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An Analysis of the Career Plateaus in Accountancy

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## **ABSTRACT**

Career plateau is a complex, multifaceted experience that can affect one's ability to perform in their role within any profession. Within accountancy, career plateau takes on several different forms depending on an individual's current professional standing and the type of career they pursue in the industry. This study first explores the way career plateau has been defined and where it is most fitting within accountancy. Then, psychological factors that can affect one's professional experience in accounting are examined and applied to fit the scope of this research. From here, the structure of different types of accounting careers are discussed and used as a lens to examine how career plateau applies within them. The minority experience became a significant point of this research as career plateau was found to be greater for them in accountancy. The statistics relating to their positioning within accounting firms were combined with the study on career plateau to conclude that their current representation in accounting positions of leadership is one of the leading factors contributing to their lack of promotion. Further research suggests that researching other psychological, academic, structural and systemic factors can reveal that career plateau in accountancy will take a multidisciplinary approach to better combat.

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## **CHAPTER 1 INTRODUCTION**

Accounting as a profession has evolved drastically over time. Being a white collar profession that has ties to businesses across any industry, its evolution has been tied with changes in the business world in general. As the accounting profession changes rapidly, the experience of accountants has also changed. This research seeks to examine the work life of accountants. Specifically, the project will explore how accountants may experience a slowdown, or plateau, in their ability to elevate their careers.

In order to best examine the career plateaus of accountants, first this work examines the different types of career plateaus. While the most clear way to track the career of an accountant could be through their position or salary at a firm, this work takes a step forward in researching the complexities involved with their personal experience. Whether it be with the work they complete, their interactions with the firm or with their coworkers, researching their personal experience can reveal more information into why the turnover rates may be large within the Big 4, why one may take a lateral position outside of a firm, why one may open their own solo practice or why their career plateaus in general.

This research also examines the experiences of minorities in accounting. While career plateau as a whole is examined, the statistics regarding the minority experience reveal how plateau is experienced differently and more drastically for them.

## **CHAPTER 2 INTERPRETATIONS OF CAREER PLATEAU**

Career plateau is a complex experience whose definition is dependent on a myriad of factors. Clear aspects of career plateau include a lack of progression in title and wage. Others though are more qualitative when job responsibilities, environment, and other more personal experiences of a career. Career plateau is a multifaceted phenomenon, and its definition is strongly influenced by an individual's definition of a career and success.

### **PAST DEFINITIONS**

The early definitions of career plateau largely hinged upon job title. Ference, Stoner and Warren defined a career plateau as the point at which employees cease experiencing hierarchical career progression. This definition is clear as one could simply point to remaining in the same position for an unreasonable amount of time as a point at which they have plateaued. However, it does not consider the ceiling that one reaches when they have already progressed to an extent already. For example, in the case of a legal career at a law firm, one will enter as a junior associate and eventually progress to roles with titles including associate and senior associate. At most firms, the opportunities to reach associate level titles are plentiful but once they reach “partner”, opportunities for advancement decrease as there are limits to the quantity who can hold titles like partner or managing partner. While this definition of plateau still holds weight as there is a correlation between general career progression and the title one receives, defining career plateau solely by job title will never tell the full story of one's in the workplace.

An alternative definition posed later on by Roger, Toulouse and Tremblay, took the previous one a step forward by also including the nature of somebody's work. They defined two dimensions to a career plateau. The first was an objective plateau which is extremely similar to

the aforementioned definition as it is very observable from a third party and associated with an excessive length of time at one level. The second dimension is the subjective plateau and this is the primary differentiating factor. This dimension is associated with the perception of limited possibilities for advancement. Taking personal perception of the opportunity for advancement into account is extremely important as it can affect one's ability to advance moving forward. If someone believes they are within this subjective career plateau, they may be less likely to take the necessary steps forward to experience objective, stratified career progression as they may believe those steps are futile.

While taking into account the second dimension of career plateau was an important step in advancing the definition, ultimately both of the aforementioned viewpoints are too narrow in focus. Neither encompasses the broader definition of what a career entails. First, one can attain new skills while within a position which can lead to an expansion of their role, even if their title remains the same. Secondly, greater forms of success can be achieved while remaining within the same role and these can be viewed as a form of career progression. For example, a scientist can view moving through steps in the development process of a new drug as a form of career progression and this can take anywhere from one to even ten years depending on the product. Alternatively, a real estate salesperson can view growth in sales volume as career progression and ultimately their title still remains "realtor".



## **EMOTIONAL RESPONSE**

The final aspect of career plateau, that was touched upon with the discussion of the subjective plateau, is the emotional response to work. Bardwick discusses the emotional response to work in his three forms of career plateau. The first two forms of plateau are similar to aforementioned definitions and are structural plateau, resulting from a substantial pause in promotions, and content plateau, stemming from a monotony in the work one completes. His third form, life plateau, discusses a plateau defined by a lack of success one feels in the work they complete. He argues that one can feel plateau if they are trapped in the role they are in. This definition is similar to the subjective plateau as it is based on one's perception of their work and is ultimately a necessary aspect for the examination of career plateau.

Feeling trapped in a role is a common factor to accepting an exit opportunity from a job, and has led to evolutions in the modern workplace. These broader definitions of career plateau supported the birth of the new, more boundaryless and multi-directional positions that many hold today. They are much more non-linear, making the definitions of career plateau that solely examine job title and wage too narrow. In the field of accounting, the different types of career available make each individual's perception of their career plateau vary resulting in non-linear careers. Whether someone opens their own practice or enters the Big Four directly following graduation, taking into account both the visible and emotional signs of career plateau is significant when examining why certain accounting careers plateau early.

## **MOTIVATION FACTORS**

Herzberg's Motivation Hygiene Theory has a unique tie in with the emotional aspects of reaching a career plateau. No matter the industry, Herzberg held that there are certain aspects of a job that are consistent with job satisfaction and others that are consistent with dissatisfaction. Job satisfaction is significant in evaluating the likelihood of a career plateau in a profession because the happier one is in a position, the more likely they are to take the necessary steps to advance themselves within the firm and perform at a high level in their position. The more dissatisfied associates are at a firm, the greater the likelihood for significant employee turnover and lackluster productivity.

Herzberg's Hygiene Factors involve the interactions between the employee and his firm. All of the Hygiene Factors impact the employee's ability to function within the firm's operations on a day to day basis. First, company policy affects experiences including dress code, paid-time-off, insurance and opportunities to save which all can affect the stress levels of the employee. The standards for supervision will also impact stress level and productivity as an employee can feel there is a lack of trust if their superiors are micromanaging their work. Company culture and working relationships will affect an employee's day to day experience as well and if these are poor for any reason, they will ultimately hinder productivity. Finally, status and security are significant factors because if an employee feels they are not safe in their position, they may feel as though they cannot take risks that could pay massive dividends for their career moving forward. Ultimately, each of these Hygiene Factors affect an employee's ability to perform within their role and can consequently hinder their ability to progress their career if not managed properly.

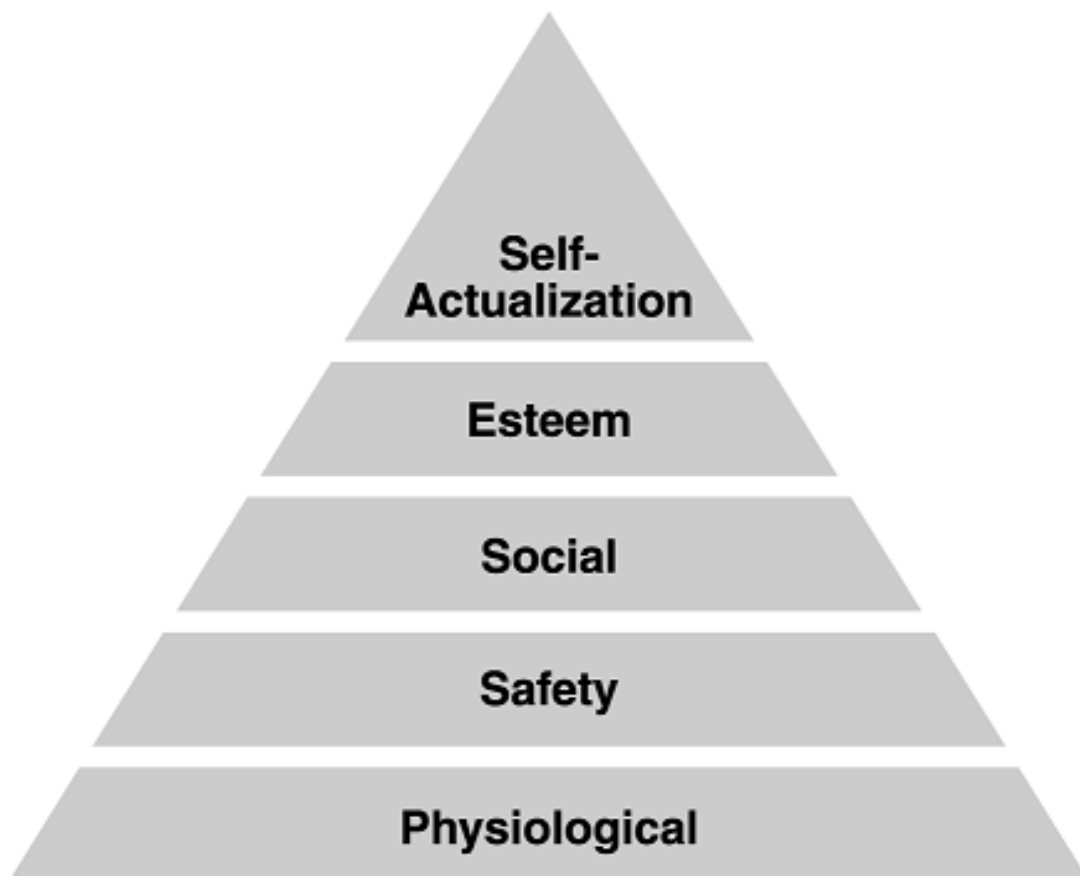
Herzberg's Motivation factors affect the employee's ability to interact with their position themselves. Feeling as though they are achieving something within their role can push them to perform better while providing the feeling of self fulfillment and truly producing something of value to the firm. Earning recognition from peers and superiors will give an employee a similar feeling. Showing that the work itself provides value will too motivate employees to work up to their potential. Furthermore, giving an employee autonomy over the way their work is done will show that the employer trusts them and will provide a greater desire to do the work well. Finally, showing that there are ample opportunities for advancement and growth within and beyond a role will motivate employees to work harder and make progress at a company. Recognizing the existence of these Motivation factors is key to understanding career plateau as without them, employees are significantly more likely to become stagnant or leave a firm for a lateral or even lower position.

Understanding these factors is also important because it allows for recognition of the different types of plateau. Limited existence of the Hygiene factors is a greater indicator for hierarchical plateau because there is a correlation between an elevated role and improved hygiene factors like job security, standards of supervision and company benefits. Motivation factors can be tied to emotional plateaus. When significant achievements are had while working within a job, recognizing them will promote the continuation of that activity leading to opportunities for advancement. Giving meaningful work to employees will make them feel as though their role is significant to the firm and if this work gains greater depth or value to the firm moving forward, they will feel as though their role has advanced even if their title remains the same. Providing autonomy to employees as well over time can ignite the feeling that one is trusted, making them feel as though they are growing and advancing within their role.

## **Maslow's Hierarchy of Needs**

Abraham Maslow proposed his hierarchy of needs in 1943 in a paper on Human Motivation. His theories here parallel those of developmental psychology in that they focus on different stages of human growth. After years of additional research, he fully published this work in a 1954 book titled *Motivation and Personality* and the hierarchy remains a very popular framework for management training and that is where the connection to this research is most significant. As employees are hired to the major public accounting firms, many of their initial needs are met but it is the lack of connection to their higher level needs that initiates the types of career plateau discussed in this research.

Table 1. *Maslow's Hierarchy of Needs*



As depicted in the diagram, Maslow's Hierarchy of Needs has five levels: Physiological, Safety, Social, Esteem and Self-Actualization (Cherry, 2021). It is said that as each of these needs are met at every level starting at the bottom, one becomes motivated by the aspects of the level above it. Physiological Needs include the ability to eat, drink, sleep and sustain oneself. Safety and Security needs can include having a job, basic personal health and a place to live. Social needs are valuable personal relationships, friendships and an overall sense of connection. Esteem includes having some degree of status, recognition, respect and even freedom. Finally, the uppermost level, Self-Actualization, can be described as having a desire to be the best one can be in any capacity.

Below I have modified the initial drawing and applied it to the business and career setting. This application of Maslow's Hierarchy of Needs is significant because it directly ties into the reasons why one may become unmotivated in the workplace and potentially leave before having an opportunity to advance their career. Failure to meet these needs can significantly reduce the ability of an employee to best engage with their work and consequently limit or altogether remove any desire to advance their career within that firm. In short, fulfilling employee needs starting at the lower levels will increase their desire to advance their career and a failure to do so could initiate their career plateau.

Table 2. *Maslow's Hierarchy of Needs Applied to Business Setting*



Physiological Needs are those most basic needs one needs for survival. In the working world, that would equate to having a sufficient salary. The below table contains the average salaries per position at the Big 4 accounting firms according to the 2019 Consulting Salaries Report using salaries from their major offices in New York City, Chicago, Dallas and Seattle. These numbers are based solely on those who work in tax specifically, and the change in salary from level to level becomes more significant as one's title changes. An additional consideration here is that this data is based solely on salary and not total compensation. Bonuses and stock compensation can make these differences even greater. Historically, added compensation is greater for those who hold more significant titles than for employees who have spent less time at the firm and hold lower ranking positions.

Table 3. *Big 4 Average Tax Consultant Salaries*

Big 4 Average Tax Consultant Salaries	
Associate	\$61,250
Senior Associate	\$78,250
Manager	\$112,000
Senior Manager	\$152,500
Managing Director	\$275,250

Given a salary exceeding \$60,000, one's physiological needs are more than sufficiently met when accepting an associate role within the Big 4 directly following graduation. As one's standards and costs of living increase though, reaching those higher salaries becomes more and more important and that initial associate level salary can fail to sufficiently meet all of his or her if they are not promoted in due time.

The next level, safety, can be met in part by salary but also with other benefits of a job. Each of the Big 4 accounting firms offer some form of 401k matching as well as health care benefits so these needs are met on the surface. Where one can feel a lack of security within a role is if they remain in the same position for longer than their peers. Given the Big 4's propensity for hiring many new associates straight from college, there is constantly young, motivated talent entering the building. If one remains stagnant in their role for longer than the class of peers they entered with, they can attain a level of job insecurity that infringes upon their ability to work well within their current role. Seeing not just your own peers but also those who entered later than you later rise above your current position can lead to increased job dissatisfaction. While it may not be an issue in the beginning of someone's time at a Big 4 firm, the competitive fervor that one's peers work with can lead to great job insecurity the longer one stays within the same role.

The third adjusted level, positive working relationships, is also met well initially, but can be strained as time progresses within the firms. Since one is typically entering with a large class of peers who are of similar age, it can be fairly easy to make friends at the onset. The Big 4 firms though become famously busy at the height of tax season and this is when the stress levels can potentially damage working relationships. Jealousy of others attaining promotions can also play a role in straining these relationships as fewer and fewer associates can be promoted to each stratified level of leadership. Similar to status and security, these needs are met well at the onset



of employment but can become more strained as one stays within the same role for an above average amount of time.

Trending with a similar theme, firm recognition and title is met well by Big 4 firms. They are names that are recognized globally, and the roles definitely carry weight in the eyes of those who apply in part because of the quality of candidate that is typically hired. While staying with a firm recognized so well can start as motivation to stay and work hard to become promoted, it can also parlay into extremely appealing opportunities to leave and be promoted elsewhere. Having a Big 4 name on one's resume suggests that he or she has been working with substantial clients and trained by the most detail oriented managers in the industry. If one becomes stagnant in their role, this work experience can be used to seek employment elsewhere in the future.

Since the four basic needs are met upon beginning a public accounting career within the Big 4, self-actualization and meeting one's true potential becomes the primary motivator of those who assume an associate level role within these firms. These individuals are typically high achievers already having completed 150 credits of education and the CPA exam, so entering the firm their primary goal is to do well and become promoted to the levels of their seniors. They have been made to feel important already, so their primary goal becomes achieving their highest potential within their current role to move onto future roles.

Maslow's Hierarchy of Needs is notable here because fulfilling each of these levels creates more motivation within the employee to excel in their role in pursuit of further self-actualization manifested in promotion. If one feels that they cannot be promoted to senior roles, they can begin to slide down the pyramid. For example, a failure of self-actualization can lead to less satisfaction with their job title. As more time is spent within a Big 4 firm, the allure of being there decreases and the importance attributed to it becomes more limited. As peers

accept exit opportunities or are promoted to become more senior, working relationships can become more strained. As mentioned before, stagnation within a role can lead to job insecurity so the downward trend of job satisfaction grows and as a result, the emotional and hierarchical career plateaus begin and expand.

### **CHAPTER 3 HIERARCHICAL CAREER PLATEAU**

Career plateau can most visibly be seen within the structure of a firm by the titles of its employees and how long they hold them. Due to their prestige and publicity, when careers at public accounting are discussed many think of and desire to be a part of the Big 4 — KPMG, PwC, Deloitte and Ernst and Young. All four of these firms are among the top ten companies across all industries in hiring after college graduation. They typically begin by recruiting juniors for summer internships prior to their senior years so they can quickly assess their quality and offer them a position to begin in the subsequent summer directly following graduation.

Their desire to aggressively recruit post graduation is notable for several reasons. Young employees immediately removed from college are more willing to do tedious, “grunt” than seasoned employees due to their lack of experience performing more desirable tasks and because of the allure of earning their first substantial salary while working within a famously large company. They are more likely to see themselves at the bottom of a substantial ladder for growing their career, and are more willing to do less desirable tasks to ascend further in the future.

Younger employees also lack the same quantity of factors contributing towards their aforementioned Hierarchy of Needs as described by Maslow. For example, given that the average age of first time parenthood is 31 for fathers and 26 for mothers, employees straight from college are much less likely to have familial responsibilities occupying their mind. With fewer needs and above average salaries, they are much more likely to be satisfied within their role. Coupled with the allure of working at a big firm and the potential to earn higher salaries and promotions in the future, hiring young employees allows Big 4 firms to maintain a workforce of motivated and hard working associates.

### STRATIFIED FIRM EMPLOYEE MOVEMENT

The typical progression for an accountant at a Big 4 firm is stratified and hierarchical. Each position that one ascends to leads to greater pay and responsibilities. If one enters a Big 4 firm directly following graduation, he or she will have an entry level role typically labeled as an “associate”. Following this position, they would ascend to roles with titles identical or similar to the following: senior associate, manager, senior manager and partner. The following graph charts the typical time it would take for one to assume each position.

Table 4. *Time versus Position at Big 4 Firm*



The blue and orange lines represent the possible career tracks one could experience while working within the Big 4 structure. The blue line shows the fastest time one could see themselves accelerate in leadership if they enter straight after graduation whereas the orange line indicates the slowest progression. These results show that while on the fastest possible track, one could find themselves in a consistent progression of 2-3 years to reach each role. The orange line however represents the much more likely track where it takes longer for one to reach the more senior positions of leadership compared to the lower ranking roles of associate and senior associate. While the difference in years between the first two roles is just 3 years at most, the potential difference between the third and fourth roles in order can be as many as 6 years. This stagnation in a role where the work can be both monotonous and extremely stressful leads not just to the clear hierarchical career plateau, but also would likely bring about an emotional one.

### **LATERAL MOVEMENT**

Exit opportunities from Big 4 Accounting are oftentimes the product of career plateau. The clientele of the Big 4 are typically firms in the Fortune 500 or 100, so the work experience and accounts they handle are large. Handling this complex work makes Big 4 employees, especially those in positions of leadership, prime candidates for excellent exit opportunities as smaller companies will deem them capable of performing at a high level in house.

An exit opportunity can manifest itself in several ways. Due to the aforementioned complexities of the job of a Big 4 accountant, many firms will reach out to them to recruit for new, in house talent. A very common way for a company to evaluate and later pursue a talent to bring in house is if they have worked for them before. Firms like Google and Apple hire Big 4

firms to conduct their auditing for the end of the year, and through this process they can become accustomed to working with particular auditors. If they enjoy working with them enough, they may look to recruit them to work in house so they have access to their talent on a consistent basis. This can be appealing for a client like Google or Apple because it can be much cheaper to pay them on salary throughout the year as opposed to contracting them during busy seasons.

These exit opportunities can be extremely appealing for a Big 4 employee due to several factors. First, they can provide better work life balance for employees. Those who work within the Big 4 structure travel often and typically work over 40 hours a week especially during busy seasons. One who accepts an exit opportunity to work within a company to conduct consulting and tax work in house solely will have improved hours. Secondly, working in house will allow an accountant to work on the same financial reporting repeatedly. This can make their job a lot easier as they will become accustomed to the types of accounts receivable and payable that a firm handles, they will be focused on the reporting of one industry and their job will become much more seasonal.

## **CHAPTER 4 UNSTRUCTURED CAREER PLATEAU**

When discussing career plateau in accountancy, it is important to also consider the less structured careers in accounting. While the Big 4 presents a very structured environment for accountants, the career paths with less structure like working for a small accounting firm or owning your own practice present different variations to the plateaus mentioned in the introduction.

A hierarchical plateau in someone's solo or own practice will be defined very differently than when one is working within a firm. Since the accountant is essentially acting within the same position at all times, their hierarchical plateau could be measured in two ways. First, revenue could be a proper form of measure. If the solo practice is bringing in more revenue each year, the accountant can be seen as elevating their positioning in a hierarchical sense. Secondly, if their volume requires them to hire more staff, their hierarchical growth can be measured by that total. Finally, a method of measurement could be the quantity of clients. Since accounting work is typically done for clients on a yearly and recurring basis, this method of quantifying hierarchical career growth could be very accurate.

## **IMPACT OF CPA**

The role of the CPA within the Big 4 firm is changing over time. As the review of historical data and compliance becomes faster with developing technology, the jobs of CPAs become quicker and easier to complete. Consequently, the role of the CPA has shifted into more of an advisory function and away from simply being a reporter of historical data.. Since the jobs that require a CPA take less time and less manpower to complete, the advantage of owning a CPA has shifted more towards the knowledge base acquired along with it.

CPA's now have to be capable of being business partners and change agents to the clients they work with. Especially as one seeks to move into positions involving more responsibility, he or she must be capable of taking on multidisciplinary responsibility as well as contributing positively to discussions about the future of their client's or own firm. As technology accelerates the changing business landscape, this ability to be capable of initiating change is even more imperative than heightened knowledge in one subject area.

While the merits of owning a CPA can be outweighed by the ability to take on responsibilities across many disciplines, the advantage of owning it compared to not owning it cannot be understated. First, owning a CPA directly correlates with added working experience and a general breadth of knowledge in accounting. Attaining a CPA requires over 150 credit hours of education, much of which must be within accounting and finance, as well as work experience. Additionally, one's knowledge is assessed in the exams prior to applying for the license so owning a CPA requires hours of education, relevant work experience and critical thinking abilities that can only positively affect one's career and ability to avoid hierarchical career plateau.



The connection to avoiding an emotional career plateau is significant as well as it grants one the ability to credibly own and operate their own accounting practice. While it can be difficult to initiate a self-sustaining accountant practice, doing so after already working with a firm can significantly raise the ceiling of one's own ability to be satisfied with their career. Owning one's own accounting practice removes the direct restraints on work life balance and earnings potential that exists when working a salaried position at a firm. It will not grant the safety and security needs that exist on Maslow's Hierarchy of Needs; however, if one is already in stable positioning in their career and can afford to take risks, it can grant them the needs existing higher on the pyramid.

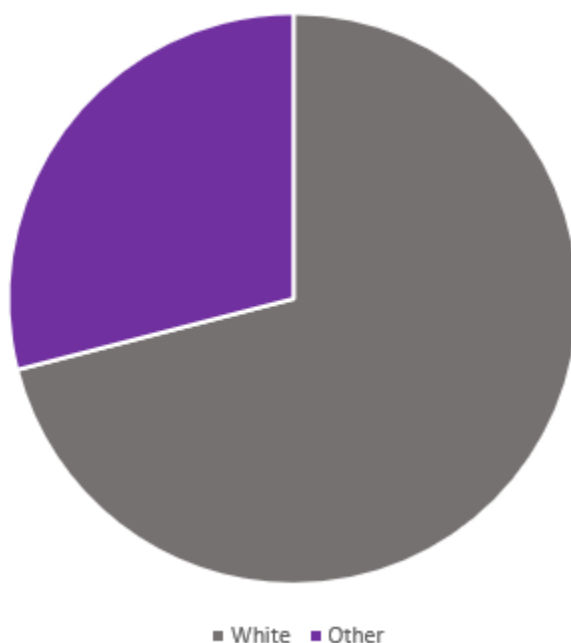
It is this avoidance of emotional career plateau that can make pursuing an unstructured accounting career so alluring. It would certainly take someone who capably has their lower level needs fulfilled, but the opportunity to wholly avoid an emotional career plateau can make one work diligently to avoid hierarchical career plateau. For example, one who owns a CPA working within a Big 4 firm can be working hard to save money to pursue opening their own practice. Along the way, they are performing well within their role and as a result, are elevating their abilities in the eyes of their superiors. As a result, in pursuit of avoiding an emotional plateau, they can also be avoiding a hierarchical plateau.

## CHAPTER 5 MINORITIES IN ACCOUNTING AND CAREER PLATEAU

The accounting profession historically has been dominated by white males in almost every metric. In 1969, just 0.15% of all CPAs were African American which equates to fewer than 150 individuals. To combat the racial inequality in the industry, the AICPA launched the Committee on Recruitment From Minority Groups and this vastly supported bringing diversity into the profession. Between 1976 and 1989, the number of African Americans in major CPA firms grew by 43% (AICPA, 2019).

Minority representation as Professional Staff has improved significantly at CPA firms. In 1995, minorities represented just 8% of all professional staff at accounting firms whereas in 2018, this number jumped to 29% as indicated in the following graph (AICPA, 2019).

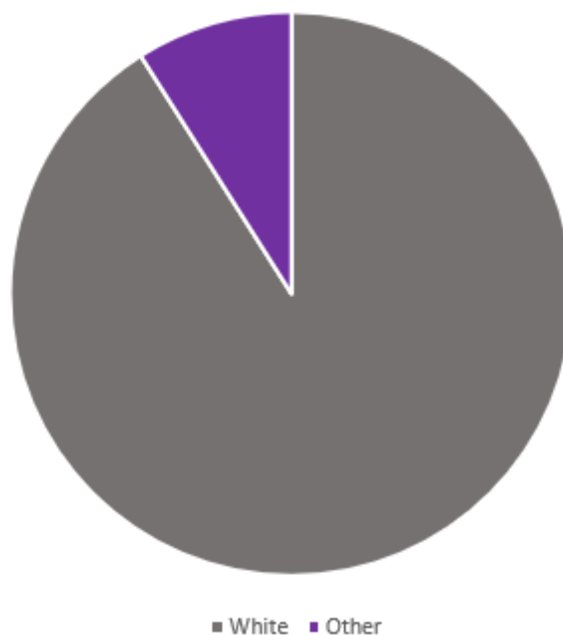
Table 5. *Ethnicities of Staff Professionals in Accounting and Finance Functions*



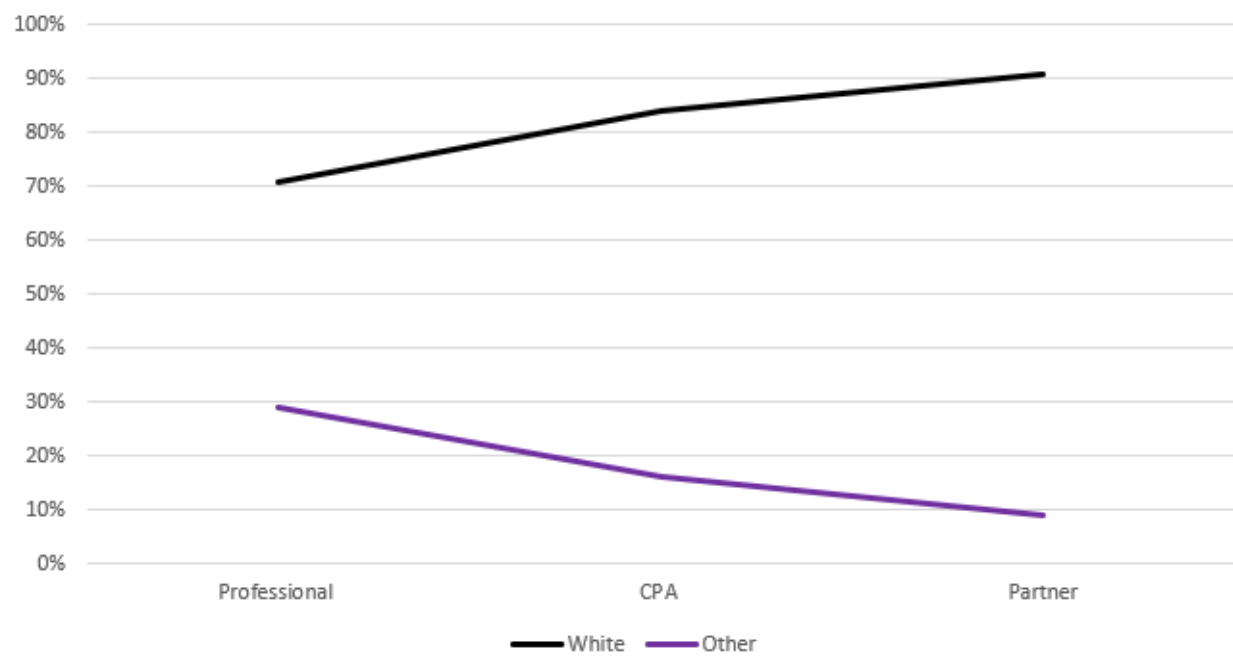
While this figure still pales drastically in comparison to the total number of individuals at CPA firms, the increase suggests further improvement is possible when diversity efforts within firms can be spearheaded by those in the minority groups themselves. Additionally, diverse alumni of universities who work at CPA firms now have the opportunity to return to their alma mater to recruit more similar candidates.

Furthermore in the 21st century, the racial parity in accounting is improving through high education. In the 2006 to 2007 school year, just 5% of bachelor's and master's graduates in accounting were Latino but now this figure stands at 16% much closer to the percentage of Latinos in the United States as a whole at 18% (AICPA, 2019).

While the figures for professional staff in general have drastically improved, minorities have not maintained a similar percentage in the role of partner. As indicated in the chart below, in 2018 underrepresented minorities accounted for just 9% of the partners at CPA firms. Setting a precedent as members of professional staff will certainly bode well for future diverse candidates, but this lack of representation in the more significant positions of leadership has and will continue to perpetuate the existing career plateau for minorities in accounting. Not seeing diverse individuals in positions of power will only enforce the belief that it may not be possible for minorities to reach partner status and as a result, will make them stagnant in their roles or encourage the acceptance of exit opportunities.

Table 6. *Ethnicities of Partners at CPA Firms*

The stark contrast in leadership role versus diverse status is emphasized even further in the below line graph. This data draws from the same 2018 data used in the above pie chart but instead plots position compared to percentage of representation (AICPA, 2019). General professional staff in a finance or accounting function is where the disparity between white and minority status is closest. As CPA ownership and partner status is attained through, the disparity grows as the line graphs drift further from one another. Recognizing this difference is significant because of the impact it has on career plateau for minorities in accountancy. These figures show that fewer minorities attain CPA's and partner status and this is largely a product of the career plateau that clearly hinders them worse.

Table 7. *Ethnicity versus Position at CPA Firms*

## IMPACT ON WOMEN IN ACCOUNTING

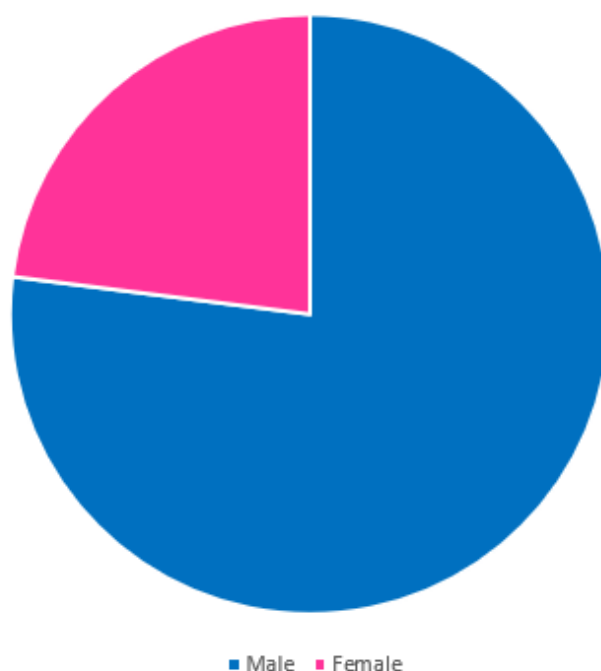
Women have had dynamic shifts in their positioning at CPA firms. In 1970 women were awarded just 10% of bachelor's degrees in accounting compared to 56% in the year 2000. In 2018, women comprised 47% of all professional staff in accounting and finance functions as represented in the following graph. Their ability to attain higher levels of education has led to their ability to become professional staff members working in accounting and finance functions at CPA firms (Chivers, 2012).

Table 8. *Genders of Professional Staff at CPA Firms*



The progress for women tails off drastically when examining those who actually hold positions of significant leadership at CPA firms. The disparity between men and women as partners at CPA firms is displayed in the following pie chart.

Table 9. *Gender of Partners at CPA Firms*

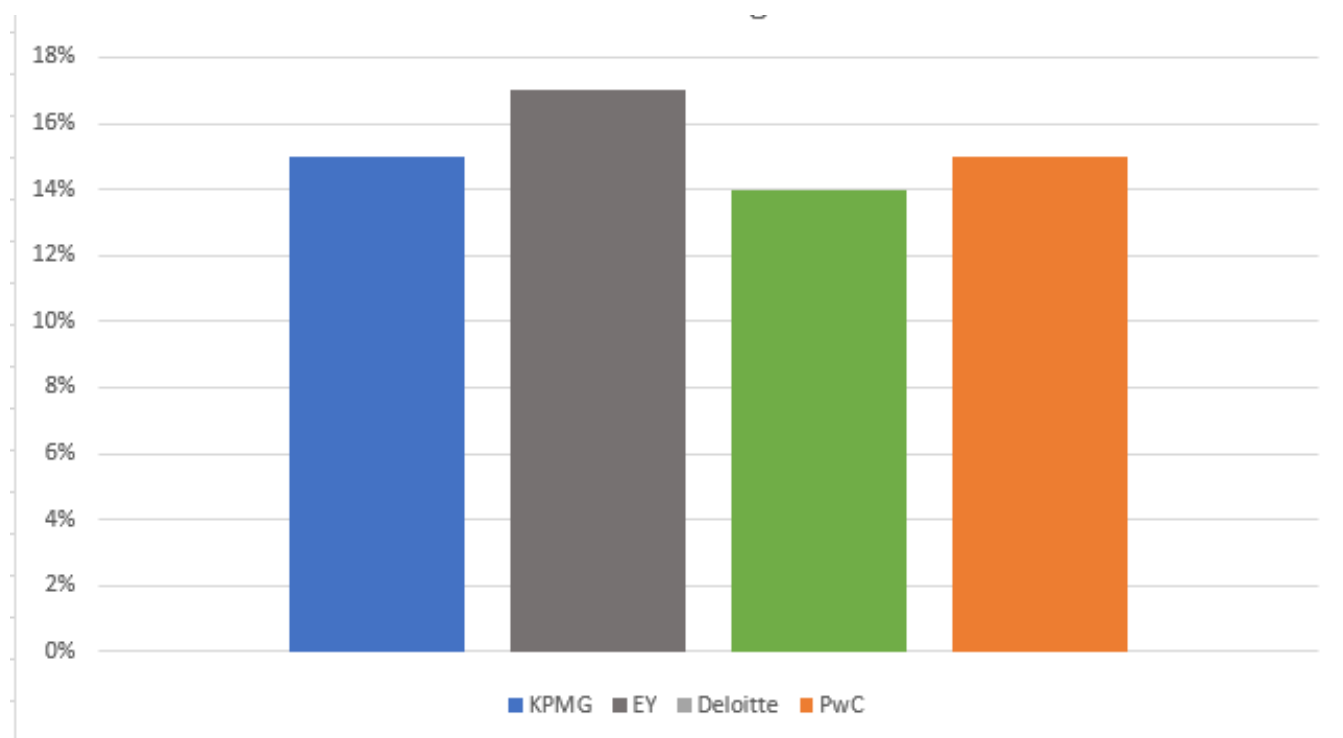


Just 23% of all partners at CPA firms are women and the averages are worse within the Big 4. The following table represents data collected on the percentage of partners at Big 4 firms who are women. The total quantity of partners is as low as 549 at Ernst and Young and as large as 990 at Deloitte (Chivers, 2012).

As displayed in the graph below, the percentage of partners who are women is below 20% at each of the Big 4 firms. In fact, the average is 15% or less at all four firms except for EY where 17% of the Big 4 firms (Newquist, 2018). As mentioned in prior sections, the Big 4 often sets the standards for excellence in many aspects of accounting. With few women in positions of

influence over the direction of the firms, decision making will continue to have few diverse perspectives taken into consideration. Additionally, with few women as partners, other women within the firms have less role models to look to when looking for mentorship and as a result, their career plateaus will only grow worse.

Table 10. *Percentage of Female Big 4 Partners*



All of these figures regarding minority positioning at CPA firms factor heavily into the discussion of career plateau because of their tie into the subjective and life plateaus. The inability for minorities to see few if any other minorities in positions of power at CPA firms can make it difficult for them to ever envision themselves attaining a similar opportunity. This can prevent them from taking the necessary steps to pursue reaching partner status for any number of reasons. They may experience difficulty or even fear when trying to connect genuinely with people in positions of leadership at their firm because of the lack of shared life experience. Not



being able to even see many like themselves in elevated roles can make one feel as though those opportunities are not available to them. It then becomes significantly more attractive to take an exit opportunity into a lateral role rather than to wait for a promotion that appears unlikely.

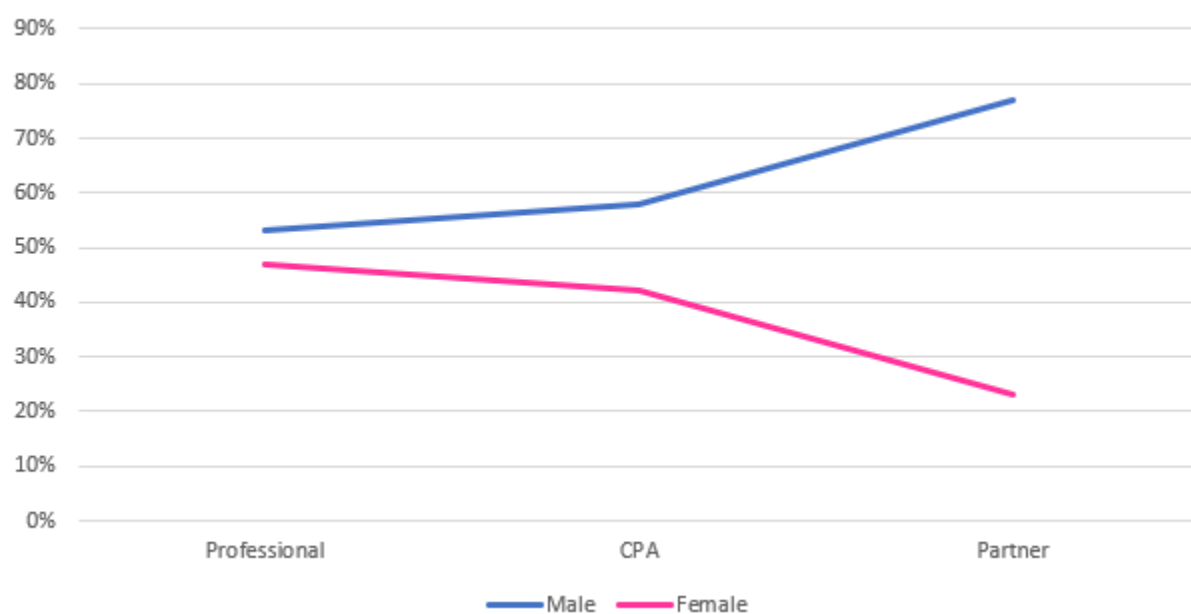
For women specifically, their plateau is affected by additional factors. The majority of Big 4 firms hire college graduates to start into their stratified leadership programs. If they are to complete their CPA coursework before starting within the Big 4, most women would be entering around the ages of 23-25 years old. Women with graduate or professional degrees have the highest birth rate in the United States, and seeing that this approximates the educational attainment of those who enter the Big 4, it can make maintaining stratified progression to partner difficult. The ideal child-bearing ages are 20-35 years old, so if a woman were to attempt to work within the Big 4 structure for the 10-13 years it would take to reach partner status, they would then be outside of this age group if they wanted to have children afterwards (Tirun-Tudor, 2018).

The stress and time it takes to work at a Big 4 CPA firm also makes it difficult to balance the responsibilities of being a mother or father to a young child. The competitive environment of working in these positions, particularly during the quarter of busy season in accounting, makes the idea of taking maternity leave and then attempting to eventually return unattractive. This factor, coupled with the opportunity to take a position elsewhere with a Big 4 name on one's resume, can make it more appealing to make a lateral move to a firm with a less stressful and competitive environment.

The impact these factors have as careers are progressed is displayed on the line graph below. This graph compares men and women as their careers are moved forward at CPA firms. As professional staff members, the percentages are close. To attain a CPA, one needs work experience and more education and while the disparity is small, it is still greater than the

difference between simply being a professional staff member in an accounting and finance function. Finally, the dramatic shift occurs at the level of partner largely due to the aforementioned factors.

Table 11. *Gender versus Positioning at Big 4 Accounting Firms*



## **CHAPTER 6 DISCUSSION**

### **CONCLUSIONS**

This research suggests that all types of career plateau are present in accountancy. Within the structure of the Big 4, the experiences of hierarchical career plateau are perpetuated by the stratified progression that individuals upon being hired. Particularly since one is hired with a class of individuals they have known since they were interns at 20-22 years old, it is inevitable that hirees are looking over their shoulders at how their peers are progressing throughout their careers entering roles with similar workloads and titles.

This competitive environment also perpetuates the emotional career plateaus that employees experience. Because the hiring schedule brings in large quantities of recruits directly following graduation, it is evident within a few years who is preferred and performing best in their roles and who else is struggling. This, coupled with stressful work itself, can lead to prolonged stagnation within a position and a future lateral move to leave the firm or move in house within another business.

The psychological factors to experiencing plateau were significant to this research because of their tie-in with hierarchical career plateau and consequent effect on emotional career plateau. The lucrative aspects of attaining a Big 4 job can fulfill some of the existing needs that a college graduate would have but as needs evolve later in one's career, their job satisfaction inevitably decreases. Particularly if this growing change in needs is compounded with a hierarchical plateau, one's emotional career plateau becomes further emphasized.

The minority experience was particularly important to note as a part of this study because of the connection it has to the career plateaus. As evidenced in this research, several factors have led to an exacerbated career plateau experience for minorities. Due in part to limits on their

opportunity for education in years past, there are significantly less minorities currently holding positions of leadership within the major public accounting firms. This lack of representation can lead to limited motivation for attaining the higher positions of leadership as not seeing minorities in positions of power can lead to a lack of feeling that it can be achieved. The stratified nature of achieving partner status and its tie-in with ideal child bearing ages can prevent women who desire families from ever having the opportunity to reach partner status prior to having children. Overall, this minority experience was a very significant aspect of the research as understanding the factors that perpetuate career plateaus for minorities can aid major public accounting firms in combating them moving forward.

## **FURTHER RESEARCH**

One area where further research in the career plateau in accountancy can be productive is researching the impact that other graduate degrees have on individuals who work in this field. As the need for multidisciplinary base knowledge becomes more prevalent, those who hold degrees in other areas of business can have an advantage. Whether it be an MBA, MS or even a PHD, having certifiable experience and knowledge in other areas of business can make an individual a much more valuable asset to a firm and thus more likely to be promoted and compensated as such.

Where having a wider breadth of knowledge can prove to be most valuable to career advancement is in technology. As firms become increasingly multinational, the accountants who perform their audits and business consulting have to be capable of harnessing larger sums of complex data and reading them into their software for computations. Research may suggest that those who currently hold technology backgrounds in addition to their accountancy experience are much less prone to experiencing career plateau as they are more prepared to perform the complex work that the field now has and will continue to have moving forward.

Goal Theory is an aspect of one's career in accounting that can be a significant connection to career plateau. Working within a Big 4 structure provides a competitive environment and therefore more aggressive goal setting from management and for oneself relative to their peers. If one sought out a less structured career in accountancy, Goal Theory would become less relevant to their experience as there is not an overarching entity providing an agenda for him or her. This changing dynamic that Goal Theory has depending on the type of career one pursues can be an interesting area for further research.

Further research could also be relevant to researching the minority experience in other white collar careers where stratified progression is common. The Big 4 company structure and job titles are also common to the legal profession and it would be extremely interesting to see if the minority experience is similar here. If so, it would suggest that minorities could be at a current disadvantage in professions where graduate work is required and job growth moves in a very linear fashion.

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