



Ethics: Diversity, Equity, and Inclusion in the Accounting Profession

CPAacademy

Featuring Debra Alexander, ACT, Inc., Principal
and Herb Rubenstein, JD, MPA, PGA



Presenter: Debra Alexander, ACT, Inc., Principal
Presenter: Herb Rubenstein, JD, MPA, PGA

Learning Objectives:

- Identify the basics of DEI programs
- Recognize how to deal with current challenges to DEI programs
- Discover how to measure the success of DEI programs

You Will Learn about:

- The ethical underpinnings of Diversity, Equity and Inclusion (DEI) 6.0 in the accounting profession and in the workplace.
- How DEI 6.0 can provide a competitive advantage.
- DEI success stories nationally and in accounting.
- How to navigate and implement DEI programs with key evaluation metrics in the face of opposition.
- New services around DEI 6.0 that accounting professionals can provide to expand their accounting practices and increase their influence.



About The Presenters



Debra Alexander,
Principal Alexander Consulting & Training, Inc.

- Grew up in Grambling, Louisiana
- Consultant, Trainer, Coach focusing on individual, team, leadership and organizational performance.
- Completed graduate and post-graduate studies at American University, Columbia University, University of St. Thomas and the Gestalt Institute of Cleveland; and holds an undergraduate degree from Hampton University.
- DEI strategist and advisor to major corporations, nonprofits and educational organizations. Former owner of the Moton Conference Center in Virginia, member of the faculty of Georgetown University in the Organizational Consulting and Change Leadership Program.



About The Presenters



**Herb Rubenstein,
JD, MPA, PGA**

- Grew up in Shreveport, Louisiana
- Author, Lecturer, Educator focusing on accounting ethics, Web3, Diversity Equity and Inclusion.
- On the following DEI Committees: DEI Subcommittee of the PGA Board of Directors, DEI Committee of the Golf Coaches Association of America, Consultant to the DEI Committee of Urban Pathways in New York, and founder of the largest 100% Scholarship based PGA Jr. League with the Brooklyn Golf Alliance
- Lawyer, Member DC, MD and VA Bars, Federal Courts and US Supreme Court



Key Elements of This Course

- Learn the Answer to the Question – Why a DEI 6.0 Program?
- Learn DEI Terminology and Ethics
- Get to Know Examples of Successful DEI practices
- Identify When an Organization Should Commence, Expand or Reinvent Their DEI Program
- Learn the Basic Elements and Strategies for DEI Initiatives
- Learn How to Respond to Resistance and Reframe Recent Court Cases and Current Political Challenges to DEI Programs within the Positive Framework of DEI 6.0



Key Opportunities from Taking This Course

PURPOSE

Strengthen Your Ability to Apply Your DEI Knowledge, Skills, Competencies and Values to Your Work and Day-to-Day Interactions



OUTCOMES

- See the connection between diversity, equity and inclusion (DEI) and your current role and work
- Recognize the DEI tools, strategies and competencies you currently use that are keeping you out in front with your clients
- Anticipate, prevent and mitigate the top five reasons DEI initiatives fail



From Compliance to Culture



1.0 Compliance

2.0 Representation

3.0 Inclusion

4.0 Equity

5.0 Globalization

6.0 Organization Culture



DEI 1.0 Compliance



Origin: 1960s--Civil Rights movement.

Focus on legal and regulatory compliance. Anti-discrimination statutes affecting employment, education, housing, public accommodation and Federally funded programs.





DEI 2.0 Representation



Origin: 1970s--Affirmative Action.

Focus on increasing representation of women and members of minority groups in nontraditional work and roles.

*President Lyndon B. Johnson—
Signing Executive Order 11246
Establishing Requirements for
Non-Discriminatory practices in
Use of Federal Funds.*





DEI 3.0 Inclusion



Origin: 1980s--Beyond Race and Gender.
Focus on inclusion and creating a welcoming environment for all (e.g., accessibility & differing abilities, age/generation, sexual orientation, etc.)

...





DEI 4.0 Equity



Origin: 1990s--Equality v Equity.

Focus on “equity,” an organization’s process to achieve inclusion by a broader range of people. See:

<https://www.wbcollaborative.org/insights/diversity-3-0-how-to-approach-equity-in-your-dei-strategy/>

New emphasis on equity (FAIRNESS) participation by everyone, not interrupting or speaking over people, consent agendas in writing, reexamining all policies, procedures to assess whether they are pro-inclusion or anti-inclusion.

Per Michelle Gadsden Williams of BlackRock

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DEI 5.0 Globalization



Origin: 2000s--Global Economy.

Focus:

- Globalization of Business
- Advances in Science & Technology
- World Trade and Virtual Business
- Multi-Culturalism
- Changing Demographics (Supply Chains and Purchasing, Vendors, Client Base, Workforce, Financial and Other Strategic Partners)





DEI 6.0 Organization Culture



Origin: 2020s--Organization Health and Employee Wellbeing.
Focus on Metrics and Relationships that Matter for Success, i.e.,
Productivity, Profitability and Performance through People

- Builds on all previous maturity levels of DEI programs. See: https://www3.weforum.org/docs/WEF_NES_DEI4.0_Toolkit_2020.pdf
- All key DEI goals, numerical metrics, are audited by accounting professionals and all measurement tools, data collection procedures, quality assurance are developed with the assistance of accounting professionals



Polling Question #1

Where Is My Organization (or my clients) on the Timeline?

- A) DEI 1.0 - compliance or 2.0 - representation
- B) DEI 3.0 - inclusion or 4.0 - equity
- C) DEI 5.0 - globalization or 6.0 - organization culture
- D) None of the Above



Difference Between Affirmative Action and DEI 6.0

Affirmative Action

Note: Supreme Court Case *SSFR* was an affirmative action case and not a DEI case

- Focus is quantitative--emphasis on numbers and representation.
- Regulations and mandates for Affirmative Action.
- Practices such as race as a **STAND ALONE FACTOR** or quotas are not allowed for PLUS Points (checking the box) as violative of US Constitution
- Affirmative Action based on “repairing or fixing the past forms of discrimination” affecting women and members of specific groups based on race, disability or veteran status

DEI 6.0

- Focus is on the specific business case for success
- DEI 6.0 is about the mission—i.e., organization performance, productivity and profitability through people
- DEI 6.0 is not a regulation, requirement or external mandate
- It is about improving the present and future; not fixing the past
- The value proposition for DEI 6.0 is:
 - Attract & retain talented workforce
 - Anticipate and satisfy client needs
 - Bring innovation, creative and new ideas/solutions





Polling Question #2

The Major Differences Between Affirmative Action and DEI 6.0 are:

- A) Affirmative Action was to fix the past; DEI 6.0 is to create a better future
- B) Affirmative Action was about representation; DEI is about business success
- C) Affirmative Action has been struck down in the Supreme Court; DEI has not
- D) All of the above



DEI 6.0 - Your Competitive Edge

Business and Organizational Opportunities for Accountants

- Connect directly with businesses with a specific DEI focus or commitment, e.g., minority owned and women-led businesses, human services organizations, nonprofits, educational organizations and government entities in need of accounting services
- Increase your reputation, presence and optics and leverage DEI leadership attributes and competencies to increase your “convening power,” a critical leadership attribute or trait
- Learn the role of the independent board member and expand your business through serving on non-profit boards and educational institutions
- Expand your influence and gain trust in a wide variety of communities by writing articles, giving speeches, attending conferences and convening panels for presentations
- Actively look for the best talent available from all communities and ensure a diverse pool of candidates for consideration





Business and Organizational Opportunities for Accountants

Attracting & Retaining a Talented Workforce Through a DEI Lens - Strategy 1 - Focus

- ✓ Where and how do you or your clients recruit?
- ✓ How do you track and monitor results?

- Job Postings
- Ads in papers or magazines
- Word of Mouth/Referrals
- List Serves
- Family, and Friends of Current Employees
- Industry Networks & Associations
- Recruiter or Search Firm
- Temporary to Permanent Staffing Companies
- Employment agencies
- Interns
- Internal Development Programs/Pipelines
- Use of Artificial Intelligence in Recruiting



Business and Organizational Opportunities for Accountants

Attracting & Retaining a Talented Workforce - Strategy 2 - Messaging

How you message and present your organization through a DEI Lens and Strategy Focus

- How interesting and inviting is your job ad?**
- Does the application process encourage or discourage applicants?**
- Are you able to “fast track” highly desirable candidates?**
- How have you managed your optics?**
 - **Do you include the DEI policy on your announcement?**
 - **Is your website inviting from a DEI perspective? What images appear?**
 - **What can applicants easily find out about your organization or its reputation?**
 - **Do you use non-binary and other neutral language?**



Business and Organizational Opportunities for Accountants

Attracting & Retaining a Talented Workforce - Strategy 3

Reduce Opportunities for Bias through a DEI Lens

- Ensure recruitment, interview and hiring processes are structured, objective and transparent**
- Increase objectivity by having a plan and benchmarks (prior to considering candidates)**
- Include more people and greater diversity into the process**
- Pay attention to common bias cues, e.g., “fit,” “right school or credentials,” “preferred mannerisms, e.g., firm handshake or eye contact”**
- Document decisions**
- Onboard with intention—treat the first 90 days as a continuation of the hiring process**



Current Environment

- Some vocal political opposition to DEI in the courts, state and federal gov.
- More and more Chief Diversity Officers are being hired
- Economic, Moral and Legal Imperative – Inclusion, not discrimination
- Embraces technology: AI, CRM systems, Knowledge Management Systems, etc.
- In accounting and law, clients dictating what they want in terms of a diversity of employees serving them as clients for legitimate purposes





Current Environment (Con't)

- Dealing with systemic race bias in many advertising, hiring, board of directors' previous recruiting approaches, sensitive to venues and strategies
- Identifying, measuring and eliminating behaviors that promote exclusion throughout the organization, its stakeholders, its sector, its network
- Rewards and benefits for those who help move DEI along successfully
- DEI as a component is included in written job descriptions
- Focus on the team, inclusionary approaches and celebrating diversity



Polling Question #3

DEI programs will likely succeed in the long run because ***when done well:***

- A) they improve innovation and decision making
- B) they lead to improving customer satisfaction and expanding revenues
- C) they result in a talented, engaged and high performing workforce
- D) All of the above



AICPA Diversity Statement and Resources

- The American Institute of Certified Public Accountants is committed to being recognized as the premier national professional organization. To achieve this status, it must lead in encouraging, valuing and fostering diversity in its membership and in the workforce.
- The AICPA has reaffirmed the importance of diversifying the accounting profession and promoting workforce diversity by making these objectives among the AICPA's highest priorities. Therefore, in principle and in practice, the AICPA will identify, recognize, and support strategies and efforts within the organization and profession that are dedicated to achieving the AICPA's diversity objectives.
- The AICPA will begin by increasing its efforts to continue to recruit and maintain a diverse professional staff. In addition, it will continue to actively recruit and maintain diverse membership in all AICPA committees.



Polling Question #4

DEI is an ethical issue because:

- A) It violates the AICPA Code of Conduct not to have a DEI program
- B) It promotes ethical, merit based hiring and supply chain purchases
- C) It is highly correlated to improving future stock prices
- D) It is required by law and thus is a compliance issue



Additional AICPA Support for Diversity

- **AICPA Accounting Inclusion Maturity Model (AIMM)**
- The American Institute for Certified Public Accountants (AICPA) is a leading advocate for diversity and inclusion, offering tools and resources for public accounting firms to enhance their efforts in this area. Among these tools is the Accounting Inclusion Maturity Model (AIMM), which helps firms track and rate their diversity and inclusion efforts. The AIMM assessment tool measures four key areas: Workplace Culture, Workforce (People), Marketplace (Clients), and Suppliers & Community.
- The AICPA encourages all state CPA societies and related organizations to adopt similar diversity statements.
- <https://www.aicpa-cima.com/resources/landing/diversity-equity-and-inclusion> - Resources by the AICPA and the Chartered Institute of Management Accountants regarding



Ethical Approach to DEI

- See: <https://www.icpas.org/information/copy-desk/insight/article/fall-2020/an-ethical-approach-to-diversity-and-inclusion>
- Illinois CPA Society, 2020 Newsletter Elizabeth Pittelkow Kittner
- See also: *Diversity Wins: How Inclusion Matters*: <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>
- This study shows greater diversity, higher performance by companies
- Association of International Accountants (AIA): Major supporter of diversity. See: <https://www.aiaworldwide.com/search-results?term=Diversity>; AIA gives diversity awards and ties diversity to corporate and organizational governance



DEI in The Accounting Profession

- The AICPA 2021 Trends Report found that 41% of accounting graduates are minorities, and that minority partners and professional staff are 18% and 23%, respectively. Progress being made slowly
- According to an AICPA report, only 2% of all U.S. Certified Public Accountants (CPAs) are Black. Furthermore, Black accountants make up 1% of partners in accounting firms. Article by Bria Wright, MBA at: <https://www.becker.com/blog/diversity/becker-commitment-to-black-accountants#:~:text=According%20to%20an%20AICPA%20report,firm%20partners%20identify%20as%20white.>



The Question Presented

THE QUESTION NOW MUST BE ASKED AND ANSWERED:

WHAT DO YOU HAVE IF YOU OR YOUR CLIENT HAS NO DEI PROGRAM?

- Same ol' hiring, purchasing, promotion, and governance “systems” that are effective at NOT finding, recruiting, investing in, and including qualified people from all backgrounds
- DEI is challenging the status quo. New hiring, purchasing and promotion approaches using AI and other broader based search state of the art information technology systems can help meet this challenge and the rewards for those who figure this out are great. This is the promise of DEI in 2023 and beyond. It is unethical not to use them since it limits organizational effectiveness.



Examples of DEI Programs in Accounting

- From The CPA Journal: See: <https://www.cpajournal.com/2021/10/29/diversity-equity-and-inclusion-in-the-accounting-profession/>
- Best Accounting Firms for Diversity: See: <https://vault.com/best-companies-to-work-for/accounting/best-accounting-firms-for-diversity>
- Listing of top 20 Accounting Firms regarding diversity
- Diversity is Everyone's Responsibility – See: <https://www.cpapracticeadvisor.com/2022/11/21/why-dei-in-accounting-firms-is-everyones-responsibility/73639/>





More Examples of DEI Programs in Accounting

- <https://www.kmco.com/careers/dei-commitment/> - Has a DEI Council within the firm
- Journal of Accountancy:
<https://www.journalofaccountancy.com/news/2021/may/dei-diversity-equity-inclusion-issues-in-accounting-profession.html>
- Opinion by Deloitte on DEI:
<https://news.bloombergtax.com/tax-insights-and-commentary/now-is-the-time-to-address-dei-in-the-accounting-profession>
- From Accounting.com:
<https://www.accounting.com/resources/improving-diversity-in-accounting/>



More Examples of DEI in Accounting

- <https://tax.thomsonreuters.com/blog/how-firms-can-create-inclusive-workplaces-to-retain-lgbtq-accountants/>
- From Thomson Reuters – Advice and call to action to stop high attrition rates of minorities and LGBTQ accountants
- Association of Accounting Marketing: See: <https://accountingmarketing.org/dei-accounting-firm-survey-knowledge-is-power/>
- DEI is a human capital, organizational development, ethical, fairness and marketing issue as more clients are minorities than ever before: See: <https://accountingmarketing.org/dei-accounting-firm-survey-knowledge-is-power/>





Resources Promoting DEI in Accounting

- <https://www.nysscpa.org/news/publications/the-trusted-professional/article/new-report-on-dei-in-accounting-profession-lists-more-than-70-actionable-practices-042222> New York - By Ruth Singleton
- <https://www.njcpa.org/article/2021/12/22/dei-what-priority-is-it-given-at-the-top> - New Jersey
- From Deloitte:
<https://www.forbes.com/sites/alishahbaz/2021/06/02/deloittes-new-initiative-commits-75-million-to-increase-diversity-in-accounting/?sh=37059d5738d2>



Resources Promoting DEI in Accounting (Con't)

- Virginia - <https://www.vscpa.com/diversity>
- Massachusetts - <https://www.masscpas.org/dei>
- Illinois - <https://www.icpas.org/about-us/press/press-release-details/2023/06/07/illinois-cpa-society-presents-2023-advancing-diversity-awards>
- And many other State CPA Associations have DEI resources
- PWC - <https://www.icpas.org/about-us/press/press-release-details/2023/06/07/illinois-cpa-society-presents-2023-advancing-diversity-awards>



Resources Promoting DEI in Accounting (Con't)

- PWC – Diversity is a business strategy:
<https://www.pwc.com/us/en/industries/financial-services/library/diversity-and-business-strategy.html>
- PWC – issues an annual diversity report:
<https://www.pwc.com/us/en/about-us/purpose-and-values/purpose-report.html>
- ESG reports will continue to provide diversity related information:
<https://www.pwc.com/us/en/services/esg/library/diversity-equity-inclusion-reporting.html>
- EY – 2022 and 2023 diversity report -
https://www.ey.com/en_us/diversity-inclusiveness/ey-us-2022-dei-report; and https://assets.ey.com/content/dam/ey-sites/ey-com/en_us/topics/diversity/ey-us-dei-report-data-addendum-2023.pdf



Resources Promoting DEI in Accounting (Con't)

- Awards and rewards are essential component to successful DEI initiatives industry wide and within organizations. See:
https://www.ey.com/en_us/diversity-inclusiveness
- Diversity at the leadership levels are essential: See:
https://www.ey.com/en_us/diversity-inclusiveness/expanding-leadership-diversity
- KPMG: <https://www.kpmg.us/about/diversity-equity-inclusion.html>; including a discussion of how to focus on measurement
- KPMG: <https://diversity.social/certification-kpmg-us/>; Employee led diversity councils, chapters, employee resource groups (DEI 5.0)





Familiar Reasons DEI Initiatives Fail

- Top leadership not involved and not holding people accountable with performance appraisals where diversity is one of the areas evaluated
- Failure to collect evaluative in the form of a dashboard on a monthly basis regarding all goals/metrics of the diversity effort
- Silos and lack of cross-organization collaboration and commitment
- Challenging labor market conditions or geographical disadvantage
- Lack of board leadership and failure of leaders to set tone by their example



Familiar Reasons DEI Initiatives Fail (Con't)

- Seen as a nice to do, rather than a necessity by many to make the organization as successful as possible
- In the past and even now, many people in majority dominant organizations “want to work and be with people like themselves,” and therefore create barriers, obstacles to diversity, equity and inclusion efforts implicitly and sometimes, even explicitly
- Culture of organization tolerates, or even promotes, nepotism



How Wells Fargo DEI Program Failed

- Set goals for number of minority group members “interviewed for jobs”
- Employees and management cheated by having people be interviewed for jobs that were not open
- End-gamed the system. Lawsuits and government penalties are all over this
- Wasted people’s time, deceitful, unfair, just looking to “make the numbers”
- Companies must be committed to the principle, to ethical development and operation of all DEI initiatives
- Cheating like this, unfortunately gives DEI a bad rap, but that is unfair
- Accountants must be involved once an organization sets DEI targets and goals
 - Help develop accurate measurement protocols, processes
 - Monitor how data are generated, collected and analyzed
 - Audit numbers to make sure they are “investment grade”

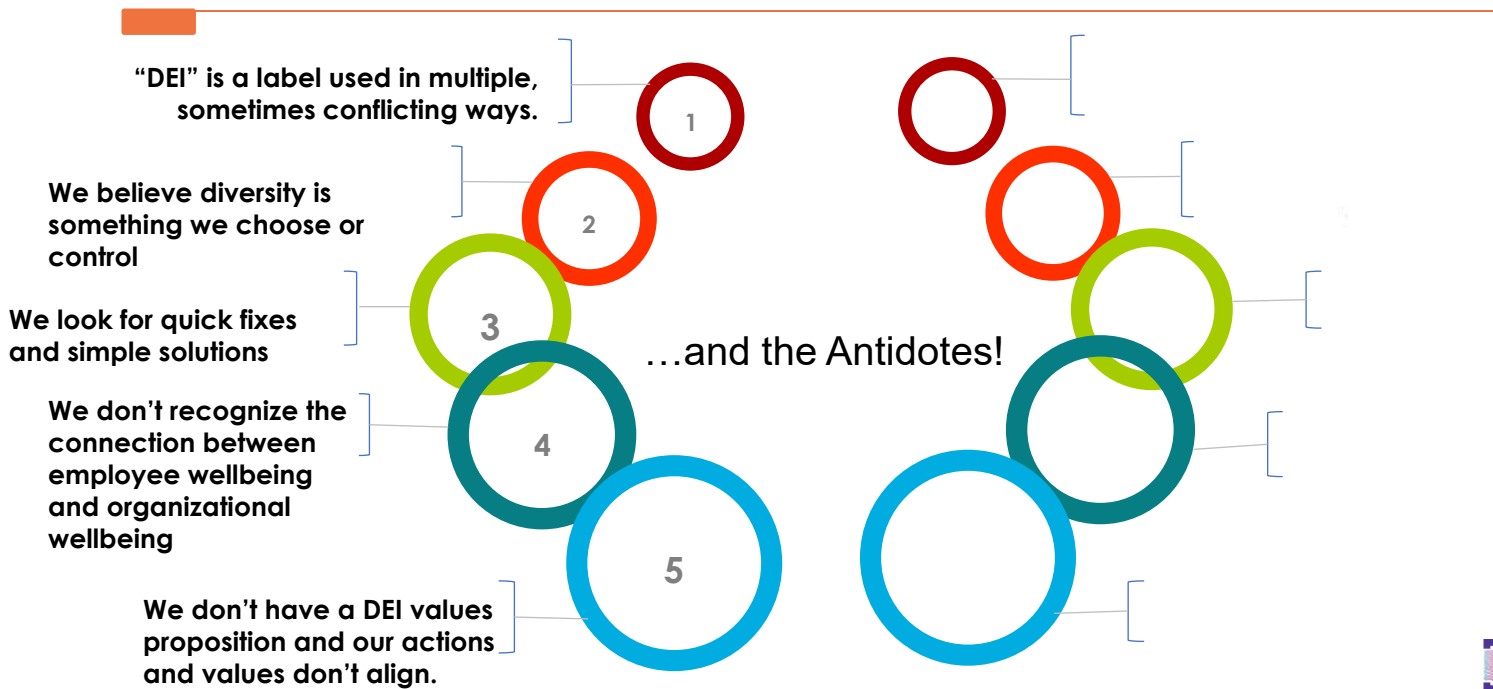


3 minute break.





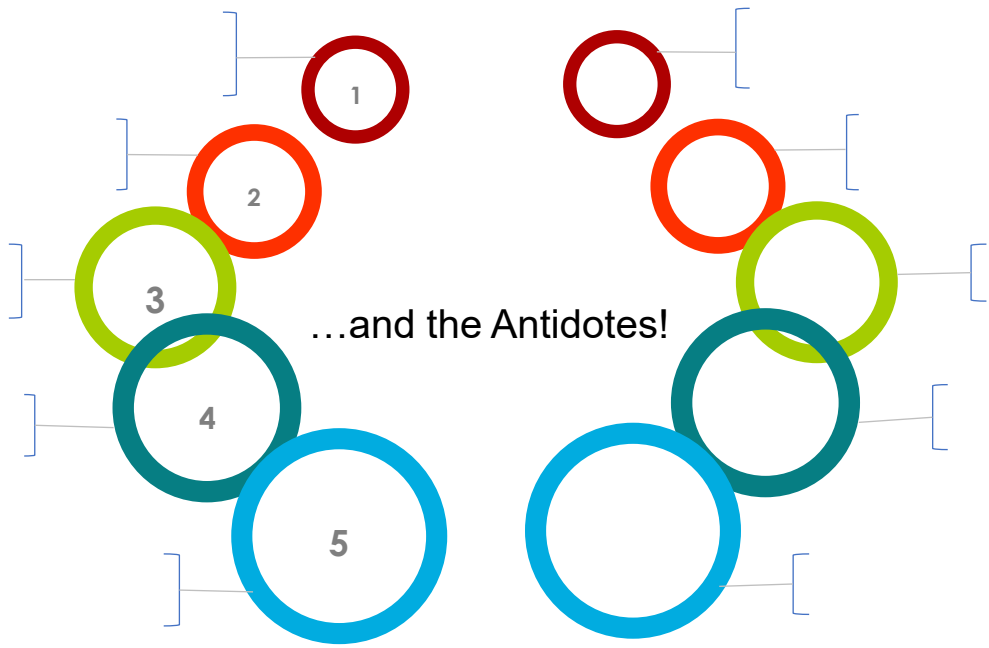
The Top Five Reasons Why DEI Initiatives Fail





The Top Five Reasons DEI Initiatives Fail

Reason #1
"DEI" is a label
used in
multiple,
sometimes
conflicting
ways.





Diversity – Definition

- **Diversity:** the similarities and differences that make us unique, including but not limited to race, ethnicity, gender, gender identity, sexual orientation, age/generation, socio-economic status, physical and mental ability or attributes, language, religious or ethical values system, education, occupation, geography, citizenship, personality, political beliefs...
- **Diversity** is the practice or quality of including, involving and appreciating people from a range of different social, racial and ethnic backgrounds.
- Research shows that diverse teams have the potential to be more innovative, creative and productive.



Polling Question #5

Two key DEI “best” practices include:

- A) Creating a sense of belonging for all
- B) Restricting all future hiring to women and minorities
- C) Have DEI program supported by senior leadership
- D) A and C



Equity – Definition

- **Equity:** “the state, quality or ideal of being or striving to be just, impartial and fair.” It is synonymous with fairness and justice and has to do with creating an environment that creates equal access and opportunities for all.
- *Equality* is treating people the same, providing the same level of support or resources; *equity* is about dividing resources and varying levels of support to achieve greater fairness.
- Many employment and work practices are governed by laws and City, State and Federal requirements that have implications for both equality and equity.



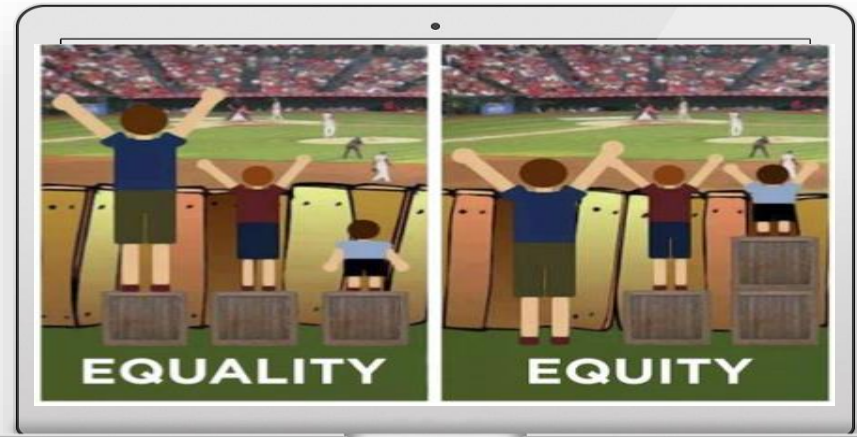


Equity and Equality Are Different

Sometimes similar situations require different treatment.

Equity-Mindedness

Shifts the focus from individuals to the structures that advantage some and prevent others from full participation.





Polling Question #6

Equity is:

- A) Treating people the same, providing the same level of support
- B) Only applicable to women and members of specific minority groups
- C) Equity can be assumed if a policy, practice or procedure has been in place for at least five years
- D) Striving to be just, impartial and fair



Inclusion - Definition

- **Inclusion:** the action or state of including or of belonging within a group or a structure; it is often characterized by the concept of authentic and empowered participation and a true sense of belonging and voice. An inclusive workplace is represented by **intentional** behaviors and practices that ensure others are welcomed, valued, respected, safe, and engaged. Inclusion means being wanted and valued for who you are and what you bring. Inclusion leads to higher performance, increased productivity, and greater organizational health and employee well being



Belonging - Definition

- **Belonging** is the feeling of security, safety and support when there is a sense of acceptance, inclusion, identity and membership.
 - Belonging is a critical factor in improving engagement and performance.
 - When individuals feel as if they don't belong, their performance and their wellbeing suffer.
 - Organizations can promote belonging by bringing the quality and nature of our ***relationships*** to the forefront of our work and interactions.



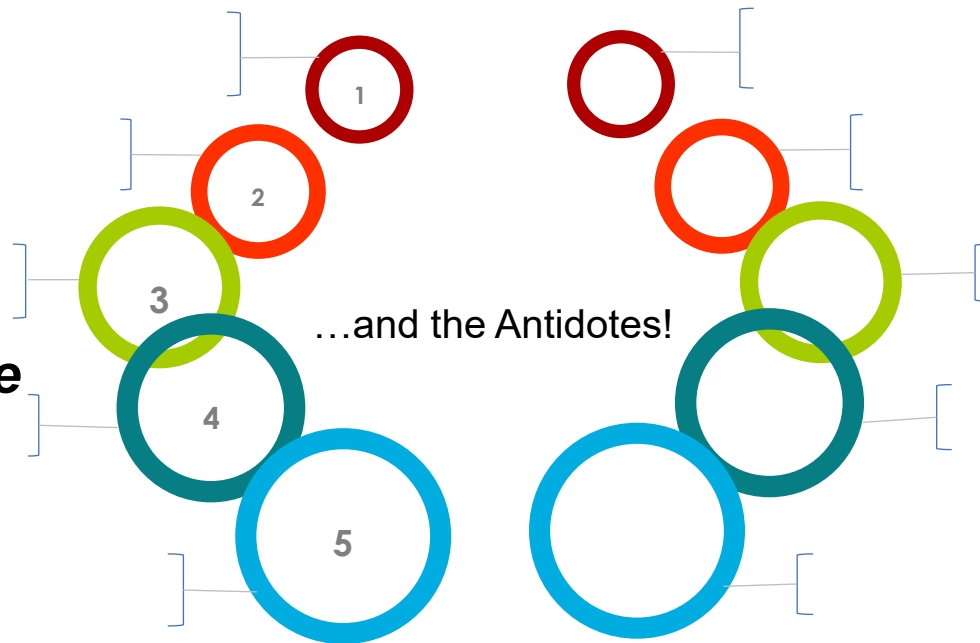
What is “Anti-Racism”

- Building an organizational culture that:
 - Embodies our values
 - Continually questions assumptions and beliefs
 - Interrupts inappropriate behaviors and actions
 - Respects differences
 - Reduces power differentials
 - Values and learns from all voices in the organization
 - Acknowledges and heals race-based hurt and harm
 - Changes policies, procedures, processes & practices to ensure equity & inclusion
 - Centers relationships



The Top Five Reasons DEI Initiatives Fail

Reason #2
We believe diversity is something we choose or control

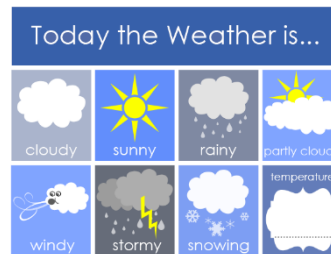




Diversity Is Like the Weather

Diversity is about the many ways that we are uniquely similar and different. Like the weather, diversity is always present and we are constantly affected or impacted diversity dynamics.

For example...



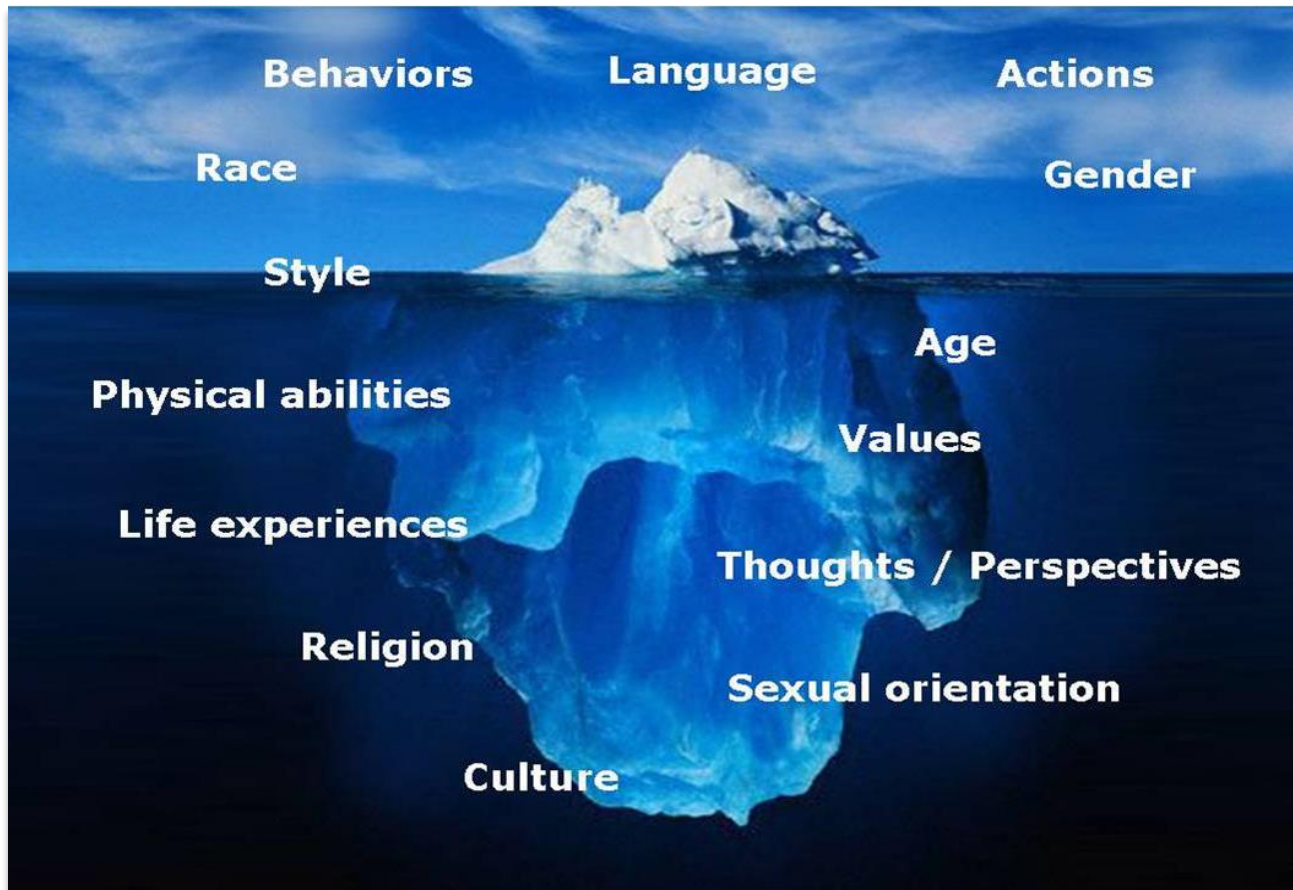
- ⦿ by 2040 the US will be majority members of current minority groups
- ⦿ 50% of children under six today are members of minority groups
- ⦿ In less than 5 years, the majority of the workforce will be Generation Z and Millennials
- ⦿ In 5 years, Artificial Intelligence (AI) will disrupt industries, change jobs (and creates job losses), and transform our world
- ⦿ Medical advances and technology enable people to live longer and individuals with disabilities to participate more fully in work and life activities

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There's More to Us than What's on the Surface





We All Have Multiple Dimensions of Diversity

- When Difference Makes a Difference...
 - ❑ Diversity matters when it affects our sense of how we see ourselves and how others see us.
 - ❑ Diversity matters when it affects our actions and behaviors and how others react to or behave toward us.



The Antidote Is Diversity Awareness

- Diversity is more than a demographic mix; it includes many dimensions including those which are highly visible and those which are hidden.

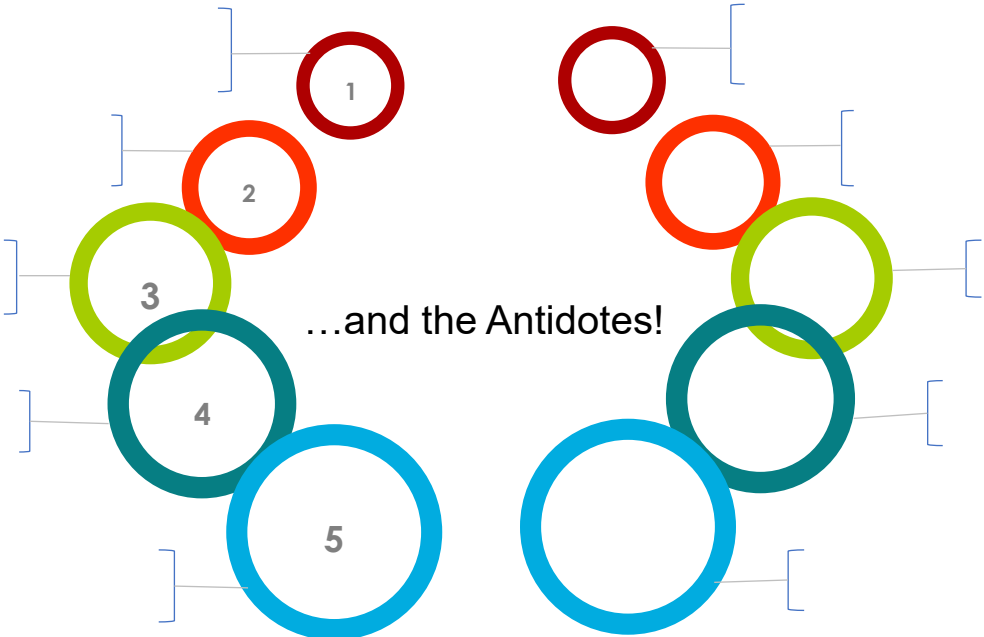
Diversity Awareness is the ability to recognize and respond to the differences and similarities that make up our organization, our workforce our customers and our clients; and using this understanding to communicate more effectively and make better decisions.

Benjamin Alexander, Jr., ACT, Inc., Founder



The Top Five Reasons DEI Initiatives Fail





Reason #3
We look for quick fixes and simple solutions





VUCA Environment

We Live in a VUCA World

-  **Volatility** – The challenge is unexpected or unstable and may be of unknown duration; the nature, dynamics and speed of change.
-  **Uncertainty** – Lack of predictability; the prospects for surprise; the lack of awareness and understanding of issues and events.
-  **Complexity** – The multiplex of forces; situations have many interconnected parts and variables; the volume and nature of the information may be overwhelming to process; confusion and chaos.
-  **Ambiguity** – Causal relationships are unclear; there are no precedents; potential for misreads and mixed meanings of conditions; reality seems hazy.



Impacts of the Current Environment

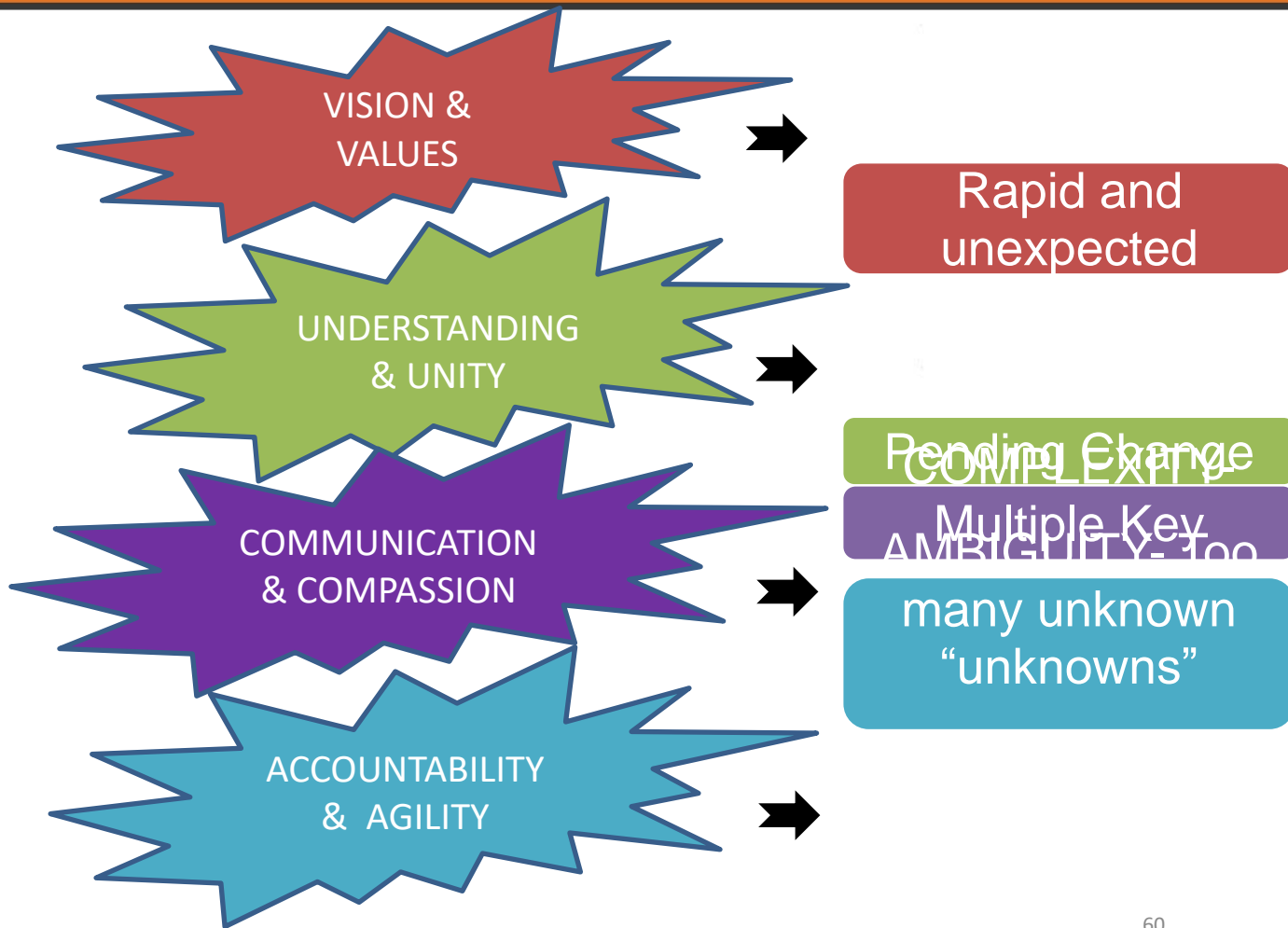
- **Evokes intense emotions** — emotions can move quickly to more intense and overwhelming states (e.g., a feeling of irritation which intensifies to rage).
- **Creates stress** — can feel overwhelmed or unable to cope as a result of pressures that are difficult to manage in the moment.
- **Triggers past trauma** — activates a past trauma or negative emotional state and gives the sense that it is reoccurring in real time (and our body responds accordingly).
- **Physiological effects** — body's immune, cardiovascular, hormonal, and digestive systems are disturbed.
- **Status of health and well-being** — symptoms can manifest on three levels: physical, behavioral, and psychological/emotional.





Antidotes to the VUCA Environment

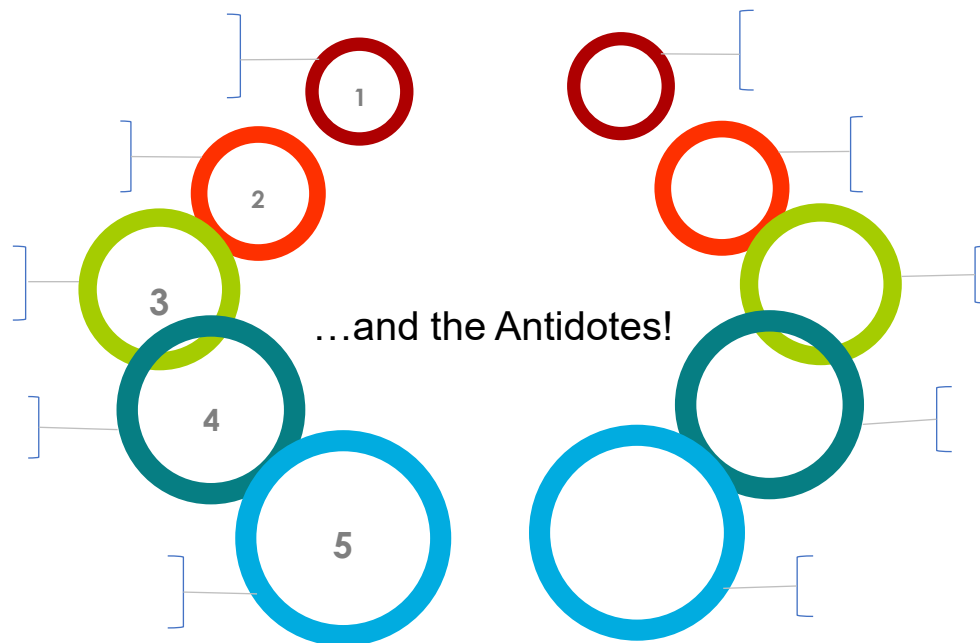
What You Bring...





The Top Five Reasons DEI Initiatives Fail

Reason #4
We don't connect employee wellbeing to the organization's wellbeing





Elements of Organizational Wellbeing

- **Mission & Impact** – the extent to which we do what we say we will do
- **Employee Engagement and Satisfaction** – the level of enthusiasm and dedication employees have towards the work they do
- **Teamwork and Collaboration** – the process of working together in a group to achieve common goals
- **Productivity** – effectiveness and efficiency of organizational processes
- **Performance** – achieving organizational goals; achieving metrics – quality, quantity, timeliness, cost efficiency, manner.



Elements of Organizational Wellbeing (Con't)

- **Growth** – intentional and planned expansion of the organization's reach
- **Visibility** - Building trust, confidence and knowledge in your own organization's and your clients' reputation and brand on the part of stakeholders, i.e., members, clients, communities, industry, partners, funders, and workforce
- **Stakeholder Relations e.g., partners, networks, sites, etc.** – acquiring, strengthening, supporting, and leveraging the strategic relationships that matter to the success of your organization and client organizations, and places where you volunteer, sit on boards, etc.



Elements of Employee Wellbeing

- Career Wellbeing – You like what you do every day.
- Social Wellbeing – You have meaningful friendships in your life.
- Financial Wellbeing – You have enough money for the things that are important to you.
- Physical Wellbeing – You have energy to get things done.
- Community Wellbeing – You like and can make meaningful contributions where you live.





Healthy Organizational Culture: Key Elements

- Capacity to change in response to the environment
- Appreciates interdependency; contributes to the community
- Strives for growth in good times and in bad times
- Strengthens bonds, connection, collaboration and cohesiveness
- Ability to engage in productive conflict; the ability to resolve tension between - ***I want/we need***
- Accountability
- Generates compassion, joy and kindness
- Emotional and social intelligence
- Shared, cohesive and accessible leadership
- Creating, communicating and reinforcing clarity



THE ANTIDOTE—Foster a Speak-Up Culture as PWC Suggested in 2013

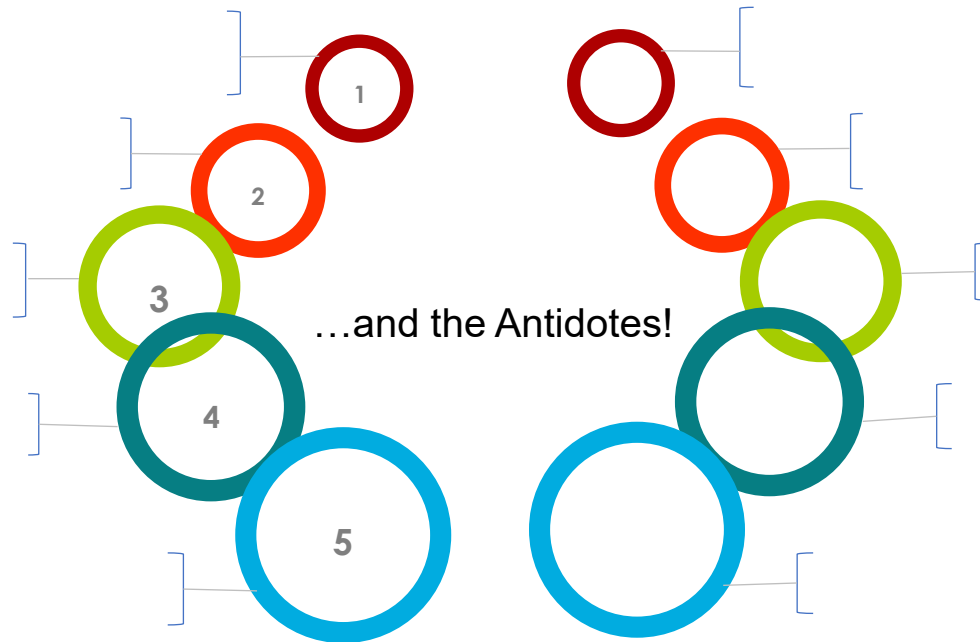
- *Elicit Feedback from Employees, Client, Partners and Communities*
 - *Listen to Their Opinions*
 - *Respond to Their Issues, Questions and Concerns*
- *Value and Appreciate Their Ideas, Suggestions and Contributions*





The Top Five Reasons DEI Initiatives Fail

Reason #5
We don't have
a DEI vision,
business case
or value
proposition





Why Values Matter When Using a DEI Lens

- Values are a synthesis of beliefs, assumptions and meaning that we hold about:
 - What is important to us
 - What is right and good
- Values drive our attitudes and actions and show up in our policies, practices and day-to-day interactions



What Is a Relational Culture?

- **A relational culture is one that centers relationships, while getting the work done. Where relationships matter and mission of org is central:**
 - Identify the relationships that matter to the work of the organization
 - Support, protect, engage, empower, encourage, leverage and heal those relationships
- A relational culture advances the work, facilitates the organization's mission and priorities, and leverages employee engagement and employee satisfaction.
- When work relationships are stressed, broken, disrupted, disconnected, disengaged, disempowered, etc., there is a direct impact on the organization – i.e., a decrease in performance, productivity, customer satisfaction, or other desired results.





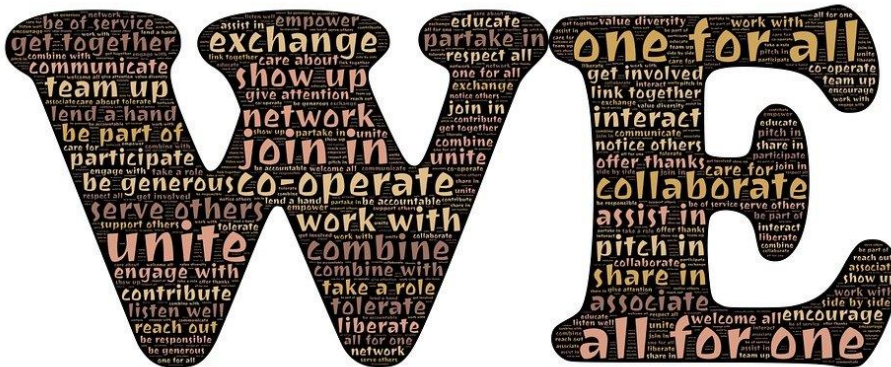
ANTIDOTE: CALLING IN (v. CALLING OUT)

OUR FUTURE IS A PRODUCT OF OUR PRESENT



“If you want to go fast, go alone. If you want to go far, go together.”

~ African Proverb ~



**WE make
the DEI journey together!**





Polling Question #7

DEI is a:

- A) Management Issue
- B) Recruiting Issue
- C) A Supply Chain Issue
- D) All of the above



DEI and the Employee Job Description

- If an individual has any DEI related responsibility, then DEI activities, goals, reporting lines and evaluation metrics all must be included in their job description
- DEI must show up on the organizational chart
- DEI must be on the agenda for recruiting, management, supply chain procurement and all HR meetings
- DEI must be a priority for the accounting firm before it can sell accounting related DEI services to their client base
- Employees must be encouraged to write and speak to both internal and external audiences regarding DEI and its benefits
- Rewards and inducements should be given to employees for DEI success
- Accounting firms using the Staff Augmentation Rule of the AICPA can “rent out” their DEI staff to their clients to help them set up DEI programs



Role of a Board of Directors in DEI

- Must lead and vote for funds for DEI Initiative
- Must demand accountability of all key executives
- Must develop rewards for success and sanctions for failure of DEI initiatives
- Must have a zero tolerance policy towards cheating
- Should have a DEI committee or subcommittee
- Must apply DEI ACROSS THE BOARD including board membership, employees, execs, supply chain decisions
- All of this applies to For-Profit and NonProfit Entities



Polling Question #8

DEI responsibilities can be included in job descriptions because:

- A) This ensures the organizations vision, values, mission and strategic priorities incorporate a DEI lens
- B) Allows for proper accountability and can lead to significant bonuses and strong evaluations
- C) Clearly advises employee of their duties in the area of DEI
- D) All of the above



Specific Roles of Accounting Firms and Accountants Regarding DEI

- Help clients design, implement and evaluate DEI programs including:
 - Budgets
 - Oversight of all data collection, analysis, audit
 - Have their own DEI program to show clients their own success and challenges
 - Have a DEI policy, program and procedures manual for their own firm and to sell to clients
 - Know how to help a client set realistic DEI goals
 - Know how to monitor on a regular basis DEI activity and progress
 - Help clients use state of the art management information systems, including CRM's, ERP's, HR system metrics for real time reporting and analysis
 - Help set up a DEI/Discrimination Hotline, with budget and analytical as well as action framework once the data start coming in



How To Improve Your Accounting Career and Influence with DEI

- Be a champion of your own organization's DEI efforts
- Write and speak about DEI 6.0
- Seek out minority and female led businesses as clients
- Seek to have DEI put on agendas for meetings
- Help manage the conversation regarding DEI
- Be a DEI resource and show what competitors are doing regarding DEI
- Show positive ROI potential for DEI
- Become an expert in DEI program budgets, operations and evaluation
- Help create a business like, non-emotional set of DEI discussions at your own firm and with your clients
- Build your reputation as a DEI expert



Next Steps





Takeaways and Appreciations

Never doubt that a small group of thoughtful, committed, citizens can change the world. Indeed, it is the only thing that ever has.

-Margaret Mead

veganposters.com

We can not solve our problems with the same thinking we used when we created them.

-Albert Einstein

To know and not do, is not to know.

Lao Tsu



Give the world the best you have, and it may never be enough. Give the world the best you've got anyway..

-Mother Teresa



Conclusion

- The alternative to DEI is to keep the old systems in place that keep your organization and your clients' organizations from reaching their potential
- DEI 6.0 is a new approach, separated from righting past wrongs and focuses on obtaining the best talent and clients available in the world
- DEI must be managed like any other program
- DEI must be written into the job descriptions of people to hold them accountable



Conclusion (Con't)

- DEI goals are not quotas, are not discriminatory against majority populations and they are not discriminatory against minority populations
- DEI includes searching for (and retaining) the best talent from every possible source and that is now available through AI and state of the art search systems



Conclusion (Con't)

- Adding DEI budgeting, planning, management and evaluation capabilities can improve your career opportunities throughout the accounting profession
- Can improve your influence in your own organization
- Can improve your organization
- Can help improve your organization's, your client's, and your own reputation



Conclusion (Con't)

- Important to put DEI on the agenda for meetings
- Manage the conversation about DEI and provide resources to others
- Be able to defend DEI 6.0 from criticisms especially of affirmative action and previous incarnations of DEI
- Be a DEI leader and recruit others to help DEI programs be successful
- Make sure DEI programs have sufficient budgets, policy and program operational manuals as well as Board/CEO level support



Conclusion (Con't)

- Introducing DEI 6.0 programs will be challenging in this political environment where everything is controversial, tempers are flaring and we are divided
- DEI will be around 100 years from now
- DEI is a slow, long and rewarding journey, sometimes uphill
- Employee satisfaction, including your own, is a central focus to DEI
- Just hiring or bringing in more diverse people is a start, but as shown by research in many fields, if a BELONGING culture is not created, those who “feel left out” in an organization will leave, especially in a good economic environment





Conclusion (Con't)

- DEI is an ethical issue, and a very large one. We could make the argument that it is unethical not to have a DEI program or DEI lens. We prefer to make the argument that not having a DEI program or DEI lens is simply bad for business, bad for nonprofits, bad for governance and leads to less effective decision making and lower employee and customer engagement.
- Thank you for taking this webinar. Feel free to send us any questions.
- On the next few slides are key resources for accountants regarding DEI



Resources for DEI in Accounting

- Ethics and DEI: <http://tcvscpa.com/wp-content/uploads/2021/10/FINAL-handout-DEI-1-1.pdf>
- DEI is good business: <https://www.cpajournal.com/2021/10/29/diversity-equity-and-inclusion-in-the-accounting-profession/>
- DEI Improvement, but no substantial change: <https://news.bloombergtax.com/tax-insights-and-commentary/now-is-the-time-to-address-dei-in-the-accounting-profession>
- Diversifying accounting profession: Critical Imperative in tight economy: <https://www.imanet.org/Research-Publications/IMA-Reports/Diversifying-US-Accounting-Talent-A-Critical-Imperative-to-Achieve-Transformational-Outcomes?pss=1>
- Alan Johnson, Pres of the International Federation of Accountants, on diversity: <https://podcast.imanet.org/episodes/bonus-alan-johnson-accountants-advancing-diversity-equity-and-inclusion-across-the-profession> International Management Association
- Deloitte promises 75M towards diversity: <https://www.forbes.com/sites/alishahbaz/2021/06/02/deloittes-new-initiative-commits-75-million-to-increase-diversity-in-accounting/?sh=6b12acfd38d2>





Resources for DEI in Accounting (Con't)

- Gains in diversity in the accounting profession: <https://www.journalofaccountancy.com/news/2022/apr/cpa-firms-show-progress-diversity-pipeline-challenges.html>
- DEI success stories not in accounting: <https://www.headstart.io/insights/diverse-talent-4-influential-brand-stories-of-success/>
- 2023 Initiative to promote diversity in accounting: <https://www.wipfli.com/news/2023/op-new-initiative-to-diversify-and-grow-accounting-workforce>
- Barriers to minority advancement in the accounting profession: <https://www.cpapracticeadvisor.com/2023/02/08/cpa-diversity-report-explores-the-barriers-to-minority-advancement-in-the-profession/73151/>
- Current state in diversity: https://www.affirmity.com/future-deib-2023-whitepaper-ppc/?utm_source=google&utm_medium=cpc&utm_campaign=affirmity-2023-q2-resource-future-deib-2023-ppc&creative=654109313417&keyword=the%20business%20case%20for%20dei&matchtype=b&network=g&device=c&kw=the%20business%20case%20for%20dei&cpn=19935210176&keyword=the%20business%20case%20for%20dei&adgroupid=147085838359&matchtype=b&network=g&device=c&kw=the%20business%20case%20for%20dei&cpn=19935210176&url=%7Bescaped%7D&utm_source=google&utm_medium=cpc&gad=1&gclid=CjwKCAjwkeqkBhAnEiwA5UWx1MmdUAPqy33HQ9qYLCmcChZqufT5XTt-Wr0gojDOIMzv1FsxYrEhoCjrkQAvD_BwE



Resources for DEI in Accounting (Con't)

- Illinois – driving DEI change in states: <https://www.icpas.org/BlackCPAcentennial/stories/driving-dei-change-in-the-states>
- Business case for diversity per AICPA: <https://us.aicpa.org/career/diversityinitiatives/dibusinesscase>
- McKinsey on strategic DEI: <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/its-past-time-to-get-strategic-about-dei>
- Kellogg Foundation: Diversity in Finance: Assistance offered: <https://www.aicpa.com/news/kellogg-foundation-offers-a-how-to-on-dei-for-finance-employers/>
- Glossary of Terms and Definitions: https://academyhealth.org/sites/default/files/publication/%5Bfield_date%3Acustom%3AY%5D-%5Bfield_date%3Acustom%3Am%5D/deiglossary_nov_2021_1.pdf



Resources for DEI 6.0 in Accounting (Con't)

- DEI essential for successful recruiting:
<https://improvetheworld.net/article/is-dei-key-to-recruiting-retention-performance/>
- Canada: Queer accountants in Canada – One in five quit due to no DEI program: Retention is the key.
<https://www.cpacanada.ca/en/news/pivot-magazine/dei-initiatives>
- Key Factors: DEI Success: <https://work180.com/en-us/blog/5-key-factors-for-dei-success>
- Microaggression: Auditing While Black:
<https://publications.aaahq.org/cia/article/15/2/A24/7079/Auditing-While-Black-Revealing-Microaggressions>



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