



Meditari Accountancy Research

A profile and the work environment of black chartered accountants in South Africa

E. Sadler

Article information:

To cite this document:

E. Sadler, (2002), "A profile and the work environment of black chartered accountants in South Africa", *Meditari Accountancy Research*, Vol. 10 Iss 1 pp. 159 - 185

Permanent link to this document:

<http://dx.doi.org/10.1108/10222529200200009>

Downloaded on: 05 August 2015, At: 09:13 (PT)

References: this document contains references to 0 other documents.

To copy this document: permissions@emeraldinsight.com

The fulltext of this document has been downloaded 183 times since 2006*

Users who downloaded this article also downloaded:

E. Sadler, B.J. Erasmus, (2003), "Views of black trainee accountants in South Africa on matters related to a career as a chartered accountant", *Meditari Accountancy Research*, Vol. 11 Iss 1 pp. 129-149 <http://dx.doi.org/10.1108/10222529200300009>

E. Sadler, B.J. Erasmus, (2005), "The academic success and failure of black chartered accounting graduates in South Africa: A distance education perspective", *Meditari Accountancy Research*, Vol. 13 Iss 1 pp. 29-50 <http://dx.doi.org/10.1108/10222529200500003>

A Wiese, (2006), "Transformation in the South African chartered accountancy profession since 2001: a study of the progress and the obstacles black trainee accountants still encounter", *Meditari Accountancy Research*, Vol. 14 Iss 2 pp. 151-167 <http://dx.doi.org/10.1108/10222529200600018>

Access to this document was granted through an Emerald subscription provided by emerald-srm:215406 []

For Authors

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service information about how to choose which publication to write for and submission guidelines are available for all. Please visit www.emeraldinsight.com/authors for more information.

About Emerald www.emeraldinsight.com

Emerald is a global publisher linking research and practice to the benefit of society. The company manages a portfolio of more than 290 journals and over 2,350 books and book series volumes, as well as providing an extensive range of online products and additional customer resources and services.

Emerald is both COUNTER 4 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

*Related content and download information correct at time of download.

A profile and the work environment of black chartered accountants in South Africa

E Sadler
Department of Applied Accountancy
University of South Africa

Abstract

This study of black chartered accountants (CAs) in South Africa was undertaken to provide a profile of black chartered accountants and an overview of their work environment, including career barriers and expectations. The study identified a number of barriers experienced by black CAs in South Africa. These barriers include discrimination in respect of job assignments, racial bias, a lack of black mentors and the resistance of the clients of auditing firms. It is apparent that these barriers have changed the career expectations of many black CAs. The survey highlights the need for the profession to address the special career needs of black CAs.

Key words

Black chartered accountants

Career barriers

Career expectations

Work environment

SAICA's services

1 Introduction

In some respects, the accounting profession in South Africa is currently undergoing the most far-reaching and rapid changes in its entire history. The promotion of equity is vitally important in the adaptation to these changes and the concomitant dynamic environment. The South African Institute of Chartered Accountants (SAICA) has therefore set for itself the target of having 3 000 registered black African chartered accountants (CAs) by 2005. In 1998, the then Chief Executive Officer of SAICA, Ken Mockler (Mockler 1998:2), made the following statement in this regard:

The future existence of the accounting profession depends primarily on its ability to adapt to the rapidly changing social and economic needs of the South African community The accounting profession must therefore strive to increase the number of accountants at all levels and in particular Black accountants.

The South African business sector is currently experiencing pressure from clients to utilise more diverse audit teams. Companies demand that teams should include women and blacks in order to reflect their employee base as well as that of their customers.

In its latest report, the Human Sciences Research Council (HSRC 1999:48) identified chartered accounting as a “super-growth” occupation of which the growth is expected to exceed 40%. According to the researchers concerned, the profession is growing strongly and its business is becoming increasingly complex, necessitating the replacement of lower-level staff, such as clerks, by professionally trained staff. The rapid increase in the demand for CAs was found to extend beyond the financial-services industry. Employers in various sectors have realised that the high-level skills of CAs could be used in a diverse range of functions, including strategic planning and the monitoring of productivity. This realisation has contributed to chartered accounting being classified as a super-growth occupation (HSRC 1999:52). A very important dimension of the skills shortage that has been identified, is the lack of highly skilled black South Africans. Approximately one-tenth of the organisations surveyed, referred to difficulties experienced in recruiting black managers and professionals. The researchers came to the conclusion that the earlier exclusion of blacks from professional and managerial positions was having a serious effect on the availability of skills. Not only are policies on affirmative action forcing employers into unhealthy competition for these skills, but the total pool of experienced high-level human resources also appears to be too small to fulfil the current need of the country (HSRC 1999:118-120).

2 An overview of the training of black CAs in South Africa

Professor Wiseman Nkuhlu was the first black South African to qualify as a chartered accountant in the country. He qualified in 1976. In the mid 1980s, the voluntary-quota system was adopted. Its adoption led to a significant increase in the number of black clerks being recruited for traineeship by auditing firms. Reynold Ngobese was the first black male to make it into the top ten of the qualifying examination (QE). He achieved this feat in 1996. Neo Nani achieved a similar feat in 1998 when she became the first black female to qualify as a CA. Sindiswa Zilwa is also an example of a very successful black CA. She was voted the South African Businesswoman of the Year in 1998. Sindiswa is currently the national managing partner of Nkonki Siswe Ntsaluba, an auditing firm that has more than 150 professional members of staff.

There are black CAs in positions of great responsibility and leadership - a reality that could hardly have been foreseen two decades ago. However, on 31 March

2001, only 207 of the total number of 19 493 CAs in South Africa (i.e. a mere 1,06%) were black. This figure nevertheless means that the number of black CAs has increased by 170% since 1994, when there were only 77 black CAs in South Africa.

As stated above, in 1998 SAICA set itself the target of having 3 000 registered black CAs by 2005. This target means that by 2005, 25% of all CAs in the country should be black. Table 1 below sets out the target for each of the years concerned:

Table 1
Annual target for black CAs

Number in Sept 1998	Passed QE, but still undergoing traineeship	1999	2000	2001	2002	2003	2004	2005	Total
123	47	59	123	211	326	499	696	916	3 000

Source: Mabena, P. 1998. Introduction to SAICA's equity development strategy. *Tema*, October: 3.

In 1999, the target of 59 was exceeded by 15% (Mabena 2000:3). In 2000, the pass rate for blacks in part 1 of the qualifying examination reflected a significant increase of almost 50% (the pass rate was 44%) in comparison with previous years when the pass rate was approximately 30%. However, that pass rate was still much lower than the national pass rate of 64%. In 2001, the pass rate for black candidates in part 1 of the qualifying examination was 35%, whereas the national pass rate was 61%.

When announcing the results of part 2 of the qualifying examination that had taken place in November 2000, the Public Accountants and Auditors Board (PAAB) declared that it was a matter of national priority to increase the number of black accountants. The PAAB added that it was actively working towards the establishment of programmes for the advancement of black auditors in South Africa. The PAAB, through its National Education Fund, had enabled black candidates to attend a special course that was presented in July 2000 and that had been specifically designed for black candidates that were to repeat the November examination. Eight of the candidates that had attended the course passed the examination (PAAB 2001:1).

What is particularly noteworthy about the examination that was held in November 2000 is the high pass rate of black candidates, namely 51%, compared to 17% in the preceding year. This result constituted a significant and gratifying milestone in the achievement of the targets set by the SAICA. The number of black students studying for the Certificate in the Theory of Accounting (CTA) at universities increased from 324 in 1977 to approximately 800 in 1999 (Khumalo 1999:3). In 2001, the number of black students at Unisa constituted 26% (862) of the total number (3 308) of students registered for the CTA course and 27% of the accounting students at the third level.

3 Objectives of the research project

The actual number of blacks in the profession did indeed increase after SAICA decided in 1998 to increase the number of black CAs in South Africa to 3 000. However, it is doubtful whether the target of having 3 000 registered black CAs by 2005 will be achieved, despite the commendable efforts of SAICA and other parties in the accounting profession.

It is true that some parties are very positive about the achievement of the target. One such party is Desmond Msomi, the first black president of SAICA's eastern region, who said "I believe our targets are achievable, which means that by the year 2005 there will be 3 000 black chartered accountants in South Africa" (De Villiers 2001:19). He was convinced that it was becoming easier for black learners to enter the profession.

The objective of this article is to report on the results of a survey of black CAs in South Africa. The project had the full co-operation and support of SAICA and the Association for the Advancement of Black Accountants of Southern Africa (ABASA). The aim of the survey was to compile a detailed profile of SAICA's black membership, including their personal characteristics, work environment, job satisfaction, career barriers and expectations.

In the next three years there will be a significant change in the racial composition of CAs in the country. It is therefore imperative for practitioners to gain an in-depth understanding of blacks' experiences in the accounting profession. The insight provided by this comprehensive survey could make a significant contribution towards the achievement of the goal and to ensuring that the profession develops strategies and services that are relevant for all members.

4 Design of the research project

4.1 The questionnaire

The issues that were to be addressed in the questionnaire were identified from the literature on the issue (e.g. Hammond & Streeter 1994; Mitchell *et al* 1990; Moyes *et al* 2000; Thomas 1990; Ward *et al* 1994). The questionnaire was subjected to a pilot study that involved a sample of 20 respondents. The questionnaire that was used, is attached as an appendix.

The questionnaire was subdivided into the following seven sections:

- Personal details
- Employment details
- Education
- Work environment
- Job satisfaction
- Career goals and intentions

- General (e.g. respondents' views on the role of blacks in the profession)

4.2 *Sampling*

The survey was conducted in May 2001. A total of 207 questionnaires were sent to all black CAs in South Africa. It was accompanied by a covering letter that stated the support of SAICA and ABASA, explained the objectives of the research project and encouraged participation. A letter in which Mr Southie Gounden, the President of ABASA, expressed the support of his organisation for the research project also accompanied the questionnaire. Three weeks after the questionnaire was dispatched, a reminder was sent to the respondents.

A total of 69 usable responses were received, which represents a remarkable response rate of 33%. The number of respondents stated in some of the tables varies slightly from this figure, because some questions were unanswered or contained irrelevant responses.

4.3 *Statistical procedures*

The computer programme Statistical Analysis System (SAS) was used to analyse the data. The following calculations were done by means of the programme:

- Frequency distributions
- Reliability tests (Cronbach Coefficient)
- T-tests
- Cross-tabulation and chi-square calculations at the 0,05% and the 0,01% level of significance with the following dependent variables:
 - age
 - gender
 - type of environment (rural, town or city)
 - current employment
 - job responsibility
 - type of university attended
 - period employed
- Factor analysis

5 *Results and discussion*

5.1 *A profile of black CAs in South Africa*

The progressively increasing percentage of black chartered accountants is reflected in the age distribution of the respondents in table 2. There is a significantly high percentage (86%) of black CAs that are younger than 40 years. The uneven age distribution reflects that an increasing number of blacks have entered the profession

in recent years. Approximately one-third of the respondents are younger than 30 years.

Table 2
Age of black CAs

Age range	Respondents	% of respondents
Younger than 30 years	23	33,82
30 to 39 years	36	52,94
40 to 49 years	9	13,24
	68*	100%

* One respondent did not answer this question.

Of the 68 CAs that responded to this question, 13 (19%) are females. Forty-eight (23%) of the total number of 207 black CAs in the country are females. The results of the survey can therefore be considered to be a relatively balanced reflection of the characteristics of the black SAICA membership as a whole.

Table 3
Age and gender of black CAs

Age range	Respondents		%	
	Male	Female	Male	Female
Younger than 30 years	16	7	29,1	53,9
Older than 30 years	39	6	70,9	46,1
	55	13	100	100

Table 3 indicates the age of the respondents by gender. The data reflect that 53,9% of the respondents younger than 30 years are females and only 29,1% are males. The reason for the difference in these percentages is that black females only recently began to enter the chartered accounting profession.

The following table provides a summary of the respondents' fields of employment:

Table 4
Current employment of black CAs

Employment	Total	%	National % for blacks	Total national %	% <30 years	% 30+ years
Public practice	22	32,8	32,4	34,8	17,4	40,9
Commerce and industry	36	53,7	53,5	49,1	73,9	43,2
Government/parastatal	9	13,5	7,1	1,7	8,7	15,9
Education	-	-	-	1,8	-	-
Other	-	-	7,0	12,6	-	-
	67*	100	100	100	100	100

* Two respondents did not answer this question.

As indicated in table 4, the percentages of the respondents employed in public practice and in commerce and industry correspond to the percentages of blacks CAs employed in these two sectors in the country as a whole. This correspondence means that the survey reflects perfectly the type of employment in which black CAs in South Africa are involved. Table 4 also indicates that more than half (53,7%) of the respondents are employed in commerce and industry in comparison with the 32,8% that are employed in public practice. These percentages do not differ substantially from the national employment percentages for CAs, namely 49,1% in commerce and industry and 34,8% in public practice.

Seven percent of the black CA respondents are employed by Government compared to only 1,7% of all black CAs in the country that are employed by Government.

A significant difference, at a probability of 5%, was found in respect of the type of employment in which the various age groups are involved. Table 4 indicates that many (73,9%) of the respondents younger than 30 years are employed in commerce and industry, whereas fewer (43,2%) of the respondents of 30 years and older are employed in these sectors. More older respondents (40,9%) are involved in public practice than are younger respondents (17,4%).

A spokesperson of SAICA recently said that while Africa is producing a sufficient number of auditors and accountants, these professionals are being lured away by more “jazzy” careers such as investment banking and consulting as well as an insatiable overseas market (Fortyn 2001:6). As early as 1993, Whitehead (1993:7) said that companies in the private sector that can afford to pay black CAs astronomical salaries are luring qualified CAs away from accounting firms, many of which complain that they have spent large amounts on the training of these CAs only to lose them to the private sector. The table of employment details indicates

that this position holds true for black CAs in South Africa as well as for all CAs in the country.

The turnover among minority accounting professionals is particularly problematic for public accounting firms. The turnover does not only mean lost resources in respect of the hiring and training of these employees, but it could also be indicative of a lack of commitment to adhere to the targets set by SAICA for the employment of black trainee accountants.

Memani (1994:27) has suggested that accounting firms are only concerned with the strategic positioning of their firms in the market and with gaining the goodwill of blacks rather than with genuinely involving themselves with the training and development of black accountants in South Africa. Blacks that leave public practice after their traineeship should do so by choice and not as a consequence of frustrations created by resistance within the firms: "Recruiting blacks for the sake of being seen to be associated with them, rather than being committed to training them, is an unforgivable sin."

The respondents in the survey were asked why they had left public practice. The results of the question are reflected in table 5:

Table 5
Reasons for not working in public practice

Reason	Respondents	%
Better opportunities elsewhere	24	52,17
Better income elsewhere	7	15,22
Personal issues	6	13,04
Lack of advancement	5	10,87
Started own business	3	6,52
Other	1	2,17
	46	100

* 46 respondents do not work in public practice.

More than half of the respondents (52,17%) state that they had left to take up better opportunities and a further 10,87% state that they left because of a lack of advancement in public practice. Only 15,22% of the respondents in the survey state that they left public practice in order to earn a better salary elsewhere. Yet many accounting firms and articles in accounting journals and newspapers (see e.g. *Financial Mail* 1999:75; Memani 1994:75; Mitchell and Flintall 1990:6) claim that better remuneration is the main reason why blacks leave public practice. In a recent newspaper article (Fontyn 2001:6), a recruiting partner in one of the "Big 5" auditing firms, reported that there is a haemorrhage from the firm's financial services division to banks and financial institutions. She said that there is a huge demand for CA's skills and that banks are willing to pay a premium for CAs that have experience in financial services in areas such as treasury and derivatives. The

Financial Mail (1999:75) also reported that black CAs are “courted” by stunning offers and “glittering” career prospects that are impossible to ignore.

However, the findings of a survey conducted among black CPAs in the United States in 1990, like the research project mentioned above, do not support the contention that black CAs leave public practice for more attractive salaries. The researchers (Michell and Flintall 1990:64) suggest that black CAs that seek to maximise their financial potential might consider the employers that offer the best long-term potential.

Some of the respondents in the South African survey have the following to say about the small percentage of black CAs in public practice: “I believe that for black students in particular the prospects of remaining in public practice will, for as long as there is no single large international auditing firm with a strong contingent of black members (say at least 25), be very limited in nature.”

Another respondent comments as follows on the high percentage of blacks working in the business field: “I still believe that most students, as I did, perceive an accounting career as a means to an end – be it a top job in a company, an investment-banking career or consulting.”

Yet another respondent states the following: “I don’t believe that many blacks will stay in public practice. Most will be in either the private sector and/or parastatals. The profession is too conservative in nature.”

Mitchell and Flintall (1990:61) explain that the “up-or-out” policy may have a disproportionate effect on blacks. They also say that the expectation that trainee accountants either become partners or leave gives minorities very little hope if their white male counterparts are abandoning public practice in considerable numbers and they see such a small number of their own reaching the top.

Therefore the reason why there are more black CAs in the fields of commerce and industry in South Africa is not higher salaries. It is a consequence of a more satisfying work environment, which often leads to better career prospects.

A study conducted by the American Institute for Certified Public Accountants (AICPA) in 1995 revealed a turnover of African-American accounting professionals that is disproportionate to that of whites. Table 6 indicates the periods for which the respondents have been employed in their present positions. Eighty-four percent of the respondents have been employed in their present position for a period of only four years or less.

Table 6
Period employed in present position

Period	Respondents	%
Six months or less	6	8,70
> Six months, < two years	26	37,68
two to four years	26	37,68
five to six years	6	8,70
> six years	5	7,25

	69	100
--	----	-----

Table 7
Period employed in present position by age of the respondents

Period	% < 30 years	% 30+ years
Less than two years	65,22	37,78
Two years or more	34,78	62,22
	100	100

It is clear from table 7 that the majority of the younger respondents (under 30 years of age) (65,22%) have been in their current position for less than two years, whereas the majority of the respondents in the 30-plus age group (62,22%) have been in their present position for two years or more. The reason for this difference could be that the younger respondents are still establishing themselves in the profession and may have changed employment after completing their traineeship.

Participants were questioned about their primary job function or speciality. The results are contained in Table 8.

Table 8
Primary job function of black CAs

Job function	Respondents	%	% <30 years	% >30 years
Financial control	26	38,24	59,09	28,89
Financial accounting	7	10,29	18,18	6,67
Auditing	18	26,47	18,18	31,11
Taxation	1	1,47	-	2,22
Management accounting	2	2,94	4,55	2,22
Information technology	1	1,47	-	2,22
General management	13	19,12	-	26,67
	68*	100%	100%	100%

* One respondent did not answer this question.

Table 8 reveals that the largest job-function category is financial control, including investment functions, banking, risk management, portfolio management and other functions of financial institutions.

The figures in table 8 therefore corroborate a statement made in a preceding paragraph, namely that it is a recent trend that black CAs are being lured away from auditing firms to financial institutions. This situation affects the more recently qualified CAs, because almost 60% of the respondents that are younger than 30 years indicate that their primary job function is financial control, compared to less than 30% of the respondents that are 30 years and older.

Table 9 indicates current remuneration in all areas of accounting:

Table 9
Remuneration of black CAs

Annual salary package	Respondents	%
Less than R60 000	1	1,45
R60 000 - R99 000	-	-
R100 000 - R149 999	2	2,90
R150 000 - R199 999	-	-
R200 000 - R249 999	2	2,90
R250 000 - R349 999	17	24,64
R350 000 or more	47	68,12
	69	100

More than two-thirds of the respondents earn R350 000 or more per annum. Only 7,25% of the respondents earn less than R250 000 per annum.

Forty-four percent of the respondents reported that they consider their salaries to be similar to (37%) or higher than those earned by their white counterparts in similar jobs and organisations, whereas 35% of the respondents are of the opinion that their salaries are lower than that of other employees in similar jobs and with similar experience.

The results of the survey reveal a significant difference, with a reliability of 5%, between the salaries earned in the various employment sectors (table 10).

Table 10
Salaries of black CAs in various employment sectors

Annual salary package	Public practice	Commerce and industry	Government/ parastatal
Less than R350 000	12,50	37,50	53,85
R350 000 or more	87,50	62,50	46,15
	100	100	100

There are more respondents in public practice that earn R350 000 or more per annum. This difference may be the result of the fact that 74% of the respondents that are younger than 30 years are employed in commerce and industry.

5.2 Work environment

According to the publication *Enterprise* (1996:127), a lack of the following matters constitutes the main concerns of blacks that are pursuing a career in accounting:

- Exposure to business in their communities
- Career guidance
- Role models in the profession
- Stability in the communities as a result of violence and crime
- Commerce and mathematics teachers
- Funding and bursaries
- Awareness of the profession
- Role models

Career Barriers

Respondents were asked to identify the barriers that might have affected their career prospects. Table 11 indicates the types of career barriers that they identify.

Table 11
Career barriers perceived by black CAs

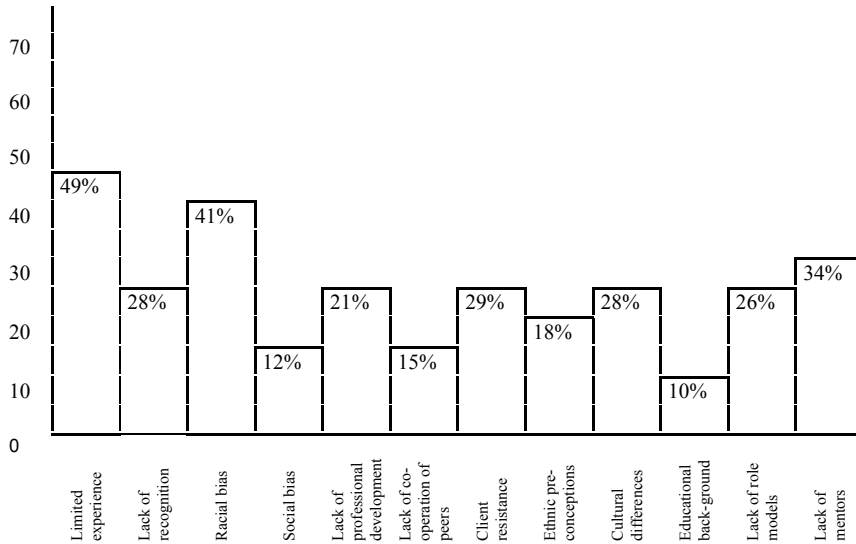
Type of barrier	N*	%**	Ranking
Limited nature of work - therefore limited experience	49	71,01	1
Perceived racial bias of supervisors	41	59,42	2
Lack of black mentors in firm	34	49,28	3
Client resistance	29	42,03	4
Lack of recognition and respect for work completed	28	40,58	5
Cultural differences	28	40,58	5
Lack of role models in management	26	37,68	6
Lack of professional development	21	30,43	7
Ethnic preconceptions	18	26,09	8
Lack of co-operation by peers	15	21,74	9
Lack of social interaction with colleagues	12	17,39	10
Inadequate educational background	10	14,49	11

* Because respondents could indicate more than one type of barrier, the total number identified can exceed 69.

** This result was calculated as a percentage of the total number of respondents. It is therefore indicative of the perceptions of the entire population of career barriers.

The career barriers are illustrated in figure 1:

Figure 1
Career barriers perceived by black CAs



More than 70% of the respondents identify the limited nature of the work given to them, and therefore their limited experience, as a career barrier. Twelve of the 13 female black CAs identify this factor as a career barrier. Almost 60% also identify the racial bias of supervisors as a barrier. This finding reveals that, although blacks have made substantial progress in the accounting profession, perceived discrimination in the workplace persists. It is interesting to note that a higher percentage of the respondents that are employed in commerce and industry (61%, compared to 45% of the respondents that are employed in public practice) consider racial bias to be a career barrier.

Various reasons have been advanced for discrimination in the workplace. Both Hammond (1997) and Graves (1997) attribute this phenomenon to a more conservative political climate that has created a backlash against equal opportunity. Graves (1997) also suggests that African-Americans may make Caucasians feel uncomfortable. He noted that "people like to work with those they are comfortable with. In a white-dominated business environment, that elementary bit of human nature can make it difficult for African-Americans who don't have the ability to put whites at ease" (Graves 1997:34). Thomas (1990) identifies a classic cycle in attempts to integrate women and minorities into formally all-white male firms. He

describes a cycle that begins with recruitment and confidence, followed by disappointment, embarrassment, crisis and more recruitment.

Discrimination in the workplace can surface in several guises. At the one extreme is exclusion of the individual from business and social activities. At the other extreme, co-workers and superiors are excessively solicitous in their dealings with a minority member in an effort to appear unprejudiced. The latter approach frequently leads to a lack of corrective guidance that has a negative effect on professional development. Although this type of reaction is clearly preferable to the former, both approaches suggest that the victim is primarily regarded as being a member of a particular ethnic group rather than as being a professional. This focus on ethnic membership rather than on professional achievement increases a minority member's feeling of "not fitting in". According to Moyes *et al* (2000:22), whatever the form of discrimination, it is likely to make it more difficult for the minority professional to find satisfaction in his or her work environment.

Discrimination in the workplace involves both *access* and *treatment*. Unlike "access discrimination", which prevents members of a minority group from entering a given profession, "treatment discrimination", according to Greenhaus *et al* (1990:64), "represents a situation in which the treatment of employees is based more on their subgroup membership than on their merit or achievements". As a consequence of the efforts of SAICA and ABASA, academic support programmes, the initiatives of professional accounting firms and the academic community, there has been a substantial increase over the past decade in the number of members of minority groups that seek to enter the accounting profession.

Moyes *et al* (2000) examined the relationship between perceived discrimination and the level of job satisfaction among African-American accounting professionals. The results of a survey conducted among accounting graduates of a historically and predominantly black university suggest that, although the profession actively recruits African-Americans in the United States, once the recruit is employed by a firm, there continues to be diversity issues that need to be addressed. The study also indicates that ethnicity remains an issue in the workplace. From their replicated study of the status of black CPAs in the United States in 1989, Mitchell and Flintall (1990) conclude that although there are more black CPAs than in the past, proportionally blacks fare no better than they did in 1968 when the researchers first conducted their study among this particular group of CPAs.

Promotion and advancement within an accounting firm are generally based on performance in respect of the tasks that are assigned to the employee. According to Memani (1994:25-26), South African firms tend to assign smaller jobs to black trainees. This practice affects the self-confidence of black trainees who note that their white counterparts are being given more responsibility. In several studies in the United States (e.g., Greenhaus *et al* 1990 and Moyes *et al* 2000), black respondents note that bias often determines the nature of the assignment that is given to the minority accounting professional. Comments by respondents in the survey undertaken by Moyes *et al* indicate that preconceptions about the ability of African-Americans and other minority groups influence the assignments that they

are given. For example, in a public accounting firm, minority members of staff may be assigned to do less challenging audits. (Moyes *et al* 2000:36)

Assignment of members of minority groups to less challenging audits has both immediate and far-reaching effects. A challenging audit enables the trainee to develop his or her skills, form professional networks within the firm and develop personal relationships with clients. These opportunities generally lead to increased visibility, promotions, and, ultimately, consideration for a partnership. If the trainee is assigned to less challenging audits, he or she generally cannot develop the necessary skills and the visibility required to succeed in the firm.

Almost 50% of the respondents state that a lack of black mentors in their organisation presents a career barrier for them. This lack is the third most important career barrier identified.

In 1999, Moyes *et al* conducted a survey on the job satisfaction of black accounting professionals in the USA. They considered mentoring to be crucially important for minorities, because “there is definitely a cultural difference that makes the minority hire feel uncomfortable”. One managing partner that was surveyed, commented that African-Americans need both mentors and time to adjust in order to be successful in a “Big 5” firm. According to him, blacks require six months to a year to adapt to the environment of public accounting (Moyes *et al* 2000:43).

In the USA, the approach most often followed is to pair new African-American hires with partners and seniors of the same ethnic background. These mentoring programmes generally receive mixed reviews from the persons involved, because several problems have been experienced. The greatest problem experienced, is that there is not an adequate number of African-Americans to serve as mentors. To overcome this problem, pairings are made in which the new hire and the mentor are in different cities, or even different states, and the distance frequently prevents them from forming a close relationship. A secondary problem is that work demands prevent the senior or partner from being constantly available for mentoring (Moyes *et al* 2000:44).

One of the “Big 5” firms in the USA has decided to revise its mentoring programme. Instead of using ethnicity as the basis for selection, mentors are selected on the basis of a number of other criteria, with commitment to the programme being one of the primary criteria. This process should prove to be an improvement on the previous system in the following ways: Firstly, it will ensure that the mentor is more committed to the programme. Secondly, the new hire will be paired with a mentor in the same office, with a resultant increase in availability and accessibility. Thirdly, pairing the new minority hire with a senior or partner in the same office may lead to more important assignments. If the mentor were to have control over the assignments given to the new hire, this issue would be addressed. Because the current African-American partners were often the first of their ethnic group to be hired by the firm, they only had non-minority mentors. Moyes *et al*

(2000:45) conclude by saying that, as long as the mentor believes in and cares about the career of the new hire, the ethnicity of the mentor does not matter.

As far as the situation in South Africa is concerned, Ngobese (1997:27), one of the top 10 candidates in the 1996 qualifying examination, has stated how important role mentoring was in his career development. According to Fontyn (2001:6), bursary students in the “Big 5” firms in South Africa are assigned a mentor within the firm to provide theoretical assistance and to help them to adapt to the new environment.

The fourth most important barrier, identified by 42% of the respondents, is the resistance of the clients of audit firms. Memani (1994:25) referred to this tendency and it has also been confirmed in a study undertaken by CASE (Kuhn 1996:4). Furthermore, Hawksworth (1991:137) maintains that black trainees experience problems in respect of their relations with clerical workers in client organisations.

However, because of the upward mobility and advancement of blacks in the contemporary business world, an increasing number of black people in management positions in the South Africa will insist on having black trainees doing their audits or will appoint black accounting firms to do their audits. Government departments are also allocating more audit assignments to black firms (Chapman 1996:16).

According to Jennings (1994:15), seven black female CAs reported in an interview that the initial resistance of clients soon disappeared once the black female CAs had proved that they could do the work and could advise clients. On the basis of their survey among black CPAs in the USA, Mitchell and Flintall (1990:67) found that 66% of the respondents had experienced firm bias and 43% had experienced client bias. Men (38%) appear to be more sensitive to client bias than women (21%). These percentages are much lower than the percentages obtained in a research project undertaken in 1968, in which 76% of the respondents reported client bias and 75% reported firm bias. The researchers conclude that, because bias is not unique to the accounting profession, the experience of bias alone is not sufficient to make black CAs leave public practice.

Another barrier, which was selected by more than 40% of the respondents, is that of “cultural differences”.

Individuals are often uncomfortable with people of different cultural and ethnic groups (Moyes *et al* 2000:37). According to Kuhn (1996:4), the independent investigation executed by the Community Agency for Social Equity (CASE) on behalf of ABASA revealed that there is more prejudice in auditing firms than in schools and universities. Black trainees are expected to adapt to the culture in these firms or to find a position elsewhere.

Whereas one of the goals of diversity training is to sensitise the members of the majority culture to minority issues, ‘acculturation’ involves helping the minority hire to adjust to a new and different culture. The Manhattan office of a “Big 5 firm” is attempting to address the acculturation issue through monthly meetings of its minority professionals. It is hoped that by discussing problems in a group setting, new employees will receive the guidance and support they need to adjust.

According to Moyes *et al* (2000:45) it is difficult for an employee to perform well if he or she is uncomfortable in the work situation.

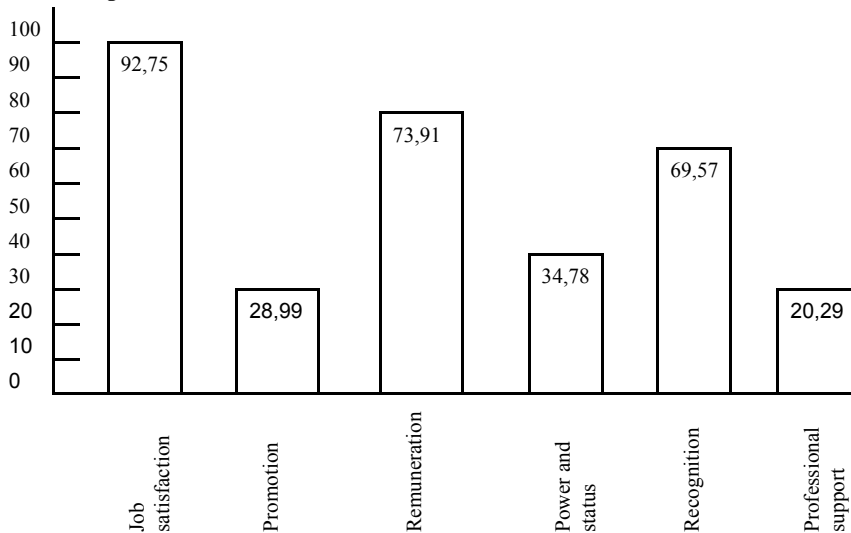
Typically, white trainees are already familiar with basic business concepts and whatever is necessary to succeed in the business world. They usually have family members, friends and acquaintances that serve as role models and are available for advice and guidance. According to Moyes *et al* (2000:43), many minority trainees are hesitant to ask questions for fear that a perceived lack of knowledge will confirm ethnic stereotypes.

Written comments by respondents in the present survey suggest that ethnicity continues to be an issue in the work environment. Participants in the study cite ethnicity as a cause of erroneous preconceptions about ability and as a source of discomfort between majority and minority employees. These results emphasise the need for increased ethnic sensitivity and diversity training in the workplace.

Career expectations

The survey also covered the career expectations of black CAs. The overall results obtained in this regard are contained in figure 2:

Figure 2
Career expectations of black CAs



The most important career expectations, in the order of importance, are the following:

- Job satisfaction
- Remuneration
- Recognition

- Power and status
- Promotion
- Professional support

Although job satisfaction is the most important career expectation, it may comprise many factors that have been identified as separate influences that can impinge on the career expectations of employees. For example, according to Lawler (1994:83), job content, financial rewards, promotion, work conditions and co-workers are also factors that influence job satisfaction.

Remuneration is recognised as being an essential component of job satisfaction (Gruneberg 1979). Generally speaking, remuneration means more to an employee than merely a means to acquire material goods. Wernimont and Fitzpatrick (1972) found that remuneration has a high symbolic value and often serves as an indicator of recognition and achievement. Promotion and recognition have a similar function to remuneration as they could be viewed as measures of job success.

Based on their investigation, Friedlander and Margulies (1969) conclude that the sixth career expectation, namely professional support, should be considered to be a social and interpersonal phenomenon. Professional support comprises a number of elements, including warmth, support, guidance, control and morale. Professional support also involves the employee's interaction with his or her peers and with supervisors and subordinates.

Action, if dissatisfied

Respondents were asked to indicate what they would do if they were dissatisfied with their current position.

They state that they would:

- Move to another firm/organisation (28%)
- Wait to see whether the situation would improve (25%)
- Do something else (22%)
- Start their own business (13%)

It appears that accounting firms and other businesses could lose black CAs to other organisations if they did not attend to their grievances timeously, especially because there is such a large demand for the small number of black CAs. It appears that only 25% of the respondents are prepared to wait until problems are resolved instead of taking action. Therefore, if grievances are not addressed adequately, the employees concerned may seek alternative employment.

Job satisfaction

The respondents were requested to rate the extent to which various items contribute to their job satisfaction. Table 12 contains the results:

Table 12
Job satisfaction experienced by black CAs

Present working conditions	Disagree	Neutral	Agree
I am productive.	4,35	5,80	89,86
I like working as a member of a team.	2,90	11,59	85,51
I learn new things.	5,88	10,29	83,82
I like what I am doing.	8,70	8,70	82,61
I can apply in my job what I learnt in my studies.	4,35	15,94	79,71
I enjoy the company of my co-workers.	-	23,19	76,81
I have the authority I need to get the job done.	13,04	14,49	72,46
Table 12 (continued)			7
	4,35	24,64	1,01
I am accepted by my co-workers.	21,21	15,15	63,64
I have job-training opportunities.	20,90	22,39	56,72
I receive a good salary.	13,04	31,88	55,07
My job is secure.	20,90	25,37	53,73
The benefits are good.			

The respondents indicate that the factor that contributes most to their job satisfaction is that they are productive (89,86%). This is followed by the fact that they work as a member of a team (85,5%), learn new things (83,82%), like what they are doing (82,61%), can apply in their jobs what they learnt in their studies (79,71%) and enjoy the company of their co-workers (76,81%).

It is evident from the above data that black CAs in South Africa generally have a positive attitude towards their colleagues and that they enjoy their work. These results also correspond to a large extent to the findings of Reece and Brandt (1995:84), namely that when people are asked what they want most from their jobs, the typical answer is that co-workers should respect one another and that the work should be interesting.

The benefits received by the respondents constitute the item with the lowest rating on the job-satisfaction list. Only 53,73% of the black CAs indicate that this item contributes to their job satisfaction. Other items that also have a low priority are job security (55,07%) and remuneration (56,62%).

The views of the two age groups differ significantly in respect of benefits received, job-training opportunities and authority to get the job done. As far as benefits are concerned, 65% of the respondents that are 30 years and older say that they are satisfied with the benefits they receive, compared to the 35% of the respondents that are younger than 30 years. The younger respondents are also much less satisfied with their job-training opportunities (45%, compared to 72%) and with the authority they have in their jobs (57%, compared to 82%).

There are also highly significant differences between respondents in the various employment sectors regarding the extent to which they enjoy their jobs and enjoy working as a member of a team. As far as these aspects are concerned, the respondents that are employed in commerce and industry are more satisfied than the respondents that are employed in public practice and government departments. Almost all the respondents that are employed in commerce and industry (97%) indicate that working as a member of a team contributes to their job satisfaction, whereas 77% and 56% respectively of the respondents employed in public practice and in government give a similar response.

5.3 How SAICA could assist its black members

The survey also aimed to identify whether it is considered necessary for SAICA to take action to assist black CAs to achieve their full potential. All but one of the respondents stated that the Institute could do more to assist black members in respect of their careers.

Table 13 reveals that black CAs (75%) want the Institute to introduce academic support programmes that will assist them in their preparation for examinations. More than 50% of the respondents also state that the Institute could assist in the following ways:

1. Establishment of a forum on which accounting students can interact with accounting professionals in workshops, on field trips, etc (67,65%)
2. Formation of a network group of professional/business black mentors (64,71%)
3. Encouragement of the advancement and retention of black members in public practice (61,76%)
4. Establishment of formal mentorship programmes (51,47%)
5. Promotion of awareness of the profession among minorities by means of advertising campaigns (50%)

Table 13
Possible ways in which SAICA could assist black members

Possible ways of assisting black members	Number	%	Ranking
Introduction of academic support programmes that will assist in preparation for examinations	51	75,00	1
Establishment of a forum for accounting on which they can interact with accounting professionals in workshops, on field trips, etc	46	67,65	2
Formation of a network group of professional/business black mentors	44	64,71	3
Encouragement of the advancement and retention of black members in the profession	42	61,76	4
Establishment of formal mentorship programmes	35	51,47	5
Promotion of awareness of the profession among minorities through advertising campaigns	34	50,00	6
Recruitment of more blacks on SAICA's councils and committees	27	39,71	7
Creation of more leadership roles on SAICA's councils/committees	25	36,76	8

5.4 General comments

The black CAs were asked what they envisage that the role of blacks in the profession will be by 2005, i.e. the year by which SAICA wishes the number of black CAs to have increased from approximately 200 to 3000.

Most comments are of a pessimistic nature. Twenty-three respondents (37%) hold the opinion that the role of black CAs will still be limited in nature, that no change will occur by 2005 and that the target date was too soon and too optimistic.

The reasons given, include the following:

- Limited support programmes
- Bright students enter other professions
- Accounting is only a stepping stone to other careers, for example to banking

- There is no network of black CAs
- Blacks do not assist other blacks to develop
- Lack of career-awareness programmes in schools
- Textbooks are not “black-friendly”
- Leading accounting firms still do not accept blacks and do not provide opportunities for their advancement

Many hold the view that black CAs should take responsibility for increasing the number of blacks in the profession. The following are examples of such views:

“Blacks need to take a more active role in order to create more openings for future generations.”

“There is a greater need for awareness campaigns - black accountants should get involved in these campaigns and minimise the efforts required.”

“There is no network of black CAs. People end up doing their own thing and forget about the needs of professional development.”

“Blacks should take the lead in introducing the profession to black people and should be seen to help the emerging entrepreneurs set up and control their businesses. This will enable the ordinary person to appreciate chartered accountants rather than to see them as ‘the blue-eyed boys’ who command top-level salaries in comfortable occupations.”

Twenty respondents (32%) are of the opinion that blacks will make meaningful contributions in the business sector and the profession by virtue of their potential and qualities, and that they should not be appointed for the purposes of window-dressing or as tokenism. However, some respondents state that their role in the profession itself will still be limited, because blacks will continue to leave the profession for financial reasons and as a result of poor treatment, especially in their first two years of traineeship. However, emerging black firms could increase their involvement in public practice.

Finally, respondents were also given the opportunity to make any other comments regarding blacks in the profession.

Some respondents emphasise that black CAs should assist other blacks to obtain qualifications, either through mentoring or through giving more publicity to the profession. One respondent comments as follows:

“It is always difficult for people who are in the minority to spread their influence far and wide - however, black CAs have a significant role to play in society. It is disheartening that many are not visible so that they can share their experiences – maybe they are very busy. If they could make a conscious effort to share their experiences and stand in front of a group of emerging black students in order to clarify some of the issues that exist in the life of a CA it would go a long way towards extending the moral and social influence that many of them do not realise they have.”

Another respondent comments as follows: “The youth need to be motivated and inspired, but in this process we need to ensure that the sense of ‘entitlement’ that seems to be growing is eradicated. Aspiring CAs need to know that it is not easy,

and the fact that we are planning to have 3000 black CAs by 2005 is not a guarantee that they will all get there!”

The respondents again stress the necessity of career guidance at schools, especially in the rural areas. More than 11% of the respondents refer to this particular matter in this section.

Respondents also made mention of the following matters:

- They believe the target of 3 000 to be too optimistic
- Firms should make an effort to retain blacks in the profession
- The poor pass rate among blacks is caused by education of a poor quality in secondary schools
- Black accounting firms do not get work from the private sector
- They hope that this survey will lead to positive practical and effective steps being taken towards increasing the number of black CAs
- There is increasing competition with other sectors and qualifications (investment banks, MBAs, ACFAs) for black workers
- The profession should be given more publicity to ensure that more blacks become aware of it.

6 Suggestions

6.1 Action to be taken by SAICA

- The inability of accounting firms to retain black CAs, given the resources expended in the form of scholarships, mentoring and professional development programmes, is an issue that should be addressed. The primary causes of job dissatisfaction among black CAs should be taken into account in order to assist employers to improve the work environment of this minority group.
- Doctors and lawyers have a more glamorous image. It is up to the profession to create an environment in which the public views a CA in the same way that it views a doctor or a lawyer. SAICA should educate the public to a greater extent about the dynamics of the accounting profession, which has a bearing on the entire spectrum of business.
- SAICA could launch a television advertising campaign that is designed to raise the awareness of the profession among minority students.

Respondents in the survey state that SAICA could do the following:

- Introduce more intensive academic support programmes
- Provide a forum on which students can interact with accounting professionals and thereby practise their professional skills through workshops, seminars, field trips and community-service projects
- Establish a network group of professional/business black mentors

- Encourage the advancement and retention of black members in the profession
- Establish formal mentorship programmes
- Promote awareness of the profession among minorities by means of advertising campaigns

6.2 Action to be taken by accounting firms

Auditing firms could contribute to increasing minority representation by:

- Encouraging more blacks to study accounting by offering black accounting students traineeships with them
- Establishing in-house programmes for the retention of blacks
- Appointing blacks in key management positions, i.e. by appointing more black partners
- Making available more members of staff to act as mentors of trainees
- Ensuring that staff profiles ultimately reflect the diversity of our nation, not by simply employing people to achieve numerical goals, but rather by employing those persons that reveal the mindset and potential to become assets for their employers
- Creating a corporate culture and work environment that focuses on the employee
- Concentrating on career paths and improved communication of alternatives within firms

6.3 Suggestions for future research

The outcome of this research project points to the following related topics for future research:

- The way in which specific corporations and other professions have dealt with an increasingly diverse workforce could provide the accounting profession with some much-needed short-term solutions
- The profession's inability to retain black CAs in public practice, given the resources expended in the form of scholarships, academic support programmes and professional development programmes, is an issue that should be investigated
- The primary causes of job satisfaction among black accountants should be investigated in greater detail. The findings could assist accounting firms to improve their work environment

7 Conclusion and recommendations

The accounting profession plays an important role in increasing the number of black CAs. It does so by means of financial contributions, academic support programmes and other efforts. It is important that the process is continued and that

the numbers are increased to an even greater extent by means of a well-coordinated, multi-faceted approach that is directed at various aspects of the problems that are experienced at both the national and the regional level.

The responsibility for the advancement of blacks in the profession should not cease with SAICA, but should extend to the parties that are directly affected by the problem and who will benefit from its solution. These parties should include the following:

- Employers of accountants in both public practice and commerce and industry
- Educational institutions
- Black students

The Institute and all relevant stakeholders should be innovative and should focus their resources on influencing the thinking of members and targeted beneficiaries. In order to be recognised as a premier national professional organisation, SAICA should take the lead in encouraging, valuing and fostering diversity in its membership and in the workforce. SAICA should therefore identify, recognise and support strategies and efforts within the Institute and in the profession that are conducive to achieving diversity in the profession.

The contributions of this research project are that:

- It has produced statistical data and demographic information on black accountants that were not previously available
- It has identified problems and career barriers that are experienced by black accountants

The survey has identified a general profile of black CAs; their perceived career barriers and expectations; and the factors that contribute to their job satisfaction. Furthermore, it has identified how the views of these CAs on how SAICA could assist black members to achieve their career potential. The findings highlight the following issues:

- Black CAs view the limited nature of the work that is given to black trainees/CAs as a constraint in respect of obtaining sufficient work experience. There is also a perception that superiors harbour racial bias. Furthermore, the respondents are of the opinion that a lack of role models in the profession hinders progress in their careers.
- There is room for assistance to be rendered to black CAs through the establishment of forums on which they can interact with accounting professionals, introduction of black mentorship programmes and formal black network groups as well as generally through the promotion of awareness of the profession among minorities.
- There is an apparent migration of black CAs from the accounting firms to better opportunities in commerce and industry.
- Many black CAs consider the target of 3 000 black CAs that has been set for 2005 to be too optimistic, mainly because there is a lack of career-awareness

programmes in schools, limited support programmes and a lack of black mentors and role models.

As Collins (1998:42) noted almost 13 years ago:

“The need now is keeping the pipeline full, to encourage more blacks to seriously consider accounting as a career and then move blacks into responsible positions in the profession.”

Bibliography

American Institute of Certified Public Accountants (AICPA). 1995. *Report on Minority Accounting Graduates, Enrollment and Public Accounting Professionals*, AICPA, New York.

Chapman, C. 1996. *Moving in Enterprise*, April 1995, p.16.

Collins, S. 1988. *Blacks in the Profession*, Journal of Accountancy, February 1988, pp.38-44.

De Villiers, G. 2001. *Desmond Msomi - Putting black accountants on the map*, August 2001, Accountancy SA

Enterprise. 1996. *Spreading the word*, September 1996, p.127.

Financial Mail. 1999. *Cheque Mates?*, 23 April 1999, p.74.

Financial Mail. 1999. *Special Report - Check mates?*, 23 April 1997, pp.73-83.

Fontyn, Y. 2001. *Accountancy: holding on to the skies*, Tuesday, August 21 2001, Business Day, p.6.

Friedlander, F. and Margulies, N. 1969. *Multiple inputs of organisational climate*, Personnel Psychology, Vol. 22, 1969, pp.171-183.

Graves, S,E,G. 1997. *How to succeed in business without being white*, Harper Collins, New York.

Greenhaus, J.H. and Wormley, W.M. 1990. *Effects of race on organizational experiences*, Academy of Management Journal, Vol 33, 1990, pp.64-86.

Gruneberg, M.M. 1979. *Understanding job satisfaction*, John Wiley, New York.

Hammond, T.D. 1997. *From complete exclusion to minimal inclusion: African-Americans and the public accounting profession*, Accounting, Organisation and Society, Vol 22, 1997, pp.29-54.

Hammond, T.D. and Streeter, D. 1994. *Overcoming barriers*. Early African-American CPAs, Accounting Organization and Society, Vol. 19, 1994, pp.271-288.

Hawksworth, B. 1991. *PDC acts to increase black accountants*, Accountancy SA, May 1991, pp.135-138.

Human Sciences Research Council. 1999. *SA labour market trends and future workforce needs*, 1998-2003, HSRC.

Jennings, P. 1994. *Black woman CAs— a force for an inspired future*, Accountancy SA, January 1994, pp.15-19.

- Khumalo, G. 1999. *Feedback on SAICA's three equity development objectives*, Tema, Spring 1999, p.3.
- Kuhn, A. 1996. *Swart rekenmeesters ondervind probleme*, Sakebeeld, 26 Januarie 1996, p.4.
- Lawler, E.E. 1994. *Motivation in work organisations*, Jossey-Bass, San Francisco.
- Mabena, P. 1998. *Introduction to SAICA's equity development strategy*, Tema, October 1998, pp.3-5.
- Mabena, P. 2000. *Development of black chartered accountants: Progress Report*, Tema, Winter 2000, pp.1-7.
- Memani, K. 1994. *Development of black accountants in the changing SA*, Accountancy SA, July 1994, pp.25-27.
- Mitchell, B.N. and Flintall, V.L. 1990. *The status of the black CPA: Twenty year update*, Journal of Accountancy, August 1990, pp.59-67.
- Mockler, K. 1998. *Preamble by Chief Executive*, Tema, Spring 1998, pp.2-6.
- Moyes, G.D., Williams, P.A. and Quigley, B.Z. 2000. *The relation between perceived treatment discrimination and job satisfaction among African-American accounting professionals*, American Accounting Association, Vol. 14, pp.21-48.
- Ngobese, R. 1997. *Reynold Ngobese - setting out to succeed*, Accounting SA, August 1997, p.27.
- Nkuhulu, W. 1998. *Update on activities: Equity Development Department*, Tema, Spring 1998, p.1.
- PAAB. 2001. *Results of the Public Practice Examination*, November 2000, March:1.
- Reece, B.L. Brandt, R. 1996. *Effective human relations in organisations*, Houghton Mifflin, New York.
- Thomas, R.R. 1990. *From affirmative action for affirming diversity*, March-April 1990, Harvard Business Review, pp.107-117.
- Ward, D.R., Wilson, T.E. and Ward, S.P. 1994. *A common business and accounting vocabulary base: Are black students adequately prepared?*, Journal of Education for Business, May/June 1994, pp.267-272.
- Werimont, P.F. and Fitzpatrick, S. 1972. *The meaning of money*, Journal of Applied Psychology, Vol. 56, 1972, pp.218-226.
- Whitehead, M. 1993. *Black advancement - figuring out the future*, Accountancy SA, October 1993, pp. 4-8.

