



The Association of
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in Business



International
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of Accountants®

DIVERSIFYING ACCOUNTING TALENT IN EUROPE: A Critical Imperative to Achieve Transformational Outcomes



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FOREWORD

Diversity, equity, and inclusion (DE&I) are fundamental to our profession—they are key elements that ignite innovation and change. This is why IMA® (Institute of Management Accountants) is spearheading the development of new resources to help members of our profession implement DE&I strategies and monitor performance in this area. To avoid long-term risks, drive business continuity, and keep innovating within the profession, DE&I should be implemented in all layers of the organization.

As the first non-U.S. and sixth female Chair of the IMA Global Board of Directors since our founding in 1919, I am elated to bring even more diversity to our own organization. IMA aims to be a leader at improving DE&I within the organization and is actively implementing DE&I at the most senior levels, strengthening DE&I across all our regions.

Stimulating talent from diverse and global backgrounds with their mix of identities and ideas remains crucial as it facilitates unbiased fact finding and decision making. This is the core of our controlling business and thus a core pillar of IMA. This is only exacerbated today, as the industry has a hard time finding and retaining talent. It is clear that DE&I are at the heart of every organization's success more than ever in these times of change. DE&I is a crucial part of the ability to adapt to business changes in a timely manner.

As the CFO becomes a more transformational leader, our responsibility is to look ahead at the future. Acting now to further diversify the accounting talent in Europe is critical to the advancement of the profession. As accountants, we are the safeguard of objectivity within the organization. The only way to ensure that objectivity is by making sure that all voices and



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their mix of experiences are considered in our analyses. IMA and the International Federation of Accountants (IFAC), as cosponsors of this research, together with our research partners within the region, are committed to manifesting and addressing these ideals within our organizations and the profession at large.

I believe this report is one of the ways in which we can improve DE&I in the profession—by enriching our educational resources and best practices to guide organizations on the topic. The report can be of use as a forward-thinking resource in a business world where innovation and new strategies are needed for executing required change. As IMA's Chair, I look forward to taking collective action with our research partners and those who have joined our initiative along this journey as we lead the change toward a more global and thus diverse, equal, and inclusive workplace—where unbiased fact finding and objective analysis form the basis for the way ahead in decision making. •

A handwritten signature in black ink, appearing to read "Gwen van Berne". The signature is fluid and stylized, with a long horizontal stroke at the end.

Gwen van Berne, CMA
 Chair, IMA Global Board of Directors
 Director of Finance and Risk, Oikocredit

EXECUTIVE SUMMARY

Once comprised of limited access points for women and persons from diverse ethnic groups, the accounting profession in Europe, encompassing public accounting and management accounting (accountants and financial professionals working in organizations), now boasts representation including women; lesbian, gay, bisexual, transgender, queer, intersex, and asexual (LGBTQIA) persons; and a host of ethnicities, among others. While some strides have been made to draw attention to diversity, equity, and inclusion (DE&I) issues in the region, businesses in some countries have been slower to embrace DE&I compared with those in other parts of

the world. In most countries in Europe, male professionals significantly outnumber female professionals in senior leadership roles. In some countries, such as Cyprus and Turkey, there is a substantial need for qualified women to enter the profession. There is also a lack of representation of LGBTQIA persons and minority ethnic groups in senior leadership in the accounting and finance profession in Europe. The dramatically low demographic diversity within accounting executive leadership raises a question for the profession's long-term sustainability in Europe: Why are persons from diverse demographic groups overwhelmingly underrepresented at the profession's most senior level? •

Nearly 60% of respondents of all backgrounds view the profession as equitable or inclusive. Although comparable percentages of diverse talent share this view, significant cross-country variations exist.

Based on the collected responses, 58% of respondents view the profession as equitable, and 59% view the profession as inclusive. In comparing responses by country, views of inclusion were relatively consistent, but significant cross-

country variations were observed when examining perceptions around equity. For instance, only 40% of respondents in Portugal view the profession as equitable, while 70% of respondents in the United Kingdom share this view.

IMA® (Institute of Management Accountants) and the International Federation of Accountants (IFAC), with the support of our global research partner, research partners, and research advisors, conducted a regional DE&I research study with three primary demographic focus areas: gender, LGBTQIA orientation, and ethnicity (see [Why This Study?](#)). This study included an online survey of more than 3,000 current and former accounting professionals. All survey respondents self-identified as current or former members of the accounting profession in Europe, and they varied in experience level, country, and age. Ninety-five percent of survey respondents in this study identified as being current or former members of the accounting profession in the following countries: Belgium, Cyprus*, Germany, the Netherlands, Portugal, Romania, Turkey*, and the U.K. (see [Appendix A: Research Approach](#) for additional demographic details of study participants).

*Located partially or completely in Asia, Cyprus and Turkey are included in this study as they are closely tied to Europe socially and economically. Cyprus is also a member state of the European Union.

Women are the least likely of all demographic focus groups studied to view the profession as equitable or inclusive. Persons who identify as LGBTQIA are the most likely of diverse groups to view the profession as equitable, and members of minority ethnic groups are most likely to report a broad view of the profession as inclusive, although their experiences within the profession offer a different view of treatment received individually and decisions made based on that treatment (see Figure 1 and [Table 6](#)). Among respondents in this study, those who identified as members of minority ethnic groups primarily self-identified as having experience in one of five countries: Belgium, the Netherlands, Romania, Turkey, and the U.K.

As noted in [Table 5](#), on average, a quarter of the respondents from the three demographic groups do not view that their particular demographic group:

- Receives equitable treatment,
- Operates in an inclusive environment fostered by senior leadership, and
- Has access to the same opportunities, information, support, and resources as their counterparts. •

I believe the profession is equitable.

58%

I believe the profession is inclusive.

59%

Persons of diverse demographic backgrounds report they are not advancing in the profession because of inequity and exclusion.

When asked to identify factors that contribute to underrepresentation of their respective demographic groups in senior leadership roles, demographically diverse professionals point to firsthand observations or experience of inequitable practices and exclusive behaviors.

Study participants cite instances of bias affecting recruitment, assignments, peer-to-peer interactions, promotions, compensation, mentoring and sponsorship, and retention efforts, including factors mentioned in Table 1. •

TABLE 1: FACTORS THAT CONTRIBUTE TO UNDERREPRESENTATION IN SENIOR ROLES *(as reported by each respective demographic group)*

	Female	LGBTQIA	Minority Ethnic Groups
Members of this group do not consistently receive fair treatment in the recruitment process.	55%	30%	48%
Leaders demonstrate unfair prejudice or bias against this group that negatively affects promotion.	43%	37%	46%
There is greater emphasis on recruitment than on retention of this group.	41%	24%	39%
Members of this group do not have equitable access to sponsors or mentors within their organization.	35%	25%	51%
Members of this group are not consistently provided objective performance feedback.	39%	25%	40%

Diverse talent leaves companies and the profession because of DE&I-related issues.

In each demographic group, respondents report that DE&I issues have directly contributed to decisions to leave a job and move on to another opportunity while working in the accounting profession in Europe (see Figure 1). Our study found that 42% to 52% of female and minority ethnic group respondents have left a company due

to a perceived lack of equitable treatment. At least 37% of the respondents from each of these groups have left companies because of a lack of inclusion. More notably, as many as 69% of respondents who identify as LGBTQIA have left an employer due to a lack of diversity, and 61% left due to a lack of equitable treatment or inclusion.

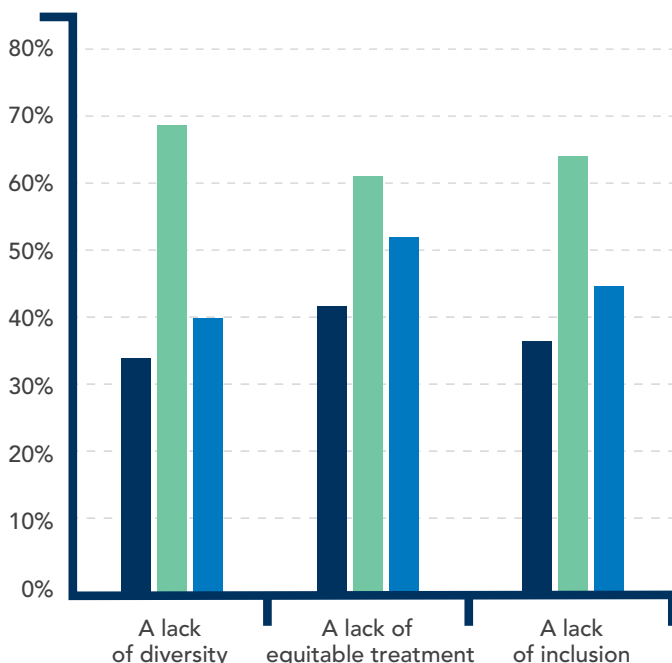


FIGURE 1:
 "I LEFT A COMPANY WHILE WORKING IN THE ACCOUNTING PROFESSION IN EUROPE BECAUSE OF A LACK OF DIVERSITY, EQUITABLE TREATMENT, OR INCLUSION."



More than half of the respondents from each group that is underrepresented at senior levels report having personally experienced inequitable or exclusive treatment that they perceived to be rooted in bias against people like them. The following are some examples:

- Being yelled at or demeaned by a colleague, supervisor, or leader.
- Discovering that persons with comparable or lower-level jobs, education, or experience but different demographic backgrounds were receiving better compensation.
- Failing to get recognition for their contributions

and failing to get promoted to a position for which they felt qualified.

- Feeling unsafe to contribute ideas that are different from others’.
- Hearing derogatory comments or jokes about people like them.

One in four respondents identifying as members of minority ethnic groups, one in six respondents identifying as LGBTQIA, and one in eight female respondents report that inequitable and exclusive experiences contributed to their leaving the profession altogether (see Figure 2 and [Table 6](#)).

FIGURE 2: A LACK OF DE&I CONTRIBUTES TO DIVERSE TALENT LEAVING THE PROFESSION



The lack of DE&I risks the success of the profession’s transformation currently under way.

Technological advances and the accelerated pace of change have prompted automation of routine, repetitive tasks and creation of more value-added jobs that require advanced competencies and skills. The profession must have the right capabilities to outpace technological advances—placing it in a *race for relevance*.¹

A lack of DE&I directly affects the talent pipeline and the public’s trust in the profession’s ability to timely adapt to business changes. The long-term future of the accounting profession will be shaped by the ability of existing talent to effectively implement the transformation under way and the ability of the next generation of professionals to sustainably carry the profession’s transformational efforts forward.

Analyzing the lack of diversity among executive

leaders along with the insights from academics and practitioners in this study reveals unmet challenges around retention and promotion. These dynamics require looking beyond diversity to equity and inclusion (see [Figure 3](#)).

The profession’s lack of equity and inclusion can be interpreted as contrary to its obligation to protect the public interest and commitment to comply with a robust set of ethical principles (see [Ethical Imperative](#)). It can also lead to failure in enticing, developing, and engaging the requisite talent for the demands of the 21st Century and could potentially damage public perceptions about the profession’s long-standing values of unbiased decision making, impartiality, fairness, and accountability.

Additional factors reinforce the critical

importance of ensuring the presence of diverse talent:

- Research shows that teams with greater diversity, particularly at the leadership level, realize greater innovation and returns than their less diverse counterparts do (see [Appendix B: Diversity and Performance](#)). Therefore, the transformation will yield greater success and value with increased diversity.
- Significant efforts are under way in governments across many countries in Europe to improve female representation, gender equality, representation of underrepresented racial and ethnic groups, and inclusion of LGBTQIA persons in the labor force. With targets to achieve marked improvement toward these goals, the accounting workforce will need

to reflect not only the demographic makeup of the population of respective countries but also the demographic makeup of the future. Identifying ways to attract diverse talent to the profession is vital.

Respondents of all backgrounds assert that DE&I efforts to date have not yet satisfied the profession’s ethical obligations, demands for talent, societal expectations, and prospective value delivery. In their view, bias still influences hiring, promotion, and development decisions at every point along the talent pipeline. Without targeted and coordinated efforts to improve diversity, recognize talent equitably, and foster an inclusive environment, the profession may risk losing the race for relevance. •

Acting now to further diversify accounting talent in Europe is critical to achieving transformational outcomes.

Although some strides have been made toward a more diverse labor force, progress has been incremental. Study participants indicate that the profession needs more role models, courage, and innovation to bring about and sustain the amount of change needed. DE&I professionals call for more transformative, action-oriented approaches. Talented and capable people of diverse backgrounds are calling for respect and equitable opportunities. Finance and accounting leaders are calling for progress without compromising competency-based advancement.

This study calls for the profession’s entire ecosystem (accounting leaders and practitioners, accounting associations, standard setters, regulators, colleges and universities, accounting academics, hiring personnel, and organizations employing accounting and finance professionals) to act collectively to:

- Acknowledge the impact of the current state of DE&I on the talent pipeline and on the transformation,

- Prioritize establishing an end-to-end diverse talent pipeline, and
- Leverage ethical principles to foster an unbiased, inclusive, and respectful culture.

Bringing in and promoting talented people based on relevant and unbiased factors rather than demographics presents a valuable opportunity. Taking prominence in corporate decision making, reporting, and governance, DE&I matters have become highly relevant to the profession’s clients and constituents. Investors are calling for more disclosures about how corporations are responding to, or contributing to, resolving social justice issues. Because of their public interest orientation and commitment to act ethically, accountants are uniquely positioned to implement DE&I improvements as well as to advise and support the development of the right indicators to measure the success of DE&I programs. •



PART I

Diversity, Equity, and Inclusion: The State of the Profession and Key Findings

Why This Study?

Research shows greater diversity leads to more innovation and stronger value delivery.

Significant research makes an overwhelming business case for diversity in business (see [Appendix B: Diversity and Performance](#)). This research reveals that organizations with above-average diversity on their leadership teams report more innovation, higher earnings, and better overall financial performance than those with below-average leadership diversity.² Thus, motivated by business strategy, public pressures, and the profession’s foundational ethical imperative, leaders in accounting have deployed or supported a range of initiatives such as policies, tool kits, mentoring programs, specialty groups, and sensitivity training to bolster diversity, equity, and inclusion (DE&I). •

FIGURE 3: DEFINING “DIVERSITY,” “EQUITY,” AND “INCLUSION”

DIVERSITY	EQUITY*	INCLUSION
Any dimension that can be used to differentiate groups and people from one another. These dimensions, such as age, ethnicity, and gender, can be visible or tangible, or they may be invisible or intangible, such as thoughts, perspective, experiences, belief systems, faith, culture, and sexual orientation.	The promotion of justice, impartiality, and fairness within the procedures, processes, and distribution of resources.	A state of being valued, respected, and supported.

* The use of “equity” throughout this report, rather than “equality,” which is more commonly used by some international accountancy bodies, is intentional as the focus of this component of the study aligns with the working assumption that sometimes sameness of treatment (equality) does not result in proportional fairness (equity).

Sources: equity: bit.ly/3bDD2LE; inclusion: bit.ly/3ig1K5Y.

Progress has been made with diversity.

The accounting profession in Europe has become more diverse over time. As recently as the early 20th Century, access to the profession was restricted for women in many countries. For instance, it was not until 1919 when the Sex Disqualification (Removal) Act 1919 was passed that women could no longer be refused entry into the accounting profession in the United Kingdom.³ Today, the percentage of female accounting professionals has remarkably increased in most countries. In the U.K., for example, as many as 48% of members and 60% of students of the ACCA (Association of Chartered Certified Accountants) are female.⁴ The percentage of female professionals in Portugal started to outgrow that of male professionals in 2010, resulting in women comprising 53% of certified accountants in Portugal as of 2018.⁵ In Romania, the proportion of women in the accounting profession is as high as 80%.⁶ •

DE&I progress does not manifest at senior levels.

Despite these trends over the decades, representation of women, ethnic minorities, and lesbian, gay, bisexual, transgender, queer, intersex, and asexual (LGBTQIA) persons in leadership roles remains markedly lower than the representation of their counterparts in Europe. According to a study conducted by European Women on Boards (EWOB), a nonprofit organization, of the 668 largest companies across 19 European countries studied in 2021, only one in three board seats and approximately 30% of general leadership positions were held by women.⁷ While one-fourth of the companies in the study have at least one female member in the C-suite, merely 7% have a female CEO and 9% have women as chairs of boards.⁸ In this study, the state of DE&I for women in the accounting profession in Europe is not vastly different from these broader statistics. Similar results have been documented for LGBTQIA persons and minority ethnic groups in the accounting profession in Europe. The data offer a clear conclusion: Women, LGBTQIA persons, and minority ethnic groups are underrepresented among the most senior levels of the profession. •

This study sought to understand the *diversity gap* between the profession and its leadership.

To perform a holistic assessment of the current state of the accounting profession in Europe from a DE&I perspective, IMA® (Institute of Management Accountants) and the International Federation of Accountants (IFAC) conducted a regional DE&I research study with three primary demographic focus areas: gender, LGBTQIA orientation, and ethnicity. With the support and contributions of research partners and research advisors, this study aimed to identify the following:

- Key factors contributing to the underrepresentation of certain demographic groups in the profession in senior leadership roles,
- Current DE&I perceptions and experiences of accounting practitioners, and
- Actions needed to remedy underrepresentation of certain groups in the profession at all organizational levels.

We surveyed accounting professionals from primarily 16 countries in Europe, with 95% of respondents reporting they worked in the accounting profession in one of the following eight countries: Belgium, Cyprus, Germany, the Netherlands, Portugal, Romania, Turkey, and the U.K. (see [Table A1](#)). Of the 3,268 survey respondents from the region, 53% identified as female, 14% identified as LGBTQIA persons, and 14% identified as members of minority ethnic groups (see [Figure A1](#)). •

DE&I in the Profession: A Holistic View

Vast differences in culture and socioeconomic development exist in Europe. Research shows that Eastern Europeans and Western Europeans differ on views of key social issues such as the importance of religion, views of minorities, same-sex marriage, legal abortion, national identity, and so on.⁹ Cultural and socioeconomic influences have significant impacts on the accounting profession in the region just as they have on the workplace as a whole. For instance, such influences have led to the historical exclusion of women from the accounting profession or relegated them to bookkeeping and clerical jobs. More significantly, women have been on the receiving end of demeaning remarks and stereotypes about limited interest in and capabilities for leadership. It is also widely perceived in the culture of some Western European countries that women assume the main responsibility for caregiving. This perception is often supported by examples of women not advancing in their careers to senior-level leadership roles or completely dropping out of the labor market to care for family members.

Over recent decades, consistent with broader global workforce trends, the accounting profession in Europe has responded to societal pressures and regulatory reforms. The majority of the countries in our sample have a female workforce participation rate greater than the world median. In countries such as the Netherlands and the U.K., the percentage of women participating in the labor force as of 2020 was as high as 59% and 58%, respectively.¹⁰ In all the countries we surveyed, there is no outright restriction preventing women from obtaining professional accounting certifications or gaining access to the profession. Moreover, most members of the profession now benefit from corporate policies that allow for safe reporting of inappropriate behavior, forums for internal discussion, the removal of artificial barriers toward advancement, and formal processes to ensure fair recruitment practices. Some countries in Western Europe, such as Belgium and the Netherlands, have also promulgated gender quota legislation on board member compositions to raise the representation of women on the corporate boards of listed companies.¹¹

While LGBTQIA persons in certain parts of Europe still face legal challenges not faced by their non-LGBTQIA counterparts, significant progress has been made in the past two decades to protect the rights of LGBTQIA persons in European countries. LGBTQIA rights are protected under treaties and law in the European Union (EU), ensuring that same-sex sexual activity is legalized and employment discrimination is prohibited in all EU member countries. For example, in order to accede membership in the EU, Cyprus changed its human rights legislation regarding sexual orientation and gender identity, including decriminalizing same-sex sexual activity.¹² Yet EU member states vary in enacting laws that provide greater protection of LGBTQIA rights, such as same-sex civil union, same-sex marriage, and adoption by same-sex couples. For instance, while the Netherlands legalized same-sex marriage and adoption by same-sex couples, such laws are not yet in place in Romania.¹³

Most countries in this study are dominated by a single ethnic group. For example, Greek Cypriots make up nearly 80% of the population in Cyprus.¹⁴ Germany is a Western European country with primarily ethnic Germans, and approximately 90% of the population in Romania, a country in Eastern Europe, is made up of ethnic Romanians.¹⁵ As a result, gender has usually taken center stage in DE&I initiatives in businesses in Europe. This is not surprising since the benefits for companies to address the inclusion of a smaller size of minority ethnic groups are not comparable to the benefits of including women.

Leaders in the accounting profession and, more broadly, in the corporate sector in Europe are currently taking action to create more diverse, equitable, and inclusive workplaces. There is a growing acceptance

that this action is good for business. Varied perspectives enhance customer and client outreach and enrich decision making at all levels within an organization, and this enhances performance and results (see [Appendix B: Diversity and Performance](#)).

As our one-on-one conversations revealed, there is observable movement in DE&I initiatives, particularly in larger companies and multinational corporations. Champions within the profession are proactively implementing DE&I-related corporate social responsibility initiatives and making significant contributions to increasing diversity in business school classrooms, educating youth from underserved communities, and building diverse candidate pools. New scrutiny is being brought to the effectiveness of training and awareness-raising programs. Efforts have been made in many countries to recruit more women, and the demographics do show the results: More women are entering the profession. For example, the number of women in the accounting profession in Portugal and the U.K. has gradually increased over time. Today, some organizations are taking this one step further by rewarding senior leaders who champion gender parity. Attention to activities that empower, coach, mentor, and sponsor LGBTQIA persons and ethnic minorities will result in similar progress. •

Despite noteworthy increases in the number of women leaders and other points of progress, this study found that inequities and exclusive behaviors persist in the profession, which are the primary reasons for the underrepresentation of diverse talent at senior levels. A deep dive into the data reveals disparities throughout countries in Europe.

When gathering perspectives on equity and inclusion by country in Europe, the U.K. had the highest percentage of respondents viewing the profession as equitable (70%), and Cyprus had the highest percentage of respondents viewing the profession as inclusive (69%). Respondents from Portugal were least likely to view the profession as equitable, with only 40% sharing this view, and respondents from Romania and Turkey were least likely to view the profession as inclusive, both with 56% of respondents sharing this view.

TABLE 2: EQUITY AND INCLUSION PERSPECTIVES (BY COUNTRY)

	Belgium	Cyprus	Germany	The Netherlands	Portugal	Romania	Turkey	U.K.
I believe the finance and accounting profession in Europe is equitable.	62%	66%	53%	65%	40%	64%	46%	70%
I believe the finance and accounting profession in Europe is inclusive.	57%	69%	59%	60%	58%	56%	56%	66%

In the face of a transformation during which the profession redefines its offerings and reconsiders human capital resources, study participants confirm that inequity and exclusion are directly and negatively affecting diverse talent's attraction to the profession and retention, promotion, and comfort in the profession. The current state of DE&I and its impact on the profession are explored in four key areas:

- Attracting diverse talent,
- Retaining and promoting diverse talent,
- Overcoming bias in the workplace, and
- Responding to assertions of meritocracy.

Attracting Diverse Talent

Not all countries in Europe face the same kind of DE&I issues in attracting talent of diverse backgrounds to the accounting profession. In some countries, such as Portugal and the U.K., there are comparable numbers of male and female professionals in the accounting profession, while in others, such as the Netherlands and Turkey, the proportion of female professionals is significantly lower. In countries with a greater presence of LGBTQIA persons and minority ethnic groups across the population, it is important that the accounting profession attracts talent across a host of demographic characteristics. Study participants and open-text responses reported DE&I-related issues that disproportionately reduce the profession's attractiveness to underrepresented groups, including:

- Lack of exposure to the profession prior to college,
- Insufficient support during college,
- Perceived exclusive environment and inequitable treatment within the profession, and
- Lack of visible, successful diverse professionals in senior leadership roles in the profession.

There is no doubt about the critical importance of reaching the next generation of professionals to ensure continuous growth of the accounting profession. Study participants anticipate that without significant improvement, the accounting profession in Europe could perpetuate a perception that it is closed and inequitable, and the brightest young talent from underrepresented minorities may remain unengaged and unreachable. If efforts are not made to increase the visibility of the profession and to present an image that features possible career tracks, young diverse talent may pursue alternative areas of study or enter other professions because those long-term career opportunities may seem more promising and inclusive.

Retaining and Promoting Diverse Talent

This study recognized that many persons in the demographic focus groups are stuck in lower- and mid-level positions or are leaving the profession altogether. In addition, a lack of DE&I affects the career decisions of people who are not part of underrepresented groups. For instance, some men from majority ethnic groups reported that they want to see an improvement in DE&I at senior levels as a point of continued engagement and pride in being a part of the profession. In response to multiple survey questions, respondents invariably pointed to factors around equity and inclusion as the reason for underrepresented groups' lack of advancement in or premature exit from the profession. •

Equity and inclusion: Fewer than 60% of all respondents view the profession as equitable and inclusive. Female respondents and respondents from minority ethnic groups in certain countries are less likely to view the profession as equitable or inclusive than their counterparts in those countries.

Despite general progress in DE&I across the profession, many current and former accounting practitioners in certain countries do not believe that actions taken to date have resulted in an equitable and inclusive profession. In some countries, these views are more prevalent among female respondents than male respondents. For example, female professionals in Cyprus and Portugal are considerably less likely to view the profession as equitable and inclusive than their male counterparts. A closer look at Germany illustrates that, while women generally share the same view as men on equity within the profession, women are less likely than men to view the profession as inclusive. Although women in the U.K. generally share the same views as men on inclusion, women are less likely than men to view the profession as equitable (see Table 3).

TABLE 3: PERSPECTIVES OF RESPONDENTS ON EQUITY AND INCLUSION (BY COUNTRY AND GENDER)

	Cyprus		Germany		Portugal		U.K.	
	Female	Male	Female	Male	Female	Male	Female	Male
I believe the finance and accounting profession in Europe is equitable .	47%	78%	52%	54%	30%	50%	66%	75%
I believe the finance and accounting profession in Europe is inclusive .	61%	76%	55%	61%	53%	63%	66%	68%

A similar comparison of minority ethnic groups and their counterparts indicates that, in the U.K., minority ethnic groups were considerably less likely than their counterparts to view the profession as equitable and inclusive (see Table 4). Relative to other countries of focus in the scope of this study, there were not significant differences when comparing perceptions of respondents from majority and minority ethnic groups. •

TABLE 4: PERSPECTIVES OF ETHNIC GROUPS ON EQUITY AND INCLUSION IN THE UNITED KINGDOM

	Minority Ethnic Groups	Majority Ethnic Group
I believe the finance and accounting profession in Europe is equitable .	64%	72%
I believe the finance and accounting profession in Europe is inclusive .	60%	69%

Inequity and exclusion: One in four respondents from diverse demographic groups says that their demographic group does not receive fair and inclusive treatment.

When asked about the treatment and conditions of their own demographic group, views of members of minority ethnic groups as well as female and LGBTQIA respondents are less favorable than their views about the profession as a whole (see Table 5).

TABLE 5: DIVERSE TALENT PERCEIVES AN INEQUITABLE AND EXCLUSIVE WORKPLACE

	Women	LGBTQIA	Minority Ethnic Groups
I do <u>not</u> believe this group receives equitable treatment.	24%	24%	27%
I do <u>not</u> believe this group has access to the same opportunities, information, support, and resources as its counterparts.	23%	24%	23%
I do <u>not</u> believe senior leaders provide an inclusive environment for this group.	19%	23%	23%

Considered along with factors that contribute to underrepresentation at senior levels, as shown in [Table 1](#), these respondents’ perceptions support a view that the accounting profession in Europe is not consistently providing an inclusive environment in which everyone feels welcome and respected. Further, members from certain demographic groups believe persons with their respective backgrounds are receiving inequitable treatment from the profession’s leadership. •

A lack of DE&I impedes talent retention within organizations and the profession.

On average, more than one-third of female respondents and about half of the respondents who identify as members of minority ethnic groups said they left a company because of a lack of diversity, equitable treatment, or inclusion. Of even greater proportional impact is the lack of DE&I influencing organizational turnover that was reported by two-thirds of LGBTQIA respondents. (See [Figure 1](#).)

When assessing the impact of DE&I on talent retention within the profession, as many as 13% of female respondents, 16% of respondents identifying as LGBTQIA, and 28% of respondents from minority ethnic groups report inequitable and exclusive experiences that they believe were rooted in bias and that contributed to their decision to leave the profession (see Table 6).

These findings suggest that the lack of DE&I, specifically inequitable and exclusive experiences, has a direct effect on the retention of diverse talent. Decreasing human capital contributions to the business, a lack of DE&I affects turnover within an organization’s accounting and finance function. As indicated by Table 6, inequitable and exclusive behaviors and practices relating to compensation, promotions, or treatment by supervisors or leaders directly contribute to a wholesale loss of diverse talent across the profession.

TABLE 6: “I EXPERIENCED BEHAVIORS THAT I PERCEIVED TO BE ROOTED IN BIAS AGAINST PEOPLE LIKE ME AND THAT CONTRIBUTED TO MY LEAVING THE PROFESSION.”

	Women	LGBTQIA	Minority Ethnic Groups
I experienced direct bias or discrimination.	12%	16%	28%
I discovered that persons with comparable or lower-level jobs, education, or experience but different demographic backgrounds than me were receiving better compensation.	11%	11%	27%
I was not promoted to a position I was qualified for or given additional responsibility for which I demonstrated preparedness.	12%	15%	27%
I was yelled at or demeaned by a colleague, supervisor, or leader.	13%	15%	23%

Overcoming Bias in the Workplace

Interviews with DE&I professionals as well as academic researchers suggest that inequity and exclusion in the profession rarely manifest as overtly today as they did in the past. Contemporary challenges in these areas most often take the form of microaggressions, implicit or unconscious bias and presumptions, unfounded stereotyping, and social or professional exclusion (see Figure 4).

FIGURE 4: UNCONSCIOUS BIAS, STEREOTYPES, AND MICROAGGRESSIONS

UNCONSCIOUS BIAS	STEREOTYPES	MICROAGGRESSIONS
Involuntary categories and stereotypes we use to assess people, situations, and actions	Oversimplified ideas or a generalized belief about a particular type of person or group of people	Everyday verbal, nonverbal, and environmental slights, snubs, or insults, whether intentional or unintentional, that communicate hostile, derogatory, or negative messages to target persons based solely upon their marginalized group membership

Source: Derald Wing Sue, “Microaggressions: More Than Just Race,” *Psychology Today*, November 17, 2010, bit.ly/3nIFnas.

Typically, these behaviors are not obvious and are challenging to substantiate. Moreover, discerning the impetus for microaggressions can be exacerbated by “intersectionality”—a term coined by Kimberlé Crenshaw in 1989 to describe the way people’s social identities can overlap.¹⁶ In short, people often cannot determine with certainty whether inequitable or exclusive treatment results from being a member of an ethnic minority or from being a woman.

Nevertheless, a person’s identification with a particular demographic group often results in self-monitored or modified behavior in the workplace. In his book, *Whistling Vivaldi*, social psychologist Claude M. Steele explores identity contingencies—“the things you have to deal with in a situation because you have a given social identity.” Steele describes how identity contingencies influence us: “Some constrain our behavior down on the ground... Others, just as powerful, influence us more subtly, not by constraining behavior on the ground but by putting a threat in the air.” Steele’s description of a stereotype threat—a threat in the air or an unfounded assumption broadly applied to a demographic group—and responses to this threat describe our study’s key findings as they relate to bias in the profession.

With considerable consistency, the study’s female, LGBTQIA, and minority ethnic group participants reported extensive, subtle behavior modifications and personality adaptations that they use in work settings to deflect stereotypes. In many instances, participants of these demographic categories described scenarios in which they consciously presented themselves in ways that did not reflect their usual behavior or personality. Instead, they conformed to what they viewed as culturally acceptable to the majority. For example, they overextend, working double the hours of colleagues or volunteering for additional assignments to combat the stereotype of a poor work ethic. Sometimes they alter behavior without realizing it until later reflection on a scenario. Other times, they modify their behavior consciously in the moment to combat stereotypes regarding their social identification.

Research has shown that, sometimes, the choice to employ deflections to avoid stereotyping was encouraged by persons within their own demographic category.¹⁷ These behavior modifications reflect a belief that presenting one’s whole, authentic self would result in detrimental or penalizing consequences. Women, LGBTQIA professionals, and ethnic minorities confirmed the opinion that, collectively, stereotype threats and other bias-based actions, even if perpetrated unintentionally, have contributed to prolonged discomfort in the workplace, premature exit from the profession, and underrepresentation among senior leadership. •

IDENTITY CONTINGENCIES

“The things you have to deal with in a situation because you have a given social identity, because you are old, young, gay, a white male, a woman, black, Latino, politically conservative or liberal...and so on. Generally speaking, contingencies are circumstances you have to deal with in order to get what you want or need in a situation.”

Source: Claude M. Steele, *Whistling Vivaldi: How Stereotypes Affect Us and What We Can Do*, W.W. Norton & Company, 2010.

Responding to Assertions of Meritocracy

Perception: Some members in the profession believe that further action to improve DE&I is unnecessary, inappropriate, and, in some instances, discriminatory against white, non-LGBTQIA males. Several expressed themselves in callous, personal attacks on this study’s research team and its sponsoring, partnering, and contributing organizations.

People from groups that are underrepresented among senior leadership assert that they do not seek to negate or discount the experiences of other groups, including those with immigrant roots who sought the profession as a means to the upper middle class. They acknowledge that other demographic groups historically suffered discrimination in the profession. Yet study participants maintain the position that the past discriminatory practices toward some groups do not justify discrimination of other groups today. They observe that certain groups remain disproportionately excluded from advancing in the profession because of disadvantages and unfounded bias that continue without resolution.

Some members of the profession disagree. This study's open-text survey responses and direct correspondence demonstrate that a number of members of the profession believe that further action to improve DE&I is unnecessary. The following themes emerged among a minority of open-text survey responses received:

- A blind meritocracy will resolve any presumed DE&I issues.
- People are promoted based only on their intellect and skill set.
- Efforts to improve diversity disadvantage qualified white, non-LGBTQIA males.

The majority of study participants, however, responded that a true meritocracy is not an absolute solution in practice for a number of reasons:

- The disproportionate underrepresentation in senior roles confirms that a widespread blind meritocracy does not exist today.
- Blind meritocracy promotes a recruitment culture of ignoring differences in race, gender, and sexual orientation rather than valuing them.
- A belief in the purported meritocracy perpetuates unconscious bias and favoritism and leaves these issues unaddressed. For example, a lack of diversity in the profession's most senior roles has led to inequitable invitations to the means for professional development.
- Women have made the greatest improvement in diversity among senior roles in the profession as the result of an abundance of targeted DE&I initiatives across the profession and concerted cultural changes.
- The lack of recognition or awareness of diversified people as talented, along with presumptions about their capabilities, results in diverse professionals either remaining stuck at lower- or mid-level positions or leaving the profession altogether.

Respondents stated that the lack of diversity among roles that are directly beneath those of CFO and public accounting firm partners inhibits improvement. Study participants observed that those who challenge the need to enhance attention to DE&I often reserve their views for private discussions or anonymous forums. The hidden nature of these remarks contributes to the belief that some publicly voiced support for DE&I is disingenuous window dressing. This perceived insincerity erodes trust and results in the loss of engagement and commitment. It leads people of all backgrounds to believe that reporting acts of bias will trigger hostility and retaliation. Under these conditions, as study participants suggest, a true meritocracy is unattainable. •



A Closer Look at **Specific Countries**

Discussion in prior sections highlighted aggregated findings of countries studied across Europe and offered a comparative view of specific aspects of the current state of DE&I for multiple countries within the region. In this section, we will take a closer look at eight countries in the region—Belgium, Cyprus, Germany, the Netherlands, Portugal, Romania, Turkey, and the U.K. Leveraging a review of existing literature and some active DE&I initiatives, analysis of survey responses, and insights gleaned through one-on-one interviews of current and former accounting professionals, we offer a high-level view of DE&I within these countries.

BELGIUM

Of the respondents who identified as current or former accounting practitioners with experience in Belgium, 62% believe that the accounting profession is equitable, and 57% perceive the profession is inclusive. Yet 62% of respondents in Belgium also left a company because of a lack of equitable treatment, and 56% left due to a lack of inclusion. Consistent with findings across all countries, female respondents, LGBTQIA persons, and respondents from minority ethnic groups also report that they are not advancing into senior leadership roles due to a lack of equity and inclusion. Let's take a closer look at these demographic categories through study participants with accounting experience in Belgium.

Women

During the past decade, various DE&I initiatives toward gender equality have taken place in Belgium. The Belgium federal government recently announced the largest ever spending of €1.1 million to support initiatives targeting gender-related issues.¹⁸ In response to gender quota legislation on board member compositions, the majority of listed companies, both large and small, as well as state-owned enterprises in Belgium raised the representation of women on their boards to at least one-third by the end of 2019.¹⁹ Another legislation that requires gender quota for the management committees of Belgian listed companies is also under consideration by the Belgian Secretary of State for Gender Equality, Equal Opportunities and Diversity.²⁰ DE&I initiatives were also launched in certain industries such as the financial industry to promote gender equality and the inclusion of women in leadership positions.²¹

“Over the past few years, significant progress has been made in Belgium to level the playing field for women in the boardroom.... But we must continue to strive for equal opportunities for women to have access to and grow in leadership roles, both at the board level and within organizations. Diversity in a group is as important as collective ability and brainpower.”

—Piet Vandendriessche, CEO, Deloitte Belgium

Source: Deloitte, *Women in the boardroom: A global perspective*, seventh edition, 2022, bit.ly/3NFGxke.

Despite the initiatives and progress made, women are still underrepresented at the senior leadership level. According to a report published by EWOB, for companies in STOXX 600 (a stock index of European stocks of 600 components representing large, mid-, and small capitalization companies among 17 European countries), women represent only 17% of those on the executive level, and merely 6% of these companies are led by female CEOs.²² Consistent with this observation, female respondents of this study also reported DE&I challenges prohibiting their advancement to senior leadership roles. Asked to indicate factors that they believe have contributed to underrepresentation of women in senior leadership roles:

- 69% of female respondents reported that they do not consistently receive fair treatment in the recruiting process.
- 49% highlighted the lack of consistently provided objective performance feedback.
- 48% observed a greater emphasis on recruitment of women than on retention.
- 46% pointed to leaders demonstrating unfair prejudice or bias against women that negatively affects promotion.

69%

Female professionals do not consistently receive fair treatment in the recruiting process.

49%

Female professionals are not consistently provided objective performance feedback.

48%

There is a greater emphasis on recruitment of female professionals than on retention.

Female respondents reported that challenges not only affect them as a group but also affect their own individual ability to advance (see Table 7). As many as two-thirds of female respondents reported being yelled at or demeaned at work, not feeling safe to contribute ideas that were different from others', and hearing derogatory comments or jokes about people like them, leading to an average of 29% of female respondents in Belgium leaving the profession. They also observed a lack of recognition for their contributions as well as unfair promotion practices, which prompted 24% of female respondents to leave the profession.

TABLE 7: WOMEN PROFESSIONALS' PERCEPTIONS OF BIAS-BASED BEHAVIOR IN BELGIUM

I was yelled at or demeaned by a colleague, supervisor, or leader.	68%
I did not feel safe to contribute my ideas that were different from others'.	66%
I heard derogatory comments or jokes about people like me.	65%
I was not promoted to a position I was qualified for or given additional responsibility for which I demonstrated preparedness.	63%
I was not given recognition for my contributions.	62%

Female professionals' responses to the statement, "Please indicate whether you have experienced the below behaviors that you perceived were rooted in bias against people like you while working in the accounting and finance profession in Europe."

LGBTQIA Persons

According to rankings by ILGA-Europe based on the impact of the laws and policies of a country on the lives of LGBTQIA people, Belgium is ranked third among 49 European countries for LGBTQIA rights protection.²³ As the world's second country to legalize same-sex marriage in 2003, Belgium is often seen as one of the most gay-friendly countries in Europe and in the world.²⁴ But, according to a survey of the LGBTQIA community conducted by European Union Agency for Fundamental Rights in 2019, 18% of respondents reported being discriminated against in the workplace in Belgium.²⁵

Respondents of the accounting and finance profession in this study reported similar experiences with respect to bias and discrimination at work. When asked about their perception of the experience of the LGBTQIA population in the profession, almost half of LGBTQIA respondents believe that there is inadequate representation of LGBTQIA persons in senior leadership roles. When asked to indicate

factors that they believe have contributed to underrepresentation of LGBTQIA persons in senior leadership roles:

- 31% of LGBTQIA respondents observed a lack of consistently provided objective performance feedback.
- 29% pointed to leaders demonstrating unfair prejudice or bias against LGBTQIA persons that negatively affects promotion.
- 26% indicated a lack of equitable access to sponsors or mentors within their organization.
- 24% reported that they do not consistently receive fair treatment in the recruiting process.



LGBTQIA professionals are not consistently provided objective performance feedback.



Leaders demonstrate unfair prejudice or bias against LGBTQIA professionals that negatively affects promotion.



LGBTQIA professionals do not have equitable access to sponsors or mentors within their organization.

When asked about their personal experiences, 59% of LGBTQIA respondents indicated that they believe their views are respected by their colleagues and that they can be their authentic selves in the work environment. Nevertheless, multiple DE&I challenges that negatively impact their advancement were also reported (see Table 8), including unfair promotion practices (83%), being demeaned by peers or supervisors (79%), and hearing derogatory comments or jokes about people like them (80%), all of which respondents perceived to be rooted in bias. While 77% observed that the culture of their company was geared toward activities that excluded people like them, the same percentage of LGBTQIA respondents experienced direct bias or discrimination. As high as 80% did not feel safe to contribute ideas that were different from others'. These challenges have resulted in approximately 30% of LGBTQIA respondents leaving the accounting profession in Belgium.

TABLE 8: LGBTQIA PROFESSIONALS' PERCEPTIONS OF BIAS-BASED BEHAVIOR IN BELGIUM

I was not promoted to a position I was qualified for or given additional responsibility for which I demonstrated preparedness.	83%
I did not feel safe to contribute my ideas that were different from others'.	80%
I heard derogatory comments or jokes about people like me.	80%
I was yelled at or demeaned by a colleague, supervisor, or leader.	79%
The culture of the company was geared toward activities that excluded people like me.	77%
I experienced direct bias or discrimination.	77%

LGBTQIA professionals' responses to the statement, "Please indicate whether you have experienced the below behaviors that you perceived were rooted in bias against people like you while working in the accounting and finance profession in Europe."

Minority Ethnic Groups

Belgium is a diverse country with more than 11 million legal inhabitants and three linguistic communities: the Flemish-speaking region, the French-speaking Walloon region, and the German-speaking region.²⁶ According to Statbel, the Belgian statistical office, 67% of the Belgian population is Belgian with Belgian background, 20% is Belgian with a foreign background, and 13% is non-Belgian.²⁷ Consistent with the national census, 77% of the respondents in this study identified themselves as Belgian with Belgian background, and the remainder identified as having a foreign background such as Italian, Moroccan, French, Turkish, and so on. The respondents with foreign backgrounds are classified as ethnic minorities in this study.

Although 61% of ethnic minorities in Belgium perceive that the accounting profession as a whole is equitable and inclusive, nearly half of them believe that there is inadequate representation of minority ethnic groups in senior leadership roles. When asked to indicate factors that they believe have contributed to underrepresentation of ethnic minorities in senior leadership roles:

- 54% of respondents from minority ethnic groups pointed to leaders demonstrating unfair prejudice or bias against them that negatively affects promotion.
- 52% reported a lack of equitable access to sponsors or mentors within their organization.
- 41% indicated a greater emphasis on recruitment of ethnic minorities than on retention.
- 40% highlighted that they do not consistently receive fair treatment in the recruiting process.

54%

Leaders demonstrate unfair prejudice or bias against minority ethnic groups that negatively affects promotion.

52%

Minority ethnic groups do not have equitable access to sponsors or mentors within their organization.

41%

There is a greater emphasis on recruitment of minority ethnic groups than on retention.

Respondents from minority ethnic groups reported multiple challenges that affect their individual ability to advance (see Table 9). Although 70% of these respondents feel their views are respected by their accounting and finance colleagues, 63% said that they have to work much harder than their peers of different demographic backgrounds to gain comparable recognition. They also highlighted a lack of recognition for their contributions as well as unfair promotion practices. Of particular importance with regard to assessing inclusion in the profession, 75% of respondents from minority ethnic groups do not feel safe to contribute their ideas that are different from others', and 75% experienced direct bias or discrimination. Moreover, more than two-thirds emphasized that they have heard derogatory comments or jokes about people like them.

TABLE 9: MINORITY ETHNIC GROUPS' PERCEPTIONS OF BIAS-BASED BEHAVIOR IN BELGIUM

I was not given recognition for my contributions.	77%
I was not promoted to a position I was qualified for or given additional responsibility for which I demonstrated preparedness.	77%
I did not feel safe to contribute my ideas that were different from others'.	75%
I experienced direct bias or discrimination.	75%
I heard derogatory comments or jokes about people like me.	71%

Minority ethnic groups' responses to the statement, "Please indicate whether you have experienced the below behaviors that you perceived were rooted in bias against people like you while working in the accounting and finance profession in Europe."

CYPRUS

Sixty-six percent of respondents who identified as current or former accounting practitioners with experience in Cyprus believe that the accounting profession is equitable. Sixty-nine percent perceive that the profession is inclusive. Yet 32% of respondents in Cyprus left a company because of a lack of equitable treatment, and 25% left due to a lack of inclusion. Consistent with findings across all countries, women also report they are not advancing into senior leadership roles due to a lack of equity and inclusion. A closer look at women as well as an overview of context regarding LGBTQIA persons and members of ethnic minorities through study participants with accounting experience in Cyprus are presented here.

Women

The progress toward gender equality through legislation and government policy in Cyprus is relatively recent. In the past decade, there have been progressive improvements toward gender equality in Cyprus, primarily attributable to effective organizations and government initiatives.²⁸ Ranked 21st in the EU on the Gender Equality Index, Cyprus earned 56.9 out of 100 points in 2020, with an increase of 7.9 points since 2010, a slightly faster progress toward gender equality than its peer member states.²⁹ Nevertheless, Cyprus still lags in certain aspects in the promotion of gender equality. For example, Cyprus is ranked fourth to last out of 27 EU members with respect to gender equality toward power positions and economic decision making, with just 8% of women on the boards of the largest companies, 14% on the board of the central bank, 8% as ministers, and 20% as members of parliament (both houses).³⁰ The accounting profession in Cyprus is still a male-dominant profession. Of the approximately 3,000 Cyprus accountants registered and duly members of the Institute of Certified Public Accountants of Cyprus (ICPAC, established in 1961), 42% are female accountants, although progress is being made in favor of women.³¹ In this study, the results from respondents in the accounting and finance profession in Cyprus reinforce the observations of the current state of gender issues in the country.

Compared with their male counterparts, female professionals in Cyprus have a much less favorable view of the accounting profession as equitable and inclusive. While more than 75% of male respondents perceive the accounting profession as equitable and inclusive, merely 47% of female respondents view the profession as equitable, and 61% view the profession as inclusive. Furthermore, as high as 76% of female respondents believe that there is inadequate representation of women in senior leadership roles. The underrepresentation of women in leadership positions in Cyprus is also confirmed by participants of this study. While an almost equal proportion of male and female professionals are observed at the start of their careers, males take executive leadership positions at a disproportionately higher rate later in their careers.

When asked to indicate factors that they believe have contributed to underrepresentation of women in senior leadership roles:

- 61% of female respondents in Cyprus observed a greater emphasis on recruitment of women than on retention.
- 56% pointed to leaders demonstrating unfair prejudice or bias against women that negatively affects promotion.
- 44% reported that they do not consistently receive fair treatment in the recruiting process.
- 36% highlighted the lack of consistently provided objective performance feedback.

61%

There is a greater emphasis on recruitment of female professionals than on retention.

56%

Leaders demonstrate unfair prejudice or bias against female professionals that negatively affects promotion.

44%

Female professionals do not consistently receive fair treatment in the recruiting process.

Participants of this study also cited unconscious bias and a lack of mentorship and sponsorship as the main attributes that prohibit women’s advancement in the profession. Male leaders unconsciously exclude women from their inner circle and promote people who look like them, with the same style and preferences. Moreover, due to a lack of female leaders as role models, women are less likely to push themselves to advance in their careers, take on more responsibilities, or challenge decisions from the top regarding promotions. Thus, mentorship and sponsorship are considered essential for women on their journey to senior leadership roles.

When asked about their personal experiences, female respondents reported multiple DE&I challenges that negatively impact their advancement (see Table 10), although more than 70% of women indicated that their views are respected by accounting and finance colleagues and they can be their authentic selves in their organization. For instance, nearly 69% of female respondents reported being yelled at or demeaned by a colleague, supervisor, or leader, and almost 50% experienced direct bias or discrimination. Similar to female respondents of other countries, they also observed a lack of recognition for their contributions as well as unfair promotion practices. Forty-seven percent of female respondents left a company due to inequitable treatment and 37% due to a lack of inclusion. Ten percent chose to leave the accounting and finance profession as a whole because of DE&I challenges.

TABLE 10: FEMALE PROFESSIONALS’ PERCEPTIONS OF BIAS-BASED BEHAVIOR IN CYPRUS

I was yelled at or demeaned by a colleague, supervisor, or leader.	69%
I was not promoted to a position I was qualified for or given additional responsibility for which I demonstrated preparedness.	66%
I was not given recognition for my contributions.	66%
I did not feel safe to contribute my ideas that were different from others’.	60%
I experienced direct bias or discrimination.	49%

Female professionals’ responses to the statement, “Please indicate whether you have experienced the below behaviors that you perceived were rooted in bias against people like you while working in the accounting and finance profession in Europe.”

LGBTQIA Persons

Public opinion toward LGBTQIA persons in Cyprus has become more accepting and tolerant since Cyprus sought membership in the EU and had to revise its human rights legislation with respect to sexual orientation and gender identity.³² Yet there may still be more legal and social challenges faced by LGBTQIA persons than by their non-LGBTQIA peers in Cyprus, a country ranked 29th among 49 European countries by ILGA-Europe with respect to the protection of LGBTQIA rights.³³ This includes bias-based violence, anti-LGBTQIA discrimination in the workplace, difficulties with the recognition of same-sex civil partnership, and so on.³⁴ According to participants of this study, members of the LGBTQIA community in Cyprus rarely openly identify themselves for fear of being discriminated or biased against, and LGBTQIA issues are not openly discussed in society, either. Due to the small sample size of survey participants from the LGBTQIA group, survey data collected for the LGBTQIA group in Cyprus are not reported.

Minority Ethnic Groups

Located in the eastern Mediterranean Sea, Cyprus is an island with an estimated population of 1.2 million as of 2019 and is home to Greek Cypriots (nearly 80%), Turkish Cypriots, and other ethnic communities (primarily Armenians and Maronites).³⁵ In this study, 84% of respondents identified themselves as Greek Cypriots and the remainder (17 respondents) as Maronites and other ethnic minorities. Due to the small sample size of survey participants from minority ethnic groups, survey data collected for minority ethnic groups in Cyprus are not reported. Yet participants of this study highlighted the DE&I challenges faced by members of certain minority ethnic groups in the accounting and finance profession, such as underrepresentation at early stages in their careers in the profession, and suggested more inclusive approaches to attract talent from minority ethnic groups through tailored career training and professional education programs.

GERMANY

Fifty-three percent of respondents who identified as current or former accounting practitioners with experience in Germany believe that the accounting profession is equitable, and 59% perceive that the profession is inclusive. Yet 48% of respondents in Germany also left a company because of a lack of equitable treatment, and 50% left due to a lack of inclusion. Consistent with findings across all countries, women and LGBTQIA persons also report they are not advancing into senior leadership roles due to a lack of equity and inclusion. A closer look at women and LGBTQIA persons as well as an overview of context regarding ethnic minorities through study participants with accounting experience in Germany are presented here.

Women

There were an estimated 83 million people living in Germany as of the end of 2018, and women constitute approximately half of the population (42 million).³⁶ According to the statistics of the World Bank, the labor force participation rate for female Germans is 55% as of 2020.³⁷ Nevertheless, a persistent “glass ceiling” is still present in Germany as reflected in the inadequate representation of women in leadership roles. As illustrated in the *Global Gender Gap Report 2021*, women make up just 29% of senior leadership positions in business. Moreover, there still exists a 30% gap between the incomes of men and women in Germany.³⁸ According to *The Economist’s* glass-ceiling index, which measures the role and impact of women in the workforce in countries of the Organisation for Economic Co-operation and Development (OECD), Germany is ranked 18th out of the 29 OECD countries in 2021, slightly below the OECD average.³⁹

In this study, both male and female respondents in Germany expressed similar views with respect to the limited presence of women in senior leadership roles. While about 40% of male respondents in Germany believe that there is inadequate representation of women in senior leadership roles, the percentage of women sharing the same view is much higher (more than 50%). When asked to indicate factors that they believe have contributed to underrepresentation of women in senior leadership roles:

- 53% of female respondents pointed to a lack of equitable access to sponsors or mentors within their organization.
- 49% reported that leaders demonstrate unfair prejudice or bias against women that negatively affects promotion.
- 48% highlighted the lack of consistently provided objective performance feedback.
- 45% observed a greater emphasis on recruitment of women than on retention.

53%

Female professionals do not have equitable access to sponsors or mentors within their organization.

49%

Leaders demonstrate unfair prejudice or bias against female professionals that negatively affects promotion.

48%

Female professionals are not consistently provided objective performance feedback.

While more than two-thirds of female respondents feel that they can be their authentic selves in their organization, almost half of them reported that they have to work much harder than their male counterparts to gain comparable recognition. Moreover, multiple DE&I challenges were reported by female respondents that negatively impact their advancement (see Table 11), leading to one-fourth of them leaving the profession. These challenges include hearing derogatory comments or jokes about people like them (72%) and being yelled at or demeaned by a colleague, supervisor, or leader (69%). Sixty-nine percent said it was suggested to them that they change to a less demanding role or profession. Similar to female professionals in other countries, female respondents in Germany also reported a lack of recognition for their contributions and unfair compensation practices, prompting approximately 25% to leave the profession.

TABLE 11: FEMALE PROFESSIONALS’ PERCEPTIONS OF BIAS-BASED BEHAVIOR IN GERMANY

I heard derogatory comments or jokes about people like me.	72%
I discovered that persons with comparable or lower-level jobs, education, or experience but different demographic backgrounds than me were receiving better compensation.	71%
I was not given recognition for my contributions.	70%
It was suggested that I change to a less demanding role or profession.	69%
I was yelled at or demeaned by a colleague, supervisor, or leader.	69%

Female professionals’ responses to the statement, “Please indicate whether you have experienced the below behaviors that you perceived were rooted in bias against people like you while working in the accounting and finance profession in Europe.”

LGBTQIA Persons

For centuries, homosexuality was banned in Germany, and members of the LGBTQIA community were prosecuted. It was not until 1994 that the ban was eventually abolished.⁴⁰ Ever since, LGBTQIA rights in Germany have evolved significantly, with the adoption of an antidiscrimination law known as the General Act on Equal Treatment in 2006 and the legalization of same-sex marriage in 2017.⁴¹ Furthermore, society shows more tolerance toward members of the LGBTQIA community. For instance, recent polls indicate that 81% of Germans support same-sex marriage, and 86% believe homosexuality to be acceptable in society.⁴² Yet 23% of LGBTQIA persons also feel discriminated against at work, according to a survey conducted by the European Union Agency for Fundamental Rights.⁴³

In this study, while more than 60% of LGBTQIA respondents in Germany perceive LGBTQIA professionals to have equal talent compared to their non-LGBTQIA peers, almost half of them believe that there is underrepresentation of LGBTQIA persons in the profession’s highest leadership roles. When asked to identify factors that they believe have contributed to inadequate representation of LGBTQIA persons in senior leadership roles:

- 43% of LGBTQIA respondents pointed to leaders demonstrating unfair prejudice or bias against them that negatively affects promotion.
- 32% highlighted that they do not consistently receive fair treatment in the recruitment process.
- 25% observed a lack of equitable access to sponsors or mentors within their organization.
- 21% reported a greater emphasis on recruitment of LGBTQIA persons than on retention.

43%

Leaders demonstrate unfair prejudice or bias against LGBTQIA professionals that negatively affects promotion.

32%

LGBTQIA professionals do not consistently receive fair treatment in the recruitment process.

25%

LGBTQIA professionals do not have equitable access to sponsors or mentors within their organization.

Although 71% of these respondents feel their views are respected by their accounting and finance colleagues, almost the same percentage left an organization because of a lack of inclusion, and 56% left an organization due to a lack of equitable treatment. Moreover, LGBTQIA respondents reported multiple challenges, perceived to be rooted in bias, that affect their individual ability to advance (see Table 12). One-fourth of LGBTQIA respondents chose to leave the accounting and finance profession completely.

TABLE 12: LGBTQIA PROFESSIONALS’ PERCEPTIONS OF BIAS-BASED BEHAVIOR IN GERMANY

I heard derogatory comments or jokes about people like me.	85%
I discovered that persons with comparable or lower-level jobs, education, or experience but different demographic backgrounds than me were receiving better compensation.	84%
I was yelled at or demeaned by a colleague, supervisor, or leader.	82%
It was suggested that I change to a less demanding role or profession.	79%
I was not promoted to a position I was qualified for or given additional responsibility for which I demonstrated preparedness.	79%
I was not given recognition for my contributions.	79%

LGBTQIA professionals’ responses to the statement, “Please indicate whether you have experienced the below behaviors that you perceived were rooted in bias against people like you while working in the accounting and finance profession in Europe.”

Minority Ethnic Groups

With an estimated population of 83 million, Germany is a Western European country with primarily ethnic Germans and many other minority ethnic groups such as Turkish, Italian, Greek, and so on.⁴⁴ In this study, more than 90% of respondents identified themselves as ethnic Germans. Due to the small sample size of survey participants from minority ethnic groups, survey data collected for minority ethnic groups in Germany are not reported.

THE NETHERLANDS

Sixty-five percent of respondents who identified as current or former accounting practitioners with experience in the Netherlands believe that the accounting profession is equitable, and 60% perceive that the profession is inclusive. Yet 56% of respondents in the Netherlands also left a company because of a lack of equitable treatment, and 54% left due to a lack of inclusion. Consistent with findings across all countries, women, LGBTQIA persons, and members of minority ethnic groups also report they are not advancing into senior leadership roles due to a lack of equity and inclusion. A closer look at women, LGBTQIA persons, and ethnic minorities through study participants with accounting experience in the Netherlands is presented here.

Women

Like Belgium, there is gender quota legislation that requires that women represent at least one-third of supervisory boards of listed companies in the Netherlands, effective January 1, 2022.⁴⁵ A recent report focusing on the largest 100 publicly listed companies in the Netherlands documented that, while 31% of board seats were held by women in 2021, only 25% of women took senior management roles, 16% as executives and 3% as CEOs.⁴⁶ According to the Royal Dutch Association of Accountants, only 23% of the chartered accountants in the Netherlands are female.⁴⁷ In an interview, Marieke Hormann-Buiting, a partner at PwC Netherlands, said the percentage of women in the partner and director group is rather low, although the gender mix is about 50/50 for entry-level staff and there exists a nice group of women at the manager and senior manager levels.⁴⁸

The respondents of this study also reported the limited presence of women at higher leadership positions in the accounting and finance profession in the Netherlands. Nearly half of female respondents in the Netherlands perceive that women are inadequately represented in senior leadership roles, although almost 60% of them believe that women are considered to have equal talent compared to their male counterparts. When asked to indicate factors that they believe have contributed to underrepresentation of women in senior leadership roles:

- 60% of female respondents reported that they do not consistently receive fair treatment in the recruitment process.
- 48% pointed to leaders demonstrating unfair prejudice or bias against women that negatively affects promotion.
- 47% highlighted a lack of consistently provided objective performance feedback.
- 44% observed a greater emphasis on recruitment of women than on retention.

“Diversity is not a goal in itself, but a source of quality. For PwC, it is a good business case, because it improves the quality of the audit. It is also a goal that society believes in.... I believe the main cause of this [women’s underrepresentation in senior leadership roles] is a lack of role models. Role models are crucial in creating an image of how to do your job well.”

—Marieke Hormann-Buiting, partner, PwC Netherlands

Source: An Harinck, “The women’s quota: time to say goodbye to a male-dominated workplace,” Faces Online, May 26, 2021, bit.ly/3JXrro8.

60%

Female professionals do not consistently receive fair treatment in the recruitment process.

48%

Leaders demonstrate unfair prejudice or bias against female professionals that negatively affects promotion.

47%

Female professionals are not consistently provided objective performance feedback.

More than 60% of female professionals left their organization due to a lack of equitable treatment or inclusion. In addition, female respondents in the Netherlands reported multiple challenges that affect their individual ability to advance (see Table 13). These include a lack of recognition for their contributions, unfair promotion practices, direct bias or discrimination, and so on, resulting in one-fourth of female respondents leaving the accounting and finance profession.

TABLE 13: FEMALE PROFESSIONALS’ PERCEPTIONS OF BIAS-BASED BEHAVIOR IN THE NETHERLANDS

I was yelled at or demeaned by a colleague, supervisor, or leader.	69%
I did not feel safe to contribute my ideas that were different from others’.	67%
I was not given recognition for my contributions.	65%
I was not promoted to a position I was qualified for or given additional responsibility for which I demonstrated preparedness.	62%
I experienced direct bias or discrimination.	60%

Female professionals’ responses to the statement, “Please indicate whether you have experienced the below behaviors that you perceived were rooted in bias against people like you while working in the accounting and finance profession in Europe.”

LGBTQIA Persons

The Netherlands follows a so-called “mainstreaming” approach in establishing and promulgating LGBTQIA policies. Under this approach, issues of sexual orientation and gender identity are considered in all aspects of policies at all levels to achieve greater social acceptance of members of the LGBTQIA community.⁴⁹ In 2001, the Netherlands was the first country to legalize same-sex marriage, and it is considered one of the most culturally liberal countries in the world.⁵⁰ A 2020 poll by Pew Research Center illustrates that 92% of Dutch people believe that homosexuality should be accepted by society, and the acceptance of homosexuality is more significant among women (94%) than among men (90%) in the Netherlands.⁵¹ In addition, the capital city of the Netherlands, Amsterdam, has a reputation as one of the most LGBTQIA-friendly cities in the world, renowned for its numerous accommodations pertaining to LGBTQIA persons such as Pink Point, where visitors can look for LGBTQIA-friendly information; the Homomonument, a memorial that commemorates all gay men and lesbians who have been persecuted because of their sexual orientation; and LGBTQIA-friendly venues including bars, hotels, clubs, and so

on.⁵² Nevertheless, discrimination against LGBTQIA persons still exists. According to a survey conducted in 2019, 35% of LGBTQIA persons in the Netherlands felt discriminated against in at least one area of life, and 14% reported being discriminated against at work.⁵³

In this study, while 77% of LGBTQIA respondents perceive that the accounting and finance profession in the Netherlands is equitable, only 56% view the profession as inclusive. Moreover, almost half of them perceive that LGBTQIA professionals are underrepresented in senior leadership roles, although approximately 65% of LGBTQIA respondents believe that there is adequate representation of LGBTQIA professionals in the profession. When asked to identify factors that they believe have contributed to inadequate representation of LGBTQIA persons in senior leadership roles:

- 30% of LGBTQIA respondents observed that leaders demonstrate unfair prejudice or bias against them that negatively affects promotion.
- 27% reported a greater emphasis on recruitment of LGBTQIA persons than on retention.
- 27% indicated the lack of consistently provided objective performance feedback.
- 19% highlighted that they do not consistently receive fair treatment in the recruitment process.

30%

Leaders demonstrate unfair prejudice or bias against LGBTQIA professionals that negatively affects promotion.

27%

There is a greater emphasis on recruitment of LGBTQIA professionals than on retention.

27%

LGBTQIA professionals are not consistently provided objective performance feedback.

Although 75% of these respondents feel their views are respected by their accounting and finance colleagues, almost the same percentage left an organization because of a lack of equitable treatment or inclusion. LGBTQIA respondents also reported multiple challenges, perceived to be rooted in bias, that affect their individual ability to advance (see Table 14). Of particular importance with regard to assessing inclusion in the profession, LGBTQIA respondents observed that the culture of their organization was geared toward activities that excluded people like them (72%). In addition, they reported that they were yelled at or demeaned by a colleague, supervisor, or leader (77%) and experienced direct bias or discrimination (70%). Three-fourths did not feel safe to contribute their ideas that were different from others’.

TABLE 14: LGBTQIA PROFESSIONALS’ PERCEPTIONS OF BIAS-BASED BEHAVIOR IN THE NETHERLANDS

I was yelled at or demeaned by a colleague, supervisor, or leader.	77%
I did not feel safe to contribute my ideas that were different from others’.	75%
The culture of the company was geared toward activities that excluded people like me.	72%
I was not given recognition for my contributions.	72%
I discovered that persons with comparable or lower-level jobs, education, or experience but different demographic backgrounds than me were receiving better compensation.	70%
I experienced direct bias or discrimination.	70%

LGBTQIA professionals’ responses to the statement, “Please indicate whether you have experienced the below behaviors that you perceived were rooted in bias against people like you while working in the accounting and finance profession in Europe.”

Minority Ethnic Groups

With a population of more than 17 million, the Netherlands is located in Western Europe, bordering Germany and Belgium.⁵⁴ There are multiple ethnic groups in the Netherlands, including Caucasian Dutch (approximately 78%), German (2%), Turks (2%), Moroccans (2%), and others.⁵⁵ In this study, about 68% of respondents identified themselves as Native Dutch, and the remainder are ethnic minorities who identified as Turkish, Moroccan, German, Arabic, Asian, and others.

Although more than half of the respondents from minority ethnic groups in the Netherlands view that ethnic minorities have equal talent compared to their peers of different demographic backgrounds, only 40% of them believe that minority ethnic groups are adequately represented in senior leadership roles in the accounting and finance profession. When asked to indicate factors that they believe have contributed to underrepresentation of ethnic minorities in senior leadership roles:

- 54% of respondents of minority ethnic groups reported a lack of equitable access to sponsors or mentors within their organization.
- 46% pointed to leaders demonstrating unfair prejudice or bias against minority ethnic groups that negatively affects promotion.
- 46% highlighted a lack of consistently provided objective performance feedback.
- 41% observed a greater emphasis on recruitment of ethnic minorities than on retention.

54%

Ethnic minorities do not have equitable access to sponsors or mentors within their organization.

46%

Leaders demonstrate unfair prejudice or bias against ethnic minorities that negatively affects promotion.

46%

Ethnic minorities are not consistently provided objective performance feedback.

Although 75% of respondents from minority ethnic groups feel their views are respected by their accounting and finance colleagues and 60% reported that they can be their authentic selves in their organization, 57% responded that they have to work much harder than their peers of different demographic backgrounds to gain comparable recognition. Generally speaking, 80% of respondents from minority ethnic groups left a company because of a lack of equitable treatment, and 69% of them left due to a lack of inclusion. Respondents from minority ethnic groups also reported multiple challenges, all perceived to be rooted in bias, that affect their individual ability to advance (see Table 15). These factors prompted 24% of these respondents to leave the accounting and finance profession completely.

TABLE 15: MINORITY ETHNIC GROUPS’ PERCEPTIONS OF BIAS-BASED BEHAVIOR IN THE NETHERLANDS

I was yelled at or demeaned by a colleague, supervisor, or leader.	71%
I heard derogatory comments or jokes about people like me.	69%
I did not feel safe to contribute my ideas that were different from others’.	67%
I experienced direct bias or discrimination.	67%
I was not given recognition for my contributions.	66%

Minority ethnic groups’ responses to the statement, “Please indicate whether you have experienced the below behaviors that you perceived were rooted in bias against people like you while working in the accounting and finance profession in Europe.”

PORTUGAL

Forty percent of respondents who identified as current or former accounting practitioners with experience in Portugal believe that the accounting profession is equitable, and 58% perceive that the profession is inclusive. Yet 22% of respondents in Portugal left a company because of a lack of equitable treatment, and 11% left due to a lack of inclusion. Consistent with findings across all countries, women also report they are not advancing into senior leadership roles due to a lack of equity and inclusion. A closer look at women as well as an overview of context regarding LGBTQIA persons and ethnic minorities through study participants with accounting experience in Portugal are presented here.

Women

Ranked 22nd out of 156 countries in the *Global Gender Gap Report 2021*, Portugal had a female labor force participation rate of approximately 54% as of 2020.⁵⁶ The gender mix in the accounting profession in Portugal is generally consistent with these statistics. The accounting profession in Portugal was traditionally dominated by men. It was not until 2010 that the number of female professionals started to exceed that of their male counterparts in the profession. Steady growth of female professionals over the years resulted in women representing 53% of certified accountants by the end of 2018.⁵⁷ Yet research also shows that a larger proportion of women were the lowest income earners in the accounting profession while the majority of the highest income earners were male professionals, implying that women are not advancing in the accounting profession in Portugal.⁵⁸

Similar results are found in this study. Generally speaking, female respondents are significantly less likely than their male counterparts to view the accounting and finance profession in Portugal as equitable and inclusive. While 50% of male respondents perceive the profession as equitable, only 30% of female respondents share the same view. Similarly, 53% of female respondents view the profession as inclusive, while male respondents hold a much more favorable view regarding the inclusion of the profession (63%). Furthermore, nearly two-thirds of female respondents believe that there is inadequate representation of women in senior leadership roles, although more than 80% of them observed adequate representation of women in the profession and almost 70% perceive that women have equal talent compared to their male counterparts. When asked to indicate factors they believe have contributed to underrepresentation of women in senior leadership roles:

- 55% of female respondents said they do not consistently receive fair treatment in the recruitment process.
- 53% pointed to leaders demonstrating unfair prejudice or bias against women that negatively affects promotion.
- 35% observed a greater emphasis on recruitment of women than on retention.
- 33% reported a lack of equitable access to sponsors or mentors within their organization.

55%

Female professionals do not consistently receive fair treatment in the recruitment process.

53%

Leaders demonstrate unfair prejudice or bias against female professionals that negatively affects promotion.

35%

There is a greater emphasis on recruitment of female professionals than on retention.

Approximately 30% of female professionals left a company due to a lack of equitable treatment, and 16% left due to a lack of inclusion. Female respondents in Portugal also reported multiple challenges that affect their individual ability to advance (see Table 16). These include a lack of recognition for their contributions and being yelled at or demeaned by a colleague, supervisor, or leader. Forty-one percent of them also received negative feedback about their communication style, and 38% of them felt the need to correct others’ assumptions about their personal lives. Despite these challenges, the majority of female respondents chose to stay in the accounting and finance profession, with only 2% leaving the profession due to DE&I challenges.

TABLE 16: FEMALE PROFESSIONALS’ PERCEPTIONS OF BIAS-BASED BEHAVIOR IN PORTUGAL

I was not given recognition for my contributions.	62%
I was yelled at or demeaned by a colleague, supervisor, or leader.	48%
I did not feel safe to contribute my ideas that were different from others’.	46%
I received negative feedback about my communication style.	41%
I felt that it was necessary to correct others’ assumptions about my personal life.	38%

Female professionals’ responses to the statement, “Please indicate whether you have experienced the below behaviors that you perceived were rooted in bias against people like you while working in the accounting and finance profession in Europe.”

LGBTQIA Persons

LGBTQIA rights in Portugal have substantially improved in the past decades. In 2010, same-sex marriage was legalized in Portugal, making it the eighth country in the world to recognize same-sex marriage.⁵⁹ In 2011, the Portuguese Gender Identity Law was passed to simplify the process for transgender people to change their name and sex.⁶⁰ Moreover, a parliamentary vote on November 20, 2015, approved the adoption rights of same-sex couples in Portugal.⁶¹ Due to the small sample size of survey participants from the LGBTQIA group, survey data collected for the LGBTQIA group in Portugal are not reported.

Minority Ethnic Groups

Located on the Iberian Peninsula in Southwestern Europe, Portugal is home to 10 million residents, 95% of whom are ethnic Portuguese.⁶² Of the 5% minority ethnic groups, the largest group of ethnic minorities are Africans from Cape Verde.⁶³ Due to the small sample size of survey participants from minority ethnic groups in this study, survey data collected for minority ethnic groups in Portugal are not reported.

ROMANIA

Sixty-four percent of respondents who identified as current or former accounting practitioners with experience in Romania believe that the accounting profession is equitable, and 56% perceive that the profession is inclusive. Yet 27% of respondents in Romania left a company because of a lack of equitable treatment and 17% due to a lack of inclusion. Consistent with findings across all countries, women also reported they are not advancing into senior leadership roles due to a lack of equity and inclusion. A closer look at women as well as an overview of context regarding LGBTQIA persons and ethnic minorities through study participants with accounting experience in Romania are presented here.

Women

Women's rights are subject to the Constitution of Romania, which establishes equal opportunities for women and men at work and in the labor market pertaining to equal pay; equal access to public, civil, or military jobs; and equal access to social security and other social benefits.⁶⁴ Ranked 26th on the Gender Equality Index 2020 by the European Institute for Gender Equality, gender inequalities in Romania are more pronounced in the areas of time spent on care activities and women's political, economic, and social power.⁶⁵ For instance, Romanian women spend a tremendously larger percentage of their time than men caring for children, grandchildren, older people, or people with disabilities as well as conducting housework.⁶⁶ To some extent, this explains why there is a limited presence of women in powerful positions in politics and business sectors. As of 2020, women constitute only 17% of ministers in Romania, 20% of members of parliament, 13% of board members of the largest companies, and 11% of board members of the central bank.⁶⁷ A Deloitte study also shows that Romanian women in leadership positions are underpaid and less likely to be promoted compared with their male counterparts.⁶⁸

"A major barrier [women face to holding a leadership role] is that women still have to choose between family and career. When promotion is on the line, companies tend to take into consideration the time spent at work. Currently, the work quantity is more important than its quality..."

"Maybe a better way to audit productivity and performance in companies would be a solution; I am sure that a lot of women will demonstrate their skills in producing quality work in shorter time instead of quantity work... Women do tend to be better organized and more efficient."

—Georgiana Pogonaru, entrepreneur, one of the top 50 most influential women in Romanian business and one of the "Leading Women Entrepreneurs of the world"

Source: PWN Romania, *Women Leaders: Interview Stories from Professional Women's Network Romania*, 2021, bit.ly/38bSILQ.

For almost 70 years, there was no mention of women accountants in the historical documents of the professional accounting body of Romania.⁶⁹ Although women constitute almost 80% of the Romanian accounting profession today, it was not until the 1990s that the number of women in the profession started to grow.⁷⁰ Nevertheless, conversations with this study's participants revealed that female professionals in Romania still face setbacks in their career advancement due to child care and family responsibilities. Survey respondents in this study also shared similar perspectives regarding equity and inclusion as those in other countries.

Female respondents generally held less favorable views regarding equity and inclusion of the accounting and finance profession in Romania than their male counterparts. While 72% of male respondents view the profession as equitable and 61% view it as inclusive, only 60% of female respondents perceive the profession to be equitable and 54% believe it to be inclusive. Moreover, although 70% of female professionals considered women to have equal talent compared to their male counterparts, one-third of them believe that women are inadequately represented in senior leadership roles. When asked to identify factors that they believe have contributed to inadequate representation of women in senior leadership roles:

- 47% of female respondents said that they do not consistently receive fair treatment in the recruitment process.
- 33% reported a lack of consistently provided objective performance feedback.
- 31% observed a greater emphasis on recruitment of women than on retention.
- 30% pointed to leaders demonstrating unfair prejudice or bias against women that negatively affects promotion.

47%

Female professionals do not consistently receive fair treatment in the recruitment process.

33%

Female professionals are not consistently provided objective performance feedback.

31%

There is a greater emphasis on recruitment of female professionals than on retention.

While nearly 90% of female respondents in Romania reported that their views are respected and they can be their authentic selves in their organizations, one-third responded that they have to work much harder than their male counterparts to gain comparable recognition. Moreover, 27% of female professionals left a company due to a lack of equitable treatment, and 17% left because of a lack of inclusion. Female respondents in Romania also cited multiple DE&I challenges they perceive to be rooted in bias that affect their individual ability to advance (see Table 17), including a lack of recognition for their contributions, unfair compensation and promotion practices, and being yelled at or demeaned by a colleague, supervisor, or leader. Thirty-eight percent of female respondents did not feel safe to contribute ideas that were different from others'. Nevertheless, only 1% of women chose to leave the profession completely due to these challenges.

TABLE 17: FEMALE PROFESSIONALS' PERCEPTIONS OF BIAS-BASED BEHAVIOR IN ROMANIA

I was not given recognition for my contributions.	48%
I discovered that persons with comparable or lower-level jobs, education, or experience but different demographic backgrounds than me were receiving better compensation.	42%
I did not feel safe to contribute my ideas that were different from others'.	38%
I was yelled at or demeaned by a colleague, supervisor, or leader.	34%
I was not promoted to a position I was qualified for or given additional responsibility for which I demonstrated preparedness.	33%

Female professionals' responses to the statement, "Please indicate whether you have experienced the below behaviors that you perceived were rooted in bias against people like you while working in the accounting and finance profession in Europe."

LGBTQIA Persons

While Romania has made significant progress in LGBTQIA rights legislation in the past two decades, Romanian society holds relatively conservative views toward the rights of LGBTQIA persons.⁷¹ The World Values Survey conducted from 2017 to 2020 demonstrates that 54% of respondents would not like to have homosexuals as neighbors, and 61% disagreed that homosexual couples are as good parents as other couples.⁷² Due to the small sample size of study participants from the LGBTQIA group, survey data collected for the LGBTQIA group in Romania are not reported.

Minority Ethnic Groups

Approximately 90% of the population in Romania are ethnic Romanians, with the remainder ethnic minorities such as Hungarians, Germans, and others.⁷³ Due to the small sample size of study participants from minority ethnic groups, survey data collected for minority ethnic groups in Romania are not reported.

TURKEY

Forty-six percent of respondents who identified as current or former accounting practitioners with experience in Turkey believe that the accounting profession is equitable, and 56% perceive that the profession is inclusive. Yet 31% of respondents in Turkey also left a company because of a lack of equitable treatment and 26% left due to a lack of inclusion. Consistent with findings across all countries, women and members of minority ethnic groups also report they are not advancing into senior leadership roles due to a lack of equity and inclusion. A closer look at women and ethnic minorities as well as an overview of context regarding LGBTQIA persons through study participants with accounting experience in Turkey are presented here.

Women

As of 2021, women constituted half of the population of Turkey.⁷⁴ That percentage is much lower in the accounting profession in Turkey. According to a study conducted by the Association des Femmes Experts-Comptables Administrateurs (AFECA) in 2016, 25% of accountants in Turkey were women.⁷⁵ A joint study by Deloitte Turkey and the CFA Society Istanbul on women employed in the financial services sector and the finance and accounting departments of companies in all industries indicated that women face more challenges than their male counterparts, including limited opportunities for promotion, low wages, and the lack of the possibility of working remotely.⁷⁶ In addition, 70% of respondents in the Deloitte study pointed to the underrepresentation of women in leadership positions in the industry due to factors such as a lack of support from higher management, a male-dominated industry, and the need for work-life balance.⁷⁷

Progress toward gender diversity in Turkey's corporate boardrooms has also been slow. Unlike some countries in Europe such as Belgium and the Netherlands, there is no quota in place for women to be placed on corporate boards in Turkey. According to Deloitte's study on women in the boardroom, board seats held by women in Turkey increased by only about 5% from 2014 (10%) to 2021 (15.1%).⁷⁸ Female board chairs barely increased (about 2%) in the past seven years.⁷⁹ In 2021, while 8% of CFOs were women, only 2% of the companies in the study had a female CEO.⁸⁰

Similar observations about the limited presence of women in senior leadership roles have been documented in this study. Female respondents in Turkey shared similar views with their male counterparts with respect to the equity and inclusion of the accounting and finance profession. Yet only 24% of female respondents believe that there is adequate representation of women in the accounting and finance profession in Turkey. A much smaller percentage of female respondents perceive that women are adequately represented in the profession's highest leadership positions. When asked to indicate factors that they believe have contributed to underrepresentation of women in senior leadership roles:

- 66% of female respondents said that they do not consistently receive fair treatment in the recruitment process.
- 63% pointed to leaders demonstrating unfair prejudice or bias against women that negatively affects promotion.
- 51% observed a greater emphasis on recruitment of women than on retention.
- 46% reported a lack of equitable access to sponsors or mentors within their organization.

"Turkey should make it a priority to increase gender diversity in boardrooms. Gender diversity not only provides different perspectives and more challenge in the boardroom, but also offers more innovative and complex solutions. Importantly, developing a sustainable supply of female talent may also require broader cultural reform of working practices. There is a strong public interest in Turkey to deliver a more equal and effective business world..."

—Murat Gunaydin, risk advisory director, Deloitte Turkey

Source: Deloitte, *Women in the boardroom: A global perspective*, seventh edition, 2022 bit.ly/3NFGxke.

66%

Female professionals do not consistently receive fair treatment in the recruitment process.

63%

Leaders demonstrate unfair prejudice or bias against female professionals that negatively affects promotion.

51%

There is a greater emphasis on recruitment of female professionals than on retention.

Although more than 80% of female respondents reported that their views are respected by their accounting and finance colleagues, more than one-third of them did not feel that they could be their authentic selves in their organizations, and almost half of them said they had to work much harder than their male counterparts to gain comparable recognition. Furthermore, 44% of female professionals left a company due to a lack of equitable treatment, and 38% left because of a lack of inclusion. While female respondents in Turkey also cited multiple DE&I challenges rooted in bias that affect their individual ability to advance (see Table 18), they rarely leave the accounting and finance profession completely due to these challenges.

TABLE 18: FEMALE PROFESSIONALS’ PERCEPTIONS OF BIAS-BASED BEHAVIOR IN TURKEY

I was not given recognition for my contributions.	50%
I did not feel safe to contribute my ideas that were different from others’.	47%
I was yelled at or demeaned by a colleague, supervisor, or leader.	41%
I discovered that persons with comparable or lower-level jobs, education, or experience but different demographic backgrounds than me were receiving better compensation.	35%
I experienced direct bias or discrimination.	35%

Female professionals’ responses to the statement, “Please indicate whether you have experienced the below behaviors that you perceived were rooted in bias against people like you while working in the accounting and finance profession in Europe.”

LGBTQIA Persons

Turkey has not legislated the protection of the rights of LGBTQIA persons, although homosexuality is legal and transgender people are allowed to change their legal gender in Turkey.⁸¹ According to the participants in this study, LGBTQIA issues are not openly discussed in society, and members of the LGBTQIA community are less likely to identify themselves in the accounting and finance profession in Turkey. Due to the small sample size of study participants from the LGBTQIA group, survey data collected for the LGBTQIA group in Turkey are not reported.

Minority Ethnic Groups

Located by the Mediterranean Sea, Turkey is a transcontinental country lying mainly in Western Asia, with a portion in Southeast Europe.⁸² As of 2021, Turkey had a population of more than 84 million, with Turks as the majority (70% to 75%) and Kurds (19%) and other ethnic groups as minorities.⁸³ In this study, 76% of respondents self-identified as Turks, with the remainder being Kurdish, Circassian, and others.

Respondents from minority ethnic groups share similar views with their peers from the majority ethnic group regarding the equity and inclusion of the accounting and finance profession in Turkey. Nevertheless, only one-fourth of respondents from minority ethnic groups perceive that there is adequate representation of ethnic minorities in senior leadership roles in the profession. When asked to indicate factors that they believe have contributed to underrepresentation of ethnic minorities in senior leadership roles:

- 55% of respondents of minority ethnic groups highlighted a lack of fair treatment in the recruitment process.
- 55% reported a lack of equitable access to sponsors or mentors within their organization.
- 50% pointed to leaders demonstrating unfair prejudice or bias against minority ethnic groups that negatively affects promotion.
- 50% observed a lack of consistently provided objective performance feedback.

55%

Ethnic minorities do not consistently receive fair treatment in the recruitment process.

55%

Ethnic minorities do not have equitable access to sponsors or mentors within their organization.

50%

Leaders demonstrate unfair prejudice or bias against ethnic minorities that negatively affects promotion.

Although 68% of respondents from minority ethnic groups feel their views are respected by their accounting and finance colleagues and 63% reported that they can be their authentic selves in their organizations, 49% responded that they have to work much harder than their peers of different demographic backgrounds to gain comparable recognition. In addition, more than 40% of respondents from minority ethnic groups left a company because of a lack of equitable treatment or inclusion. Respondents from minority ethnic groups also reported multiple challenges, all perceived to be rooted in bias, that affect their individual ability to advance (see Table 19). Regardless of these challenges, only 4% of ethnic minorities chose to leave the accounting and finance profession in Turkey completely.

TABLE 19: MINORITY ETHNIC GROUPS’ PERCEPTIONS OF BIAS-BASED BEHAVIOR IN TURKEY

I did not feel safe to contribute my ideas that were different from others’.	45%
I felt that it was necessary to correct others’ assumptions about my personal life.	42%
I was not given recognition for my contributions.	39%
I discovered that persons with comparable or lower-level jobs, education, or experience but different demographic backgrounds than me were receiving better compensation.	39%
I was told or it was suggested that my skills were uncommon or atypical of people like me.	37%
I experienced direct bias or discrimination.	37%

Minority ethnic groups’ responses to the statement, “Please indicate whether you have experienced the below behaviors that you perceived were rooted in bias against people like you while working in the accounting and finance profession in Europe.”

UNITED KINGDOM

Seventy percent of respondents who identified as current or former accounting practitioners with experience in the U.K. believe that the accounting profession is equitable, and 66% perceive that the profession is inclusive. Yet 32% of respondents in the U.K. left a company because of a lack of equitable treatment, and 31% left due to a lack of inclusion. Consistent with findings across all countries, women, LGBTQIA persons, and members of minority ethnic groups also report they are not advancing into senior leadership roles due to a lack of equity and inclusion. A closer look at women, LGBTQIA persons, and ethnic minorities through study participants with accounting experience in the U.K. is presented here.

Women

It has been more than a century since women were first allowed to enter the accounting profession in the U.K. after the passage of the Sex Disqualification (Removal) Act 1919.⁸⁴ In 2020, according to the Financial Reporting Council, approximately 37% of members of all seven major U.K. accountancy

bodies (i.e., ACCA, Association of International Accountants, Chartered Accountants Ireland, Chartered Institute of Management Accountants, Chartered Institute of Public Finance and Accountancy, Institute of Chartered Accountants in England and Wales, and Institute of Chartered Accountants of Scotland) were female, with ACCA having the highest percentage of female members (48%).⁸⁵ Moreover, the overall percentage of female students in these accounting bodies in 2020 was as high as 50%, with ACCA again having the highest percentage (60%), implying a more gender-balanced labor force entering the accounting profession.⁸⁶ Yet senior leadership in the accounting profession in the U.K. is much less diversified. In the 26 audit firms that audit public interest entities surveyed by the Financial Reporting Council in 2020, while half of managers are female, the percentage of women at the director (approximately 30%) or partner level (less than 20%) is much lower.⁸⁷ This is especially the case for smaller companies (i.e., with fewer than 200 employees).⁸⁸

Similar results have been found in this study. While nearly two-thirds of female respondents in the U.K. perceive women to have equal talent compared to their male counterparts, more than half of them also believe that women are underrepresented in senior leadership roles in the accounting and finance profession. When asked to identify factors that they believe have contributed to inadequate representation of women in senior leadership roles:

- 54% of female respondents pointed to leaders demonstrating unfair prejudice or bias against them that negatively affects promotion.
- 51% responded that they do not consistently receive fair treatment in the recruitment process.
- 45% observed a greater emphasis on recruitment of women than on retention.
- 34% reported a lack of equitable access to sponsors or mentors within their organization.

“There are some fantastic female professionals working in finance who add real value to their organisations.... Diversity can add real value to businesses and having a better representation of women on the board is seen as a key part of this. While many employers understand these benefits, the challenge they now face is changing the perception of what goes on in the boardroom in order to attract female leaders into such senior roles.”

—Chris McCarthy, director, Hays Senior Finance

Source: ACCA, “Career development: A woman’s world,” bit.ly/3rjq50V.



While two-thirds of female respondents felt that they can be authentic in their finance and accounting organization, nearly half of them reported that they have to work much harder than their male counterparts to gain comparable recognition. More than one-third of female professionals also left a company due to a lack of equitable treatment or inclusion. Female respondents in the U.K. also cited multiple DE&I challenges perceived to be rooted in bias that affect their individual ability to advance (see Table 20), including a lack of recognition for their contributions, unfair promotion practices, hearing derogatory comments or jokes about people like them, and being yelled at or demeaned by a colleague, supervisor, or leader. Forty-one percent of female respondents did not feel safe to contribute ideas that were different from others'. These challenges prompted 10% of women to leave the profession completely.

TABLE 20: FEMALE PROFESSIONALS' PERCEPTIONS OF BIAS-BASED BEHAVIOR IN THE UNITED KINGDOM

I was not given recognition for my contributions.	65%
I did not feel safe to contribute my ideas that were different from others'.	41%
I heard derogatory comments or jokes about people like me.	41%
I was yelled at or demeaned by a colleague, supervisor, or leader.	40%
I was not promoted to a position I was qualified for or given additional responsibility for which I demonstrated preparedness.	40%

Female professionals' responses to the statement, "Please indicate whether you have experienced the below behaviors that you perceived were rooted in bias against people like you while working in the accounting and finance profession in Europe."

LGBTQIA Persons

The U.K. is among the most advanced countries in Europe with respect to rights of LGBTQIA persons. After almost five centuries of fighting for equality and social acceptance, members of the LGBTQIA community have most of the same legal rights as their non-LGBTQIA peers today.⁸⁹ For instance, the Equality Act 2010 provides protections for LGBTQIA employees from discrimination, harassment, and victimization in the workplace, and the Marriage (Same Sex Couples) Act 2013 legalized same-sex marriage in England and Wales.⁹⁰ Scotland and Northern Ireland followed suit with the enactment of legislation to legalize same-sex marriage in 2014 and 2020, respectively.⁹¹ A Pew Research Center survey

also illustrates that 86% of respondents in the U.K. believe that homosexuality should be accepted by society.⁹² Yet a national LGBTQIA survey conducted in 2018 indicated that LGBTQIA persons in general had lower life satisfaction compared with the wider population in the U.K.⁹³

In this study, LGBTQIA respondents generally held less favorable views regarding equity and inclusion of the accounting and finance profession in the U.K. than their non-LGBTQIA peers. While 72% of non-LGBTQIA respondents view the profession as equitable and 69% view it as inclusive, only 61% of LGBTQIA respondents perceive the profession to be equitable, and 50% believe it to be inclusive. In addition, although more than half of LGBTQIA respondents consider LGBTQIA professionals to have equal talent compared to their non-LGBTQIA peers, they also believe that LGBTQIA professionals are inadequately represented in senior leadership roles. When asked to identify factors that they believe have contributed to underrepresentation of LGBTQIA persons in senior leadership roles:

- 43% of LGBTQIA respondents reported a greater emphasis on recruitment of LGBTQIA persons than on retention.
- 36% observed that leaders demonstrate unfair prejudice or bias against LGBTQIA professionals that negatively affects promotion.
- 36% highlighted that they do not consistently receive fair treatment in the recruitment process.
- 32% indicated the lack of consistently provided objective performance feedback.

43%

There is a greater emphasis on recruitment of LGBTQIA professionals than on retention.

36%

Leaders demonstrate unfair prejudice or bias against LGBTQIA professionals that negatively affects promotion.

36%

LGBTQIA professionals do not consistently receive fair treatment in the recruitment process.

Although 75% of these respondents feel their views are respected by their accounting and finance colleagues, almost the same percentage responded that they have to work much harder than their non-LGBTQIA peers to gain comparable recognition. LGBTQIA respondents also reported multiple challenges, perceived to be rooted in bias, that affect their individual ability to advance (see Table 21). Of particular importance with regard to assessing inclusion in the profession, LGBTQIA respondents reported that they have heard derogatory comments or jokes about people like them, and some said it was suggested that they change to a less demanding role or profession. More than half of them did not feel safe to contribute their ideas that were different from others'. These challenges resulted in almost 20% of LGBTQIA respondents leaving the accounting and finance profession completely.

TABLE 21: LGBTQIA PROFESSIONALS' PERCEPTIONS OF BIAS-BASED BEHAVIOR IN THE UNITED KINGDOM

I was not given recognition for my contributions.	79%
I discovered that persons with comparable or lower-level jobs, education, or experience but different demographic backgrounds than me were receiving better compensation.	61%
It was suggested that I change to a less demanding role or profession.	57%
I heard derogatory comments or jokes about people like me.	57%
I did not feel safe to contribute my ideas that were different from others'.	54%

LGBTQIA professionals' responses to the statement, "Please indicate whether you have experienced the below behaviors that you perceived were rooted in bias against people like you while working in the accounting and finance profession in Europe."

Minority Ethnic Groups

According to the World Bank, the total population in the U.K. was estimated to be 67 million as of 2021. Of the 56 million people living in England and Wales, 86% are white, followed by Asian (7.5%), Black (3.3%), mixed/multiple (2.2%), and other ethnic groups (1%).⁹⁴ In this study, 71% of respondents identified themselves as white, with the remainder being minority ethnic groups such as Black, Indian, Pakistani, Chinese, and other ethnic groups. More than half of the respondents from minority ethnic groups reported that there is inadequate representation of ethnic minorities in senior leadership roles in the accounting and finance profession in the U.K. When asked to indicate factors that they believe have contributed to underrepresentation of ethnic minorities in senior leadership roles:

- 58% of respondents of minority ethnic groups highlighted a lack of fair treatment in the recruitment process.
- 52% pointed to leaders demonstrating unfair prejudice or bias against minority ethnic groups that negatively affects promotion.
- 46% observed a greater emphasis on recruitment of ethnic minorities than on retention.
- 44% reported a lack of equitable access to sponsors or mentors within their organization.



Ethnic minorities do not consistently receive fair treatment in the recruitment process.



Leaders demonstrate unfair prejudice or bias against ethnic minorities that negatively affects promotion.



There is greater emphasis on recruitment than on retention for ethnic minorities.

Although 64% of respondents from minority ethnic groups feel their views are respected by their accounting and finance colleagues and 56% reported that they can be their authentic selves in their

organizations, 64% responded that they have to work much harder than their peers of different demographic backgrounds to gain comparable recognition. Moreover, 42% of respondents from minority ethnic groups left a company because of a lack of equitable treatment or inclusion. Respondents from minority ethnic groups also reported multiple challenges, all perceived to be rooted in bias, that affect their individual ability to advance (see Table 22). These factors prompted 12% of these respondents to leave the accounting and finance profession completely.

TABLE 22: MINORITY ETHNIC GROUPS’ PERCEPTIONS OF BIAS-BASED BEHAVIOR IN THE UNITED KINGDOM

I was yelled at or demeaned by a colleague, supervisor, or leader.	54%
I was not given recognition for my contributions.	54%
I heard derogatory comments or jokes about people like me.	50%
I did not feel safe to contribute my ideas that were different from others’.	50%
It was suggested that I change to a less demanding role or profession.	48%

Minority ethnic groups’ responses to the statement, “Please indicate whether you have experienced the below behaviors that you perceived were rooted in bias against people like you while working in the accounting and finance profession in Europe.”



PART II

Diversity, Equity, and Inclusion: The Future of the Profession

Heightened global interconnectivity, technological advances, and renewed attention to accountants’ pivotal societal role create a mandate for a broad-based conception of talent through enhanced DE&I, particularly among senior leadership.⁹⁵ The current transformation that is redefining the profession for the next century requires reconsidering individual behavior and raises a call for collective action by the profession as a whole.

Ethical Imperative

A hallmark of the accounting profession is adherence to a universal set of ethical standards. Businesses, governments, and other organizations rely on and place confidence in accountants’ work because of their commitment to act ethically, objectively, and in the public interest. Ethics is the foundation of a purpose-driven profession, defined by the valuable asset of trustworthiness.⁹⁶

The *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the *Code*) by the International Ethics Standards Board for Accountants (IESBA) requires accountants to comply with five fundamental principles of ethics—integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.⁹⁷ Among other attributes, ethical accountants:

- Act with integrity by being straightforward and honest in all professional and business relationships. This involves fair dealing and having the strength of character to act appropriately even when facing pressure to do otherwise, or when doing so might create adverse personal or organizational consequences.
- Are objective and exercise professional or business judgment without being compromised by bias, conflict of interest, or undue influence of individuals, organizations, technology, or other factors.
- Are committed to attaining and maintaining the professional competence, knowledge, and skill required to exercise sound judgments. This requires a continuing awareness and understanding of relevant technical, business, and technological developments.
- Behave in a manner consistent with the profession’s responsibility to act in the public interest in all professional activities and business relationships.
- Comply with relevant laws and regulations and avoid any conduct that might discredit the accounting profession as a whole.

The *Code*’s requirements and application material, especially the principles of ethics, help accountants fulfill their public interest responsibility. In acting in the public interest, accountants consider not only the preference of their employing organization or an individual client, but also the interest of all stakeholders. Although the *Code* does not expressly address DE&I, it notes the



importance of having ethical values that align internal organizational cultures to the principles of ethics in the *Code*. Compliance with the *Code*'s principles of ethics can help support the effectiveness of DE&I programs. For example, compliance with integrity involves fair dealing. Fair dealing includes respecting and promoting values of DE&I.

More broadly, the *Code* implores all accountants to have an inquiring mind, exercise professional judgment, and use a reasonable and informed third-party test when applying a specified conceptual framework to identify, evaluate, and address threats to compliance with the principles of ethics.

- Having an inquiring mind involves considering the source, relevance, and sufficiency of information obtained, and remaining open and alert to circumstances that demand further investigation or action. This includes considering whether information or its source might be biased.
- Exercising professional judgment is necessary to make informed and appropriate decisions. It involves the application of relevant training, professional knowledge, skill, and experience. Among others, it also involves a consideration of whether the accountant's own preconception or bias might be affecting the exercise of professional judgment. In this regard, the *Code* provides examples of potential bias to be aware of when exercising professional judgment.
- Using a reasonable and informed third-party test involves a consideration of whether a third party might reach the same conclusions as the accountant.

Changing Expectations

Professional accountants, like others in the workforce, are operating within a rapidly changing environment with unprecedented uncertainties. Around the world, corporate priorities and public expectations are changing rapidly. Society's global movement toward *improving the lives and prospects of everyone, everywhere* creates opportunities for professional accountants to renew their commitment to leadership in the arena of ethical business practices.

In 2015, the United Nations (U.N.) member states unanimously adopted 17 Sustainable Development Goals (SDGs) as a universal call to action to end poverty, protect the planet, and improve the lives and prospects of everyone, everywhere.⁹⁸ The accounting profession's public interest imperative overlaps with several of the U.N. SDGs around decent work and economic growth, gender equality, quality education, and reduced inequality within and among countries. As highlighted by Stavros Thomadakis, former chairman of IESBA, "The accounting profession is uniquely positioned to lead on these goals, as ethics forms part of its value-proposition."⁹⁹

In its December 2020 Point of View (POV), "Embracing a People-Centered Profession," IFAC noted, "the accountancy profession can and must take the lead on achieving gender equality and fully embedding a culture of diversity and inclusion into its DNA. It's the right thing to do; it's good for business; and the continued relevance of the profession depends on it."¹⁰⁰

The Value of Ethics

A strong ethical culture enables the implementation of DE&I programs. The *Code* underscores professional accountants' role in encouraging and promoting ethics-based cultures in their organizations, taking into account their position and seniority.¹⁰¹ The *Code* acknowledges that the promotion of an ethical culture is most effective when leaders and those in managerial roles hold themselves accountable for living ethical values and adhering to policies that are put in place.¹⁰² Similar to other policies aimed at promoting ethical behavior in the workplace, DE&I programs thrive when avenues exist to encourage and protect those who create dialogue as a means to resolve actual and suspected noncompliance.¹⁰³

As noted in the IFAC POV, "Diversity without meaningful inclusion in decision-making and leadership has no impact.... [Further,] diversity and inclusion as a mindset...should be embedded

into work cultures at every level.”¹⁰⁴ Inclusive work cultures are necessary to support competency at all levels of an organization. This study found that, when paired with equitable treatment, an organization with an inclusive work culture helps to ensure that individuals stay fully engaged and motivated toward strong performance and value delivery. It is important that leaders recognize that each employee has unique skills, talents, and experiences. Therefore, rather than a check-the-box approach to human capital resources, it is beneficial to tailor processes that support, develop, and coach each employee in a way that allows for nurturing talent toward its best use. To this end, moved by a responsibility to act with integrity, objectivity, competence, and due care, ethical leaders in the accounting profession are well positioned to serve as credible and trustworthy enablers and champions of DE&I. •

Ethical leaders in the accounting profession are well positioned to serve as credible and trustworthy enablers and champions of DE&I.

Solutions for Change

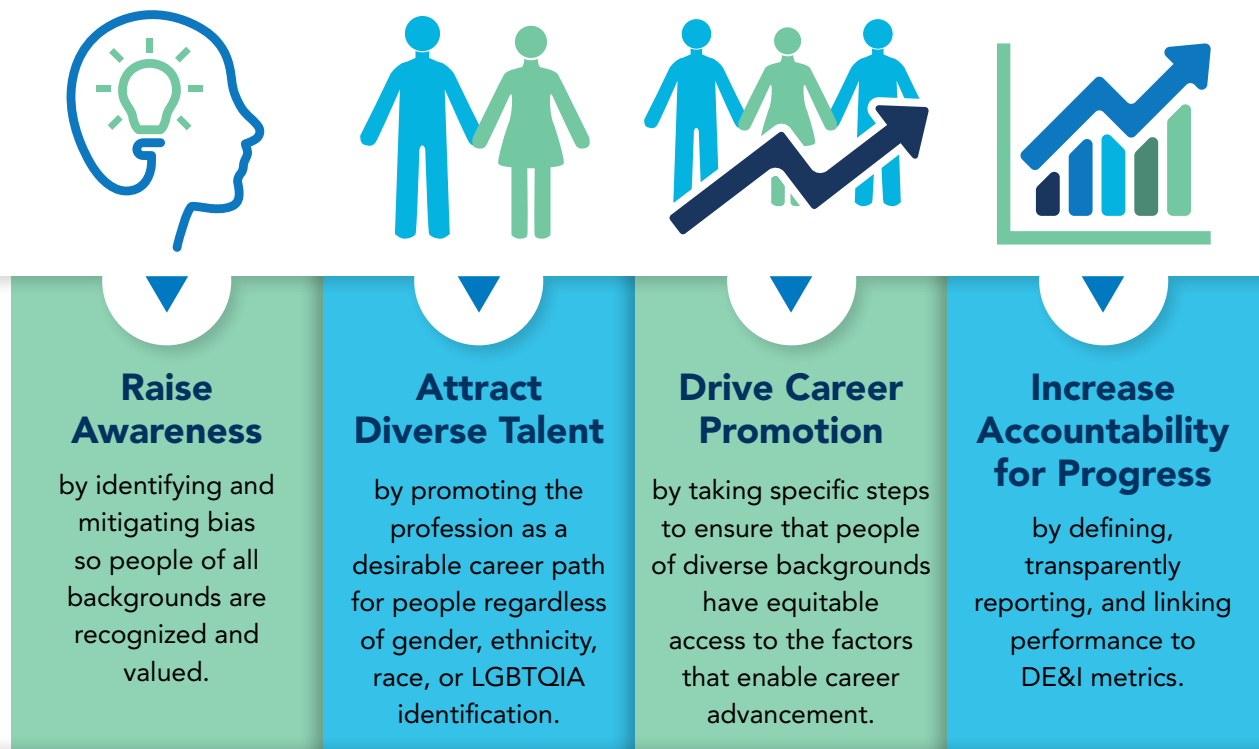
To thrive and meet 21st Century demands, the profession must take action to attract and develop diverse talent.

Multiple participants in this study observed that ongoing pressures to meet regulatory burdens and improve efficiency take up significant time and resources. As a result, attention to talent and innovation, including attention to DE&I, is a lower priority until the need is viewed as critical.

The profession’s long-term viability and strength depend on attracting, retaining, and promoting the next generation of professional leadership. Study participants stated that previous initiatives have not brought about adequate results, and the status quo is unlikely to close the diversity gap at senior levels. Without expansive targeted efforts, the profession risks being unable to attract the people resources to meet transformational demands.

DE&I challenges emerge at every point on the career pathway. Therefore, reversing the trends requires attention and action at every step along the pipeline. One-on-one interviews revealed the view that the needed change will involve “everybody”—the collective efforts of parents, high school teachers, guidance counselors, university admissions officers, professors, administrators, hiring personnel, peers, and senior leadership. More specifically, the suggestions for action fall into four primary categories: awareness, attraction, promotion, and accountability.

FIGURE 5: KEY FOCUS AREAS FOR DE&I ACTION



Awareness: Identifying and mitigating conscious and unconscious bias so people of all backgrounds are seen as talented, capable, and valued contributors.

- Observe the capabilities of existing employees; see them as talented and professional.
- Identify and actively work to correct presumptive biases about aptitude.
- Create forums that allow for honest interaction, open communication, and listening.
- Avoid stigmatizing people whose bias may be unconscious as this can cause them to disengage and resist.
- Explain and provide examples of microaggressions, stereotypes, and unconscious bias. Heighten awareness of how a lack of equity and inclusion manifests today.

Attraction: Acting in a way that promotes the profession as a desirable career path for people regardless of gender, ethnicity, race, or LGBTQIA status.

- Serve as mentors and introduce diverse groups of people to the profession. There are insufficient or inadequate interactions between members of our profession and people in underrepresented communities.
- Find and express points of common value with students of diverse backgrounds and their potential path through the profession.

Promotion: Taking specific steps to ensure that people of diverse backgrounds have equitable access to the factors that enable career progression.

- Assign people to clients, teams, and projects without favoritism, bias, or presumptions about interest and capabilities.
- Offer a follow-up process to correct microaggressions. Study participants reported diverse talent often “stays quiet” and does not report these instances for fear of retaliation or lack of anonymity.
- Innovate to help professionals meet work and/or family or other personal responsibilities.
- Provide exposure to how things work at the higher levels to people of all backgrounds. Prepare and groom them for senior management roles.

Accountability: Measuring the performance and progress of all professionals regarding the first three components—awareness, attraction, and advancement.

- Create internal processes to heighten awareness and eliminate microaggressions.
- Support further research into talent and diversity in the profession.
- Hold leaders in practice and academia accountable with links to compensation and performance.
- Measure and report progress on equity and inclusion, not just diversity.
- Work across the profession’s ecosystem transparently and collaboratively toward measurable progress.

Already exhibiting high ethical standards and awareness of the positive transformational outcomes possible with greater diversity, many practitioners and leaders of all backgrounds are passionately committed to improving DE&I in the profession. More importantly, this study found that their commitment is backed by action. The following are some examples of such action.

- **Community through high school or secondary school:** Professional accounting organizations arrange visits to high schools or secondary schools in underserved communities to raise awareness about the accounting profession. Some partner with universities to invite high school or secondary school students of diverse backgrounds for on-site or even residential visits so they can meet accounting program faculty, students, and professionals.
- **Colleges and universities:** There are members of academe who are intentional about equitably engaging every student in the classroom and ensuring that support and resources are present for students of all backgrounds to succeed.
- **Corporations and public accounting firms:** Corporate boards of some companies have written diversity goals into senior executives' performance contracts. Companies have created mentorship programs that leaders join voluntarily and ensure equitable opportunities for diverse staff to participate. Recruitment teams have mandated diverse interview panels and interviewees, and some have even dedicated resources to proactively develop databases of external, experienced candidates of diverse backgrounds to be searched alongside others when positions become available.
- **Practitioners:** Many practitioners, including those outside leadership positions, decide to speak up when they observe what they perceive to be biased behavior in the profession. Some consciously use terms such as *partner*, *spouse*, *we*, and *us* instead of *wife*, *husband*, *them*, or *they*. Many choose hope and optimism in discussing the DE&I work to be done and actively and visibly support DE&I initiatives.

To achieve greater diversity in senior leadership roles and widespread progress in equity and inclusion, respondents indicate the profession needs more role models, courage, and innovation—role models to demonstrate the feasibility of progress, courage to have uncomfortable conversations, and innovation to develop and implement transformative approaches.

For actionable recommendations for mobilizing ethical principles in a DE&I context, see *Diversifying Global Accounting Talent: Actionable Solutions for Progress* at myima.org/DEIsolutions. •

DRIVING CHANGE

The accounting profession in Europe has a significant diversity gap among its senior leadership that, unless addressed, will inhibit its long-term sustainability, innovation, and fulfillment of fundamental ethical principles to act in the public interest. The future of the profession is greatly dependent upon its ability to attract, retain, and promote diverse talent.

The overwhelming majority of this study's female, LGBTQIA, and ethnic minority participants reported that their respective groups are underrepresented in senior roles due to a lack of equity and inclusion. Diverse talent's experiences of inequity and exclusion have led to disengagement, employee turnover, and, for some, leaving the profession. The older segments of the profession are at or close to retirement age, and younger talent in Europe is growing more diverse. In the absence of visible role models with whom diverse people can identify and expansive, targeted efforts to improve equity and inclusion, history and the current state of DE&I suggest the diversity gap will remain.

Closing the Diversity Gap

This study highlights key DE&I matters impacting the future of the profession and areas of focus for future research and improvement efforts. As presented by this study's participants, solutions to improve equity and inclusion and to close the

diversity gap in the accounting profession in Europe include coordinated initiatives to:

- Raise awareness,
- Attract talent,
- Drive career promotion, and
- Increase accountability for progress.

Members of the accounting profession's ecosystem have the opportunity to be part of the solution by:

- Acknowledging the impact of the current state of DE&I on the talent pipeline and on the transformation,
- Prioritizing the establishment of an end-to-end diverse talent pipeline, and
- Leveraging ethical principles to foster an unbiased, inclusive, and respectful culture.

Accounting professionals already have solutions to offer to build awareness and attract more diverse talent to the profession. Existing ethical principles provide the foundation to equitably recognize the value diverse talent is ready to contribute. Increasing accountability in these areas is likely to yield the agility, innovation, and responsiveness that the profession needs for this fast-changing business world. With improved DE&I, the profession, built on a centuries-old foundation of ethics and values, will continue to thrive. •

APPENDIX A: RESEARCH APPROACH

To perform a holistic assessment of the current state of the accounting profession in Europe from a DE&I perspective, IMA and IFAC cosponsored a regional study of DE&I focusing on three demographic groups: females, LGBTQIA persons, and minority ethnic groups. With the support and contributions of global research partner American Accounting Association; research partners FP&A Trends Group, Institute of Certified Public Accountants of Cyprus (ICPAC), Order of Certified Accountants (OCC)–Portugal, Body of Expert and Licensed Accountants of Romania (CECCAR), and Union of Chambers of Certified Public Accountants of Turkey (TÜRMOB); and research advisors Eleni Ashioti, Ekaete Efretuei, Sarah Gagnon, Bernardin Generalao, Adrian Lim, Paola Madini, Alain Mulder, Melody Scales, Mike Schulze, Gabriela Stan, and Anna Vysotskaya, this study aimed to identify the following:

- Key factors contributing to the underrepresentation of certain demographic groups in the accounting profession in senior leadership roles in Europe,
- The impact of DE&I on Europe’s accounting transformation and talent pipeline for accounting professionals within the region, and
- The actions needed to remedy underrepresentation of certain groups in the accounting profession at all organizational levels in Europe.

Findings are based on a survey of 3,268 current and former accounting professionals and academics in Europe. We surveyed the accounting profession from primarily 16 countries in Europe, including Austria, Belgium, Cyprus, France, Germany, Ireland, Luxembourg, the Netherlands, Poland, Portugal, Romania, Russia, Spain, Switzerland, Turkey, and the United Kingdom (see Table A1). A summary of key respondent demographics can be found in Figure A1. Of the 3,268 survey respondents, about 53% identified as female, about 14% identified as LGBTQIA persons, and 14% identified as members of minority ethnic groups.

FIGURE A1: DEMOGRAPHIC COMPOSITION OF DE&I SURVEY RESPONDENTS

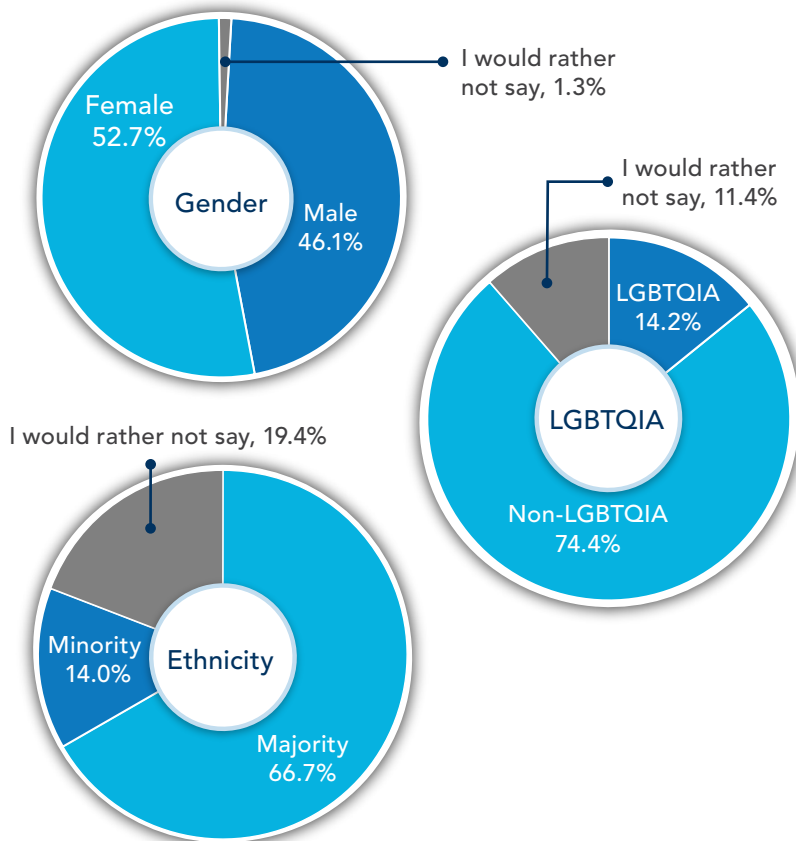


TABLE A1: LOCATION*

Austria	0.18%
Belgium	10.49%
Cyprus	4.00%
France	0.28%
Germany	12.37%
Ireland	0.14%
Luxembourg	0.18%
The Netherlands	10.60%
Poland	0.14%
Portugal	7.09%
Romania	27.14%
Russia	0.14%
Spain	0.21%
Switzerland	0.35%
Turkey	16.23%
United Kingdom	7.55%
Others	2.91%

TABLE A2: AGE*

Less than 23	4.46%
23-38	35.59%
39-54	40.45%
55-64	12.42%
65-73	5.65%
74 and older	1.07%
I would rather not say	0.36%

Limitations

- In conducting interviews, during instances of intersectionality, the research team often could not differentiate between personal narratives based on one demographic (such as ethnicity) vs. another demographic (such as gender). For example, it was not uncommon for a woman of a minority ethnic group to state she was unable to discern whether inequitable or noninclusive behavior toward her is due to her ethnicity or her gender.
- The survey produced voluminous data that were analyzed for the purpose of identifying major trends and potential solutions. Cross-comparison on all questions was not conducted. Further analysis in the future may yield results that provide additional depth of insight.
- The results in this study could not completely rule out the possibility that perceptions of DE&I are driven by variations in expectations. For instance, respondents in certain countries provide a more favorable view with respect to the equity and inclusion of the accounting and finance profession, which could be attributable to lower expectations of the extent of DE&I in the profession compared with the expectations of respondents from other countries in our sample. Further analysis in future research may provide additional insight.

APPENDIX B: DIVERSITY AND PERFORMANCE

STUDY	AUTHOR	SUMMARY	REFERENCE
<p>“Understanding organizational barriers to a more inclusive workplace”</p>	<p>Peter Bailinson, William Decherd, Diana Ellsworth, and Maital Guttman</p>	<p>Thirty-nine percent of all respondents say they have turned down or decided not to pursue a job because of a perceived lack of inclusion at an organization.</p> <p>Eighty-four percent of all respondents have experienced workplace microaggressions, which are everyday slights rooted in bias.</p>	<p>McKinsey & Company, June 23, 2020, mck.co/3nNOZAX</p>
<p>“Why diversity matters”</p>	<p>Vivian Hunt, Dennis Layton, and Sara Prince</p>	<p>Companies in the top quartile for racial and ethnic diversity are 35% more likely to have financial returns above their respective national industry medians.</p> <p>Companies in the top quartile for gender diversity are 15% more likely to have financial returns above their respective national industry medians.</p> <p>In the U.S., there is a linear relationship between racial and ethnic diversity and better financial performance: For every 10% increase in racial and ethnic diversity on the senior executive team, earnings before interest and taxes (EBIT) rise 0.8%.</p>	<p>McKinsey & Company, January 1, 2015, bit.ly/2o8MVVo</p>
<p>“Diversity and inclusiveness means growth”</p>		<p>Within EY, groups that lead on engagement, including the ability to “feel free” to be oneself at work, correspond with four points higher revenue growth, eight points higher gross margin, and eight points higher retention.</p>	<p>EY, go.ey.com/2LSTuwC</p>

STUDY	AUTHOR	SUMMARY	REFERENCE
<i>Innovation, Diversity and Market Growth</i>	Sylvia Ann Hewlett, Melinda Marshall, and Laura Sherbin with Tara Gonsalves	Companies with diverse teams are 45% more likely to improve market share and 70% more likely to capture a new market.	Center for Talent Innovation, 2013, bit.ly/2LXsxru
"The Other Diversity Dividend"	Paul Gompers and Silpa Kovvali	<p>Study on venture capital decision making shows that diversity significantly improves financial performance on measures such as investment profitability at the individual portfolio-company level and overall fund returns. The success rate of acquisitions and initial public offerings (IPOs) made by partners with shared school backgrounds was 11.5% lower than for those by partners from different schools.</p> <p>The success rate of acquisitions and IPOs made by partners with shared ethnicity was 26.4% lower than those made by partners from diverse backgrounds.</p> <p>Venture capital firms that increased their proportion of female partner hires by 10% saw, on average, a 1.5% spike in overall fund returns each year and had 9.7% more profitable exits.</p>	<i>Harvard Business Review</i> , July-August 2018, bit.ly/2XWhd1X
<p>"How Diverse Leadership Teams Boost Innovation"</p> <p>"How and Where Diversity Drives Financial Performance"</p>	<p>Rocío Lorenzo, Nicole Voigt, Miki Tsusaka, Matt Krentz, and Katie Abouzahr</p> <p>Rocío Lorenzo and Martin Reeves</p>	Companies with above-average total diversity, measured as the average of six dimensions of diversity (migration, industry, career path, gender, education, and age) had both 19% points higher innovation revenues and 9% points higher EBIT margins.	<p>BCG, January 23, 2018, on.bcg.com/3sn3Jdk</p> <p><i>Harvard Business Review</i>, January 30, 2018, bit.ly/3igO8Y5</p>

STUDY	AUTHOR	SUMMARY	REFERENCE
<i>Inequality and Heterogeneity: A Primitive Theory of Social Structure</i>	Peter M. Blau	Quantifying diversity of a team or group with regard to a nominal feature or social categorization, such as gender or ethnicity, can be accomplished through the Blau index. The Blau index calculates the likelihood that a randomly selected member from a group will be a part of a specific category.	Free Press, New York, N.Y., 1977
<i>The CS Gender 3000 in 2019: The changing face of companies</i>	Richard Kersley, Eugene Klerk, Anais Boussie, Bahar Sezer Longworth, Joelle Anamootoo Natzkoff, and Darshana Ramji	Companies with one or more women board members had higher average return on investment and better average growth than companies with male-only boards. Large-cap firms with at least one woman on the board performed 26% better than those without; small-cap firms performed 17% better.	Credit Suisse Research Institute, October 2019, bit.ly/3sn3Mpw

ENDNOTES

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- ² Average diversity calculations in some studies are calculated through use of diversity indices, for example, the Blau index, which quantifies the probability that members randomly selected from a group would be in different diversity categories.
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- ⁵ A. Lucas and D. Dias, "Glass Ceiling in Accounting Profession: Myth or Reality?" INTED2020 Proceedings, 2020, bit.ly/3EFgOFE.
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- ⁷ EWOB, *Gender Diversity Index of Women on Boards and in Corporate Leadership*, 2021, bit.ly/3jG9OP0.
- ⁸ *Ibid.*
- ⁹ Pew Research Center, "Eastern and Western Europeans Differ on Importance of Religion, Views of Minorities, and Key Social Issues," October 29, 2018, pewrsr.ch/39EaSkC.
- ¹⁰ The World Bank, "Labor force participation rate, female (% of female population ages 15+)," bit.ly/3sGF8RZ.
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