

Family Benefits in Public Accounting

Dr. Diana Stork, Management, University of Hartford
Ms. Diane Cross, Graduate Student, University of Hartford
Mr. Chris LaBauve, Graduate Student, University of Hartford
Ms. Liane Stevens, Graduate Student, University of Hartford

Abstract

This article addresses questions about family benefits in public accounting firms and reports on a survey of Connecticut CPAs. Results suggest differences in the benefits and family policies of Big 6 and local firms, with local firms being more responsive to the family needs of their professional staff. Results also suggest opinions are influenced by gender and organizational position (staff or partner). Women and staff accountants believe that using benefits might hurt their careers, and they have less favorable attitudes about their firm's family policies and benefits.

Introduction

Issues relating to the pressures of career and home have become increasingly relevant concerns to public accounting firms as more and more women are joining the professional accounting workforce. Today, nearly 50% of new accountants are women, and in the past three years, nearly as many female professionals as male professionals have been hired by public accounting firms (AICPA, 1990). The proportion of women in public accounting is likely to increase as more than half of today's accounting and MBA graduate students are women (Messmer, 1989).

The American Institute of Certified Public Accountants (AICPA) believes that family benefits are particularly important to women (1988, 1990). "Traditionally, the mother...assumes major responsibility for the children's extra-curricular activities, household management, and arrangements for the family's social activities. Although many husbands and fathers are assuming greater responsibility for these familial tasks, the major burden still falls on wives and mothers" (AICPA, 1988: 8). Results of the most recent AICPA professional survey (1990) indicate that 81% of men think they could balance parenting with a successful career in public accounting at the partner level. Only 41% of women think they could successfully balance the demands of partnership and parenthood. More flexibility in work schedules and more accommodating family benefits would make it easier for women to be successful parents and partners.

As the number of women accountants continues to increase, public accounting firms can expect continuing pressure to provide responsive family benefits. Flexible schedules, parental leave, and family sick leave are

benefits which can help employees balance the pressures of work and family. They can also help companies to attract and retain qualified staff. Organizations that adopt flexible work schedule policies and supportive family benefits will see a big payoff. "Some of their most highly prized assets - women - will stay on the job. If men gradually buy in, the potential benefits are even greater: Nothing less than a freer, more humane, and more efficient approach to work" (Deutschman, 1991: 68).

The Director of Communication at Touche Ross (Stautberg, 1988) takes the position that businesses cannot afford to neglect family issues and must change the benefits they offer to allow for greater flexibility. "Pregnancy benefits, parental leave, child care, cafeteria benefit plans, and restructured work schedules are very important to families trying to combine work and parenting and to the companies for which they work. Such issues can affect recruiting...retention and productivity." (pps 8-9). There seems to be general agreement with this point of view. "The proverbial handwriting is on the wall: skilled and qualified professionals who are also parents must be offered opportunities to successfully fulfill both roles...Progressive firms in accounting...that do respond will be far more competitive in attracting and keeping valuable employees than those who do not" (Messmer, 1989: 29).

In the future, as work and family pressures increase, flexible benefit packages may become even more important in the job choice process and in determining employee satisfaction. "In the past 75 years, employers have progressed from providing no benefits to providing a standard package of benefits designed for a male-

supported family, to providing innovative and flexible benefits to meet differing family needs" (Wiatrowski, 1990: 29). As family demographics change, companies that want to attract and retain qualified staff will have to offer benefits that address changing needs. In a study of CPAs (1000 men and women), approximately two-thirds indicated they would be willing to reduce their hours and their salaries for more personal and family time (Messmer, 1989). Hooks (1990) describes results of a large study of women CPAs. Approximately 60% of the women indicated that the availability of alternative work schedules would be a factor in choosing a new job.

This article describes research relating to how public accounting firms are addressing work and family issues through the benefits they offer to their professional staff. Results will be reported about benefit use, their importance in the job choice process, how satisfied CPAs are with their current benefits, and how benefit use is perceived to affect careers.

Methods

Sample

Survey respondents were drawn from the 1990-1991 Membership Directory of the Connecticut Society of Certified Public Accountants (CSCPA). Only members of the CSCPA who were listed as employed in public accounting firms in Hartford County were used as a basis for the sample. From this group of approximately 750, surveys were sent to a random sample of 371 CPAs. A total of 147 usable surveys were returned and analyzed. This represents a response rate of 39.6%. Of those who responded, 80.3% were male, 19.7% were female; 38.1% were employed by Big 6 firms, and 61.9% worked for local firms. These descriptive characteristics closely mirror the characteristics of the larger sample to whom surveys had been sent. Further characteristics of the responding sample are described in the results section and in Table 1. By way of summary, the sample appears diverse along a number of different dimensions. With size calculated using AICPA definitions, the sample includes small (2-10), medium (11-50), and large (51+) public accounting firms. The sample includes both partners and staff accountants, and they range in age from 26 to 67.

Survey

A short survey instrument was used to gather information from the CPAs. The first two pages asked questions about family benefits -- their availability, their use, their importance in the job choice process, and their effects of careers. Questions about the availability, use, and career effects of specific benefits were answered as yes or no. Perception and opinion questions were

answered on 1 - 5 scales with anchored end-points. The third page of the survey asked for demographic data such as type of firm (Big 6 or local), firm size, respondent position (partner or staff), tenure with the firm, sex, age, marital status, and number of dependent children.

Surveys were mailed to office addresses. A cover letter described the study and explained that it was being conducted by graduate students at the University of Hartford. Anonymity was assured. Respondents were provided with a pre-addressed, stamped envelope for returning the survey.

Results

Description of the Sample

As the data in Table 1 show, the Hartford County CPAs included in this sample were a very diverse group. They ranged in age from 26 to 67, with a median age of 36. Some had very little experience in public accounting; others had a great deal. There was also a wide range in the length of time that CPAs had been with their current firms. Most of the CPAs were married, most had no dependent children, and most were men. Nearly all of them worked full-time. About half of them were partners and half were staff accountants.

Less than half of the firms represented in the sample were Big 6 firms; approximately 60% were local firms. Median firm size was 30, with the sample split among small, medium, and large public accounting firms. Firm size and type (Big 6 or local) were highly related (Cramer's $V = .815$). Thus, results using firm size or firm type as independent variables should be similar.

Benefits: Availability and Use

With respect to the availability of benefits, it appears that Big Six firms and local firms offered similar family benefits (Table 2). The only exceptions were flexible hours and working at home, both of which were less common at Big 6 firms. The most commonly used benefits were flexible hours and working at home. The least used benefits were unpaid leaves of absence and part-time work. These little used benefits were also the ones that CPAs thought could hurt their careers. Approximately 20% of the CPAs said that taking an unpaid leave of absence would hurt their career, and approximately 25% said that working part-time would hamper their advancement.

Family Issues and Benefits at Current Firm

Among CPAs employed at Big 6 firms, over 70% expressed the belief that employees had left because their firm did not accommodate family needs. In local

Table 1
Sample Characteristics

<u>Demographic Characteristics</u>		<u>Employment Characteristics</u>	
Sex:		Position:	
Male:	80.3%	Partner:	45.8%
Female:	19.7%	Staff Accountant:	54.2%
Age:		Status:	
Range:	26-67	Full-time:	94.6%
Median Age:	36 years	Part-time:	5.4%
Marital Status:			
Never married:	12.9%		
Married:	82.3%		
Divorced/Widowed:	4.8%		
Dependent Children:		<u>Firm Characteristics</u>	
None:	66.1%	Size:	
One:	18.8%	Small (2-10):	31.4%
Two:	8.0%	Medium (11-50):	25.0%
Three or more:	7.1%	Large (51+):	43.6%
Years since CPA:		Median Size:	30
Range:	0-50	Type:	
Median Years:	10	Big Six:	38.4%
Years at current firm:		Local firm:	61.6%
Range:	0-33		
Median Years:	7		

firms, however, less than 20% indicated that people had left because the firm was not accommodating (Table 3). Similar results were found with respect to size, with fewer CPAs at small and medium sized firms indicating that unaccommodated family needs were a cause of professional staff turnover.

Both local firms and smaller firms were rated as having more supportive family policies than Big 6 and larger firms (Table 4). Partners rated their current firm's policies as more supportive than staff accountants. There was also a difference between the sexes, with policies being rated as more supportive by men than by women. This difference is not as large as the difference between partners and staff, but it does approach significance ($p = .06$). CPAs without children and those with children did not rate policy supportiveness differently.

Also in Table 4 are results relating to satisfaction with current benefit offerings. Significant satisfaction differences were found between Big 6 and local firms, among firms of different size, between partners and staff accountants, and between the sexes. Having children

did not affect how satisfied CPAs said they were with their benefits.

Family Benefits: Career Effects and Job Choice

No relationship was found between the firm characteristics of size and type and CPAs' views about whether using family benefits could affect their careers (Table 5). However, both gender and organizational position were related to beliefs about benefit use and career advancement. Only 16% of CPAs who were partners believed that using benefits could affect their careers; nearly 45% of staff accountants thought that benefit use could affect their careers. Approximately 25% of men and over 50% of women responded that using family benefits could hamper their careers. With or without dependent children, approximately 30% of the CPAs reported that using family benefits could negatively affect their careers.

Table 5 also shows to whom family benefits would be important in choosing a new job. Staff accountants rated them as more important than partners. They were

Table 2
Benefit Availability and Use

Benefits Offered:	FlexHrs	WHome	ULofA	FSick	Comp	PTime
Big Six	27.8%	14.8%	88.5%	56.0%	64.7%	82.0%
Local Firms	66.3%	41.6%	75.0%	44.0%	60.2%	70.0%
Overall	51.4%	31.3%	80.1%	48.1%	62.1%	74.8%
Benefits Used: (% of offered)	74.3%	71.1%	15.9%	38.5%	40.2%	14.5%
Benefits Hamper: (% of offered)	10.0%	2.2%	21.2%	7.7%	1.1%	24.5%

BENEFITS:	FlexHrs = flexible hours	FSick = family sick days
	WHome = working at home	Comp = compensatory time
	ULofA = unpaid leave of absense	PTime = part-time schedule

also rated as more important to women than to men and more important to people with dependent children than to people without children.

Discussion

The results reported in this article are based on a survey of CPAs employed by public accounting firms in Hartford County, CT. Technically, the results are generalizable only to Hartford County CPAs; however, the quality of the sample and the strength of the results suggest trends and conclusions which merit further research with other samples.

Important differences between Big 6 firms and local firms were found with respect to the availability of certain benefits, how supportive their family policies are, and how satisfied their CPAs are with their benefit offerings. Flexible hours and working at home are more common benefits at local firms than at Big 6 firms. Local firm CPAs see their firm’s policies as being more supportive of personal/family issues, and they are more satisfied with the benefits their firms offer. Local firms appear to be more responsive than Big 6 firms to work and family issues. Especially at Big 6 firms, management should expect to see continued pressure to provide more supportive and flexible family benefits to their professional staff. While local firms appear to be more supportive of personal/family issues, managers at both

local firms and Big 6 firms should work toward changing the impact that benefit use is perceived to have on career advancement.

Table 3
Family Needs: A Perceived Reason for Turnover

	PERCENT RESPONDING YES	CHI-SQUARES
People have left because firm not accomodating family needs?		
Firm type:		
Big Six	73.2%	
Local Firms	18.0%	43.9; p < .001
Size:		
Small	13.6%	
Medium	22.9%	
Large	63.3%	31.0; p < .001

Table 4
Policies and Benefits at Current Firm

How supportive policies are of personal/family issues? How satisfied people are with benefit offerings?		Supportiveness MEANS 1 (lo) 5 (hi)		Satisfaction MEANS 1 (lo) 5 (hi)	
Firm type:					
	Big Six	3.02		3.15	
	Local Firms	3.77	$p = .000$ (t-test)	3.66	$p = .001$ (t-test)
Size:					
	Small	3.70		3.82	
	Medium	3.34		3.43	
	Large	2.75	$p = .004$ (ANOVA F)	3.22	$p = .004$ (ANOVA F)
Position:					
	Partners	3.76		3.86	
	Staff Accountants	3.23	$p = .001$ (t-test)	3.11	$p = .000$ (t-test)
Sex:					
	Men	3.55		3.59	
	Women	3.17	$p = .06$ (t-test)	2.93	$p = .001$ (t-test)
Dependent Children:					
	No	3.43		3.42	
	Yes	3.61	$p = .39$ (t-test)	3.58	$p = .38$ (t-test)

Opinion differences among CPAs relate both to position in the firm and gender. In general, partners and men saw their firms as more supportive of personal/family issues, were more satisfied with their firm's benefit offerings, were less convinced that benefit use could hurt their careers, and consider benefits to be less important in the job choice process. Women see family benefits as more important than men and also believe that using them could negatively affect their careers. If public accounting is to attract and retain qualified women CPAs, they must offer benefits that address the family and work issues of women. They must also develop a culture and policies which support their use in ways that are less damaging to career advancement.

Because benefit offerings and policies are set by partners, it is not surprising that they have more favorable opinions than staff accountants of their firm's benefits. Having succeeded in becoming partners with

whatever benefits had been available to them, these senior level CPAs may not see a need for improving the benefit offered by their firms. Negative attitudes of partners toward the use of family benefits will make staff accountants reluctant to use them, even in firms that have drafted liberal policies regarding their use.

Public accounting firms that address family issues by offering their CPAs more responsive and flexible benefits will be able to attract and retain highly qualified staff, will make the balancing of work and family easier, and will have more satisfied and committed professional staff members. These should be goals for public accounting firms.

Suggestions for Future Research

Results at the individual level of analysis -- differences between men and women and between partners and

Table 5
Benefits and Careers

Using benefits would hamper career advancement?
Importance of benefits in the job choice process?

	Hampers? PERCENT RESPONDING YES 1 (lo) 5 (hi)	Job Choice MEANS	
Position:			
Partner	15.9%	3.12	
Staff Accountants	44.2%	3.67	$X^2 = 12.9; p < .001$
			$p = .002$ (t-test)
Sex:			
Men	25.2%	3.31	
Women	57.1%	3.93	$X^2 = 10.6; p < .001$
			$p = .02$ (t-test)
Dependent Children:			
No	29.6%	3.26	
Yes	31.6%	3.82	ns
			$p = .007$ (t-test)

staff accountants in their attitudes and perceptions of family benefits -- raise a number of opportunities for further research. In particular, future research might focus on relationships between various psychological variables, as opposed to demographic variables, and perception and attitude differences among individuals.

Results at the firm level of analysis -- differences between Big 6 and local firms in how supportive they are seen to be, how satisfied people are with their benefits, and family benefit usage rates -- also raise opportunities for further research. Future research could address the structural, managerial, and cultural differences between Big 6 and local firms that may account for the differences in people's attitudes and behavior. Related research should also examine what policies and practices would encourage people to use the benefits that are already available to them. 20

*****References*****

1. AICPA. MAP Committee Survey on Professional Staff, 1990.
2. AICPA. Upward Mobility of Women: Special Committee Report to AICPA Board of Directors, 1988.
3. Alter, J. Retaining Women CPAs, *Journal of Accountancy*, May, 1991, 50-55.

4. Deutschman, A. Pioneers in the new balance, *Fortune*, May 20, 1991, 60-68.
5. Hooks, K. Let's give alternative work schedules a chance, *Journal of Accountancy*, July, 1990, 81-86.
6. Messmer, M. A new track for women CPAs. *The Woman CPA*, October, 1989, 29.
7. Stautberg, S. Can business afford to neglect family issues?, *CPA Journal*, April, 1988, 6-10.
8. Wiatrowski, W. Family-related benefits in the workplace, *Monthly Review*, March, 1990, 28-33.