

Do those who need help get it? The decision to mentor in the audit environment

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August 15, 2007

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Dr. Loraas thanks the Auburn University School of Accountancy for providing funds to collect data. Dr. Diaz acknowledges the support from the LSU Department of Accounting and the LSU Summer Research Grant program while completing this research. Dr. Diaz thanks Ralph Viator for providing a copy of his mentoring instrumentation. Both authors wish to thank the participating firm.

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ABSTRACT

Research has shown that mentoring programs can have many positive benefits and informal mentoring relationships appear to be the most beneficial to protégés. We study the potential interactive effect of firm reward structure on protégé choice within an auditing context. We find that fiscal rewards encourage mentors to choose protégés with higher ability as opposed to protégés who actually need help to succeed. This suggests that firm factors such as including mentoring as part of the formal evaluation process may not achieve desired results. In addition, we find that exhibiting willingness to learn is not an effective strategy for struggling auditors. Finally, the characteristics of the protégé that the potential mentors deemed to be important when making their decision to serve were not consistent with their stated mentoring decisions.

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INTRODUCTION

Large accounting firms have aggressively encouraged employees to form mentoring relationships (Viator 1999). This encouragement comes in many forms: formal assignment of mentors, rewards for mentoring, and including mentoring as part of formal evaluation procedures. We investigate the potential interactive effects of reward structures on protégé choice, specifically whether rewards encourage mentors to choose protégés that will make the mentor look good as opposed to choosing protégés who would greatly benefit from the mentoring relationship.

Research has shown that mentoring programs can reduce turnover, help assimilate individuals into the public accounting environment, and develop personnel (Dirsmith and Covalleski, 1985; Scandura, 1992; Scandura and Viator, 1994; Viator, 1999; 2001; Viator and Pasewark, 2005), yet there remain some barriers to mentoring (e.g., women, African-Americans) (Ragins and Cotton, 1991; Viator, 2001). As firms attempt to reduce turnover, diversify the workforce and appeal to a broad-range of individuals, potential mentors must be willing to assume the mentoring role for a wide-variety of protégés. Many, if not all, of the large, public accounting firms have instituted formalized mentoring or buddy systems and several tout this fact in their recruiting materials.

Although formal mentoring programs have been instituted, in a recent survey of accounting professionals, few respondents reported participating in these programs (AICPA 2004). In sharp juxtaposition, approximately 75% of surveyed accounting professionals reported having an informal mentoring relationship and that this relationship had a positive career impact (2004). Confirming the survey results, there is a

line of research on the benefits of mentoring in the workplace. Within the business realm (as opposed to academics, medicine) informal mentoring relationships appear to be the most beneficial to protégés (Scandura and Viator, 1994). We specifically address informal mentoring relationships because while shown to have the most positive career impact there is also the most uncertainty about what prompts these relationships (Kaplan, et al., 2001).

In informal mentoring relationships, mentors choose their protégés. Mentors can choose protégés based upon whether the protégé will benefit, whether the mentor will benefit, or perhaps some combination of these considerations. Protégés benefit from exposure to mentor's expertise and guidance, and mentors benefit by recognition related to protégé success. Research on informal mentoring finds that protégé ability is a crucial factor in protégé choice, as is protégé willingness to learn (Allen, 2004). This choice has been shown to be dependent upon the mentors motivation source (Allen, 2004). Mentors who are motivated by self-enhancement choose protégés based upon ability, whereas mentors who are motivated by intrinsic satisfaction choose protégés based upon their willingness to learn (Allen, 2004). Because public accounting firms are searching for ways to encourage mentoring, it seems plausible and almost probable that fiscal rewards will be offered as a way to persuade potential mentors to take on protégés. This could occur directly or indirectly through the firm's evaluation, promotion, and compensation schemes.

By offering rewards, accounting firms could bring about results that are contrary to their goals. It has been well established in the psychology literature that extrinsic rewards crowd out intrinsic motivations, rendering them ineffective (Deci, et al., 1999;

Ryan and Deci, 2000). This suggests that by offering rewards, mentors will become primarily motivated by self enhancement, which will result in protégés being primarily selected based upon ability. It is due to this possible unintended consequence that we study the impact of formal rewards for mentoring the accounting profession.

Specifically, we study the potential interactive effect of reward structure on protégé choice within an auditing context. The goal of formal reward structures is to encourage more mentoring relationships in an effort to benefit protégés, but instead this may encourage mentoring relationships that result in greater rewards for the mentor with less regard to staff development. We contend that by formally rewarding mentoring in the form of compensation or as part of the annual evaluation process, employees who are struggling technically are not able to develop the informal mentoring relationships that would career enhancement. We believe this occurs because potential mentors place undue emphasis on protégé ability in order to gain their own reward.

To test whether formal rewards help or hinder the informal mentoring process, we employed an experiment and manipulated protégé ability, willingness to learn, and firm rewards to isolate the effects of reward on protégé choice. By experimentally manipulating these variables, we contribute in two key areas. First, by manipulating firm reward we can test whether a policy suggestion regarding formally rewarding mentoring enhances willingness to serve, or instead creates relationships primarily for the gain of the potential mentor. Second, because most mentoring research has relied on mentor-reported rationales for choosing protégés, by experimentally varying protégé characteristics we can see whether potential mentors fall prey to subconscious biases with the introduction of rewards.

The experiment was administered at a national Big 4 training exercise for audit seniors in a between-subjects design. Our results are consistent with the management literature which suggests that firm rewards cause dysfunctional behavior. We find that fiscal rewards encourage mentors to choose protégés with higher ability as opposed to protégés who actually need help to succeed. This suggests that firm factors such as including mentoring as part of the formal evaluation process (as suggested by Scandura (1992)) may not have the desired results, at least at the audit senior level. Contrary to expectations, we find that a protégé's willingness to learn does not affect mentor choice. Therefore, exhibiting willingness to learn does not appear to be an effective strategy for struggling auditors—an important caveat to the general stream of mentoring research.

In addition to manipulating willingness to learn and ability, we gathered data regarding characteristics of the protégé that the potential mentors deemed to be important when making their decision to serve as an informal mentor. The potential mentors reported that willingness to learn was critical when choosing the protégé and that ability was not, in direct contrast to our manipulated variables. This suggests that while potential mentors believed that they chose based upon the protégés willingness to learn, they actually acted more self-servingly and chose based upon the protégés ability when rewards were present. As an aside, we offer some advice to audit staff premised on varied levels of ability and willingness to learn, based on the responses we received from our experimental participants.

The remainder of our paper is organized as follows. The next section explores the context of previous mentoring studies in both accounting and management. We use this to propose our hypotheses and research questions. We then use the third section to

explain our experimental setting, participants, and the research methodology. In our results section, we present and interpret the results of our data analysis. Finally, we discuss the implications of our study in the discussion and conclusion section.

PRIOR LITERATURE AND HYPOTHESES DEVELOPMENT

Accounting firms have made great strives to shed their negative workplace image and become a better place to work (Johnson, et al., 2007). The human resource goals of accounting firms has been described as “retain and develop qualified staff and expand the diversity of the workforce” (Pasewark and Viator, 2006). While several accounting firms have been listed on both the Fortune Magazine and Working Mother Best Places to work, turnover continues to be a problem within this profession. Average annual turnover for seniors and staff is approximately 30% and for managers it is about 20% (AICPA, 2004). Turnover is greatest at the larger firms at almost every level (AICPA, 2004). In fact, a recent study commissioned by PWC focuses on the advantages of longer tenure at the firm in an effort to encourage employees to stay longer at the firm (Center for Effective Organizations, 2004). The seminal work on mentoring in accounting documented mentoring as a way to develop personnel and reduce turnover at public accounting firms (Dirsmith and Covaleski, 1985). Additional studies have found that mentoring improves employee performance, increases job satisfaction, and decreases turn-over intentions (Scandura and Viator, 1994; Viator, 1999; Viator and Pasewark, 2005), therefore encouraging mentoring is a reasonable pursuit for accounting firms.

There are two basic forms of mentoring: formal and informal mentoring. Formal mentor programs utilize assignments (Chao, et al., 1992). Assignments try to match protégé and mentor based on certain characteristics or at times simply matches on an ad

hoc basis. An informal mentorship, on the other hand, is developed as the potential protégés and mentors interact with one another and have the opportunity to observe the other's actions. In this situation, there is an exchange whereby the mentor offers a certain level of knowledge, power, and experience to the junior employee at a cost of his or her own time and effort. In exchange the mentor seeks a protégé who exhibits potential, loyalty, and commitment in return for this additional expended effort (Viator, 1999). Importantly, trust and commitment between the two parties develops over time and comes after the mentor and protégé have had opportunity to interact with one another. While trust and commitment may also develop within the bounds of a formalized mentorship, there is risk that the mentoring simply becomes codified into a job description. In this case, even though the relationship is maintained, the benefits may not be reaped (Keele, et al., 1987).

We focus on informal mentoring relationships because we are interested in the factors that influence voluntary/spontaneous formation. Additionally, these relationships appear to be more beneficial than formalized programs (AICPA, 2004; Kaplan, et al., 2001; Scandura and Viator, 1994). "Since informal mentoring is not typically mandated within organizations, serving as a mentor is a volitional activity that goes above and beyond the mentor's formal job requirements" (Allen, 2003). We investigate the factors that influence this volition because we believe these factors are not necessarily consistent with helping those at the firm who are most in need.

A Unique Environment

While the management literature has studied mentoring in detail, there is reason to believe that the audit environment differentially affects mentoring behavior. Dirsmith

and Covaleski (1985) conducted open-ended interviews with public accounting partners and staff and concluded that there were unique attributes of public accounting, including both its technical orientation and extensive formal socialization process. Auditors usually work on many different audit clients and with various combinations of audit teams making the work experience extremely different from that of other work settings where task, setting, and co-workers are likely to be relatively stable (Kaplan, et al., 2001). For this reason, the audit work environment is inherently different than others almost by definition (Kaplan, et al., 2001). Given this different context, it is especially important to study mentoring within the audit context and not rely exclusively upon findings in the management literature.

There is a small stream of research dealing with mentoring issues within public accounting. Several studies have documented the importance of informal mentoring relationships as a way to improve employee performance, increase job satisfaction, and decrease turn-over intentions (Scandura and Viator, 1994; Viator, 1999; Viator and Pasewark, 2005). All of these studies have focused on the effect of the mentoring relationship from the perspective of the protégé. Kaplan et al. (2001) focused on barriers to mentoring, however, again their perspective was that of the protégé. While these studies have been extremely important in understanding the potential benefits of mentoring within the accounting context, there is a lack of research addressing the mentor's perspective. We are not aware of any research that addresses the mentor's decision to accept a protégé within the public accounting context. Kaplan et al. (2001) call for additional research in this area, especially to address the initial formation of mentoring relationships. This study speaks directly to this formation, using a vignette-

based experimental study to address the effect of three factors that could influence the decision to enter into a mentor-protégé relationship.

We believe it is essential to understand not only the benefits of mentoring from the perspective of the protégé but also the mentor. Both formal and informal research indicate that protégés can leverage significant benefit from a mentor, however we believe there are many factors that influence the potential mentor when deciding whether or not to accept a protégé. In a study by Allen, Poteet, and Burroughs (APB) (1997) the authors focused on factors that motivate professionals to become mentors. These factors fell into several areas: having had a mentor, individual reasons for mentoring, organizational factors, protégé attractiveness, and mentoring outcomes.

In this study we address three of those factors: protégé ability, protégé willingness to learn, and firm reward structure. We believe that excessive focus on the ability of the protégé limits access to mentors for those staff auditors who could benefit the most from a mentor to guide and champion them. We then address two factors suggested by Scandura (1992) to increase the likelihood of mentoring. One at the protégé level is willingness to learn and has strong theoretical underpinnings in the management literature. We also address one firm-level factor, firm rewards, because there is conflicting evidence about the effects of incorporating rewards. Each of these factors is discussed in detail and our theoretical predictions are presented below.

Ability

One factor that was highly predictive within the study conducted by ABP was a competency indicator of high ability (1997). Our concern in the auditing context is that if mentors select potential protégés based upon the desire to mentor those who are already

strong performers or “stars”, then the larger firm goals of retaining employees and assisting in their development will not be achieved. APB (1997) suggest that competency is strongly tied to willingness to mentor, therefore we investigate this within an accounting firm setting. Olian, Carroll & Giannantonio (1993) found that high performing protégés were more likely to be mentored than average performing protégés. Green and Bauer (1995) confirmed these findings showing that students with greater potential received more mentoring than those with lower potential. This preference may be because mentors perceive that their judgment will be questioned if they have a poor performing protégé (Ragins, 1997; Ragins and Cotton, 1991; Ragins and Scandura, 1994). Other research has found that mentors look forward to greater rewards and were more willing to mentor high performing protégés than low performers (Olian, et al., 1993). Allen, Poteet and Russell (2000) found that mentors are more likely to choose a protégé based on ability and potential than on need for help, and that women were more likely to engage in this behavior than men.

There is extensive research in the mentoring arena suggesting that ability and/or potential is the overriding factor (Allen, et al., 2000). Reasons suggested include greater rewards to the mentor, less time spent actually mentoring, and lower probability of embarrassment stemming from the failure of the protégé (Halatin and Knotts, 1982; Ragins and Scandura, 1994). The audit environment is highly competitive--auditors work long hours and have to maintain a high level of technical competence. For these reasons we believe that potential mentors will be especially wary of individuals who perform at a lower level. Potential mentors may simply not have the time to invest in a protégé that has a greater risk of failure. In addition, the budget intensive nature of audit work and

client-based work mean that potential failures on the part of the protégé can have real impact on both the bottom line at the firm and on the client relationships. Mentors in public accounting have much to lose by entering a mentoring relationship with even a mediocre staff. We believe the highly competitive nature of the large accounting firms will exacerbate the influence of this variable within the audit setting.

Willingness to Learn

APB (Allen, et al., 1997) found in their analysis of open ended questions related to protégé attractiveness that 14 of 27 employees surveyed (who had mentoring experience) commented on the importance of openness/willingness to learn. A high ability protégé may be a difficult mentoring choice if they do not exhibit a willingness to learn (Allen, 2004). The seminal work in the area of mentoring suggests that managers should focus on those who “want to learn and grow” (Kram, 1985,44), and a more recent study suggests that the more satisfying mentoring relationships from the perspective of the mentor are those where the protégé was more open to a learning orientation (Young and Perrewe, 2000). Additionally, willingness to learn has been shown in some cases to be the more influential factor when compared with protégé ability (Allen, 2004).

There is research that suggests mentors may choose a potential protégé because this person solicits or needs help. These mentors perceive that with some additional guidance the protégé could make significant progress and, for this reason, they are willing to provide this assistance (Allen, et al., 1997). In this case the mentor has the opportunity to experience intrinsic reward of helping a person who otherwise may not be successful within the work environment.

There is little research on how protégés can increase their chances of obtaining a mentor and the effectiveness of any of these strategies. Allen's (2004) research indicates that individuals can have a better chance of being mentored simply by showing willingness to learn. This has practical implications because if willingness to learn is an important factor within the public-accounting context, then struggling staff accountants would be well-served to exhibit willingness to learn to potential mentors. Allen (2003) posits this is because "willingness to learn is an attribute that feasibly any individual desiring of a mentor could demonstrate." Exhibiting a willingness to learn may have an ameliorating effect for struggling audit staff perceived to be of lower ability. For these reasons, we hypothesize that mentors will be more likely to mentor a potential protégé if they exhibit a higher willingness to learn, in spite of level of ability.

H1: Ceteris paribus, individuals will be more likely to mentor a potential protégé if the protégé exhibits willingness to learn.

The Effect of Firm Rewards on Mentoring

In her report on behalf of the American Women's Society of Certified Public Accountants (AWSCPA), Scandura (1992) discusses several challenges to mentors. One of these is that mentoring is not part of the firm reward system. She states, "Mentoring may not be seen as a business issue. As a result, some organizations may be reluctant to incorporate mentoring into the performance appraisal of senior-level managers."

While Scandura (1992) encourages formalized evaluation and rewards for mentoring, results of research from the management literature are not as clear about these benefits of such an action. While some studies indicate an enhanced willingness to mentor (Aryee, et al., 1996), Allen (2004) suggests that offering rewards may have the

unintended benefit of limiting access to mentors for lower-performing individuals. Allen (2004) calls for additional research to examine the impact of rewards within mentoring, and we answer this call for additional research within the highly competitive audit environment. We believe that the competitive nature of public accounting will cause a firm implemented reward to have unintended consequences on mentoring.

While the intent is to increase mentoring behaviors, train individuals and decrease turn-over, focus on rewards could cause individuals to mentor only “star” employees as a function of the mentor’s motivation for mentoring. When mentors are interested in self-enhancement, they choose protégés with higher ability (Allen, 2004). This minimizes the risk for the mentor, resulting in better performance appraisals and higher likelihood of gaining rewards for mentoring.

On the other hand, when mentors are concerned with personal satisfaction, protégé choice is based upon willingness to learn, with greater satisfaction derived from mentoring protégés who express the desire to improve(Allen, 2004). The importance of protégé characteristics on protégé choice is dependent upon whether the potential mentor is motivated by extrinsic rewards or intrinsic rewards. This interaction of protégé characteristics and mentor motivation becomes especially important when going from a situation with no reward structure to one with a reward structure.

In situations where intrinsic motivations are present and working effectively, when extrinsic motivations are added, they tend to crowd out the intrinsic motivation (Deci, et al., 1999; Ryan and Deci, 2000). Translating this to the context of the current study, when no rewards are present, mentors rely on intrinsic motivators when deciding to become a mentor, and as such will choose protégés based upon the protégés

willingness to learn, not ability. However, once a firm reward structure is put into place, those rewards crowd out intrinsic motivations and we expect mentors to begin choosing protégés on the basis of ability. When this occurs, lower performing individuals who are struggling to fit in and have higher turnover intentions lose out on a valuable mentoring experience. We believe that within the audit environment, the implementation of firm rewards interacts with ability, and as a result, decreases willingness to mentor a lower-performing individual.

H2: Ceteris paribus, individuals will be less (more) likely to mentor a poorly (highly) performing potential protégé if the organization has implemented rewards related to mentoring.

Advice for developing personnel

Considering the potential barriers to finding a mentor, we wanted to ascertain whether certain practices could be codified into a common set of advice that might be used by new staff to succeed and develop their skills if they could not access a mentor. Since high ability protégé's are expected to bring more rewards to the mentor and may also influence the mentor career by being known as a "star-maker" we believe that protégé's with high ability will be encouraged to work on different types of jobs or clients (e.g., high profile, large, acting as the in-charge on the audit, working on public companies, financial disclosures and/or more challenging audit areas). In addition, this individual may be encouraged to seek out additional social opportunities at the firm to get greater exposure and possibly bring more recognition to the mentor. On the other hand, if a protégé has low ability, we expect that fear of embarrassment for the mentor and the

need for remedial practice will result in encouraging the protégé to work on lower profile or private clients, seeking additional training and mentoring opportunities.

RQ1: Are high ability protégés encouraged to work on different types of clients and develop different competencies than low ability protégés?

Given that a potential protégé is more willing to learn, we expect that they will be differentially encouraged to engage in activities that will help advance them at the firm. In addition, one of the primary advantages of mentoring is to assimilate individuals into the public accounting culture (Dirsmith and Covalleski, 1985). Willingness to learn is an indicator of effort and is controllable therefore we question whether this attribute will differentially affect the advice given to high versus low willingness protégés. Our second research question is as follows:

RQ2: Are high willingness to learn protégés encouraged to work on different types of clients and develop different competencies than low willingness to learn protégés?

METHODS

Experimental participants

Participants were 111 audit seniors employed by one Big Four accounting firm. The participants had an average 37.13 months of audit experience (standard deviation = 13.44) and were recruited at a national firm training exercise for “experienced in-charge” auditors. Table 1 includes demographic data for the 111 experimental participants, hereafter, the potential mentors.

***** Insert Table 1 here *****

Materials, procedures, and design

The experimental materials centered on a case involving a first year associate named Will. A short vignette was provided that described two attributes about Will (ability and willingness to learn) and one firm-level attribute (firm rewards) Based on this information, potential mentors were asked to assess their willingness to serve as a mentor to Will, his probable success in the future, and advice to be given to Will.

Will's ability and willingness to learn were manipulated within the vignette.

Ability was manipulated to be either high or low. The following represents high ability:

Will has many positive administrative abilities (e.g. he is on time, polite, always willing to work late, in addition to catching on quickly to audit procedures and having great business acumen. For example, Will noted that while doing a transaction walk-through that some information his contact gave him was in conflict with some information the Controller had told you the day before. Further investigation showed that there was a miscommunication between personnel and this resulted in a major adjustment to the financials.

For low ability, it was stated:

Although he has many positive administrative abilities (e.g. he is on time, polite, always willing to work late, etc.), he does not seem to be making all of the connections needed to really be an effective auditor. For example, Will documented exactly what the client told him about an unusual increase in one of the prepaid accounts, however he didn't realize that the explanation indicated an error and that a correcting entry should be proposed. You did explain the implications and the appropriate entry to Will when reviewing his

work in this area, but as the audit progressed, you noticed several other areas where he did not seem to be putting all of the pieces together.

Willingness to learn was manipulated to be either high or low. When Will was highly willing to learn, the scenario read as follows:

Will admitted that he has struggled in his first year at the firm, but he has indicated a sincere desire to improve and believes he has more to learn. Prior to the end of the audit, Will said that he hopes that he will be able to be promoted to in-charge at the end of next year. After working with you the last several weeks, he asked if you would be willing to serve as an informal mentor for him and provide any insights to help him improve his skills.

When Will was less willing to learn, the following manipulation occurred:

Will believes that he has struggled some in his first year at the firm, however believes he has everything under control and really does not have much more to learn. Prior to the end of the audit, Will said that he hopes that he will be able to be promoted to in-charge at the end of next year. After working with you the last several weeks, he asked if you would be willing to serve as an informal mentor for him and provide any insights to help him improve his skills.

Finally, firm rewards were manipulated. The firm policy was stated as follows such that there was a direct influence on job outcomes for mentoring, or there was no explicit reward structure. When there was a reward outcome:

Assume that your firm has recently included an upward evaluation and mentoring component to the annual evaluations for all in-charge personnel. Your success with managing the personnel that work for you and mentoring individuals at the firm will now

be considered as you are evaluated for promotion, raises, and recognition at the firm. Any mentoring or advice you might provide is reflected in the success or failure of the individuals that you choose to mentor.

If there was not any formalized reward outcome, the case stated:

Assume that while your firm encourages mentoring less experienced personnel, there is no requirement to do so. Your success or failure with this aspect of your job is not evaluated in any way. The success or failure of your protégé has no effect on your career. Any mentoring or advice you might provide is purely because you want to provide this feedback.

Our three manipulated variables were fully crossed, resulting in eight treatments.

Participants were randomly assigned to treatments so that each participant had equal chance to receive any of the eight treatments (See Table 2). This experiment was run with another unrelated experiment dealing with technology use. The participants were asked to complete scales for the technology experiment. They then read and answered questions related to the current study. Finally, they answered a case scenario for the technology experiment and then completed a demographic questionnaire.

***** Insert Table 2 here *****

Dependent Variables

Our main variable of interest was willingness to serve as an informal mentor to Will. Additionally, we collected the potential mentor's willingness to provide additional information and what information should be provided to Will for his future success at the firm.

Covariates and Mentoring Scales

We collected data on a variety of scales about mentoring motives as well as the importance of ability and willingness to learn when making the decision to mentor. These scales were developed from Allen (2004) and Allen(2003). All data from scales were collected on a five-point scale with the following choices for level of agreement with the statements: strongly disagree, disagree, neutral, agree, and strongly agree. We also collected data on availability of mentors and job characteristics. These scales were modeled after Viator (1999).

Summary and checks

We asked questions about potential mentor perceptions of Will. Potential mentors were asked to rate Will's ability and willingness to learn on a seven-point Likert-type scale. On average, potential mentors perceived that Will had higher ability in the high ability treatment than in the low ability treatment ($t=8.81$, $p<.001$). Also, potential mentors receiving the high willingness to learn treatment perceived Will to be more willing to learn than those with the manipulation for less willingness to learn ($t=3.85$, $p<.001$). Results of these questions suggest that manipulations were attended to and understood. Finally, we asked potential mentors as to their level of agreement with a statement regarding rewards. The statement read, "Efforts to develop others are rewarded in this organization." Potential mentors answered on a five-point scale of strongly disagree, disagree, neutral, agree, and strongly agree. Mean scores were 3.14 (no-reward manipulation) and 3.38 (reward manipulation) and no significant differences were noted. However, the wording of the question, specifically "this organization" may have been

interpreted to mean the firm the participants worked for, instead of the firm that Will worked for in the vignette. Although we cannot confirm that our manipulation was successful with a simple question, as preferred, there were differences in the dependent variable between these treatments.

RESULTS

Our hypotheses center on what factors influence the decision of a potential mentor to accept a protégé in the audit environment. We used regression analysis to assess the level of willingness to serve as an informal mentor to the potential protégé. Our model follows:

$$\text{Serve} = \text{Ability} + \text{WTL} + \text{Rewards} + \text{Ability} * \text{WTL} + \text{Ability} * \text{Rewards} + \text{Ability} * \text{WTL} * \text{Rewards}$$

The regression is shown in Table 3.¹ Our first hypothesis deals with the effect of protégé willingness to learn. Hypothesis 1 predicts that mentors will be more willing to serve as a mentor for protégés that exhibit high willingness to learn. Based on our model, this hypothesis is not supported. Hypothesis 2 predicts that mentors will be more willing to mentor individuals displaying higher ability once a formal reward structure is in place.

***** Insert Table 3 here *****

If a firm reward structure inhibits potential mentors from taking on a struggling staff protégé, this is problematic because these are the individuals who would likely receive the most benefit from having a mentor. The regression shows a positive coefficient on the interaction of ability and rewards, indicating an increase in willingness to mentor for individuals of high ability when structured rewards are in place. Therefore, H2 is

¹ All regressions were also run both including and excluding a covariate for whether or not the potential had previously served as a mentor to someone. Including or excluding this covariate does not change the inferences drawn from our results.

supported. The critical combination of high ability with firm rewards produces a positive coefficient, increasing mentor willingness to serve. When ability is low (zero value), the main effect of firm rewards is negative and significant, suggesting that the reward structure actually reduces mentor willingness to take on a low performing staff. It is interesting to note that without any firm incentive, ability does not appear to be a determinant of willingness to serve as a mentor. This finding is in direct contrast to the suggestions made to the AWSCPA in the 1992 report on mentoring (Scandura, 1992).

Supplemental Analysis

As discussed, our finding that willingness to learn did not affect protégé choice is in direct conflict with prior literature. Most studies in mentoring rely on correlating scales for importance of protégé ability, importance of protégé willingness to learn and mentoring choices(Allen, 2003; 2004). The key is that these are all reported choices, without actual behavior being captured. As we gathered data for the constructs of importance of protégé ability and protégé willingness to learn, we included those variables in a supplementary regression analysis, presented in Table 3.

We make a very interesting discovery. While the variable that represented manipulated willingness to learn was not predictive of willingness to serve as an informal mentor contrary to expectations, potential mentors reported that willingness to learn was a significant factor in their decision to mentor. Further, the potential mentors' reported importance of ability was not significant in the decision. This analysis suggests that potential mentors are not fully cognizant of what influences their choices. They believe they made their choice based upon willingness to learn, when in fact, once rewards were put in place, protégé ability ruled their decision to mentor.

Analysis for Research Questions

Further, we gathered data on the type of advice that should be given to our staff person, in an effort to provide advice to staff who may be unable to find a mentor. We developed two research questions dealing differences in staff ability and willingness to learn and the types of advice that they receive. RQ1, asks whether high ability staff receive different advice than low ability staff. We expect that high performing staff may receive advice that would make their high performance pay-off the most for the mentor by encouraging work in highly visible environments. Our results are shown in Table 4 and are based on exploratory statistical analysis with a significance cut-off of $p < .10$.

[Insert Table 4 here]

Overall, we find that high and low ability protégés did get advice that differed on several dimensions. High ability staff were more likely to be told to work on high profile, public, and large clients. They were also more likely to be told to work on site visits, financial statement disclosures, challenging audit areas and to seek out in-charge opportunities. Low ability staff were more likely to be told to work on low profile clients and to seek out a formal mentoring relationship. Based on these results, we conclude that high and low ability staff do receive differential advice.

RQ2 asked whether protégés were provided with differential advice based on high or low willingness to learn. Of the 18 statements provided, we found statistical differences on only a few, work on small or low profile clients and to be polite and on-time. In both cases we find that high willingness to learn protégés were more likely to receive this advice, however it appears that overall there is not much difference in the advice provided to protégés based on their level of willingness.

DISCUSSION

Summary and Limitations

Our study addressed three factors: protégé ability, protégé willingness to learn, and firm reward structure on the willingness of audit seniors to act as an informal mentor to a staff auditor. As with all experiments, internal validity concerns come at a cost to some external validity factors. Importantly, we used audit seniors from one Big 4 accounting firm and results may not be able to be generalized to other firms or other personnel levels. Our use of seniors was important because we were interested in informal mentoring relationships and seniors have the most opportunity to interact with, observe and develop the trust with staff that is inherent in these types of relationships, therefore we believe they are an appropriate test group.

We address only three factors that relate to the decision to mentor. Future research should investigate the importance of more factors within the audit context. Our use of an experiment forced us to limit manipulated factors, however, survey-based or interview-based research could examine these factors in the larger context and in more detail. We believe that our use of the experiment was more likely to elicit realistic behaviors about low-performing staff. This is because if mentors are more likely to choose high-performing staff as protégés, inquiring about past protégés will not be informative to low-performing staff. In other words, we believe inquiries about past protégés to have a selection bias. Additionally, as shown in our discussion of supplemental results, the reasons mentors believe they choose a prospective protégé may differ from actual selection criteria.

We answer the call for additional research on the initial formation of mentoring relationships (Kaplan, et al., 2001). We used a vignette-based experiment to determine the affects of protégé ability, willingness to learn and firm level reward structures to determine how potential mentors choose protégés. We find that when firm rewards for mentoring are present, potential members act in their own self-interest and choose to mentor based upon protégé ability. In addition, we find that while protégé ability did impact choice when rewards were present, the potential mentors believed they chose to mentor based upon willingness to learn and not ability.

Our findings have implications to auditing practice and to future research on mentoring choices. First, our study shows that including mentoring as part of a formalized reward structure can create additional barriers for struggling staff to find mentors by inflating the importance of ability. It appears that in the absence of reward structures that informal relationships are likely to take place spontaneously with little regard to ability. Second, we determined that using mentor reported importance of protégé characteristics may not paint a true picture of what impacts the choice to mentor. It appears that potential mentors are not fully cognizant of what affects them, as they believe that willingness to learn is important and ability is not, when the converse may actually be true.

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Table 1: Descriptive Statistics

Panel A: Overall Descriptive Statistics for Sample

	N	Mean	Standard Deviation	Minimum	Maximum
Male	109	.47	.50	0	1
Age	108	26.8	3.4	24	48
CPA	109	.53	.50	0	1

Panel B:

	Number	Percent
<u>Incharge:</u>		
I have not yet been an in-charge on a job, but I expect to do so after attending this course.	67	60.4
I have been an in-charge on 3 or fewer jobs prior to attending this training.	35	31.5
I have been an in-charge on more than 3 jobs prior to attending this training.	7	6.3
No answer was provided	2	1.8
Total	111	100
<u>I estimate that my performance ratings are rated in the...</u>		
Top 5%	18	16.2
Top 10%	41	36.9
Top 25%	33	29.7
Top 50%	15	13.5
Lower 50%	1	0.9
No answer was provided	3	2.7
Total	111	100
<u>Highest Education Obtained:</u>		
Bachelors Degree	65	58.6
Some Graduate School	5	4.5
Graduate Degree	39	35.1
No answer was provided	2	1.8
Total	111	100
<u>Race:</u>		
White	80	72.1
Asian	14	12.6
Hispanic	9	8.1
Black	1	0.9
Other	5	4.5
No answer was provided	2	1.8
Total	111	100

Table 2: Experimental Design

Treatment	Ability	Willingness	Reward	Sample Size
1	High	Willing	Yes	14
2	High	Willing	No	12
3	High	Not Willing	Yes	13
4	High	Not Willing	No	15
5	Low	Willing	Yes	15
6	Low	Willing	No	13
7	Low	Not Willing	Yes	13
8	Low	Not Willing	No	16

Table 3: Willingness to Serve as an Informal Mentor

Regression Analysis

Independent Variables ¹	Hypothesis	Dependent Variable: Willingness to Serve ²	
Protégé Ability (Ability)		-.094	-.024
Protégé Willingness to Learn (WTL)	H ₁	-.058	-.165
Firm Rewards (Rewards)		-.459*	-.437*
Ability x WTL		.099	.159
Ability x Firm Rewards	H ₂	.597*	.529*
WTL x Firm Rewards		.321	.363
Ability x WTL x Rewards		-.345	-.354
Importance of WTL			.213*
Importance of Ability			-.101
	Adj. R2	.045	.080

¹ Ability, WTL and Firm Rewards represent the manipulated variables within the experimental vignette. Ability is coded as a 1 for high ability, 0 for low ability. WTL is coded as a 1 for high willingness to learn, 0 for low willingness to learn. Rewards is coded as a 1 when firm rewards are present, 0 otherwise. Importance of WTL, and Importance of Ability indicate what the potential mentors indicated were important when they made their choice of whether to serve as an informal mentor to the character in the vignette.

²Standardized coefficient

* p- values > .05 (2 tailed)

Table 4: Advice to Potential Protégés*T-tests for mean differences*

Advice Statement ¹	Ability			Willingness to Learn		
	Low	High	P-value (2-tailed)	Low	High	P-value (2-tailed)
<i>Will should request to work on...</i>						
High Profile Clients	2.82	3.41	.000	3.05	3.17	.475
Low Profile Clients	3.16	2.76	.014	2.82	3.11	.080
Small Clients	3.25	3.06	.225	2.98	3.33	.024
Large Clients	3.16	3.41	.086	3.30	3.26	.790
Additional Training	4.49	4.40	.383	4.42	4.47	.642
Seek In-charge Opportunities	3.98	4.31	.027	4.16	4.13	.853
Seek a Formal Mentor	4.21	3.91	.025	4.05	4.07	.876
Seek Additional Informal Mentors	4.00	3.74	.110	3.82	3.93	.534
Work on Internal Control Audits	3.42	3.48	.682	3.56	3.33	.120
Perform Site Visits	3.25	3.50	.098	3.32	3.43	.476
Seek Social Opportunities	3.74	4.00	.052	3.79	3.94	.256
Be on-time	4.20	4.20	.955	4.09	4.32	.070
Be Polite	3.46	3.61	.379	3.35	3.72	.033
Team-player	3.59	3.74	.391	3.60	3.74	.431
Work on Disclosures	3.50	3.78	.076	3.74	3.53	.184
Work on Challenging audit areas	3.57	4.07	.001	3.91	3.72	.211
Public Clients	3.29	3.74	.001	3.56	3.45	.445
Private Clients	3.38	3.46	.484	3.44	3.40	.734

¹ Statements were evaluated on 5-point Likert scale, anchored with Strongly Disagree (1) to Strongly Agree (5)