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Texas Society of Certified Public Accountants

WOMEN IN LEADERSHIP

Breaking Through the Glass Ceiling

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SPECIAL REPORT

WOMEN IN LEADERSHIP

Breaking Through the Glass Ceiling – How Women in Accounting and Finance Can Break Barriers and Become Rising Powers in the Profession

By Carolyn Kmet

This special report supported by

CROWE LLP

In the 1950s, women accounted for less than a third of the American workforce. For 2020, the Bureau of Labor Statistics reported that the share of women who participated in the labor force was 56.2%. Thankfully, today's workforce is much more diverse, but it was a long time coming – and there's still a lot of ground to cover to move more women into the leadership ranks.



Within today's financial services sector, women made up 62% of accountants and auditors in 2021. Women are also increasingly assuming leadership roles within firms. While still only about 27% of firm partners and principals are women, they now account for a third of management committee roles, about double that of a decade ago, according to Catalyst.org's 2020 data.

Unfortunately, that level of participation doesn't extend further. From a lack of role models to the unconscious biases of business leaders, there are a variety of reasons why women have struggled to climb the corporate ladder. It's time for that to change. For any woman who hopes to one day sit in the C-suite, here are some of the challenges you will face and how you can build your executive presence despite them.

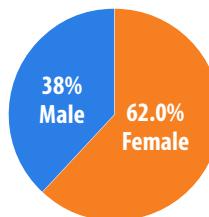
Yesterday's Struggles

Julia Haried is a consultant with Deloitte Consulting LLP. She also happens to be a *Forbes 30 Under 30* honoree thanks in part to her co-founding MakerGirl, an organization focused on encouraging young girls to pursue Science, Technology, Engineering and Mathematics (STEM) fields. Her inspiration? Her mother.

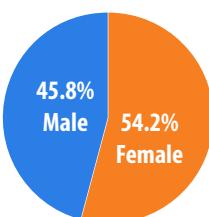
"When my mother attended high school in suburban Chicago in the 1970s, she was the only female student in her General Woods, General Metals and Architectural Drawing classes," Haried recalls. "She had to have the desire and the will to ask to be included."

Percentage of Women in Accounting and Financial Services Occupations in the United States

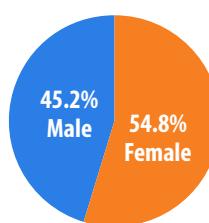
Accountants and Auditors



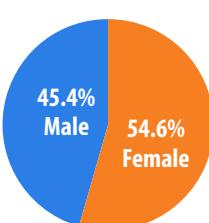
Tax Preparers



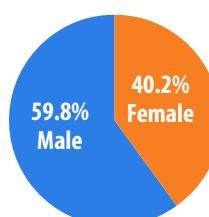
Tax Examiners and Collectors, and Revenue Agents



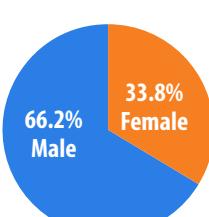
Financial Managers



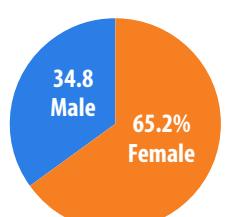
Financial and Investment Analysts



Personal Financial Advisors



Other Financial Specialists



Source: U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, January 2022, <https://www.bls.gov/cps/cpsaat11.htm>

Inclusion aside, once Haried's mother successfully completed her courses, she had nowhere to apply her new skills. Architecture was not a welcoming profession for women at the time. In fact, many professions then were "off limits" to women.

Editor's Note: Please see the Accounting and Auditing section in the March/April 2023 Today's CPA issue for a discussion on accounting is a STEM field.

Today's Challenges

While the number of women in the financial services sector has steadily grown, there's still a bias, unconscious or not, making it difficult for women to reach leadership positions. "The field of public accounting, for example, has typically had challenges retaining women. We see fewer women get to the highest levels of leadership – or at least not in the same numbers as we see our male colleagues ascend," says Dara F. Castle, CPA, managing partner of RSM US LLP and the firm's Washington Metro market leader and government contracting national industry practice leader.

A Few Facts On Executive Roles for Women and Racial and Ethnic Minorities

- Women made up 16% of CFOs in 2022, which is up from 6.3% in 2004;
- Racial and ethnic diversity among CFOs and CEOs has increased; the percentage of companies with diverse CFOs is about 10%, up from 5.2% in 2014 and 2.9% in 2004, and the percentage of companies with diverse CEOs tracks at about the same rate;
- Women make up 8% of chief executives, which is also an all-time high;
- In 2022, the number of CEOs who are women increased for the fourth consecutive year, most of them in the financial sector;
- That CFO-to-CEO trajectory is most common in the financial sector; about 26% of CEOs in the financial sector came directly from a CFO position, and the industrial, services and consumer sectors were next, each at 17%;
- CFOs who earn an undergraduate degree in business overwhelmingly major in accounting; 61% of CFOs graduated with an undergraduate degree in business and 45% of those majored in accounting.

Source: Kevin Brewer, "The number of CFOs who are women hits an all-time high," *Journal of Accountancy*, February 2, 2023, https://www.journalofaccountancy.com/news/2023/feb/the-number-cfo-women-hits-all-time-high.html?utm_source=mnl:cpal&utm_medium=email&utm_campaign=03Feb2023

Read more on this topic! Go to TXCPA's website for the article "Why Women are Critical for Your DEI Initiative." It is available online at tx.cpa/resources/txcpa-magazine.

This hurts not just women but the organizations that employ them. Castle, who also leads RSM's women's initiative, which is part of the firm's culture, diversity, and inclusion program, believes the lack of diversity is a business risk. "There is a tremendous amount of research that proves pretty unequivocally that the more diversity of perspective gained by having more women in leadership, as well as by having a more diverse population in leadership, the better your organization will be, the more profitable you'll be, and the more innovative you'll be," Castle stresses.

Additionally, the lack of women in the C-suite tends to be a self-reinforcing cycle – when the only leaders employees see are men, they're likely to subconsciously associate leadership with men. "In STEM fields, like many other male-dominated fields, you see fewer women in leadership due to unconscious bias and systematic barriers," says Sheila Murphy, president and CEO of Focus Forward Consulting.

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Women in TXCPA's Leadership

We asked the female members serving on TXCPA's 2022-2023 Executive Board to share their insights on leadership in the accounting profession.

What is your advice for firms or other organizations looking to advance women in leadership?

Sheila Enriquez, CPA

I encourage firms and organizations to be intentional in retaining, developing and advancing women in their organization. They can encourage, cultivate, advocate and, most importantly, sponsor women who have the potential and desire for growth and advancement. This includes providing them with opportunities that carry substantive responsibilities and visibility, such as empowering them to manage important client relationships/projects, bringing them along with you to important meetings so they can observe and learn, connecting them with your contacts to expand their network, offering meaningful leadership training and development on a regular basis, giving timely and concrete feedback, and advocating for them when they have earned and deserve a promotion.



I believe developing and advancing women into leadership positions will serve firms and organizations well, especially since women make up 50% of accounting graduates and for some organizations, make up the majority of their workforce. If firms are serious about advancing and promoting women into leadership positions, they have to start recognizing that every woman in their organization has the potential to be a leader. An organizational mindset that seeks to proactively identify women who exhibit leadership qualities, regardless of their current title or authority, is an advantage that enables the firm to tap the talent already in their organization.

Jodi Ann Ray, CAE, President/CEO

Firms and companies that are looking to advance women in leadership need to be intentional to reach their objectives and outline and implement a strategy to do so. Now is a critical time to continue this work as there continues to be a significantly lower percentage of women in senior roles.



To make an impact, I believe there are some key factors that need to be addressed. Leaders need to take a hard look at the culture being created and supported, identifying positions that can provide flexibility in how we look at work, and creating support through programs like executive sponsorship and mentoring. Every significant step I have taken in my career progression has been aided by one or more leaders championing my skills and abilities.

Kate Rhoden, CPA, CFA

My best advice is to be strategic and intentional about advancing women. When "culture eats strategy for breakfast," it is crucial for organizations to follow up on their strategic initiatives with actions. Furthermore, both the strategy and the execution must be supported by all levels: from the top leadership to middle management and those directly working with new hires.



What advice do you have for women beginning their accounting careers?

Jennifer G. Johnson, CPA

Accounting is such a great profession with many opportunities, but it truly is what you make it. Know that you own your career and do not be afraid to ask for that next opportunity, promotion or job change. Do not wait for someone else to manage your career and plan for you. You will be much happier with the outcome if you own your career.



Angela Ragan, CPA

The advice I would give to a woman starting her accounting career is to first come to the understanding that you do not have to do it all. And not doing it all is not a sign of weakness. Recognize your strengths and use them to do your job to the best of your ability. Set goals and standards for yourself early in your career. Secondly, cultivate your time management skills early. Make time for your personal life and build it into your daily schedule. Lastly, don't be afraid to stand up for yourself and fight for what you deserve. Know your worth and do not settle for less.



What does leadership mean to you?

Tram Le, CPA

Leadership means being 100% responsible; i.e., being accountable to yourself and others to make the best decisions, build trust/community and cultivate meaningful relationships. Leaders are there to serve, support and inspire others through hard work and sharing knowledge. It's a big role, but I believe it's magical when you have great leadership!



All New – TXCPA Women’s Leadership Conference

TXCPA’s new Women’s Leadership Conference is coming in May! Watch for more information to come in your TXCPA communications.

Misty Mata, CPA

Whether you are a man or a woman, a leader should remember that leadership is about the people you serve – employees as well as clients and vendors. Phil Jackson said, “The strength of a team is each individual member. The strength of each member is the team.” He did not say that the leader is the strength.



It is my personal mission to help each employee grow and be the best they can be, at work and in their personal life. While we have made great progress advancing women in the professional workplace, it was still a hard battle to get where I am now. I put myself through school as a single mother. There were so many stressors when I started my journey: pressure to do well in school (graduated undergrad and graduate both with 4.0), give 110% at work, and raise my children to be good men. Through it all, I kept my vision at the forefront and just kept reaching for those goals. You just have to do it. Don’t give up. Don’t let anyone tell you that you can’t do it.

What advice do you have for someone who wants to become a leader in the accounting profession?

Melanie Geist, CPA

Becoming a leader takes hard work, tenacity, determination and knowing you will struggle along the way. You will not have all the answers but be willing to learn from others. Be open; ask for advice; listen. You need vision and passion about your career – a willingness to go the extra mile wherever you find yourself serving your profession at any point in time. A long-term career is a series of building blocks. Sometimes we do not know where we will land or where we are going but know that the small accomplishments build into lasting careers.



Amy Taylor, CPA

Many people think accounting is all about numbers and while it certainly is foundational to the profession, accounting is also very much about people. What we do as CPAs impacts our clients, our community and our own work teams. So, my advice would be to invest in those people and those relationships because, at the end of the day, they are the “why” of what we do.



Consider the concept of sponsorship, a relationship where someone, typically in a senior position, actively champions an individual’s capabilities and skill sets, and promotes them for opportunities. “Most people tend to sponsor people who look like themselves,” Murphy says. Fewer women in leadership roles translates to less mentoring, less diversity and therefore, fewer sponsorship opportunities for other women.

Worse even: There are still negative assumptions that shade the rise of women into leadership roles. “Many women who have been wildly successful are also the ones who might be labeled as cold or cutthroat at first glance,” says Cathy Miron, president and CEO of eSilo. “The reality is that no matter your gender, success requires a certain amount of grit and fortitude to survive the climb to the very top of your field, but I feel women are more harshly judged than men.”

As uncomfortable as it may be, it’s critical to acknowledge and address these situations head-on and to continue advocating for equity in the workforce.

“We need to train people on how unconscious bias impacts assignments, feedback, performance reviews and mentoring,” Murphy says. But there is hope for change. More women in the workforce are speaking up and many companies are actively working to ensure organizational diversity. Additionally, a shift in the corporate culture, away from the work-is-life mentality, is helping to tip the scale.

“Historically, the financial services profession demanded time commitments. Moving up the corporate ladder meant working long hours, period,” Castle recollects. “As our profession moves toward a more flexible work environment, women are better able to achieve a work-life integration where they can have a fulfilling personal life while pursuing their professional goals and passions.”

Tomorrow’s Promise

As corporate culture changes and more women find powerful voices and advocate for themselves, a larger systemic shift follows. Many organizations and schools are now actively targeting girls at a young age to introduce them to STEM programming and other male dominated career paths.

The Climb Ahead

Though there’s growing societal awareness of the barriers women face in the workplace, earning a seat at the table is still an enormous challenge. Young women who want to gain executive presence should actively engage coworkers, build valuable connections and



be willing to speak up about leadership goals. "Look for opportunities to demonstrate and practice your leadership skills, whether that's through outside professional organizations or serving on committees inside your company," says Dorota Shortell, CEO of Simplexity, a product development engineering firm.

Miron stresses that it's important for women to cultivate a personal and professional brand that displays confidence and competence, while also showing that they're approachable, nurturing and friendly. "Don't be intimidated if you are the only woman in the room – be proud. Be someone who thrives on the challenge of proving you can do something that others think you can't."

To accomplish this, Miron advises pulling together a support network of women mentors at work, in your family and among your friends. "The journey to the top can feel lonely at times, but having a personal board of advisors and a network of women who have faced the same struggles will help you rise and overcome whatever challenges you face."

That is how change happens. That is how barriers are broken. That is how you unleash the power of you.

Sources:

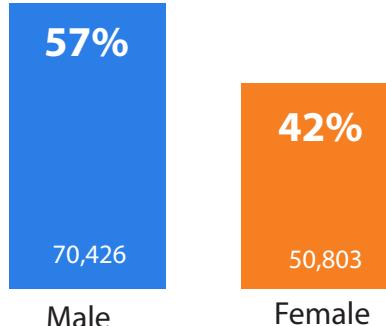
U.S. Bureau of Labor Statistics, *Women in the labor force: a databook*, March 2022.

U.S. Bureau of Labor Statistics, *Labor Force Statistics from the Current Population Survey*, January 2022.

Preceding article reprinted courtesy of *Insight*, the magazine of the Illinois CPA Society. Original publication: Spring 2020. For the latest issue, visit www.icpas.org/insight.

In Texas – The Total Number of CPA Licenses That Have Been Awarded from the Texas State Board of Public Accountancy

Total
123,135



Source: Texas State Board of Public Accountancy

Texas Society of CPAs - Gender of Total Membership

