

# D&I Trends: Elements for Building an Inclusive Culture

Compiled by MOCPA's Diversity and Inclusion Committee

Data forms the basis of observation and direction for strategic business decision making. We live in a world of numbers, and accountants tend to embrace numbers like few other professionals. Data interpretation is more an art than a science, and CPAs excel (pun intended) at seeing stories behind data and advising solutions. By many statistical measures in recent years, the accounting profession has made significant strides welcoming larger than ever cohorts of diverse, talented, professionals. These data trends tell stories and while more diverse talent is entering the profession than ever before, many do not *feel* this shift. It is challenging to put numbers behind a concept like that, but it is the story of attracting and retaining talent. Attracting and retaining talent are two very different considerations that are tied together, but not interchangeable. Similarly, consider that diversity and inclusion are linked, but distinct. Let's look at some numbers.

The AICPA's biennial report, *Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits* (Trends report), represents one of the most studied and cited data reports on diversity within the CPA profession. The 2019 Trends report showed that 44 percent of undergraduate accounting students and 42 percent of accounting graduates were Black, Latino, American Indian or Alaskan Native, Asian or Pacific Islander, multiethnic or other. This reflects a significant boost from 10 years ago, when the numbers were 31 percent and 30 percent, respectively (Figure 1). Despite the increase in minority students seeking to enter the profession, total minority hiring by CPA firms has remained flat since 2012. (Figure 2).

Figure 1: Trends in new bachelor's and master's of accounting graduates by race/ethnicity | 2006-18

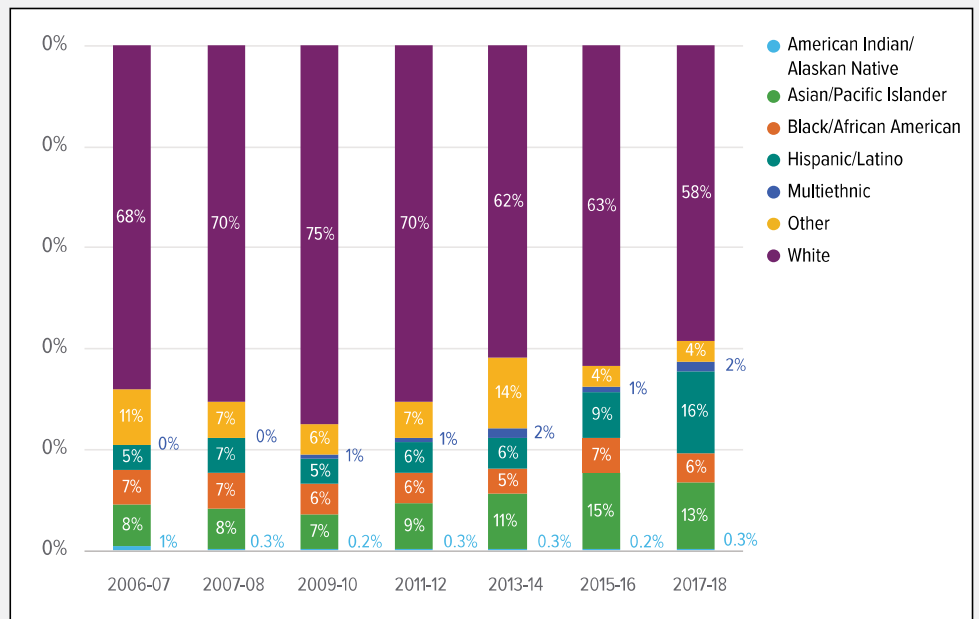
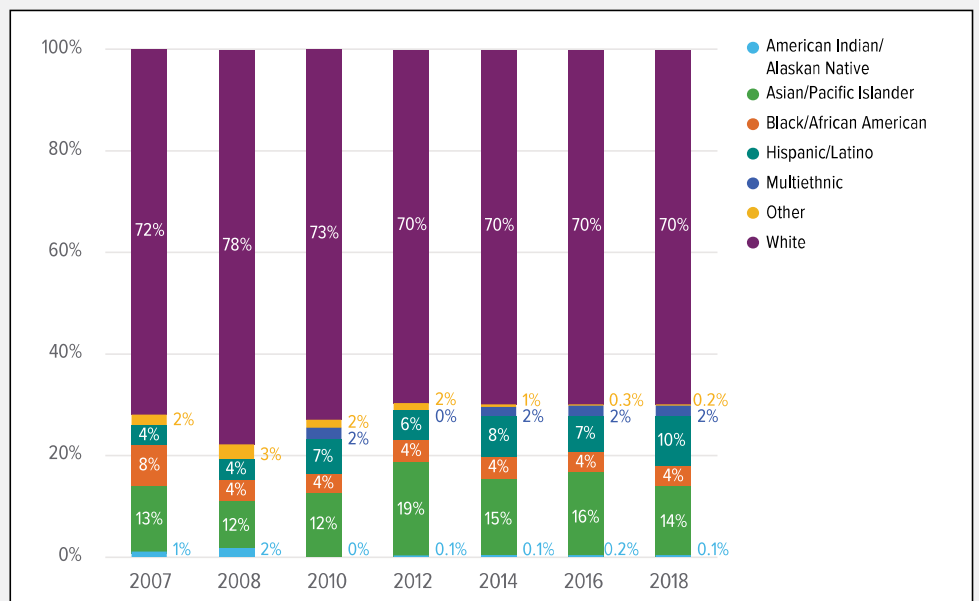


Figure 2: Trends in new bachelor's and master's of accounting graduates hired into accounting/finance functions of U.S. CPA firms by race/ethnicity | 2007-18



In a parallel study and case example for identifying different trends for diverse accounting professionals, the Howard University School of Business, Center for Accounting Education conducted career surveys of Black accounting professionals in 2006 and 2017. In 2019, 11 state CPA societies (including Missouri) encouraged their members to participate in the same career survey, which resulted in more than 2,000 responses, summarized in the report, *Advancement and Retention Issues for Accounting Professionals*. The three Howard University surveys help us to understand (1) how advancement and retention issues have changed for Black professionals from 2006 to 2017, and (2) in conjunction with the AICPA *Trends* report, how the results compare to the 2019 findings for professionals of all races.

The full Howard University study identified and assessed five factors that impact advancement and retention within the accounting profession (Figure 3). These factors represent elements of inclusiveness, which are often challenging to define, let alone measure. They help explain why hard statistics don't always match how a diverse profession *feels* at any given time. The study compared full survey participant responses with Black professional participant responses to outline any quantitative differences. Each area presents opportunities for your organization to take a hard internal look and effect change.

- **Challenging assignments:** Seventy-five percent of accounting professionals agree that they are often given high profile and challenging job assignments in their current work environment, but only 56 percent of Black professionals agree. Additionally, 88 percent are generally satisfied with the type of work they do, but that number decreases to 68 percent for Black professionals.
- **Social networks:** Gaining access to the "right" social networks is twice as important to the Black professional in comparison to all professionals, 85 percent and 44 percent respectively. As a minority group, Black professionals may not have access to the majority group within the organization. Social events such as gatherings at a manager's home, happy hours, company sports teams and other activities help to build one's social network.
- **Work environment:** In their current work environment, 90 percent of accounting professionals feel accepted and welcomed by their colleagues. For Black professionals, that number has decreased over time so that one in four employees do not feel accepted and welcomed by their colleagues.
- **Performance feedback:** Performance feedback is an area that organizations have struggled with over the years. Overall, half of accounting professionals

of all races feel dissatisfied with their performance feedback.

- **Mentoring:** With respect to mentoring, 78 percent of accounting professionals feel that their career has benefited from a fruitful mentoring relationship in their current work environment. Black professionals also agree that their career has benefited from fruitful mentoring with agreement of 52 percent in 2006 rising to 67 percent in 2017.

Overall, 45 percent of all accounting professionals feel obligated to stay with their current employer. For Black professionals, only one-third felt an obligation to stay. Finally, half of public accounting employees feel obligated to stay with their current employer, higher than corporate and not-for-profit employers.

By the numbers, the CPA profession is becoming more diverse, but a strong need remains to seek out ways to encourage and support these professionals. It may seem hard to define, but additional work toward growing diversity within the profession requires ongoing conversations, collaborations, invitations, mentoring, and individual interactions in this space. Data aside, know that you have an active opportunity to shape the future of the profession and to write the next chapters of this story.

### Figure 3: Advancement/ Retention

What are the major roadblocks keeping Black professionals from advancing or causing early turnover?



**Assignments:** Approximately half feel that they are not given high profile and challenging assignments.

**Social networks:** Accessing the right social networks is twice as important to Black professionals.

**Environment:** One in four Black professionals do not feel accepted or welcomed by their colleagues.

**Performance feedback:** Approximately half are not satisfied with their performance feedback.

**Mentoring:** Mentoring within the firms has been a tremendous success.

### How Can You Get Involved?

- Participate in MOCPA's collaborative effort to launch a Kansas City Chapter of the National Association of Black Accountants (NABA). MOCPA and NABA will be hosting a joint kick-off reception in early February and invite MOCPA members to come mingle and learn more about ways to get involved locally.
- Visit classrooms in underserved communities to increase awareness of the accounting profession among minority students and let them know that becoming a CPA is a viable career option.
- Mentor minority college accounting majors to help guide them through graduation, taking the CPA exam, obtaining licensure, and entering the workforce. Having a champion by one's side often makes a crucial difference on the road to success.
- Contribute to MOCPA's Scholarship program, which includes scholarships specifically for minority students. Tuition assistance reduces barriers and helps aspiring CPAs stay the course. Donations can be made quickly and easily online at [mocpa.org/contribute](http://mocpa.org/contribute).
- Share your ethnic origin in your member profile at [mocpa.org/profile](http://mocpa.org/profile) to help MOCPA monitor progress in membership trends and determine the best approach for moving its diversity and inclusion efforts forward.

If you have suggestions for future programs or would like to be a part of any of these initiatives, please contact Dena Hull at (314) 392-5805 or [dhull@mocpa.org](mailto:dhull@mocpa.org).