

The Great Female Resignation...?

An AGN 'Women of Impact' Initiative



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AGN female leaders discuss why many women leave the profession before partnership and consider strategies to reverse the trend.

In 2021 The AGN Women of Impact (WOI) awards program sought to recognise the unique impact of women accountancy professionals and staff within our member firms. We focused on outstanding contributions and leadership often delivered in very difficult circumstances during the time of the pandemic. The process surfaced some amazing tales of excellence, professionalism and selflessness.

This led us to reflect on the proportion of senior female representation amongst AGN members and consequently in the AGN share-groups, committees and conference delegates – typically only 10-20%. According to the Harvard Business Review, gender diversity leads firms to be more productive as measured by value and revenue.

Regulation aside we know gender diversity in leadership just makes plain business sense. We know that a reputation for a diverse workforce is useful for attracting talent – which at this moment is absolutely critical for all members. McKinsey research indicates firms that embrace gender diversity in leadership were 25% more likely to have above-average profitability. And according to research from academics from the UK Universities of Glasgow and Leicester companies with more than 30% female executives are more likely to outperform companies that don't.

However, the issue of equal representation of women and men in senior positions in firms persists – year after year, decade after decade.

So why are women professionals so poorly represented at senior levels within many firms? In order to surface some perhaps new answers to seemingly old questions we gathered together 15 women leaders from our members from around the globe and hosted a series of regional and global debates through August 2022.

- Why do so many women drop out of the accounting profession (i.e. more enter than men)?
- What needs to change for more women to be promoted to senior positions in practice?

WOMEN OF IMPACT DEBATE

QUESTION 1:

Why do females leave the profession and so few make it to partner...?

According to figures from the seven main professional bodies within UK accountancy (ACA, ACCA, CAI, CIPFA, CIMA, ICAEW, ICAS), the number of female students enrolled has increased and by 2017, 49% of students at the seven combined bodies were female. The ACCA reported that 57% of its currently enrolled students are female.

Despite these positive numbers a lot more men than women are filling senior positions. For example, the 2020 Australian Financial Review Top 100 Accounting Firms list revealed that women make up less than one-quarter of the partners at Australia's biggest accounting firms (1192 women out of 5163 partners) – a proportion mirrored in the US where in 2019 only 23% of partners are women.

Caroline Allouët (BM&A, France): *"At BM&A the structure is the same as most firms in France. For example, 50% of Executive Directors are female – but then only 20% of partners are female."* But it's not like this everywhere. Carol Flockhart (Chiene + Tait, Scotland): *"Five out of our twelve partners, four out of eight Directors and our independent Chair are women – to be frank I haven't experienced the gender problems that are so prevalent elsewhere. As I listen to my colleagues in other firms and territories I realise that I mustn't assume it's the same for everyone, when clearly it's not."*

Balancing long hours and family needs

Carol does concede the longer hours culture is prevalent across the industry in the UK as a whole, and this presents a significant challenge for female professionals. *"As a partner there is an expectation that you will work these longer hours."*

Our WOI panellists regularly alight on long unsocial hours, lack of flexibility over time and work/life balance as observable reasons as to why women leave the profession - but less so over other commonly sighted reasons for female turnover such as mental health problems, burnout and toxic culture.

But Vicki Yorston (Harding Martin, Australia) suggests these issues are all connected: *"The Covid pandemic raised the collective awareness of work place mental health issues. A combination of long hours, client work and peer pressure coupled with the pressures of trying to raise a family can be a very stressful experience and perhaps ultimately why women leave – either because they experience this stress or because they want to avoid the mental health issues that might come from it."*

Low expectations, confidence levels ...and risk?

Vicki states that some university graduates she has spoken to in Australia were surprised to learn that they could ever make it to partner. *"At some point in their lives they had accepted that getting a degree, getting a job and working was as much as they could expect to get out of a career in accountancy."* The group went on to discuss the importance of education broadening young women's horizons, ambitions and expectations.

Lianny Leo (DHK, Indonesia) agrees: *"Many females are less ambitious. We know that the accounting profession world is very competitive and we need to fight hard to get into the heart of the business and establish an equal role to men."*

Lianny highlighted another factor which can be overlooked in this debate; "Some of my colleagues have left the profession because they don't have a risk-taking nature and auditing requires you to be comfortable with carrying a certain degree of risk. Many women are risk averse."

Li Ling Ng (BSL, Singapore) is one of 7 female partners that own and run BSL in Singapore. Two of the partners are from the Corporate Secretarial department requiring straight meticulous attention to process and detail – skills that Singapore society firmly associates with females. The remaining partners are from audit, accounting and tax which tends to be more analytical and risk taking. Ling suggests these are not characteristics that Singapore normally associate with women.

It's difficult to go back

Ursula Scroggs is managing partner at DKSS in Detroit and presides over a firm that is 66% female and 100% female owned. *"Many women are nurturers by nature, and this means that some firm's staffing profile can become 'thin in the middle' due to females leaving to have families. Unless the correct support is in place coming back is hard as you have to 'start over'."*

Rainmaker ...myth?

A factor that is raised throughout is the notion that partners need to commit great swathes of their non-working hours to business development activity. It's observed by one or two of our panellists that as young partners they were required to commit huge amounts of personal time to both the client work and all the additional BD, networking, dinners, golfing, seminars, cocktail parties etc. Now as owners they realise that all this is largely unnecessary and see business development as a team activity.

Li Ling Ng (BSL, Singapore): *"Partners are expected to be good at business development and networking but at BSL we don't have the KPI that you have to be good at BD or have to have a certain number of clients. To get the deal you have to be good at drinking, know about sport, and want to get drunk! At BSL we encourage our staff to challenge that process and explain they don't need to be as good as the client at drinking to do a good job."*

Annalisa Randazzo (CT&P, Italy): *"Working long hours is inherent in a service job such as this. There is an expectation that you will be available almost 24hrs a day, but this is at odds with the social expectations of women's role in having babies and raising children."*

Vicki Yorston (Harding Martin, Australia): *"At Harding Martin all 3 women in senior positions don't have children. Women tend to come back part time – but it often doesn't work out and they eventually leave. It's also observable that male professionals often get support from their spouses to build their careers – but the reverse is very rare."*

Lianny Leo (DHK, Indonesia): *"We have roughly a 25% female and 75% male split to our firm in Indonesia. And it's true that the female leaders we have also don't have any children and so can dedicate the time to their role – this also applies to me! This allows us to work more hours and remain flexible."*

Marielos de Rueda (PACYASOC, Guatemala) *"Women professionals in the CSA region face some harsh challenges and very entrenched views about gender equality. You need to be a very strong woman to break down such barriers."*

"Promising and talented women rising up the career ladder have to have a lot of confidence in themselves to counter prejudices and to position themselves on an equal footing as the men. At BSL we encourage and help nurture that confidence amongst our female professionals." Li Ling Ng (BSL, Singapore).

The role of the partner as business development rainmaker triggered a range of views from those that were convinced it was a matter of personal confidence and ability, and women were just as capable as men, to it not being the natural purview for women and they shouldn't be judged by it. Others suggested that business development was now a more sophisticated exercise than one on one networking at a rugby match (for example). All agreed that its association with male centred sports and drinking culture was often unappealing to women and needed to change.

Caroline Allouët (BM&A, France):
"There is also a prevailing 'expectation', and sometimes belief amongst women, that women are not as strong as men at business development and politics – both seen as essential to the partner role."

SUMMARY CONCLUSIONS FOR QUESTION 1

Why do females leave the profession
and so few make it to partner...?

Reasons for early female resignations - Family

The WOI panellists cited the most frequent reason for early career female departure is the desire to have a family and the biological need to not work for a period. However poor levels of return are associated with:

- Employers resistance to part time or flexible working policies.
- Lack of family support to compensate for the above situation.
- Insufficient or non-existent state funded support to enable return.
- Erosion of knowledge, relationships and status making any return like 'starting over' .
- Economic and personal circumstances make it possible to choose to stop working.

Reasons for early female professional resignations – Societal and Cultural

There are other more cultural and societal matters at play that influence the above lack of post maternity return but also result in the relatively few numbers of women making it to senior positions in firms:

1. Lack of role models and mentors to exemplify correct behaviour and demonstrate career possibilities.
2. Narrow or old-fashioned education systems that reinforce out-dated ideas about female career options resulting in females with reduced ambition or lack of awareness of what they might achieve.
3. A number of the WOI panellists have observed an intrinsic lack of confidence where women fail to challenge unconscious bias or even conscious prejudice – possibly a consequence of point 2 above.
4. Male dominated firms entrenched in a self-fulfilling loop of 'men promoting men' within a male oriented work culture. This situation can sometimes be reinforced by three other factors that conflict with a female's unavoidable childbirth role and play to men's conventionally lighter parenting duties.

5. A high pressure 24x7 service culture of 'always on' technology, long hours, demanding clients and poor work life balance – with consequential impacts on family life.
6. The concept of the business development role of the partner; personal time dedicated to wining and dining, golfing, entertaining and networking at after work cocktail parties and seminars.
7. Inequality in gender pay - making it more financially rewarding for the male to continue working rather than a female.

It was suggested during the debate that points 5 and 6 above are perpetuated by systemic aspects of how a traditional accounting firm functions e.g.;

- A. Generating revenue on the basis of selling time billed (rather than solutions or results) places great cultural emphasis on accounting for time as opposed to flexible working or management by objectives, or even outcomes for clients!
- B. Individual engagement partners 'owning clients' as opposed to the firm owning clients, supported by the 'eat what you kill' mentality – the corollary being a greater emphasis on account 'teams', a greater focus on brand, and modern digital marketing techniques.



WOMEN OF IMPACT DEBATE QUESTION 2:

What needs to change for more women to stay in the profession and more often reach senior positions?

Male engagement

Whatever changes are made, men are at least 50% of the solution. In the 2017 Boston Consulting Group Report *"Getting the most from your Diversity Dollars"* the authors observed that the involvement of men is crucial to the success of most gender diversity initiatives and policy development.

One of the primary recommendations of our WOI debating panels is that any change has to involve their male colleagues. It was observed more than once that the debates should have included men, and/or that these same questions should at least be posed to an equivalent male forum to harvest their suggestions and observations.

State intervention and positive discrimination

There were plenty of observations about positive discrimination driven by state wide intervention.

Carol Flockhart (Chiene + Tait, Scotland UK) – *"In Sweden shared parental leave, not just female maternity leave, has been around for some considerable time and it's mandatory for both parents to take a minimum amount of leave – so obviously take up is high and the benefits (and drawbacks) of long-term leave are shared across genders."*

Caroline Allouët (BM&A, France) comments: *"In the end it took legislation to change things – we could set up our own goals to force us to think differently."*

Across the EU a law now requires a 33% quota of females on the boards of listed companies by mid-2026, According to the European Institute for Gender Equality, the proportion of women on the boards of the largest listed companies in the EU has increased from 11.9% in 2010 to 31.3% today. This percentage is above 45% in France, where the French government decided a 40% quota back in 2017 and extended it to non-listed companies above certain thresholds. There was initially some resistance in these companies and business at large but now women are seen as valuable members of the board.

In Italy the requirement for a female quota extends to accounting firms. Annalisa Randazzo (CT&P, Italy) considers she was approached for her role because she is a woman and the firm needed to fulfil this requirement. "The firm is modernising and changing – but generational change at a partner level takes time. I am able to be flexible with my time as I am not married, and don't have children, but sometimes there are also cultural or out-dated views of women in the profession that can be a barrier and reason to leave".

Flexible working and support

Particularly where our WOI panellists had chosen to have a family the discussions surfaced the need for more employer flexibility again and again. Yi Ping Ge (Gilligan Sheppard, New Zealand): "In my firm we have four partners - two males and two females. This balance has been achieved because of a progressive attitude to flexible working. We actually introduced flexible working some 15 years ago!".

Another key feature of a successful family oriented female leader was the access to 'support'. Family support, support from a spouse or support from their firm in being flexible.

Carol Flockhart (Chiene + Tait, Scotland): "We have a fully flexible system - which we call 'Dynamic Working' - which has really helped all members of the team balance their priorities. Flexibility needs to take into account that people's priorities change over their lives, so it's not a case of doing it once and then it's sorted. It's ongoing support."

Angelina Milo (Meaden & Moore, North America): "I was working at a big 6 accounting firm in Cleveland when I became pregnant and took maternity leave. Eventually the partner that I worked for agreed for me to come back as a part time manager, which was hugely helpful and quite unique at the time. I think that women are far too reluctant to ask for this sort of flexibility. They feel it would negatively affect their career."

Suzanne Forbes (James Moore, North America) goes further; "But men should be afforded the same support opportunities and at James Moore we ensure that support policies are aimed at 'people' not specifically women". The North American groups confirmed that this was now their approach and that all staff were

Suzanne Forbes (James Moore, North America): "I was lucky in that I had a very supportive husband who was able to stop his career and stay at home looking after the children. If this had not been the case I'm not sure I could have pursued my career or would have had to hire Nanny – which not everyone can do or wants to do."

Yi Ping Ge (Gilligan Sheppard, New Zealand): "I've managed to have two children while becoming a partner – but I was lucky because my mother was very supportive and did a great deal to enable me to combine having a career with having a family. This sort of support is essential."

"A consequence of Covid and work from home technology is the massive improvement in working conditions it's provided for female professionals in Brazil". Renata Turba (Rturba, Brazil)

equally valuable and the firms will do whatever they can to support them in their lives and to be flexible - male or female.

Low expectations & confidence – role models needed

Panellists from the North American group accept that they are a little exceptional but they are keen to press the point that change is often still needed perhaps amongst women themselves, and that some women are still intimidated by what is largely a male business world. There is something here about changing women's mindset and having the courage to face their fears. They feel there's a role to help women professionals get past these issues.

While the North American panellists are all from progressive firms, data suggests the majority of NA firms are lagging behind in policy and culture. The panellists across the board also think women suffer a lack of courage (and a mindset) to claim their equality – an imposter syndrome? The group agree that a key factor to unlocking this could be through the influence of 'role models' and mentors.

All of our WOI groups acknowledged the powerful inhibitor that is 'unconscious bias' and that the cycle of poor behavioural norms can be broken by fearless role models who challenge the status quo.

Angelino Milo observes; *"Partners can encourage and grow people by behaving differently and pushing junior female staff to the fore. These days you can witness poor behaviour amongst older male colleagues – but it's becoming less of a factor as younger generations come through"*.

However, Yi Ping Ge (Gilligan Sheppard, New Zealand) is a little more cautious; *"I believe women are less likely to enter the profession imagining that they could become a partner. It's very hard to change a culture that repeats through every generation the patriarchal notion of women being dependent on men for livelihood and their role in raising children - which is a strong aspect of Chinese culture for example"*.

Panellists in the CSA countries placed quite a lot of emphasis on women helping themselves to break into the male dominated professional culture. *"In our environment it's important that women professionals powerfully assert themselves, demonstrate that they are capable and ready to take a leadership role, and by doing this male colleagues will see the value that they can bring."* Johanna Mercedes Mota (Montero de los Santos y Asociados, Dominican Republic)

Angelina Milo (Meaden & Moore, North America); *"Women are leaving the profession because they don't feel they can change the industry or it can't change fast enough for them. They need more strong female role models like our group (NA group) who have successfully navigated their career."*

Annalisa Randazzo (CT&P, Italy) *"Sometimes women lack confidence and need to be better at asserting their equality. They should consider a deliberate 'adult to adult/peer to peer' style and forget any subservient nonsense. We are all just people."*

"I've noticed that women who have been through the career, family then career again journey are less likely to leave. It's like they've invested too much. Perhaps an indication of increased loyalty." Shweta Khara (Vikas Kocchar & Ass, India)

SUMMARY CONCLUSIONS FOR QUESTION 2:

**What needs to change for more women to stay
in the profession and more often reach senior positions?**

Having debated and considered the various causalities around early female resignation, the WOI panellists went on to consider what needs to change to arrest this damaging and highly uncommercial phenomenon.

Of course, a whole range of ideas, suggestions and observations emerge. The ideas are not ubiquitous but are a collection of the prominent suggestions for further refinement.

1. Accounting firms to adopt a full career support approach, flexible working and family friendly policies:
 - a. Flexible and home working policies
 - b. Investment in technology to support the above
 - c. Move to management by objectives, outputs and results
 - d. Maternity and paternity pay, leave and flexibility (both sexes)
 - e. Return to work strategies that ensure no loss of status or technical knowledge.
2. Break the male dominance deadlock through enforceable Board/Exec Committee representation (inspired by regulations on gender diversity in some Western economies).
3. Firms to adopt positive bias gender partner and staff planning to reflect the reality of society and break the current male oriented structural paradigms.
4. Professional education and training systems that target women to expand their understanding of what's possible and the levels that they could attain.
5. Development of female business and professional role models that exemplify what's possible and how to address conscious and unconscious bias.
6. Training programs centred on strategies and tactics to combat prejudice and unconscious bias in the workforce – for both genders.

Overall conclusions - Reasons For Optimism

In most regions around the world women are facing a cocktail of challenging factors, and in general our WOI panellists confirm the notion that females face greater challenges as you travel West to East. Often ancient religious, cultural and social traditions make the hurdles for women professionals even more potent. Having said that, our WOI panellist groups contain some remarkable exceptions that defy the broader statistical evidence of limited progress for gender equality:

- BSL – Singapore – 8 partner firm all women
- Chiene + Tait – Scotland – 5 of 12 partners are women, 50% of Directors are women
- James Moore – North America – Awarded 2022 No1 Accounting firm for Women, by Accounting Today.
- DKSS – North America – 66% female staff 100% female owned

Some member firms have quite a deliberate strategy to 'focus on females' - a perfectly legitimate segmentation strategy that can lead to differentiation and unique service proposition. These firms have created a powerful platform to champion women's roles in the profession and the broader business world. The firms listed above are keen to play their part and see the AGN WOI programme as a useful additional and international mechanism to support this approach.

But there are other factors at play that could mean broader based gender equality amongst accounting professionals does at last have some momentum behind it.

- The almost crippling lack of educated skilled and trained accounting resource across the whole world has put a commercial imperative behind keeping hold of all talent regardless of their gender. There has never been greater market pressure for firms to recruit, retain and promote women professionals on a par with their male counterparts.
- From Baby Boomers, through Gen X and Millennials there has been a gradual dilution of old gender prejudices and now Generation Z are emerging as perhaps the first generation with an almost benign view of gender equality. A male dominated work culture and the associated attitudes is an anachronism to this cadre of youngsters.
- It's been said that Covid induced flexible working laid waste to the notion that office-based working was essential. The daily commute inefficient and unnecessary, and the elimination of what turned out to be presenteeism hasn't seen a marked reduction of productivity. At the heart of this is modern technology that enables everyone to work remotely.

Looking forward - Women Of Impact 2023

Almost inevitably the debates and discussion enjoyed through the WOI round tables led to calls from the panellists for the momentum that the initiative created to be fostered and continued into next year (and perhaps beyond). At a subsequent Global WOI Representatives meeting (one person from each AGN region) a strong commitment was made to:

- Retain the regional groups and global group as a forum to communicate and determine strategies and initiatives to support women in the profession.
- Integrate men into the WOI program.
- Create a global online 'share-group' in My AGN - for members of the WOI programme but also for AGN member female professionals across the world.
- Meet regularly and agree a structured programme, perhaps create a women professional's charter for change.

These are early days for the WOI initiative but it would appear that the WOI round table debates have sparked a determination to explore how AGN membership can be used to ensure more women professionals can be attracted to members, stay longer and reach leadership positions.

Practical points for AGN members to consider

1. Consider a move to a 'dynamic working' strategy leveraging technology to support home working and allow flexible office attendance.
2. Find out the current/expected laws that regulate your country's approach to gender inclusivity.
3. Become familiar with your firm's maternity policies and ensure they are still 'Best Practice' – do you have a shared parental leave policy?
4. What are your strategies to encourage female employees are attracted to return post pregnancy?
5. Consider your firm's values and how they might underpin a diversity and gender inclusion strategy.
6. Consider awareness training - lead by example, starting with partners and senior leadership team, and cascade down.
7. Consider a mentoring programme – engage external (other firms?) mentor candidates who have broken the mould.
8. Expand your hiring pool and review your hiring approach to eliminate gender bias and unconscious bias.
9. Benchmark the status quo...collect data about your firm's gender mix and compare this with best practice employment.
10. Check your employment contract and terms and condition of employment to ensure that it is 'inclusive' and not discriminatory.
11. Link gender inclusivity objectives, targets and competencies to individual appraisals, especially for leadership and management.
12. Review your firm's approach to client entertaining and networking – family friendly timing? Gender neutral venues and activities?
13. Identify, train & support and if necessary ultimately sanction male staff that are openly sexist – misogynistic jokes, comments, references, opinions.

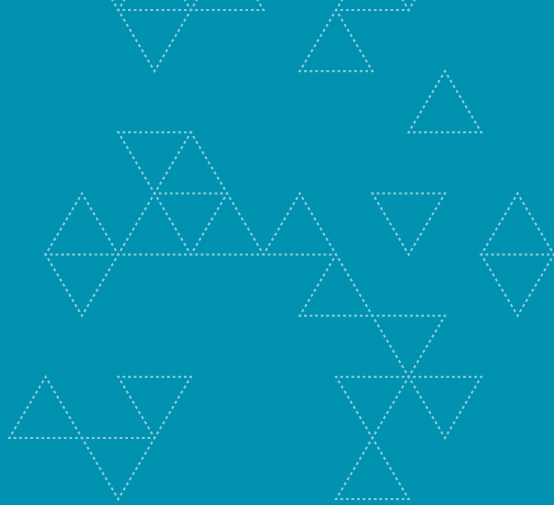
The AGN 2022 Women Of Impact – Panellists

ASIA PACIFIC	NAME	FIRM	COUNTRY
Representative	Yi Ping Ge	Gilligan Sheppard	New Zealand
Panellist	Lianny Leo	Darmawan Hendang Kaslim & Rekan	Indonesia
Panellist	Shweta Khara	Vikas Kocchar & Associates	India
Panellist	Vicki Yorston	Harding Martin	Australia
Panellist	Li Ling Ng	BSL	Singapore
CENTRAL & SOUTH AMERICA	NAME	FIRM	COUNTRY
Representative	Marielos de Rueda	PAKYASOC	Guatemala
Panellist	Johanna Mercedes Mota	Montero de los Santos y Asociados	Dominican Republic
Panellist	Renata Turba	RTURBA	Brazil
Panellist	Paola Villegas	AGN	Ecuador
EMEA	NAME	FIRM	COUNTRY
Panellist	Carol Flockhart	Chiene + Tait	UK
Panellist	Caroline Allouët	BM&A	France
Panellist	Annalisa Randazzo	CT&P	Italy
NORTH AMERICA	NAME	FIRM	COUNTRY
Representative	Angelina Mino	Meaden & Moore	US
Panellist	Suzanne Forbes	James & Moore	US
Panellist	Ursula Scroggs	DKSS	US

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