

What Accounting Firms Need to Do if They are Serious About Diversity

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Black accounting professionals face indignities and disrespect from both colleagues and clients, according to a recent study. However, the study also outlines what accounting firms can do if they are serious about recruiting, retaining, and respecting Black professionals.

“Protests related to race and social justice led to some difficult conversations with colleagues in 2020,” said Phebe Davis-Culler, co-author of the study and a clinical assistant professor of accounting at Clemson University. “We realized there would be value in telling the stories of successful Black auditors.”

“It became clear that many white colleagues thought inequities and microaggressions faced by Black people stopped when someone reached a certain education level or socioeconomic status,” said Joseph Reid, co-author of the study and an assistant professor of accounting at East Carolina University. “That’s not the case.

“Sharing these stories could help the broader business community understand what Black professionals are forced to deal with, and what needs to be done if we are serious about inviting Black people to be

auditors, CPAs and financial professionals. There is a reason that decades of diversity initiatives have not been very successful.”

For this qualitative study, the researchers conducted in-depth interviews with 11 auditors and four former auditors who are Black. “One reason for the small number of study participants was that there are so few Black people in our field that many declined to participate for fear of being identified,” Davis-Culler said.

One striking aspect of the findings was how similar the study participants’ experiences were.

“We talked to men and women from around the country, and the stories they shared were almost interchangeable,” Reid said. Those stories shared three themes: stereotyping, insensitivity, and disrespect.

“Most of the participants reported instances of clients and subordinate workers questioning the expertise of Black professionals and undermining their authority,” Reid said. “There were also instances of client personnel assuming Black professionals were security or administrative staff.”

“Taken as a whole, these stories highlight how Black auditors are automatically treated as outsiders,” Davis-Culler said. “This treatment further alienates them from the in-group, leading to even worse treatment, and it becomes a vicious cycle.”

But there are things companies can do.

“We need more training on how to be sensitive to issues that touch on race,” Davis-Culler said. “For example, don’t schedule company-wide events at a plantation. We also need more mentoring for Black men and women entering the field. And we need auditing firms who are willing to stand up to clients who engage in racist behavior.”

“Honestly, the first step is to acknowledge that there is a problem in our field, and that diversity initiatives alone aren’t solving the problem,” Reid said. “To individuals, I say: don’t be a bystander. Speak up on behalf of your Black colleagues.”

The study, “Auditing While Black: Revealing Microaggressions Faced by Black Professionals in Public Accounting,” is published in *Current Issues in Auditing*. Co-authors include Denise Dickins of East Carolina University and Julia Higgs of Florida Atlantic University.