

# JOURNAL OF ACCOUNTANCY

DIVERSITY DIALOGUE

## Taking a Systemic Approach

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For the better part of two decades ending in the late 1990s, I was responsible for university recruiting at KPMG LLP. While we worked to increase diversity in the firm, it was frustrating because so few people of color were studying business and, therefore, there was little diversity among the candidates applying for positions within the firm. Specifically, very few were majoring in accounting and studying auditing and tax.

Determined to change that, the KPMG Foundation in the 1990s started three programs—The PhD Project, a minority accounting doctoral scholarship program, and grants for Historically Black Colleges and Universities (HBCUs) that seek accreditation from the Association to Advance Collegiate Schools of Business (AACSB).

The PhD Project began when in 1993, the KPMG Foundation, the program's creator and lead sponsor, convened academics and corporate representatives who shared our concern and frustration about diversity in America's business management ranks. We initiated a systemic and fundamental program to correct a major problem: U.S. business school faculties consisted of less than 1.5% minorities. With no faculty of color in the front of the classroom, how were colleges and universities going to attract minorities to study business disciplines?

The founders of The PhD Project believed that the source of talent for the accounting profession was the nation's business schools. If business schools couldn't produce a diverse set of graduates, we could not have diversity in our firms and, therefore, we could not have diversity in our profession. Something needed to be done. There were no role models, and there was an absence of natural and approachable mentors.

### CONNECTING WITH CANDIDATES

The nonprofit PhD Project Association, with the backing of sponsors including the AICPA (see a full list of sponsors at [www.phdproject.org](http://www.phdproject.org)), uses a three-pronged approach to increase the population of minority business professors. We begin with a marketing campaign to identify the best potential Ph.D. candidates of color already at work in successful careers. Qualified candidates then attend a two-day conference in November where they hear from deans, professors and minority doctoral students about the benefits of pursuing a business Ph.D.

The third component of the program is a network of minority doctoral student associations formed to combat the high attrition rate (25%) inherent among all business doctoral students. The associations provide networking, peer support, mentoring and joint research opportunities for minority doctoral students in each of five disciplines—accounting, finance, management, marketing and information systems. Our retention rate of students who are members of these associations exceeds 90%.

### **ADDRESSING ACCREDITATION, TUITION COSTS**

The KPMG Foundation launched the HBCU accreditation grant program along with The PhD Project because 35% of African Americans earning degrees in business did so at HBCU institutions. Without accredited HBCUs, the pipeline of talented minority business school graduates would suffer. Accreditation requires attention to continuous improvement, thereby improving the preparation of those entering our profession. When we started the program in 1994, there were five HBCUs accredited by AACSB. Today, 20 are either accredited or in the process of becoming accredited. These schools provide a critical network for recruiters and offer students the resources and quality faculty they need to succeed.

We started the minority accounting doctoral scholarship program because financial concerns are the largest barrier for those considering entering a doctoral program. It was essential if we were to produce positive results from The PhD Project. To date, we have awarded scholarships to 180 accounting doctoral students, all of whom are members of our doctoral student association and 40% of whom came to their doctoral programs via The PhD Project November conferences.

### **GAINING TRACTION WITH BUSINESS FACULTY**

The PhD Project has helped to triple the number of minority business faculty—from 294 in 1994 to 889 in 2008. In addition, more than 400 doctoral students affiliated with the program are pursuing Ph.Ds. While we've made progress, more remains to be done. Business school deans told us in a 2006 survey that recruiting minority faculty remains a challenge, but 58% of them thought all students are better prepared for a career in business if they have a minority business professor or doctoral teaching assistant. A similar survey of business school students showed that 83% of respondents believe that minority professors are positively impacting minority students' employment or internship decisions.

As more PhD Project professors earn tenure—a milestone that is two to three years ahead the next logical step for the project will be to develop a process to encourage minority faculty to enter administrative positions as department heads and deans. Outside of HBCUs, fewer than 10 business school deans are African American, Hispanic American or Native American. We believe that minority deans have a better chance of attracting minority faculty because their presence sends a message to candidates that the school is committed to aggressively seeking minority leaders.

Our model for attracting minority faculty is to seek out people who are already in meaningful career positions. These same individuals also should be ideal for higher education administration because they already have significant administrative and management experience coupled with strong academic credentials.

Minority professors and deans are a vital, positive influence on minority students, and their influence transcends race and ethnicity. Without role models and mentors, minority students might not choose a business path. As a profession, it is in our power to change that. And we are—one professor at a time.

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### **Editor's Note**

*This is the first installment of a quarterly column exploring issues of diversity and inclusiveness in the accounting profession. The column will feature the work of various authors. To suggest an idea for a future column, contact Senior Editor Kim Nilsen at [knilsen@aicpa.org](mailto:knilsen@aicpa.org).*