



Canadian Industry Snapshot: Advancing **Talented Individuals** In Accounting Firms

Emily Pomeroy

Canada's accounting firms are searching for the best and the brightest talent to lead the firms of tomorrow. Retaining and advancing top talent in today's competitive market requires that firms communicate talent management practices and demystify their unwritten rules—workplace norms and behaviors important to success but not formally communicated—for employees. This industry snapshot showcases actions that can help firms increase employee career satisfaction and commitment to firms by mitigating the issues that put retention and advancement at risk.¹ As in *Career Advancement in Corporate Canada: A Focus on Visible Minorities—Survey Findings* (2007), career satisfaction refers to respondents being satisfied with progress toward their career, income, advancement, and skill goals. Organizational commitment refers to respondents' intentions to stay with their firm, additional effort to help the firm succeed, and alignment of employees' personal values with those of the firm.

Accounting firms recognize that successful career advancement does not fall to individuals alone. Over the years, firms have been increasingly responsive to employee demands for inclusive and flexible work cultures, talent development, and advancement initiatives. To remain competitive, firms must continually identify gaps in their talent management systems; work to develop, strengthen, and refine these systems; and remove barriers to advancement. This snapshot profiles two areas requiring firms' attention: talent management and unwritten rules.

Using data from *Career Advancement in Corporate Canada: A Focus on Visible Minorities—Survey Findings* (2007), this snapshot provides tips designed to increase employees' career satisfaction and commitment to the firm, helping firms to recruit the best talent and reduce turnover. The findings are based on responses from 544 accountants, including 224 women and 320 men, from the Big Four² firms.



Talent Management

The Importance of Awareness and Assignments



Awareness of Talent Identification Criteria

These findings revealed that respondents reported higher career satisfaction and commitment to their firms when they understood how their firm identifies talent and advances the most qualified individuals. This understanding is necessary for individuals to successfully navigate their career. Average career satisfaction scores for partners, principals, and associates were 10 to 19 percent higher for those who agreed that they were aware of how talent is identified than for those who disagreed with this statement. Further, commitment to their firm was 7 to 12 percent higher for individuals who agreed that they were aware of how talent is identified.

Findings revealed that women associates were less likely than women and men partners and principals, and men associates were less likely than men partners and principals, to agree that they were aware of talent identification processes. Firms need to work to ensure, in particular, that women associates understand talent identification criteria and processes to allow them to more effectively navigate advancement opportunities.

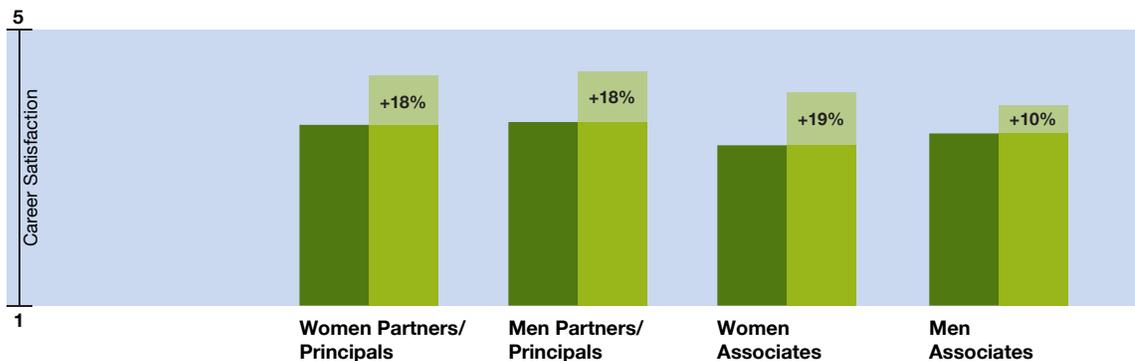


Figure 1
Link between Talent Identification Awareness and Career Satisfaction

■ Unaware of how talent is identified
■ Aware of how talent is identified

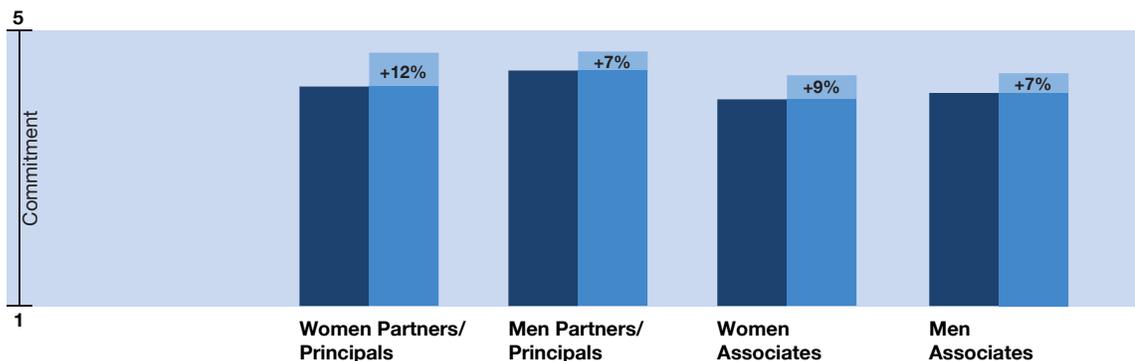


Figure 2
Link between Talent Identification Awareness and Commitment to the Firm

■ Unaware of how talent is identified
■ Aware of how talent is identified

Receiving Stretch Assignments

Stretch assignments—assignments designed to challenge individuals to develop or refine their skills—serve as developmental opportunities for individuals. These assignments help accountants gain visibility in the firm, expose them to key clients or work, help them demonstrate leadership skills, and increase connections with influential others.³ All accountants benefit from their managers providing new developmental assignments. Average career satisfaction scores for partners, principals, and associates were 14 to 21 percent higher for those who agreed that their managers provided assignments to develop new strengths and skills than for those who disagreed with this statement. Firm commitment was 9 to 10 percent higher for individuals who agreed that their manager provided them with stretch assignments.

The findings showed that women partners, principals, and associates were less likely than men associates to agree that their manager provided them with assignments to help them develop new strengths and skills. Women associates, in particular, reported the greatest increase in career satisfaction when they received stretch assignments that helped them develop new strengths and skills.

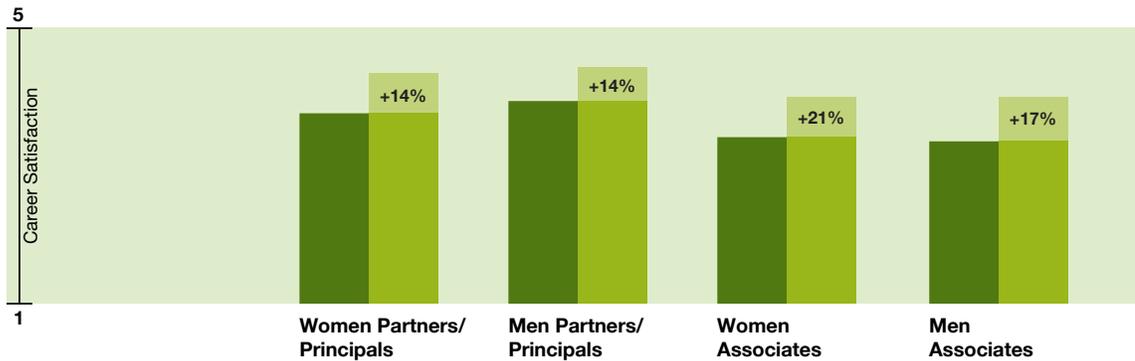


Figure 3
Link between Receiving Stretch Assignments and Career Satisfaction

■ Manager **does not** provide stretch assignments
■ Manager **does** provide stretch assignments

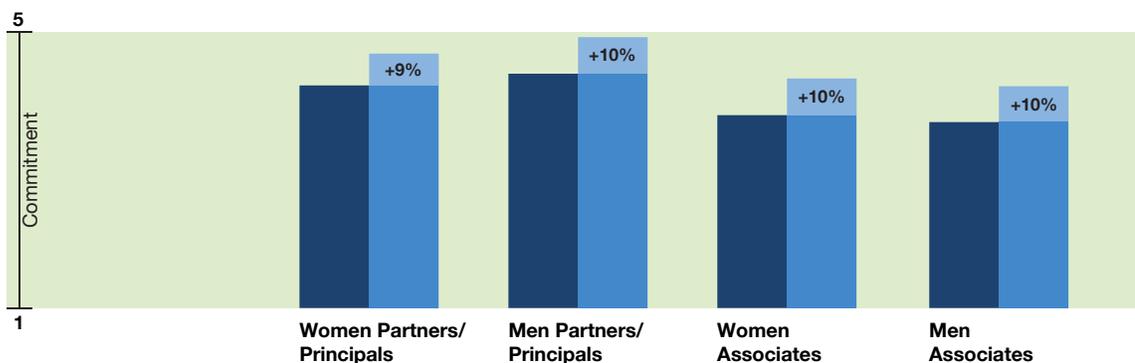


Figure 4
Link between Receiving Stretch Assignments and Commitment to the Firm

■ Manager **does not** provide stretch assignments
■ Manager **does** provide stretch assignments

Steps Firms Can Take to Develop a Better Understanding of Talent Management Criteria and Processes Among Employees⁴

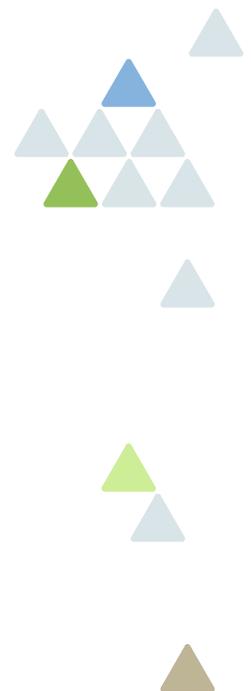
To increase awareness of talent management criteria and processes and more equitably allocate stretch assignments, Catalyst recommends firms:

- Publish the technical and business competencies necessary for employees to advance to the next level.
- Develop career path tools or resources that illustrate the career pathways available to individuals within the firm.
- Communicate who is responsible for reviewing and approving promotions. Provide time and space for individuals to maintain an ongoing dialogue with managers about career advancement goals, their desire to participate in visible projects, and interest in working with different departments or teams.

Steps Firms Can Take to Ensure Equitable Distribution of Stretch Assignments⁵

To ensure equitable distribution of stretch assignments, Catalyst recommends firms:

- Link the distribution of stretch assignments to performance reviews.
- Consider providing each new hire with one stretch assignment, or assign new hires to a team working on a stretch assignment.
- Review the allocation of stretch assignments to ensure equitable distribution among women and disadvantaged groups.



Demystifying the Unwritten Rules



Unwritten rules are those workplace norms and behaviours that are essential to organizational success but that are not formally communicated. These rules explain which employee behaviours and characteristics are valued and rewarded, describe a successful career path, and reveal opportunities for greater visibility at the firm.⁶ Communicating an organization's unwritten rules can increase individuals' opportunities to practice those behaviours valued and considered necessary for successful career advancement within the organization.

Findings revealed that accountants had higher career satisfaction and commitment to the firm when their managers helped them understand the firm's unwritten rules. All employees who agreed that their managers helped them understand the unwritten rules reported career satisfaction scores 10 to 16 percent higher than those who disagreed with this statement. Average commitment scores for partners, principals and associates were 6 to 9 percent higher for those who agreed that their managers helped them understand the unwritten rules than for those who disagreed with this statement. Women associates were least likely to agree that their managers had helped them understand a firm's unwritten rules. When they did have managers who helped them understand the unwritten rules, women associates reported commitment to the firm that exceeded that of men associates.

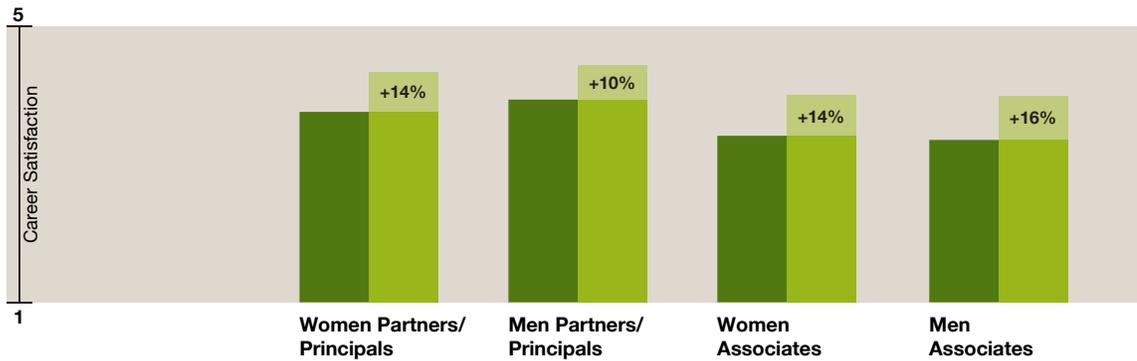


Figure 5
Link between Understanding Unwritten Rules and Career Satisfaction

■ Manager **does not** help understand unwritten rules
■ Manager **does** help understand unwritten rules

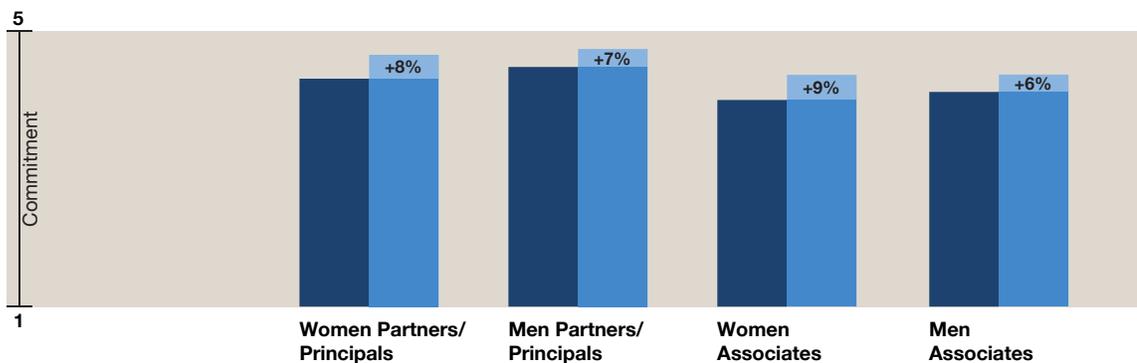


Figure 6
Link between Understanding Unwritten Rules and Commitment to the Firm

■ Manager **does not** help understand unwritten rules
■ Manager **does** help understand unwritten rules

Steps Firms Can Take to Demystify the Organization’s Unwritten Rules

To demystify the unwritten rules, Catalyst recommends⁷ firms:

- Provide a platform for senior employees to share with junior employees those strategies they wish they had known at the beginning of their career.
- Utilize employee resource groups or mentoring programs to connect individuals with a diverse network of work contacts.
- Ensure managers provide consistent and regular feedback or talent reviews on employee behaviour and actions.
- Encourage individuals to discuss with managers and mentors strategies for following unwritten rules.



Table 1
Sample Characteristics

Demographic	Women	Men	Overall
Level			
Partners/principals	23%	47%	37%
Associates	77%	53%	63%
Visible Minority Status			
Visible Minorities	40%	27%	32%
White	60%	73%	68%
Marital Status			
Single	52%	33%	41%
Married/partner	45%	64%	56%
Divorced/separated	3%	3%	3%
Presence of Children			
Children	25%	38%	33%
No children	75%	62%	67%
Age			
Average age	31	37	35
Time in Position			
Average years in role	3	5	4
Tenure at Firm			
Average years at firm	6	11	9
Years in Labour Force			
Average years in labour force	11	15	13

Endnotes

¹ Career satisfaction and organizational commitment are important for firms to track as they are associated with higher productivity and profitability and lower rates of absenteeism and employee turnover. James K. Harter, Frank L. Schmidt, Theodore L. Hayes, “Business-Unit-Level Relationship Between Employee Satisfaction, Employee Engagement, and Business Outcomes: A Meta-Analysis,” *Journal of Applied Psychology*, Vol. 87, No. 2 (April 2002): 268-279.

² The Big Four accounting firms in Canada include Deloitte & Touche LLP, Ernst & Young LLP, KPMG LLP, and PricewaterhouseCoopers LLP.

³ See *Women of Color in Accounting—Women of Color in Professional Services Series* (Catalyst, 2008).

⁴ See *Cascading Gender Biases, Compounding Effects: An Assessment of Talent Management Systems* (Catalyst, 2009).

⁵ Ibid.

⁶ See *Unwritten Rules: What You Don’t Know Can Hurt Your Career* (Catalyst, 2008).

⁷ Ibid.

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