaching. If comparing being tenured to becoming a partner, the percentage of women achieving those levels is relatively similar, with public accounting slightly lower. What factors play a role in making women go from such a high majority of teachers to such a low minority of tenured professors?

One reason why there are more women kindergarten through high school teachers is because of gender stereotypes. Before women joined the workforce, they were expected to stay home to take care of the house and the children. According to Kim and Weseley (2017), "gender stereotypes of women as communal and warm and men as agentic and dominate arise from continually seeing each gender in its commonly accepted role" (p. 116). Women have always been deemed more nurturing than their male counterparts, especially when it comes to children. This personality difference is a stereotype that may apply to some women, but may not apply to others. The women that this applies to may want to teach younger children while the women it does not apply to may feel pressured to follow suit because society expects them to. Also, any males thinking about teaching may not want to because they may be associated with the "negative stereotypes of male teachers, such as 'weird,' 'gay,' and 'weak'" (Kim & Weseley, 2017, p. 115). While gender stereotypes have been almost completely eliminated in public accounting, they are still influencing education. Another reason for the discrepancy is work-life balance which affects which professors get tenure. Vawn Himmelsbach (2019) reports the following:

> at larger universities, [one's] ability to publish research – and attract funding – will be a critical factor in achieving tenure, while smaller universities may rank teaching ability above research. Service to the university or academic community is another factor, such

> as serving on a faculty committee, organizing a conference or advising a student organization. (para. 8)

All of these activities require the professor to spend extra time doing work related activities. Just like some women accountants, some women professors may not want to take away time spent with their family to work extra hours. Professors who do not want to sacrifice this time may not try to receive tenure. A third reason for the higher percentage of male college professors is the lack of women in certain fields that must be taught in college. Western Governors University (2019) reports that "while STEM is a growing occupational option, the number of women in these careers is often lower than men, resulting in a large gender gap. This all starts with the number of degrees in STEM fields women earn" (para. 4). Women are a clear minority in degree programs for majors like engineering. With less women earning degrees, less women will be applying to teach at colleges, and universities "have not generally been aggressive in using special strategies to increase the gender diversity of [their] applicant pool" (National Research Council of the National Academies, n.d., p. 7). Luckily, men and women pursuing accounting degrees are about even, so firms are not experiencing a problem recruiting women.

Confirmation of Hypothesis

Based on the research I have done and interviews I have conducted; I can conclude that my hypothesis is correct. Three of the reasons why women are not advancing as much as men to the partner level in public accounting firms are the difficulties women face in finding an appropriate work-life balance, the financial risk associated with being an equity partner, and a lack of mentorship to help them advance in their careers. Other industries such as education are showing problems with establishing work-life balance as well. Lawyers also have to deal with the increased financial risk. Now that we have taken a look at some of these difficulties, let us take a look at some suggestions brought up to help women overcome these challenges and excel at every career level.

Solutions to Main Issues

Many of the major public accounting firms already offer some type of flexible work schedule for employees trying to balance their home and work lives. All firms should work on providing multiple options for employees. One of the more common options is the compressed workweek. According to SHRM, the Society for Human Resource Management (2020), this workweek "is an alternative scheduling method that allows employees to work a standard workweek of 40 hours over a period of fewer than five days in one week or 10 days in two weeks" (Compressed Workweek section). This arrangement would be good for companies to choose if they believe that the number of hours worked determines commitment and success since the same number of hours would be worked. A compressed workweek might be a good option for a mother who wants to spend more time with her younger children. Instead of spending time with them for a few hours after work, they can work only four days a week and be able to spend one whole day with them. Families may be able to save money on childcare as well. If one parent works only four days a week while the other maintains a normal work schedule, during the four days both parents are working the kids should be spending the same amount of time at daycare since one parent can still pick them up at the same time. The children would then be spending one, likely eight-hour, day less in daycare. If both parents work a compressed workweek and choose different days to take off, kids would only need to be at daycare for three days. They would likely need to spend a couple more hours each day there, but the overall hours should decrease. When working a compressed workweek, not only will a woman be able to spend more quality time with her children one day, but she may also be able to “save time and commuting expenses by reporting for duty on fewer days” (SHRM, 2020, Compressed Workweek section). If the children are old enough to be attending school, this work week may not be as appealing to parents.

A woman may want to use flextime instead which “is a type of alternative schedule that gives a worker greater latitude in choosing his or her particular hours of work, or freedom to change work schedules from one week to the next depending on the employee’s personal needs” (SHRM, 2020, Flextime section). Kids that are old enough to go to school, but young enough that they should not be left alone will need parents there before or after school. Depending on when school starts and ends, a woman may want to choose when she comes into work. She may decide that she wants to drop her kids off at school or wait with her kids until the bus picks them up and then come into work a bit later than other employees. Her partner may be the one designated to pick them up after school or be there when the bus drops them off. If it is a single mother, some schools offer after school programs that would allow her to work the extra hours later in the day while her child was being cared for. If a woman wanted to do the opposite and work earlier in the mornings and take off later in the afternoon, she could do that as well. Firms that want to give employees this option should devise a “policy [that] should include expectations for how work will get done outside the office, incorporating work hours” (Levit, 2018, para. 7). This includes designating hours each day that employees must work, so they know everyone will be available for meetings then. They would likely want to set these times for the middle of the day, such as designating 10 a.m. to 12 p.m. and 1 p.m. to 2 p.m. as hours people must be working and available. This arrangement is also helpful for mothers who need to take their children to appointments. They can schedule them in the morning or in the afternoon depending on what hours they typically work. Firms can even benefit from this as it could cause less people to take a half or even full day off when they have personal matters to attend to, such as appointments. Employees would not have to worry about being late in the morning since they know they can simply work a bit longer that day. This advantage is an example of how firms can also benefit from giving their employees flexible work schedules.

The most flexible option may be allowing employees to work part-time or less than the typical forty hours per week. In the past, many firms would never consider a woman who worked part time for the partner position. Stephanie Peters names this aspect as what firms can work on to be more accommodating to women. Employees have different levels of productivity which is why firms should not measure success based solely on hours worked. A woman who works thirty hours a week, so she can spend the extra time with her family may be able to get the same amount of work done that a male who works forty hours a week gets done. Saying that the man was more successful would not be fair to the woman. To help level the playing field, Peters says firms should change their standards of success (S. Peters, personal communication, September 25, 2020). One improvement firms can make when completing performance evaluations is tailoring it to the individual. Suzanne Seymoure and Mollie Adams (2012) conducted a survey and their results found that "approximately 18% of the individuals responding to whether there should be changes to the performance evaluation process thought that the process needed to be more directed toward the experience level of the individual receiving the evaluation" (p. 71). These respondents felt that the standards used to evaluate certain employees were often too strict. They matched one situation, such as the male CPA on the partner track willing to work as many hours as needed. Not every employee matches this exact situation which is why the evaluation process should be tailored to each employee's specific situation. Instead of putting the emphasis on hours worked, firms should come up with a new set of standards to evaluate performance.

One aspect that firms will want to take into consideration is client relationships. Women often have better working relationships with clients than men. One reason for this is that more women are starting to own their own business and need accounting services. Male CPAs may either intentionally or unintentionally be condescending to these women. If they make the effort to avoid making clients feel this way, they could be focused too much on watching what they say that they avoid honesty that could potentially help the clients. Relationships can be strained while female CPAs do not have to worry about this concern. Their client relationships can form more naturally especially if they share common experiences with clients, such as being working mothers. According to Deanna Arteaga (2019), "flex workers can continue to provide excellent client service if they communicate openly with their clients and colleagues about their schedule and let them know there is always another point person in the office" (para. 19). If women do choose to work flexible schedules, and they are able to create good client relationships, their success should not be ignored. Partners are responsible for finding new clients and bringing them to the firm, and if these women are showing their abilities to create meaningful client relationships, they should receive praise for this in their performance evaluations. If they are able to connect with clients while they are working a flexible schedule, as partners, they should be able to excel at bringing new clients to the firm. Women who are currently working less hours may be willing to work full time later on in their career when they hit the partner level, especially if the reason these women are working less now is to provide care to their younger children who will eventually grow up and need less care. They can prove to be a valuable asset to the firm that they do not want to lose.

Firms should make sure to use other measures to evaluate performance and success, such as productivity during hours worked. They should not limit their definition of success to working long hours as it will hurt them in the long run because they may lose valuable women who have the potential to be successful partners. In fact, Stanford University "economics professor John Pencavel found that productivity per hour decline sharply when a person works more than 50 hours a week. After 55 hours, productivity drops so much that putting in any more hours would be pointless" (Sehgal & Chopra, 2019, para. 3). Not only may firm's' current expectations of employees working long hours be hurting women accountants, but they may actually be hurting the companies as well. If women are not getting the promotions they deserve, they may leave the firm for a competitor that is more accepting of flexible work schedules and evaluates performance on a fairer basis. Another way firms can avoid losing valuable women employees is through setting up a mentorship program that will help guide them through career advancement.

Some of the bigger public accounting firms have formal mentorship programs for all of their employees, but these should be implemented in firms of all sizes. Firms should also focus on trying their best to assign women as mentors for other women. When a new employee joins the firm, they should assign them a mentor and give them a trial time period. If the mentee or mentor do not feel that an appropriate relationship will be established, then the company should assign a new mentor. Some women may be comfortable having a man as their mentor. Other women may need to have another woman as their mentor to make them feel comfortable. Comfort comes from connections and understanding which can often be established easier between people of the same gender. For example, a mother may feel that another mother would understand her situation more and would be able to help her through the extra difficulties she may face during her career that a single male without any kids may not face. Relationships could be strained if the expectations of the mentor and mentee do not match up. A mentor who has never been married or had kids that works over 40 hours a week may compare their mentee to the standards they set for themself as they were advancing. These standards may not be realistic for a woman who works part time in an effort to be able to tend to her children more. The mentor could disconnect from the situation and hold back in giving helpful advice as he may not think his mentee deserves a promotion. Men who have children may be more understanding of the mother's situation and more likely to set realistic standards. Even if their mentor is an understanding man, women may still benefit more from having another woman as a mentor. Women may face more difficulties while trying to advance their careers. Men may not have experienced these challenges and may not be able to give appropriate advice. Women are more likely to have already overcome these obstacles and can give more valuable advice on the situations. An example of this could be the inability of women to make connections with male partners that reduces their chances to be selected as a partner. A woman who has already been through the networking process can give tips to one currently trying to navigate it. Helena Rukus, CPA who is a senior manager at RSM believes that women mentors must help clear the path of any obstacles they faced for other women (H. Rukus, personal communication, September 18, 2020). As current partners, they can invite potential partners to networking events and introduce them to other partners. The formal mentorship program can provide an automatic connection into the partner discussion for women who know they want to work towards that position. Formal mentors are important for companies to assign, but they should also encourage their women employees to find informal mentors.

Women should not rely on having only one formal mentor, they should also focus on finding informal mentors. While women are responsible for this, firms can help encourage it. There are actions firms can take to help women find natural mentorship connections with other employees. They can make finding mentors a requirement, or they can simply encourage it.

Establishing employee resource groups could be a good way to encourage. According to Catalyst (2020), employee resource groups "are voluntary employee-led groups that foster a diverse, inclusive workplace aligned with organizational mission, values, goals, business practices, and objectives" (para. 1). RSM, the sixth largest public accounting firm in the world, has 11 employee network groups with one specifically dedicated to women. The stewardship, teamwork, advancement, and retention of women (STAR) network "connects all employees interested in women's work issues [and] identifies and works with high-potential, high-performing women to ensure career success and pathways to partnership" (RSM, 2020, para. 1). Not only are these groups helpful in bringing awareness to companies about some of the unknown or unacknowledged issues their female employees are facing, but they are also great opportunities for women to find exceptional mentors. Women and men who voluntarily joined these groups are likely to be more dedicated to helping women advance in their careers. They may take a more active role in helping women get promotions rather than the more passive role of giving advice that formal mentors may take. Joining these groups and meeting women who could be looked at as informal mentors can also expand a woman's network. She will then not only have her formal mentor, but she will also have her informal mentors to help her make the appropriate connections she would need to be considered for the partner position. Not only will employee resource groups help women find valuable mentors, but it will also help the company as "benefits include the development of future leaders, increased employee engagement, and expanded marketplace reach" (Catalyst, 2020, para. 1). Companies will benefit, and women employees can choose the extent to which they will benefit from having this option. The sheer importance of mentorship could also call for firms to be stricter on their employees finding informal mentors.

Public accounting firms can encourage their employees to find new mentors every year. Each year employees can be told they should report one new person to act as a mentor to them. These relationships can be more relaxed than formal mentors. For example, a woman may choose another woman who was recently promoted to the partner level. They do not have to meet frequently and try to come up with an action plan for career advancement. The woman can simply observe the new partner's work style. If she sees a trait she thinks is making the partner successful, she can try to implement that into her own work. She can also avoid doing anything she sees the partner does that she does not feel bodes well among other partners. Depending on the willingness of the chosen mentor, the relationship can be more formal. If both parties agree, they can meet more frequently to discuss tips for navigating a career in public accounting. Another reason why this may be a good idea is that the mentee may have advanced to the same level as the original mentor the company assigned them. The mentee would then be able to choose women at higher positions to hopefully work with and learn from, so she can have guidance as she continues to work her way up to the partner level. Public accounting firms should not be the only organizations held responsible for furthering mentorship among women CPAs.

Professional organizations for CPAs should also implement mentorship programs. Each state has their own society or association of CPAs. These state societies would be a great place to create mentorship programs as it would allow possible mentor candidates to meet successful employees from other firms in the state. Some state societies already have mentorship programs in place that are available to their members. The New York State Society of CPAs (2020) has implemented their new "Mentor Match Program [that] pairs early career professionals with experienced professionals across New York State. … Mentors and mentees are asked to meet at least once each month, and meet at least six times during the course of the Mentor Match Program [either] in person, by phone, or by using video chat" (paras. 1-3). A benefit of this program is that members are able to partake with no extra cost to them. CPAs must pay membership fees to become members of their respective state societies, so programs similar to New York's will still cost money to participate in. Many firms are willing to pay the membership dues for their employees. Firms can tell employees that they will pay for their membership, if they agree to enroll in these mentorship programs. The American Institute of CPAs (2020) also has an "Online Mentoring Program [that] allows participants to seek a mentor and/or mentee outside of their organization" (para. 2). If companies would rather have their employees participate in this program, they can offer to pay for their membership to this organization. The information that employees learn from mentors outside of their company may be valuable enough that the company itself will benefit from paying for the employees to participate in the programs. Another reason why mentorship is important is because mentors can help women get a better understanding of the added financial risk they would take on as partners and how to reduce their risk.

There are some steps firms can take to help reduce or educate their employees on the financial risk they would be taking on if they became a partner. Firms should focus on how they are organized. Instead of being a normal partnership, they may want to consider being a limited liability partnership or a limited partnership. Peri Pakroo (2015) defines each structure as follows:

> In limited partnerships (LPs), at least one of the owners is considered a 'general' partner who makes business decisions and is personally liable for business debts. … The limited liability partnership (LLP) is a similar business structure but it has no general partners.

> All of the owners of an LLP have limited personal liability for business debts. (paras. 2-3)

These structures can help encourage employees to become partners. Having limited liability decreases the risk associated with being a partner. Women who do not have to worry about the actions of other partners because they cannot be held accountable for their mistakes may be more willing to take the financial risk. They still have the possibility that they could lose money, but it would only be their own fault. If a woman is confident in her ability to succeed as a partner, she may feel more comfortable with becoming one than she would if she did not have limited liability. Another way firms can reduce the financial risk their partners take on is by doing their research on the most successful terms of partnerships. As previously mentioned, public accounting firms can be structured differently which can lead to different outcomes for partners. Some structures can make partners take a long time before they are able to recover all of the money they initially contributed when they became a partner. Other structures may demand such high amounts to be contributed every year that new partners struggle to bring in enough new clients to meet this amount. If they do have enough billings to meet and exceed the amount, they still may not be making as much as they were on their salary right before becoming a partner. If women hear that current partners are struggling a bit financially, they may be hesitant to become a partner. Firms are able to grow as more partners join, so they do not want to stunt their growth by making unfriendly terms that turn some employees away from becoming partners. Not only can doing their research to find the best structure benefit their employees, but it can also benefit them in the long run. Once firms determine which strategy to use, they must communicate this to their employees.

Women may be more likely to become partners if they have a clear understanding about what would be expected of them financially. Denise Wells, CPA who has had three years of public accounting experience at RSM admitted that in only her third year working, she does not understand what aspects of her job would be different as a partner (D. Wells, personal communication, September 18, 2020). Her manager, Samantha Krall, who was recently promoted to senior manager echoes her thoughts saying that she had not given much thought to the partner decision yet. As senior manager, she is now being given the information necessary to understand what being a partner means (S. Krall, personal communication, September 18, 2020). Firms will want to educate their women starting early on in their careers. The more information women have on the topic, the sooner they will be able to make a decision on if they want to become a partner. When a new employee joins the firm, they should be given information on every position and what would be required of them at that position. If the formal mentor the company sets them up with is a partner, they can be the one to go through all the different position requirements. If not, the company can assign a partner to meet with them and give them the necessary information. After each promotion, employees should once again meet with their mentor or a partner to go more in depth about the positions above them, especially the one directly above. If women know that there will be financial risk but are assured by the company that they are taking actions to mitigate it, then they may be more comfortable with the idea. For example, they can set aside some money from every paycheck to save enough to be able to make the company's necessary capital contribution. If women are told that the amount of money they would make as partners depends on how many clients they can attract to the company, they may begin building their network earlier in their careers. When firms educate their women, the women can become better prepared which can mitigate the financial risk that deters some of them from wanting to be equity partners.

Conclusion

Currently the number of female equity partners in public accounting firms is much lower than the number of male partners. The main reasons for this are difficulties in finding a work-life balance, good mentors, and the added financial risk of being a partner. To help combat the issue of women not being able to find an appropriate work-life balance, firms can adopt flexible options that they provide to employees and reconsider how they evaluate employees. Offering compressed workweeks, flextime, and part-time schedules can help firms retain valuable working mothers. They also must be careful not to inadvertently evaluate them too harshly by having evaluation standards regarding working as many hours as possible. Firms can set up formal mentorship programs and encourage their women employees to find informal mentors among other employees in their firm and other CPAs in the state or even country. Paying membership dues to state societies that have mentorship programs available to their members may be a good strategy firms can take. To mitigate the financial risk that deters some women away from the promotion, firms should carefully consider their own structure. Being structured as a limited or limited liability partnership and offering beneficial ways for partners to contribute their necessary capital can mitigate the risk. Firms should also be sure to educate their women on the benefits and risks of becoming a partner. Some of the larger public accounting firms have been able to implement these solutions and have had success. When all firms implement these solutions, the number of women who decide they do not want to be equity partners may decline and more women may decide to become a partner. The gender gap may begin to disappear allowing women to finally become equal with men in career success in public accounting.

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