

Mentoring, Career Plateau Tendencies, Turnover Intentions And Implications For Narrowing Pay And Position Gaps Due To Gender – Structural Equations Modeling

Benjamin P. Foster, University of Louisville, USA
Subhash Lonial, University of Louisville, USA
Trimbak Shastri, University of Louisville, USA

ABSTRACT

This study analyzed responses to career-related questions from a survey of experienced Canadian Certified Management Accountants (CMAs), relative experts in the field of management accounting, to address how mentoring affects turnover intentions and career plateau tendency of male and female accounting professionals in industry. In this regard, we used structural equations modeling to build and test a framework illustrating the impact of mentoring and career-related factors. Results indicate that fostering a mentoring environment within an organization can strengthen CMAs' perceptions of their careers and employers. Mentoring has also been suggested to enhance women's opportunities to advance in organizations and help women break the glass ceiling. Analyses of data relating to compensation in 2007 and 2009 for a sample of female and male CEOs and operating performance of companies led by these CEOs for these years indicate that, that compensation gaps due to gender appear to be narrowing at the top management level.

Keywords: Mentoring; Turnover; Plateau; CMAs

I. INTRODUCTION

Employees' career plateau tendencies could adversely affect organizations operations, unless appropriate steps are taken to reverse the career plateau tendencies. At the stage of career plateau, employees feel that they are at a dead-end with respect to their career advancement (Rotondo and Perrew 2000, Duffy 2000) and feel dissatisfied. Dissatisfied and frustrated employees in an organization are likely to exhibit higher career plateau tendencies and turnover intentions than satisfied employees and are not likely to be as committed and loyal to the organization.

Prior research on mentoring mostly related to issues in public accounting firms. However, most accounting professionals are employed outside of public accounting. For example, a significant proportion of membership of the American Institute of Certified Public Accountants is employed in industry (AICPA, 2006). In addition to a significant proportion of members of the AICPA, most members of the Canadian Society of Management Accountants and the U. S.-based Institute of Management Accountants work in industry. Despite the relatively large proportion of accounting professionals working in industry (outside of public accounting), very little research has examined the effects of mentoring on accountants working outside of public accounting (for example see: Viator and Pasewark, 2005; Viator, 2001; Viator and Scandura, 1991; Barker *et al.*, 1999; and Siegel *et al.*, 2001; as opposed to Foster *et al.*, 2004 and Stocks and Hardin, 2001). Consequently, developing a mentoring framework that enhances the value added by the accounting professionals working in industry should strengthen an organization's internal control components and improve overall corporate governance.

The purposes of this study are (i) to develop a framework to show interrelationships between organizational mentoring, career plateau, employee turnover intentions, job attributes, and job satisfaction for accounting professionals (CMAs) employed in organizations other than public accounting firms, and (ii) to explore whether organizations' mentoring environments influence CMAs differently due to gender, and (iii) consider implications of mentoring programs for closing the position and pay gaps due to gender.

To develop a framework for mentoring and career-related factors for management accountants, this study analyzed responses to career-related questions from a survey of experienced Canadian Certified Management Accountants (CMAs). Canadian CMAs are considered relative experts in the field of managerial accounting because they are certified only after successfully completing uniform final examinations administered by the Society of Management Accountants of Canada, and obtaining relevant practical experience.

Experienced CMAs' responses to career-related survey questions were subjected to confirmatory factor analysis (CFA) to establish constructs and structural equations modeling was used to test and develop a framework illustrating the impact of mentoring on CMAs. The framework illustrates interrelationships between the constructs for mentoring, career plateau, turnover tendencies, job satisfaction, and positive job attributes for CMAs. Further, tests indicate that mentoring significantly reduces career plateau tendency, lowers turnover intentions, and enhances job satisfaction. These results suggest that, within organizations other than public accounting firms, fostering a mentoring environment can strengthen accounting professionals' perception of their careers and employer, and consequently, should contribute towards strengthening an organization's corporate governance.

In addition to our survey, we analyzed for 2007 and 2009, compensation data for a sample of female and male CEOs and financial operating data (e.g., revenue, income, cash flows from operations, and assets) for companies led by these CEOs to examine the presence of a gap in compensation, if any, due to gender. The results, indicated that although there is no difference in performance between female and male CEOs based on financial operating data, in 2007 women CEOs were compensated substantially lower (by about 20%) than men, suggesting existence of a gender bias. However, this gap was non-existent during 2009, indicating that pay gap appears to be narrowing.

The remainder of the paper is organized as follows. In Section II, previous literature is discussed and research questions are presented to examine relationships between constructs to help develop a conceptual framework for mentoring. Research methodology is described in Section III. Section IV discusses data analyses and results, and Section V contains our conclusions.

II. PREVIOUS LITERATURE AND RESEARCH QUESTIONS

Many companies have organized formal mentoring programs due to the positive effects of mentoring (Bauer, 1999). Mentoring can be a powerful tool to assist employees to establish, advance in, and maintain their careers (Geiger-Dumond and Boyle 1995).

Emphasis of Prior Studies – Accountants in Public Accounting Firms

Most prior studies relating to the effect of mentoring on accountants used accountants working in public accounting firms as subjects (e.g., Viator and Scandura 1991; Barker, *et al.* 1999; Viator 2001). In contrast, our study uses CMAs working in industry. Viator and Scandura (1991) found that, in large public accounting firms, mentoring was associated with lower turnover intentions of accounting professionals. Barker, *et al.* (1999) conducted another study with public accounting professionals as subjects and found that mentoring tended to lower the turnover intentions irrespective of protégé's gender. Viator (2001) found that informal mentors decreased turnover intentions for both male and female CPAs at the manager level and increased turnover intentions of female CPAs at the senior manager level.

Public accounting firms may provide a unique environment for mentoring and its impact on accounting professionals. For example, Barker, *et al.* (1999) indicated that 58% of responding public accounting professionals intending to leave their employer was not unexpected. Public accounting firms typically offer a clearly structured

career path for advancement (e.g., junior, senior, supervisor, manager, and partner, with some variation) and provide a venue to young accountants for learning and obtaining practical accounting, auditing and tax related experience. Many states require experience under the supervision of CPAs to obtain a license as a CPA. Therefore, many entering employees intend to leave the public accounting firms after obtaining the required experience for the CPA certificate or obtaining necessary experience to obtain a desired position outside of public accounting. As a result, the effect of mentoring on turnover intentions of protégés working in public accounting firms is likely confounded by their typically high turnover rate.

As mentioned previously, little research has examined effects of mentoring on accountants working outside of public accounting. For example, Hunton, *et al.* (2000a and 2000b) conducted a large-scale study of managerial accountants. They examined the types of knowledge (technical, industry and tacit managerial) needed for success in managerial accounting at different levels based on survey responses from practicing managerial accountants at different ranks. They concluded that technical managerial accounting knowledge, ability, and experience predict job performance success for junior managerial accountants while tacit managerial knowledge and industry specific knowledge predict job performance of senior managerial accountants and managers. Stocks and Hardin (2001) compared job attitudes and turnover intentions of CPAs in public accounting firms to those working in private industry and government entities. They found significant differences between the organizational commitment, job satisfaction, and turnover intentions of CPAs working in public accounting as opposed to those working outside of public accounting. Foster, *et al.* (2004) found that mentoring reduced career plateau tendencies and turnover intentions of management accountants.

Focus of This Study—Mentoring Outside of Public Accounting

This study extends the study by Foster, *et al.* (2004) in a number of ways: (1) it develops an overall framework for mentoring showing the interrelationships among various constructs, such as mentoring, career plateau, turnover intentions, job satisfaction, and job attributes, (2) examines the impact of mentoring on other constructs (e.g., job satisfaction); (3) probes whether the effects of mentoring would be different due to differences in gender; (4) employs a more rigorous methodology (as described in more detail below) for developing a mentoring framework by applying confirmatory factor analysis to establish constructs and structural equations for modeling and testing the mentoring framework and the effects of mentoring, and (5) examines compensation of a sample of women and men CEOs and operating performance of companies led by these CEOs to assess whether a gap in pay between women and men CEOs exists, and whether such gap is due to performance or gender bias.

Career Plateau

In this study, we follow the view that career plateau tendency is predominantly due to a temporary or permanent halt in promotional opportunities in employees' careers (Lemire, Saba and Gagnon 1999; Rotondo and Perrewe 2000, Duffy 2000). Lack of promotional opportunities likely would lead to employee dissatisfaction and adversely influence employee loyalty. Disloyal employees may act unethically including, for example, committing occupational fraud. Occupational fraud involves deliberate misuse or misapplication of organization's resources or assets, and global fraud loss in 2009 is estimated more than \$2.9 trillion (ACFE 2010). A recent study revealed that a significant proportion of companies' workforce may not be loyal and plan to leave, but providing ample training and development opportunities can improve workforce loyalty (Porter, 2006). Among several ways employees deal with a career plateau, a *transition* strategy involves altering career roles to eliminate/overcome plateaus, including moving to a new role within the company, or exiting (exit) the organization and entering a new career or job (Rotondo and Perrewe, 2000). In this study we focus on the impact of mentoring on career plateau tendency and the interrelationship between mentoring and career plateau tendency on employees' transition (exit) strategy.

Gender

Studies in 1980's (e.g., Noe, 1988; Burke, 1984) that examined gender differences related to mentoring, found that mentoring relationships provide women with more psychosocial benefit than men. Burke (1984) indicated that female protégés preferred mentoring which was career-enhancing oriented over counseling-oriented. Roemer (2002) found that mentoring assisted the advancement of women professionals (some of whom had advanced to

CEO) in health care organizations. Also, Eddleston, *et al.* (2004) found that mentoring directly influenced women's sense of their marketability.

Further, mentoring has been suggested as a tool to assist women in breaking through the glass ceiling (Blake-Beard, 2001). The term "glass-ceiling" is often used to describe barriers that prevent women from achieving top management positions. In order to compete on a par with men, it is also essential that women have mentors and role models at the highest levels (ILO, 2004). Several prior organizational studies found differential effects of mentoring by gender (e.g., Burke, 1984, Roemer 2002, Eddleston, *et al.* 2004). In this study we explore whether mentoring influences the career plateau status and turnover intentions of female accountants (CMAs) differently than male accountants working in industry (outside public accounting firms), and whether mentoring can close both position and pay gaps due to gender.

Research Questions:

- a) Do the effects of mentoring (MENTOR) on career plateau (PLAT) tendencies and turnover intentions (EXIT) differ due to gender?
- b) Are differences in compensation of females and males, if any, due to differences in performance or due to gender?

III. RESEARCH METHODOLOGY

Control Variables - Job Attributes and Job Satisfaction

In addition to mentoring, other organizational and personal factors could impact PLAT and EXIT. As Kahn *et al.* (1964) suggest several job/organizational related factors can impact employees' cognitive and behavioral coping mechanisms (such as exiting the company). Studies have indicated that employees' perceived positive job attributes (PJA) and job satisfaction rate (JSR) would influence career plateaus and turnover intentions (e.g., Schein, 1978; Chao *et al.*, 1992; Whitely and Coetsier 1993). Consequently, PJA and JSR are included as control variables in this study.

Survey Instrument

A survey questionnaire was used to obtain responses on a seven-point Likert scale [anchored on one end with *strongly disagree* (1) and the other end with *strongly agree* (7)] from 235 CMAs working in Ontario, Canada. The questionnaire included biographical-related questions¹ and twenty-eight (28) questions about career mentoring, plateau tendency, turnover intentions, and the two identified confounding variables, job attributes, and job satisfaction. A review of prior literature provided the basis for these questions. The survey instrument was tested on colleagues and graduate students before mailing. The survey and a cover letter was prepared and mailed to 600 CMAs, and 235 responded² of which 48 (20.4%) were women and 187 (79.6%) were men. Most of the respondents (70% female and 59% male) were employed in non-manufacturing organizations and typically were experienced accountants -- 15 years for females and 19 years for men, on average. Only 188 respondents specified their positions, but of these approximately 25% were vice-presidents, 50% were controllers or financial/accounting officers, and the remaining were managers/accountants, indicating that a large proportion of our CMA respondents were part of management teams that were involved in corporate governance. Table 1 provides some demographic information on the CMA respondents.

¹ A copy of the questionnaire is available upon request.

² We received a good response rate to the initial mailing, and we were asked not to mail a second request. Consequently, we did not send a second request.

Table 1
Biographical Information*

	Female	Male
Average years of work experience	15	19
Respondents holding high-ranking positions (e.g., President, Vice President)	18%	25%
Respondents working in service and other type entities (e.g., education, retailing, consulting, banking, wholesale)	70%	59%
Respondents working in manufacturing entities	30%	41%

*600 surveys were mailed and responses obtained from 235 CMAs (48 female and 187 male) working in Ontario, Canada. Only 188 participants provided some or all biographical information summarized above.

Note: The survey responses from 235 CMAs used here are the same that were used by Foster et al. (2004). Foster et al. (2004) did not examine differences in the effects of mentoring between male and female professionals. Further, we apply a relatively more robust technique for constructing perceptual scales for data analyses. Their survey data is still relevant because published studies still indicate that bias against women exists.

Compensation Data

For examining gap in pay between females and males, if any, and whether the gap is due to performance or due to gender; we identified 17 of the highest-paid, most powerful female CEOs from the 2008 issues of *Forbes*³ and *Fortune*⁴ magazines, and matched the companies of these female executives with 17 comparable companies (in sales and assets under the same four-digit SIC codes) led by male CEOs. We obtained financial data including reported net income, sales, cash flows from operations, and total assets from the COMPUSTAT database for these companies, and 2007 compensation related information for the 34 (17 women and 17 men) CEOs from proxy statements. Although, we identified more women CEOs for 2009, we have included for analyses compensation and operating data for the same CEOs/companies as those for 2007.

Statistical Analysis

Subjects’ responses to twenty-eight survey questions (indicators) were used to identify which indicators represent the dimensions/constructs of interest (MENTOR, PLAT, EXIT, PJA, JSR). In this regard, we initially conducted exploratory factor analysis (EFA) using orthogonal (Varimax) rotation to identify indicators/questions loading together. (Before performing factor analysis, we reversed the scale for questions 7, 14, and 18.) We dropped questions 5 (*The skills I possess are adequate for me to move ahead in the company*), 9 (*In this company job rotation occurs frequently*), question 26 (I like my job although it is monetarily not rewarding) and 27 (*I am due to retire within a few years*) from further analysis because these questions did not load on any factor. We assigned appropriate names/labels to each factor generated, based on the questions included in each factor and the questions’ meanings. For example, questions 12, 14, and 19, relating to mentoring loaded on one factor; we labeled this factor as MENTOR. Similarly, we identified and labeled other factors based on the underlying questions that loaded on the factors.⁵ Factors identified by EFA and the related questions with high loadings on those factors are presented in Table 2. Also, Table 2 includes Cronbach’s Alpha for each factor (explained below).

³ Scott DeCarlo, CEO Compensation Forbes, 4/30/08. http://www.forbes.com/2008/04/30/women-ceos-pay-lead-bestbosses08-cz_sd_0430womenceopay_slide_2.html?thisSpeed=20000&boxes=custom

⁴ Highest paid women, Fortune, 2008

http://money.cnn.com/galleries/2008/fortune/0809/gallery.women_highest_pay.fortune/index.html

⁵ Results from the factor analysis and factor loadings are available upon request.

**Table 2: Factors Identified Through Factor Analysis and Related Questions
Descriptive Statistics for Questions Loaded on Concepts**

Qn #	Question -- Description	Women n=48	Men n=187
PLAT	Cronbach alpha for PLAT: 0.793	Mean	Mean
Q2	When I joined the company, I thought that I would <i>move up the corporate ladder</i> faster, but I was not allowed to	2.57	2.62
Q4	I am beginning to think that my background is not a good match to the needs of the company	2.06	2.05
Q6	Compared to my involvement in the current position, my participation in decision making was relatively greater in my previous position	2.69	2.54
Q11	In this organization, the opportunities for my career development are limited	4.79	3.97
Q13	My company does not encourage employees to learn tasks outside their divisions	3.21	3.13
Q16	The nature of the work assigned me is repetitive and routine	2.96	2.61
Q21	I don't foresee any opportunities to grow in this company	4.69	3.91
PJA	Cronbach alpha for PJA: 0.857		
Q1	I have made managerial decisions on a regular basis	6.04	6.45
Q8	The company has allowed me to freely undertake creative work	5.54	5.65
Q10	The company's management is supportive of my career development	4.83	5.07
Q15	I am freely allowed to participate in the decision making process	5.29	5.83
Q17	My recommendations are often acted on by the company's management	5.29	5.66
MENTOR	Cronbach alpha for MENTOR: 0.621		
Q19	The company provides me good mentoring services	3.51	3.74
Q14	I seldom receive advice from management about my career prospects in the company [Reversed]	3.06	3.21
Q12	The company is committed to providing professional career counseling	2.79	3.15
JSR	Cronbach alpha for JSR: 0.749		
Q20	I enjoy working in this company	5.23	5.54
Q23	My job responsibilities enable me to develop new skills	4.44	5.19
Q24	I am satisfied with my compensation package	4.31	4.76
Q25	I am satisfied with the progress I have made in the company	5.15	5.29
EXIT	Cronbach alpha for EXIT: 0.876		
Q18	I have no plans to leave this organization [Reversed]	4.15	3.13
Q22	I am ready for a change and I need to seek another job	3.92	3.43
Q28	I am planning to leave this company as soon as possible	2.92	2.50
	Based on factor analysis the following questions did not load on any factor and were dropped		
Q3	Presently, I hold a coaching role in the company	4.85	5.34
Q5	The skills I possess are adequate for me to move ahead in the company	5.23	5.51
Q7	The company has not so far allowed me to supervise or review others work	1.48	1.45
Q9	In this company job rotation occurs frequently	2.83	2.52
Q26	I like my job although it is monetarily not rewarding	3.21	3.34
Q27	I am due to retire within a few years	1.52	1.90

Questions 5, 9, 26 & 27 did not load on any factor based on exploratory factor analysis and were dropped. Further, questions 3 & 7 were dropped after confirmatory factor analysis.

MENTOR = Mentoring environment in the organization; **EXIT** = Plan for (exiting) leaving the company– turnover intentions

PLAT = Career plateau, **JSR** = Job satisfaction rate, **PJA** = Positive job attributes

Confirmatory factor analysis

Since exploratory factor analysis (EFA) is subjective in nature, and may not provide reliable factors/dimensions compared to confirmatory factor analysis (e.g., Mulaik (1972)⁶, we performed confirmatory factor analysis (CFA) within the Lisrel framework. The latter approach “allows the specification of measurement errors within a broader context of assessing measurement properties and describes a causal indicator model where the operational indicators are reflective of the unobserved theoretical construct” (Venkataraman, 1989, p.952). The five constructs (PJA, JSR, PLAT, EXIT, MENTOR) initially identified under EFA were subjected to CFA using the AMOS 4.0 computer program. CFA indicated a good fit (after dropping PJA-related questions 3 & 7) and achieved a goodness of fit ($p < 0.05$)⁷.

Internal Consistency (Reliability) Indices for the Constructs – Cronbach Alpha

We employed Cronbach coefficient alpha as a measure of reliability. Cronbach alpha is a widely used statistic for assessing construct reliability. As reported in Table 1 (against each factor), the Cronbach alpha for all constructs exceeded 0.7 except MENTOR, for which the alpha is 0.621. Although, an alpha of 0.7 is recommended for scale reliability (Nunnally, 1978), prior research studies have used composite scales with an alpha lower than 0.7. For example, composite scales with alphas of 0.66 and 0.60 were used in studies by Siegel, et. al (2001) and Kisielius and Sternthal (1984), respectively.

IV. DATA ANALYSES AND RESULTS

The average responses to questions included in the composite scales (factors/constructs) discussed above are used instead of responses to each individual indicator/question. Thus, responses to three questions (#12, 14, & 19) for MENTOR were collapsed, and a single composite score was provided as an estimate of the construct. Similarly, questions/indicators relating to PJA, JSR, EXIT, and PLAT each were collapsed to develop composite-indicators/scale for each construct. These composite scales were used to represent constructs to develop the mentoring related framework and to address research question.

Table 3 --Result for Overall Model

		The Final Composite Model for All Subjects (See Figure 1) n=235	
#	Constructs	Standardized Regression Weights	t-values
1	MENTOR & PLAT	-0.623	-12.18*
2	MENTOR & EXIT	-0.153	-2.908*
3	PLAT & EXIT	0.208	3.406*
4	JSR & MENTOR	0.262	4.469*
5	JSR & PLAT	-0.521	-8.900*
6	JSR & EXIT	-0.528	-8.774*
7	PJA & MENTOR	0.074	1.255
8	PJA & PLAT	-0.329	-5.041*
9	PJA & EXIT	-0.006	-0.100
10	JSR & PJA	0.389	6.176*
11	Qn.27 & MENTOR	0.059	0.901
12	Qn.5(reversed)&EXIT	0.035	0.900
13	Qn.26 & PJA	0.198	4.484*
14	Qn. 5 & PJA	NA	NA

* (t-value 2.0 or greater) -- Significant (at least) at $p < 0.05$. NA: No relationship indicated

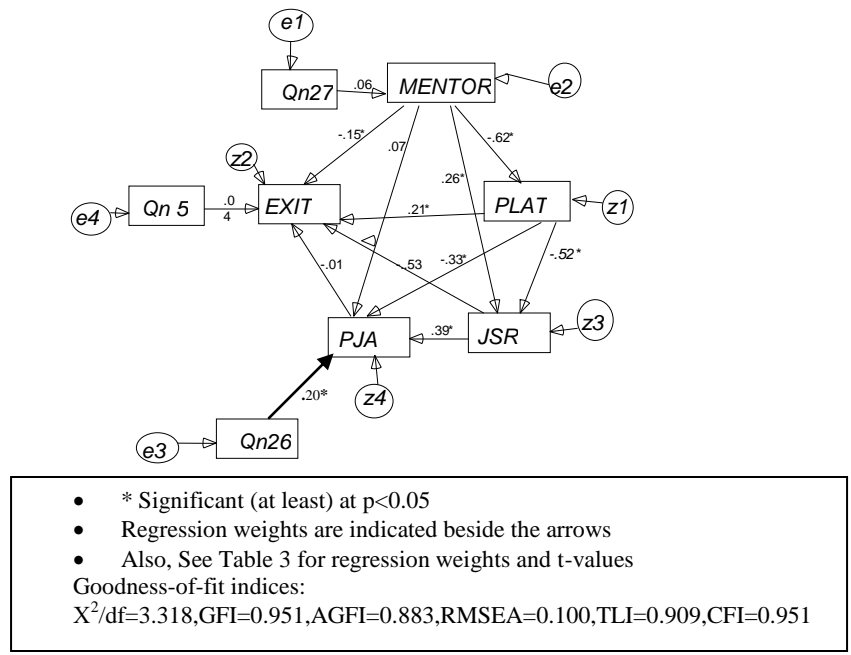
⁶ We ran the measurement model which provided a good fit of relationships among the identified constructs. As a result, we proceeded with running a CFA, and then the structural equations model.

⁷ Detailed statistics are not included, but are available upon request

Table 3 summarizes the resulting regression weights and related t-values for construct relationships in the final path diagram of the overall model covering all subjects. Standardized regression weights reported in Table 3 and the interrelationships among the constructs shown in the path model (Figure 1) representing all subjects, indicate that all constructs established by the confirmatory factory analysis (PJA, JSR, PLAT, EXIT, MENTOR) represent, and contribute significantly to, an overall framework.

Figure 1 shows the overall causal model represented by constructs/factors (composite scales) for responses to survey questions obtained from all 235 subjects. Using Structural Equation Modeling (SEM) we tested the framework of causal relationships shown in Figure 1. AMOS 4.0, which is part of Statistical Package for Social Sciences (SPSS) software (Arbuckle and Wothke, 1999), was used for SEM to analyze survey responses. The goodness-of-fit indices (GFIs) reported at the bottom of Figure 1 are within the acceptable range.

Figure 1
Composite Model

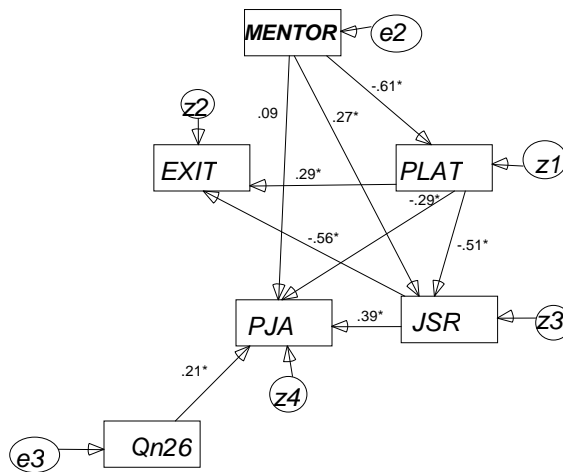


The results at the overall framework level indicate that mentoring (MENTOR) significantly reduces career plateau tendencies (PLAT) and turnover intentions (EXIT). Further, MENTOR has a significant positive relationship with job satisfaction rate (JSR), indicating that mentoring will enhance job satisfaction. JSR in turn has a significant positive relationship with PJA. Also, MENTOR is positively related to PJA, but not significantly.

Mentoring Effects Due to Gender to Address the First Research Question

To address the research question relating to the effects of mentoring due to gender, survey responses from men and women CMAs were separately analyzed using SEM. Figure 2 shows the relational model produced by SEM analysis of responses from the sample of 187 men⁸. All goodness-of-fit indices reported at the bottom of Figure 2 are within the acceptable range. Standardized regression weights shown in the path model (Figure 2)⁸ indicate that all the constructs contribute significantly to the framework for male respondents. MENTOR did not directly influence EXIT for male respondents. Otherwise, all relationships are similar to those represented by the overall framework covering all respondents (Figure 1-Table 3). MENTOR indirectly influences EXIT for male respondents by significantly reducing PLAT, which is directly related to EXIT.

Figure 2
Composite Model For Men Only



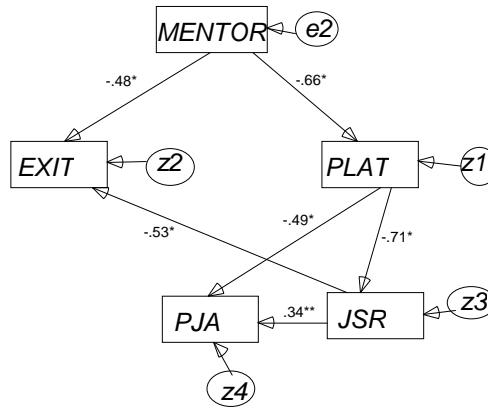
- * Significant (at least) at $p < 0.05$
- Regression weights are indicated beside the arrows

Goodness-of-fit indices:
 $\chi^2/df = 2.778$, GFI = .972, AGFI = 0.902, TLI = 0.948, CFI = 0.979 RMSEA =

Figure 3 represents the model showing the interrelationships among constructs for women respondents (n=48). All the goodness-of-fit indices reported at the bottom of Figure 3 are within the acceptable range. These suggest that relationships in the path model (Figure 3)⁸ contribute significantly to the conceptual framework for women respondents. Results indicate that MENTOR significantly reduces career plateau (PLAT) tendencies and turnover (EXIT) intentions for women employees.

⁸ Please note, while regression weights for all 235 subjects are included in Table 3, tables including comparable regression weights for male (n=187) and female (n=48) are not included. These are available upon request.

Figure 3
Composite Model For Women Only



- * Significant (at least) at $p < 0.05$
- Regression weights are indicated beside the arrows

Goodness-of-fit indices:
 $X^2/df = 1.036$, GFI = 0.967, AGFI = 0.875, TLI = 0.998, CFI = 0.999, RMSEA =

Although results indicate that (like overall model) MENTOR reduces PLAT and EXIT, differences exist between responses of female CMAs and male CMAs. Unlike the overall framework (Figure 1 and Table 3) and the framework for male respondents (Figure 2), PLAT and EXIT are not significantly related for women. Also interesting are the results indicating that MENTOR is not significantly associated with job satisfaction rate (JSR) for women respondents, but is significantly associated with JSR for the overall sample and males. In contrast, MENTOR significantly reduces EXIT for women respondents while no relationship is indicated between MENTOR and EXIT for male respondents. These results suggest that while mentoring more directly increases men’s than women’s perceptions of PJA and JSR, mentoring more directly decreases turnover intentions of women than men. However, as with the overall model, results indicate that a rich mentoring environment helps produce positive employee perceptions that should provide benefits to the organization.

Both men and women during their careers have gained job related skills and experience through guidance/mentoring to advance to the highest level (e.g., CEOs) in organizations. For example, Simonetti (1999) indicated that of women who reached the highest level in their organizations, all (100%) reported they had help from higher levels of management in the form of a mentor. Similarly, women or men working at different levels in organizations would receive some form of help from higher level supervisor/manager in the form of mentor. Therefore, it should be expected that performance of experienced professionals whether male or female working under similar circumstance/management level should not differ. Consequently, women or men for similar work should receive substantially similar compensation.

Performance and compensation in 2007 & 2009

In 2007, as included in Table 4-Panel A, the difference in compensation between female CEOs and male CEOs is substantial: the average (and median) compensation for female CEOs at \$9.458 (and \$8.69) millions is 22% (and 18%) below the average (and median) compensation for male CEOs at \$ 12.09 (\$10.59) millions. Whereas there is no significant difference (based on t-tests) in the average performance expressed as a percent of assets (e.g.,

income before interest and taxes, cash flows from operations and net income as percent of assets) between the 17 companies led by female CEOs and the 17 companies led by male CEOs. Also, analyses of average operating performance data expressed as a percent of sales indicated that there is no difference (based on t-tests) between companies led by female CEOs and male CEOs.

These results suggest that mentoring (in addition to experience and other personal traits) have enabled both women and men to advance to highest positions in organizations, and achieve the same level of performance in organizations in leadership roles. Although, there was no difference in performance in leadership roles between women and men CEOs, women CEOs' compensation (in 2007) was substantially (about 18% to 22%) below those of male CEOs' compensation. This is consistent with an earlier study which shows that women executives earn less than men by 8% - 20% (Bell, 2005). Results of our data analyses suggest that while mentoring can help women advance to higher level positions and enable them to close position gap, mentoring alone may not help women to close pay gap.

Table 4
Financial Information for Sample of Companies
Headed by Female CEOs Matched with Companies Headed by Male CEOs

Panel A – Data for 2007

	Male CEOs (n = 17)**		Female CEOs (n=17)**	
Average Compensation in Millions	\$ 12.09		\$ 9.458	
Median Compensation in Millions	\$ 10.59		\$ 8.69	
Median Total Assets in Billions		\$ 13.29		\$ 15.37
Median Sales Revenue in Billions	\$ 11.61		\$ 12.28	
	Operating Averages		Operating Averages	
	% of Assets	% of Sales	% of Assets	% of Sales
Income before interest & taxes	11.79	13.06	14.67	15.49
Cash flows from operations	11.63	15.22	9.60	7.92
Net income	7.8	8.63	5.83	6.34

**Note: female compensation is significantly lower than male compensation, but none of the differences between male and female CEO's companies' average total assets, sales revenue, or operating averages are statistically significant (based on t-tests).

Panel B – Data for 2009

	Male CEOs (n = 28)*		Female CEOs (n=28)*	
Average Compensation in Millions	\$ 7.37		\$ 9.84	
Median Compensation in Millions	\$ 5.76		\$ 6.81	
Median Total Assets in Billions		\$ 5.31		\$ 7.12
Median Sales Revenue in Billions	\$ 3.89		\$ 5.77	
	Operating Averages		Operating Averages	
	% of Assets	% of Sales	% of Assets	% of Sales
Income before interest & taxes	10.64	13.09	8.90	9.87
Cash flows from operations	11.77	12.25	11.53	12.01
Net income	5.72	6.30	4.03	4.53

*Note: Although female CEO compensation is higher than male CEO compensation, the difference is not statistically significant. Also, the differences between male and female CEO's companies' average total assets, sales revenue, or operating averages are not statistically significant (based on t-tests).

In 2009, Forbes and other sources identified more women CEOs. Table 4, Panel B provides statistics for 28 female CEOs and male CEOs of comparable companies. Analyses of CEO compensation for CEOs with the same companies in 2007 and 2009 indicated that overall compensation for male CEOs declined, but compensation for women CEOs increased. Reasons could include (i) the depressed economy affecting companies differently, (ii) higher turnover of male CEOs, (iii) possible fear of public backlash “some say no board would dare underpay a female CEO”⁹, and (iv) to offset the lower compensation received by women CEOs in prior years. For 2009 no

⁹ Golodryga, B. and M. Murray, 2010, Women CEOs Beat Men in Pay in 2009, <http://abcnews.go.com/WN/women-ceos-salaries-caught-men/story?id=10630664>

statistically significant difference was found between men and women CEOs with respect to compensation or performance results.

Both male and female CEOs should have achieved their positions based on experience and skills gained, some through mentoring, at various stages of their careers. This is supported by our analyses of data, which indicate that women CEOs' performance appears as effective as male CEOs. While women CEOs received lower compensation than men CEOs in 2007, the pay gap between men and women appears to reverse by 2009. Although organizational mentoring appears to help narrow/close the position gap between men and women by helping women advance to higher level positions, mentoring alone may not help women completely close the pay gap at positions at lower than top management levels (e.g., at CEO level).

V. CONCLUSION

Prior research regarding mentoring of accountants focused on accounting professionals in public accounting firms. This study examines the effect of mentoring on accounting professionals working outside of public accounting (industry), which represents a majority of accounting professionals. Further, public accounting firms' career paths and work environment is somewhat unique. Consequently, knowledge and understanding of the effect of mentoring of accountants working in industry should be useful to management of these organizations. For example, unsatisfied professional accountants with plateau tendencies planning to leave an organization can negatively impact important functions like internal control over financial reporting and corporate governance. The purpose of this study was to examine whether mentoring programs are likely to reverse employees' plateau tendencies with other positive effects.

Accordingly, we surveyed CMAs in non-public accounting organizations to examine the impact of mentoring on their career plateau tendency, turnover intentions, job satisfaction, and positive job attributes. Confirmatory factor analyses of survey responses produced the constructs we expected and those constructs were used in structural equation models to develop frameworks. In summary, we found that mentoring either directly or indirectly reduces career plateau tendencies and turnover intentions and help to close the gap in position due to gender, which should improve their commitment and loyalty to organization. Increased commitment and loyalty should, in turn, enhance employees' ethical conduct towards their organization and improve the operations and governance of the organization.

Our comparison of operating results of companies headed by women and men CEOs finds no difference in company performance outcomes due to gender. Also, the pay gap between male and female CEOs in 2007 reversed in 2009. Collectively, the evidence from surveys of CMAs, and compensation and operating data for a sample of companies indicate that mentoring may create an opportunity for women to advance in organizations, likely narrowing/closing the position gap, which in turn would contribute to narrowing the pay gap. While mentoring helps women in career related matters, mentoring alone might not help women to receive the same level of compensation as men. Consequently, management at the highest level in organizations (e.g., board of directors or equivalent) should enact policies and support programs that not only foster a mentoring environment for professionals within their organizations, but also take additional steps to close the compensation gap if any due to gender.

Future studies could focus on expanding/refining the mentoring framework by more closely examining the effect of mentoring on different age groups by gender. Constructs could be strengthened/refined by adding more indicators/variables (e.g., EXIT was composed only of three indicators/variables). Also, more constructs could be added in future studies. For example, more compensation (reward) related questions would allow another construct pertaining to compensation in the model to examine the relationships between mentoring, monetary compensation, and turnover intentions.

AUTHOR INFORMATION

Benjamin Foster, PhD, CPA, CMA, is a Professor of Accounting at the University of Louisville. He has published in several papers in academic and professional journals. Email: ben.foster@louisville.edu

Subhash C. Lonial (PhD University of Louisville) is Professor of Marketing in the College of Business at the University of Louisville. His research interests are in health care marketing and consumer behavior. His writings among others have appeared in *Journal of the Academy of Marketing Science*, *Decision Science*, *Journal of Consumer Psychology*, *International Journal of Operations and Production Management*, *Journal of Business research*, and *Journal of Services Research*, as well as in several conference proceedings. Email: scloni01@louisville.edu

Trimbak Shastri, PhD, CA, CMA, CIA, is an Associate Professor of Accounting, University of Louisville. He has published in several papers in academic and practitioner journals. Email: trim.shastri@louisville.edu

REFERENCES

1. ACFE, (2010), "Report to the Nation on Occupational Fraud & Abuse," The Association of Fraud Examiners, Austin, Texas. <http://www.acfe.com/rtn/rtn-2010.pdf>
2. AICPA, 2006, AICPA Website: <http://www.aicpa.org/About+the+AICPA/Understanding+the+Organization/Membership+Figures.htm>
3. Arbuckle J.L. and Werner Wothke, (1999), Amos 4.0 User's Guide, Small Waters Corp., Chicago, IL.
4. Barker, P., K. Monks, and F. Buckley. 1999. The Role of Mentoring in the Career Progression of Chartered Accountants, *British Accounting Review*, 31, 297-312.
5. Bauer, Talya N. 1999. Perceived Mentoring Fairness: Relationships with Gender, Mentoring Type, Mentoring Experience, and Mentoring Needs, *Sex Roles*, Vol. 40, Nos. 314, 211-225.
6. Bell, Linda, A. (2005). Women-Led Firms and the Gender Gap in Top Executive Jobs, Institute for the Study of Labor (IZA), Discussion Paper No. 1689, July 2005.
7. Blake-Beard, Stacy, D. (2001), Taking a hard look at formal mentoring programs: A consideration of potential challenges facing women, *The Journal of Management Development*, Vol. 20, #4, p. 331-346.
8. Burke, R. 1984. "Mentors in Organization," *Group & Organization Studies*. Vol. 9, #3, p.353-373.
9. Chao, G. T., P. M. Walz, and P. D. Gardner. 1992. "Formal and informal mentorships: a comparison on mentoring functions and contrast with nonmentored counterparts," *Personnel Psychology*, 45:619-636.
10. Duffy, Jean Ann. 2000. "The Application of Chaos Theory to the Career-Plateaued Worker," *Journal of Employment Counselling*, December, Vol. 37, Issue 4.
11. Eddleston, K. A., D.C. Baldrige, and J.F. Veiga. 2004. Toward Modeling the Predictors of Managerial Career Success: Does Gender Matter? *Journal of Managerial Psychology*, Vol. 19, #4.
12. Foster, B.P., Shastri, T. and Withane, S. 2004. The Impact of Mentoring on Career Plateau and Turnover Intentions of Management Accountants, *Journal of Applied Business Research*, Vol. 20, #4, Fall, pp. 33-43.
13. Geiger-Dumond, A. and Boyle, S. 1995, "Mentoring: A Practitioner Guide" *Training and Development*, March, 51-54
14. Hunton, J.E., Weir, B., and Stone, D.N. 2000a. "Succeeding in managerial accounting. Part 1: "Knowledge, ability, and rank" *Accounting Organizations, and Society*, Volume 25, Issue 7, 697-715.
15. Hunton, J.E., Weir, B., and Stone, D.N. 2000b. "Succeeding in managerial accounting. Part 2: a structural equations analysis," *Accounting Organizations, and Society*, Volume 25, Issue 8, 751-762.
16. ILO, 2004: Breaking Through the Glass Ceiling -- Women in Management, International Labor Office, Geneva (update 2004).
17. Joreskog, K. G. 1971. "Statistical Analysis of Congeneric Tests," *Psychometrika*, 36, 109-133.
18. Kahn, R.L., Wolfe, D.H., Quinn, R.P., Snock, J.D., and Rosenthal, R.A. 1964. *Organizational Stress*. (New York:Wiley).
19. Kisielius, J., and B. Sternthal. 1984. Detecting and explaining vividness effects in attitudinal judgment. *Journal of Marketing Research (February)*: 54-64.
20. Lemire, L., T. Saba, and Y. Gagnon. 1999. "Managing Career Plateauing in the Quebec Public Sector"

- Public Personnel Management*, 28:375-391.
21. Mulaik, S. A., (1972), *The Foundation of Factor Analysis*, McGraw-Hill, New York.
 22. Nunnally, J.C. 1978. *Psychometric Theory*. New York, NY: McGraw-Hill Book Company.
 23. Noe, R. 1988. An Investigation of the Determinants of Successful Assigned Mentoring Relationships, *Personnel Psychology*, 41, 457-479.
 24. Porter, G. 2006. "Ethical scandals rock state governments," *Strategic Finance*, September: pp. 11-12.
 25. Roemer, L. 2002. *Health Care Management Review*, Vol. 27, Iss. 4.
 26. Rotondo, D. 1999. "Individual-Difference Variables and Career-Related Coping," *The Journal of Social Psychology*, 139: 458-471.
 27. Rotondo, D. M., and P.L. Perrewe, 2000. "Coping with a career Plateau: An Empirical Examination of What Works and What Doesn't" *Journal of Applied Social Psychology*, 30:2622-2646
 28. Schein, E.H. 1978. *Career Dynamics*. (Reading, MA: Addison-Wesley).
 29. Siegel, P.H., Reinstein, A. and Miller, C.L. 2001. "Mentoring and Organizational Justice among Audit Professionals," *Journal of Accounting, Auditing & Finance*, 16: 1-25.
 30. Simonetti, J.L., Sonny A., and Joan M. (1999). Through the top with mentoring. *Business Horizons*, 42(6), 56-63.
 31. Stocks, M. H. and J. R.Hardin, 2001. "A comparison of job attitudes and turnover intentions among CPAs in public, private and governmental work settings," *Advances in Accounting Behavioral Research*, 4: 233-259.
 32. Venkataraman, N., (1989), "Strategic Orientation and Business Enterprises: The Construct, Dimensionality, and Measurement," *Management Science* 35, 8, 942-962.
 33. _____ and J.H. Grant (1986), " Construct Measurement in Strategic Research: A Critique and Proposal," *Academy of Management Review*: 11,1,71-86.
 34. Viator, R. E., and W.R. Pasewark. (2005). Mentorship separation tension in the accounting profession: the consequences of delayed structural separation, *Accounting Organization and Society*, 30, 371-387.
 35. Viator, R, E. 2001. The association of formal and informal public accounting mentoring with role stress and related job outcomes, *Accounting Organization and Society*, 26:73-93.
 36. Viator, R, E. and T. A. Scandura. 1991. "A study of mentor-protégé relationships in large public accounting firms," *Accounting Horizons*, 3, 5: 20-30.
 37. Whitely, W. T. and P. Coetsier. 1993. "The relationship of career mentoring to early career outcomes," *Organization Studies*, 14: 419-441.
 38. Whitely, W., T.W. Dougherty, and G.F. Dreher. 1991. "Relationship of career mentoring and socioeconomic origin to manager's and professional's early career progress," *Academy of Management Journal*, 34:331-351.