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Public Accounting Report

THE INDEPENDENT NEWSLETTER OF THE ACCOUNTING PROFESSION SINCE 1978

MAY 2018 | VOLUME XLII, NO. 5

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Evolving Perspectives Redefine and Refresh Initiatives

Accounting MOVE Project 2018: Expanded Vision, Rising Results.

The national discussion about workplace gender equity, culture and accountability has never been more divisive. And the return for staying the course has never been greater.

Evidence continues to gather that gender-balanced leadership and teams consistently deliver better financial results. The "gender advantage" drives better financial results, reaps new clients, enhances firms' reputations, and builds credibility with accounting firm business partners. This ninth edition of the Accounting MOVE Project both challenges and equips firms to make the most of this historic opportunity.

PAR is proud to partner with the Accounting MOVE Project to help disseminate this information to the public accounting profession. Wolters Kluwer, publisher of *PAR*, neither pays for nor receives any fees associated with this survey and did not participate in data collection. Participating firms pay a small fee to Chicago-based Wilson-Taylor Assoc. for individual benchmark reports associated with this survey. *PAR* publishes MOVE results as a complementary supplement. The MOVE Project is sponsored by the organizations noted below. MOVE results are based on surveys and interviews with 45 participating firms that consist of 31,533 employees, conducted from November 2017 to March 2018. ■

Joanne Y. Cleaver
President, Wilson-Taylor Associates, Inc.

Julie Lindy
Editor, *Public Accounting Report*

Public Accounting Report

The Pipeline of Women—2018 MOVE Project Metrics

Though progress is incremental, women have achieved a major milestone in senior leadership at accounting firms: They now comprise 25% of management committee members. Meanwhile, the proportion of women moving through the leadership pipeline is level.

All MOVE Accounting and Consulting Firms

Women Employees and Executives as a Proportion of ALL Employees and Executives	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
	%					
Women Partners & Principals	24	24	23	22	19	19
Women on Management Committee	25	24	21	23	19	20
Women Directors	47	47	46	30	41	43
Women Senior Managers	46	47	47	47	44	44
Women Managers	50	50	49	50	51	51
Women Supervisors/Senior Staff	50	50	49	52	48	48
Women Associates	51	49	52	52	48	53
Women New Hires	50	51	50	51	48	50
Women Full-Time U.S. Employees	51	51	51	51	51	51

Source: 2018 Accounting MOVE Project/Wilson-Taylor Assoc.

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Editor
Julie Lindy
julie.lindy@wolterskluwer.com

Project Editor
Joanne Y. Cleaver
jycleaver@wilson-taylorassoc.com

Assistant Project Editors
Shelley Moench-Kelly
Michael Kelly

Contributing Editors
Carrie Kostelec
carrie.kostelec@wolterskluwer.com

Editorial Assistant
Velavan BS

Production Editor
Zeina Makky

PUBLIC ACCOUNTING REPORT (ISSN 0161-309X) is published monthly by Wolters Kluwer, 2700 Lake Cook Road, Riverwoods, Illinois 60015. Subscription inquiries should be directed to 2700 Lake Cook Road, Riverwoods, IL 60015.

Phone: 800.449.8114 | Fax: 773.866.3895 | Email: cust_serv@cch.com

2018 ACCOUNTING MOVE PROJECT OVERVIEW

Firms Find Fresh Strategies for Advancing Women While Adding Diversity and Inclusion Initiatives

Diversity and inclusion initiatives need not compete with CPA firms' commitment to advancing women.

At first blush, it seems contradictory that women's initiatives and diversity and inclusion initiatives might compete for resources and attention. But as D&I efforts rapidly evolve, some firms struggle to keep a clear focus on advancing women. Successful programs pioneered by women's initiatives offer lessons that can speed success for D&I efforts, but firms must take care not to lose unique opportunities to cultivate women and to ensure that they capture the advantages of the "gender lens."

Should firms try another strategy, with progress seemingly so slow? After all, women comprise 24% of partners, according to the 2018 Accounting MOVE Project, compared to 17% in 2010, when the first MOVE report debuted. The question is personal for women who have long advocated for initiatives, training, accountability, and greater appreciation for how women drive firm growth. Early advocates are afraid that women could be crowded off the stage they built.

Innovative firms are finding fresh ways to both renew their concentration on developing women and to transfer knowledge to growing D&I initiatives. Here are highlights from the 2018 Accounting MOVE Project report, which outlines how some firms are accelerating both results from ongoing women's initiatives and new D&I initiatives.

- **Add, don't divide.** It is counterproductive to add affinity groups and divide static resources among them, thus diminishing resources for women while offering new groups insufficient budgets. Introduce a firmwide women's conference so women can find peers, mentors and sponsors across offices and practices. Among the firms with high proportions of women leaders that are now adding women's conferences are **OUM**/San Francisco (FY17 net revenue: $19.2 million; 11 partners, 87 total staff; two offices); **Bland**/Omaha, Neb. ($3.54 million; six partners, 94 total staff; two offices); **MCM CPAs & Advisors**/Louisville, Ky. (FY17 net revenue: $49.6 million; 46 partners, 356 total staff; seven offices); and **BPM LLC**/San Francisco (FY17 net revenue: $88 million; 40 partners; 475 total staff; seven offices). Men are invited to BPM's inaugural women's summit. "We include everybody," said Beth Baldwin, chief people officer for BPM. "That reinforces the message that it's a win."

- **Be selective when opening programs crafted for women to all employees.** The idea sounds like a simple matter of equity, but using your women's initiative to pioneer programs for the entire firm both dulls the impact for women and calls into question the value of existing programs that were always intended for everyone. Women's programs need to specifically invest in women and remove barriers to their success, say leaders at MCM and **Plante Moran**/Southfield, Mich. (FY17 net revenue: $468 million; 292 partners; 2,200 total staff; 24 offices). Plante Moran coordinates communication among firm initiatives, such as its Women in Leadership Initiative, Work-Flex Committee, and the diversity council to ensure that each stays focused on its goals and that internal messaging is consistent.

- **Know that women's initiatives often catalyze two types of firmwide change.** Initiatives change the conversation about what "success" and "merit" look like, and at the same time, evolve a firm's succession planning and talent development process, according to experts at **Moss Adams**/Seattle (FY17 net revenue, $577.016 million; 329

partners; 2,555 total staff; 32 offices). Separately, well-run women's initiatives forge tactical best practices that can set the stage for fast starts for D&I initiatives, as found by the 2018 MOVE Project. A tightly focused women's initiative designed from the start to win and measure business results opens new opportunities for women and for the firm. Among the firms gaining traction with this strategy: **Marcum LLP**/New York (FY17 net revenue: $469.53 million; 210 partners; 1,193 total staff; 22 offices); **LBMC**/Brentwood, Tenn. (FY17 net revenue: $59.40 million; 45 partners, 367 total staff; three offices) and **Weaver**/Fort Worth, Texas (FY17 net revenue: $114.96 million; 96 partners, 539 total staff; nine offices). **Kositzka, Wicks & Co.**/Alexandria, Va. (FY17 net revenue: $12.8 million; 15 partners, 90 total staff; two offices) initially thought that it didn't really need a women's initiative, but then realized it already had the elements of successful initiative. The firm formalized its ongoing programs under a women's initiative umbrella, the better to raise its profile when recruiting.

- **Treat metrics and measurements as milestones, not destinations.** Firms making consistent progress align firm values and programs so all managers are held accountable for enacting the vision outlined by top leaders. Lofty statements about values and goals do not automatically translate to change.

"Name a company that *doesn't* have a list of core values," said Jacqui Wiggins, chief of staff for Chicago-based **Baker Tilly**. "We don't think of diversity and inclusion as a stand-alone program. We do think of it as a lens that makes everything better at our firm. Diversity and inclusion informs our growth strategy, our specialization strategy, and our people strategy. When we do it right, that makes it easy to talk about it internally and externally."

That silver lining illuminates the roiling debate about gender roles in the workplace. Employers, women and stakeholders are crafting new definitions of success and new avenues to achieve success together. ■

2018 ACCOUNTING MOVE PROJECT HIGHLIGHTS

Accounting MOVE Project Firms Leap Ahead with Pay Equity Practices and Strengthen Work-Life Offerings

Every year, the Accounting MOVE Project tracks emerging – and fading – programs intended to fully engage women in their firms' growth. The key MOVE factors — pay equity, leadership development, work-life programs, and business development training – intersect in myriad ways to propel or hinder women's career advancement.

Money, Pay Equity and Pay Decision Policies and Practices

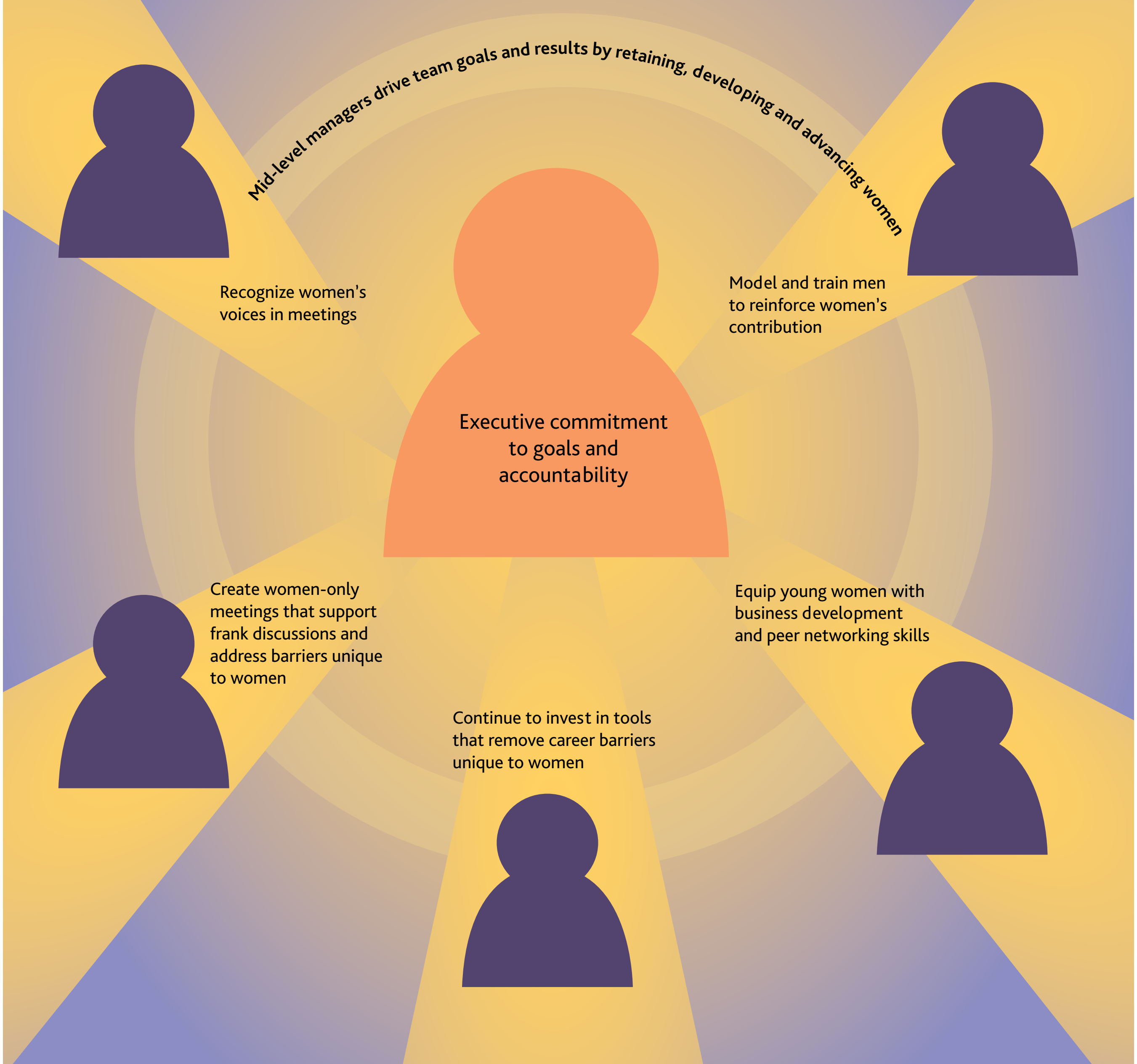
- **38%** of participating firms review pay equity by race and gender.
- **56%** of participating firms review pay equity by department.
- **47%** of participating firms review pay equity by region/office.

Accounting MOVE Project research reveals a steady increase in both analyzing pay equity overall and in analyzing equity by chain of command. **Clark Nuber**/Bellevue, Wash. (FY17 net revenue: $38.64 million; 23 partners; 200 total staff) is among firms revamping pay communication to more thoroughly explain the context and rationale for

INSIGHTS FROM THE 2018 ACCOUNTING MOVE PROJECT

Core Strength

Inclusion starts at the top, but mid-level managers make it work – and deliver on the promise of programs



Sources: Bain, Charting the course, Getting women to the top; AICPA 2017 Trends in Accounting Graduates; Harvard Business Review,"Objective Performance Metrics are Not Enough to Overcome Gender Bias Disagreements; McKinsey, Why Diversity Matters; Accounting MOVE Project 2018 ; Academy of Management Journal compensation. **CohnReznick**/New York (FY17 net revenue: $620 million; 270 partners; 2,700 total staff: 25 offices) is adopting the highest standard of pay equity practices dictated by new state laws to the firm nationwide.

Opportunities for Leadership

- **78%** of participating firms offer formal performance coaching.
- **38%** of participating firms ensure rising women are assigned client-facing roles.
- **44%** of participating firms have formal succession plans in place.

Lurie LLP/Minneapolis (FY17 net revenue: $28 million; 20 partners; 148 total staff) structures early career expectations with its new ambassador program for young managers and senior associates. Its goal is to accelerate their transition from a compliance mindset to a business mindset. One unexpected insight, said COO Kimpa Moss, was that millennials often turn to peers first to troubleshoot technical, career and client dilemmas. **Novogradac**/San Francisco (FYE net revenue: $136.5 million; 59 partners; 607 total staff; 27 offices) opens the door for customized part-time partner tracks based on the runaway success of both its part-time principal track and its success with designing new offices around women partners' needs.

Vital Supports for Work-Life

- **66%** of participating firms offer telecommuting as a formal practice.
- **50%** of participating firms offer referral services for eldercare.
- **50%** of participating firms offer more generous paternity leave than is legally required

BKD/Springfield, Mo. (FY17 net revenue: $564.4 million; 326 partners and principals; 2,164 total staff; 36 offices) tracks women's participation in both its women's initiative and its diversity efforts to ensure that rising women are engaged with the program that can provide them with the best development opportunities.

Entrepreneurship and Business Development

- **69%** of participating firms offer internal incubators to develop employee ideas.
- **69%** of employee affinity groups at participating firms advise on recruiting.
- **66%** of participating firms communicate with former staffers.

Targeted business development coaching for partner-track managers pays for itself at **BPM LLC**/San Francisco (FY17 net revenue: $88 million; 40 partners; 475 total staff; seven offices). "Managers who are being coached are moving their numbers, with at least $100,000 in new business each year," said Beth Baldwin, chief people officer. **Jones & Roth**/Eugene, Ore. (FY17 net revenue: $12 million; 11 partners; 90 total staff; three offices) converted an internal women's business book club to an all-inclusive business development program by inviting current and potential clients. **Wipfli LLP**/Milwaukee (FY17 net revenue: $275 million; 224 partners; 1,865 total staff; 43 offices) now includes senior managers and directors in a formerly partners-only leadership summit. And **BeachFleischman**/Tucson, Ariz. (FY17 net revenue: $26.82 million; 22 partners; 163 total staff; two offices) partnered with a rapidly growing women's business owner network to open doors for rising women and to align with the region's economic development, said Shareholder Eric Majchrzak. ■

COMMENTARY

Goal of Advancing Women Calls for a New Playbook

By Jennifer Wyne, *Executive Director of Human Resources, Moss Adams LLP* and
Risa Lavine, *Principal, Chief of Staff, CohnReznick LLP*

Good intentions and respectable results defined the first generation of women's initiatives. But if good intentions defined success, women would account for far more than 24% of partners and principals, which is the current state of affairs, according to the 2018 Accounting MOVE Project survey. Good ideas for advancing women abound, and the profession has no shortage of ideas. At our firms—Seattle-based Moss Adams LLP and New York-based CohnReznick—good ideas, put into practice, are helping to advance the women in our respective partnership pipelines.

Change is not happening as quickly and uniformly as we wish it would. As we examined our wins and disappointments, we realized that underlying obstacles prevent women in our firms from achieving their own professional goals, and thus, collectively driving our firms' results.

No matter how good our ideas and programs are, it's a constant effort to build on them. There's no automatic pilot.

The problem isn't starting change. The problem is making change stick.

What does "making change stick" mean?

Making change stick means delving into the often-muddled arena of assumptions about societal norms, personality traits, personal experience, background and circumstances. All of these factors come in shades of gray, and none of them fit easily with the process-driven technical skills that attracted many accountants and consultants to their professions.

It's easy to plot an initiative on a spreadsheet. Programs, schedules, topics, event planning, and attendance are all quantifiable aspects of women's initiatives and are squarely within the sweet spot of accounting firm cultures. Maybe that's why accounting firms were among the first to launch initiatives, especially for working parents. Twenty years ago, the issues appeared to be clear-cut: resolve direct work-life conflicts and voila! Women would stay in the leadership pipeline.

Many of those issues have been resolved, partly by firm practice, partly by technology, and partly thanks to evolving employee expectations and skills.

The problem lies outside the spreadsheet. It's in how we define success. It's not about what works for us as established leaders. It's about what will work for emerging leaders, especially women and diverse staff who own very different definitions of life and professional success. What works for today's senior leaders—now and over the courses of our careers—already is not working for those early in the partnership pipeline; not when the proportion of women drops by 50% from the senior manager level to the partner/principal level.

Leadership from the top is important, and Moss Adams and CohnReznick are committed to the advancement of women as a business imperative. Our women's initiatives—Forum W at Moss Adams, and WomenCAN at CohnReznick—have been instrumental in our progress with retaining and advancing more women to partnership.

But we're also learning that while the grand gesture gets attention, it's the daily effort that makes it real to individuals.

Middle managers chronically overestimate the efforts needed to adopt new processes and underestimate the impact of those new processes, according to ongoing research by management professors at Harvard, Stanford and MIT. In an analysis by McKinsey, "Democratizing Diversity," researchers explained how real change took root when one employer used quarterly employee groups to discuss and resolve ground-level barriers to productivity.

What do daily efforts look like at accounting and consulting firms?

The problem lies outside the spreadsheet. It's in how we define success. It's not about what works for us as established leaders. It's about what will work for emerging leaders, especially women and diverse staff who own very different definitions of life and professional success. What works for today's senior leaders—now and over the courses of our careers—already is not working for those early in the partnership pipeline; not when the proportion of women drops by 50% from the senior manager level to the partner/principal level.

At Moss Adams, leaders at all levels championed a collaborative, long-term cultural shift. Forum W was established 10 years ago. The firm knows that creating cultural change doesn't happen overnight, and it's not all about developing programs and supporting activities. It takes an organized, firmwide effort to sustain momentum. This effort includes creating accountability and measuring progress through metrics, scorecards, and transparency. By establishing goals and sharing data, Moss Adams shows how everyone in the organization can have an impact. Leaders articulate their expectations and provide the resources to act on them as part of the firm's culture.

For years, CohnReznick conducted an annual pay equity analysis by gender and now includes analysis by minority status. In 2017, it took its approach to equity in compensation a step further by eliminating salary history from employment applications and background checks. The decision to adopt this as a universal policy, rather than a compliance exercise in the few states where it's required, is an example of the firm's commitment to pay equity.

It takes an organized, firmwide effort to sustain momentum. This effort includes creating accountability and measuring progress through metrics, scorecards, and transparency.

Accounting firms must rethink how they define and discuss "merit," a term that sounds objective but becomes subjective as soon as a potential leader is evaluated on the basis of anything but technical skills. It's time to rethink how we assess not just results, but the skills and determination someone applied to achieve those results. In the process of researching the 2018 Accounting MOVE Project, the MOVE team interviewed an apparently shy woman recently admitted to partnership at a firm that is a perennial on the Best CPA Firms for Women list sponsored by the Accounting and Financial Women's Alliance, based on the Accounting MOVE Project. Despite her early wins with business development, the executive team thought it was taking a chance on her. But their apprehension turned to astonishment when she took the promotion as a vote of confidence. She surprised them by finding her voice—and by using it to win new clients and to become a sought-after mentor.

Now is the time to redistribute power from senior leaders to rising leaders so that new managers have the authority to make changes that retain staff who in turn will soon move up. They are the ones who will make it stick, and the ones who will stick with it themselves. ■