KEYS TO DEVELOPING WOMEN PARTNERS
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This piece is a summary of a presentation made by Joanne Cleaver of Wilson-Taylor Associates, to the Rosenberg North Shore Roundtable Group, on May 11, 2011, on this topic.

For 20 years or more, 55-60% of all accounting graduates are female. For many years, the professional staff of CPA firms has been, on average, 60% female.

The 2010 Rosenberg MAP Survey shows that only 15% of the partners at firms nationwide are women. This percentage is virtually the same regardless of firm size. Geographically, 10% of Midwest firms' partners are women compared to 15-20% in the West, Northeast and South.

The partners at the 25 Rosenberg North Shore Roundtable firms are only 4% female.

"If I have 500 partners, and 400 are men, then I have 150 under-qualified partners." (Quote from the MP of a Big 4 CPA firm 10 years ago.)

Summary of best practices for developing women partners

After Cleaver left, several roundtable members said that they didn't hear anything new. That they know all this.

They may be right. The real question is: how well do you do the 7 practices below? I would suggest not very well and that explains why our group only has 4% female partners

1. Flexibility – most firms do this, but it's not enough.

2. Part-time partner track.

3. Training in practice development early in their career. Women are reluctant to self-promote themselves and therefore, have difficulty with practice development.

4. Mentoring.
    a. Minimize the incidence of female staff quickly "de-selecting" themselves from making a career at the firm and/or becoming partner.
    b. Sell the job of "partner" to the staff. It's immensely satisfying work and pays extremely well.

5. Share information with female staff about how much money partners earn at CPA firms. Since women are ambitious and want to be self-sufficient, this will be very motivating to them.

6. Where possible, for both female and male staff with technical expertise, client handling and interpersonal skills, make them a partner and assign them a book of business. Give them a chance to grow it. Today's young people won't do the nurturing of referral sources and networking that the baby boomers did.

7. In the event that they really don't want to be a partner, show them that there is plenty of room for them at the firm as a career manager.

Flexibility

Firms understand flexibility and are good at allowing women raising families to work flex-time schedules. Flexibility is one solution, not THE solution. There is a lot more they need to do.

Part-time partner track

Many partners are troubled by this because they can't imagine it working. Larger firms do it, so it should work at smaller firms. Part-time female partners educate their clients about the days that they work and make it clear that they can always be reached via cell phone and email on their off days, if necessary.

As illogical as it sounds, some people at firms think that part-time partners want to earn full time compensation. But this makes no sense. I routinely see female partners working light schedules get paid less than full partners.

Training in practice development

There are some huge gender differences that must be understood:

- Women tend to be better communicators than men, but self-promoting doesn't come naturally to them. Also, women in CPA firms erroneously believe that their work will speak for itself, that their technical skills will qualify them to be a partner.

- Men feel that their ego and personality will make them successful. They are comfortable at self-promotion. As a result, they are quicker in developing practice development skills.

Women tend to be more highly rated at the early stages of their careers, but at a certain point, it flips because as one moves up the career ladder in CPA firms, technical skills give way to practice development skills.

So, training in practice development, at an early stage in their careers, is essential for female staff (for male staff, too). At an early age, women need to become comfortable with self-promotion. Many partners feel that PD skills cannot be taught, that one has to be born this way. My research with partners in CPA firms disproves this notion.

Many partners feel that most PD needs to take place at night and weekends. My research refutes this. Devoting nights and weekends to PD can pay off and may even make those willing to do it more effective at PD than those who don't do it. But a meaningful amount of PD success can be obtained by doing it during the normal work day.

Mentoring

Self de-selection occurs when a person (usually female) joins a CPA firm and early on, decides he/she doesn't want to be a partner. This happens with women a lot more than men for several reasons:

1. They see few or no female partners in their firm and conclude that, as a woman, they have no chance to be a partner.
2. They see how hard the partners work and conclude that being a partner is incompatible with raising a family.

This self de-selection process is allowed to grow unabated because of the absence, at most firms, of formal, effective mentoring.

It is critical to both female and male staff that a mentor talks consistently and frequently about opportunities to be a partner. For women, their life situation could change quickly, causing their career choices to rapidly change as well.

A mentor should help female staff realize that they don't have to give up important life goals (raising a family, marriage, work-life balance) to be a partner.

Female staff need to see that they don't have to become a partner the same way that older partners became partner.

Firms need to get their female staff to think: "If I can be a partner and not have your life (long hours, PD at night), then maybe I will want to be a partner."

This mentoring dialog must occur consistently and frequently. All the partners must buy into this and send consistent messages to their female staff.

"Mentoring moms" are very helpful with female staff. These are successful female role models in the firm who are not bosses of the female staff, who can more easily and less awkwardly, discuss with women such issues as raising a family, delivering babies and maternity leave, both before and after a female staff person becomes pregnant and delivers.

The myth that today's staff don't want to be partner

"Older" partners" lament that today's young staff don't want to be a partner. They usually conclude this in one of following ways:

1. The staff don't beat down the partners' office doors and demand to be a partner.
2. When the partners ask staff if they want to be partner, they say no, or "I'm not sure."

Generational differences explain these responses, not any lack of desire to be a partner. Let me explain.

We have surveyed hundreds of staff at CPA firms on this issue. We ask them three questions:

1. Do they know what it takes to *be* a partner?
2. Do they know what a partner *does*?
3. Do they *want* to be a partner?

The key is the responses to #1 and #2: 80-90% respond with "no" or "not sure." When I explain to them what it takes to be a partner and what a partner does (and how much a partner earns – more on this later), a lot of staff who originally said they did not want to be a partner change their response.

The older generation made it clear that they wanted to be a partner and worked hard to get it. They don't understand why the younger generation isn't like them. The younger generation doesn't understand what it means to be a partner or what a partner does. So, they may say they don't want to be a partner.

This issue is resolved very easily by formal, effective mentoring.

- There needs to be consistent and frequent dialog between the firm and the staff on this issue.
- The firm needs to enthusiastically and frequently share with the staff how wonderful their job is, what they do and how much they earn (not exactly, but by use of industry benchmarks).

Share information with the staff on how much partners earn

Research shows that women are ambitious (despite not being self-promoters) and want to be economically self-sufficient. Young staff have no idea how well CPA firm partners are paid.

Most young staff (men and women) think partners earn $150,000 to $250,000. The national average is roughly $350,000, with many earning well beyond that.

Firms need to do a much better job of sharing their compensation with their staff (without revealing confidential information). For several years now, surveys have shown that compensation is one of the top three motivators for staff; many surveys show it to be #1. So, firms need to share partner compensation data with their female staff (men, too) to energize them and motivate them to stay with their firms.

Partners in CPA firms enjoy their work, do interesting work, love their clients and are compensated extremely well. Yes, their hours are not 9 to 5, but what successful, well-paid professional doesn't work overtime? And besides, the hours aren't *that* bad. The average partner in the U.S. works only 180 hours a year more than staff. It's a great job that should be appealing to staff. This message needs to be communicated to the staff.

Relax (not eliminate) the PD requirement to be a partner

Requiring a staff person to bring in business is a common criteria for promotion to partner. But there is a lot of debate on this issue. There isn't a right way or wrong way on this.

- One school insists that the most basic definition of a partner is to bring in business. So, if you don't bring in business, you don't become a partner.

- The other school says that our world is changing and that face time with prospects and referral sources isn't always necessary. They say banker and lawyer lunches don't work anymore because young people won't do it.

  This school suggests that the best way to get young people to market is to delegate a book of business to them, away from the rainmakers, and let them run with it, develop it. This gradually gets them into practice development. This also frees up the rainmakers to bring in more business.

Here is an interesting observation on this: Only 10-20 percent of CPA firm partners are effective at bringing in business. So how did *they* become partner? Obviously, by inheriting clients. So, the concept of making someone partner and giving them clients is not new.

The reality at most firms under $20M is that they did not require a staff person to bring in a lot of business before being promoted to partner (although there were *some).* Instead, they made someone a partner because of technical and leadership skills, assigned them a book of business and let them develop that book over time. New partners are often very good at growing their book because their clients like them and make referrals to them. And they are also good at growing the fees with their existing clients.

With the dramatic changes taking place at firms due to baby boomer partners approaching retirement age, there may be increased opportunities in the next few years for non-business-getting partners because they can build up their billing responsibility by inheriting the clients of retiring partners.

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