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ACCOUNTING & AUDIT

How Accounting Firms Can Be Proactive on Diversity

Reaffirming its commitment to bolstering diversity and inclusion in the profession, the Association of International Certified Professional Accountants was one of many institutions to sign on to the CEO Action Pledge for Diversity & Inclusion.

Feb. 23, 2020



Diversity isn't just a buzz word in business; it's a key to success. [A study](#) by McKinsey and Company found that companies in the top quartile for ethnic and cultural

diversity on executive teams were 33% more likely to have industry leading profitability.

But many firms are still struggling to truly become diverse and inclusive organizations. The American Institute of CPAs has been discussing the issues since the mid-1960s and in 1969 passed a landmark resolution to open doors of opportunity for people of color to attain CPA licensure.

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As we celebrate Black History Month, here are some things accounting firms can do to help drive greater diversity within the profession.

Look at your hiring

Many firms could do more to bolster their diversity efforts through their hiring. According to the AICPA's [2019 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits](#) survey, in the 2017–2018 school year, 6% of all bachelor's and master's accounting graduates were black, yet only 4% of all new graduates hired by CPA firms were black.

At the same time, nearly half (47%) of millennials surveyed by the [Institute for Public Relations](#) reported that diversity and inclusion were important factors when looking for a new job.

Hold difficult conversations

Race and bias can be sensitive topics for many organizations, but it is impossible to address unconscious bias and racial concerns and challenges without first addressing them. That is why one of the four commitments of the CEO Action Pledge is to hold those difficult conversations to build a culture of inclusivity and open mindedness. Such conversations can help build a sense of belonging.

In that same “Profit Power” study, 90% of employees said they are more engaged when they feel a sense of belonging at work. Only 60% are highly engaged when they lack belonging.

Evaluate your current diversity efforts

To truly improve, organizations must know where they are and track progress. The AICPA's [Accounting Inclusion Maturity Model](#) gives firms the ability to assess their current diversity and inclusion efforts and identify ways they can improve those efforts to assure meaningful and effective change. The tool is free to use.

By implementing these efforts, in addition to others, firms can enhance their diversity and inclusivity. The AICPA and the National Commission on Diversity and Inclusion are committed to helping the profession become more diverse and inclusive. Some tools and resources we have in this area are the [PCPS Diversity and Inclusion Toolkit](#), [webcasts](#) and the upcoming [2020 Accounting Profession Diversity Symposium](#).

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