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Celebrating advances in LGBT+ diversity in the accountancy profession: Not letting idealistic purity become the enemy of progress

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Invited commentary for SAMPJ 2018

Title: Celebrating advances in LGBT+ diversity in the accountancy profession: Not letting idealistic purity become the enemy of progress

Abstract

Purpose

This paper provides a commentary on evidence presented and issues raised in Egan (2018) regarding LGBT+ diversity initiatives in the accountancy profession

Design/methodology/approach

This paper is an invited commentary based on the author's experiences of LGBT+ and other diversity initiatives in the profession

Findings

There is cause for optimism in how far the profession has progressed in some countries on supporting LGBT+ (and other forms of) diversity.

Practical implications

As the multinational accountancy firms can be agents for change in countries where there remains considerable discrimination and hostility to LGBT+ (and other) communities, constructive critique to help further improve the firms' innovative actions on LGBT+ and other diversity issues could have a major positive impact on social justice. Egan (2018) is an example of such constructive critique.

Social implications

Where other academic studies take a disparagingly critical approach they risk both (1) squandering the opportunity to help achieve the progress they espouse and (2) discouraging other firms embracing innovative diversity practices.

Originality/value

Provides a counter perspective to some Critical Accounting arguments that appear to value idealism over progress.

Key words

LGBT diversity, accountancy profession, idealistic purity, social justice

Celebrating advances in LGBT+ diversity in the accountancy profession



When I began training as a chartered accountant in the UK in the mid 1980s, my experience was of a profession (especially at senior levels) predominantly pale, male, and intolerant to several aspects of diversity; one where flying of the LGBT+ rainbow flag by the Institute of Chartered Accountants in England and Wales (ICAEW) was inconceivable. How things have changed since then, as epitomized by ICAEW flying the rainbow flag to mark London Gay Pride 2018 (as shown in the above photograph of Chartered Accountants Hall in London).

In recent years, working on a variety of diversity issues both with the profession and in my own workplace, I have learned a great deal about a range of impressive commitments that UK accountancy firms of all sizes are making and delivering towards ensuring they identify and break-down barriers across a wide range of diversity dimensions – including (but by no means exclusively to) the LGBT+ staff diversity initiatives that are the focus of Egan (2018). While not drawing explicitly on insights from any one of these engagements, the points developed in this commentary (representing my own views) draw on my overall experiences of involvement in a range of diversity initiatives.

The significant changes I have witnessed during my career in attitudes within the UK accountancy profession (and broader UK society) towards a number of diversity issues, including LGBT+ issues, demonstrates that such attitudes can change over time. For example, the results of a recent UK-wide social attitudes survey commissioned by the BBC showed that now only 15% of respondents feel same-sex relationships are unacceptable (BBC, 2018).

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5 In the context of this progress, we also need to recognize that social attitudes towards
6 LGBT+ can vary significantly not just in time but also in space. Thus, the considerably more
7 enlightened attitudes towards LGBT+ (and other forms of) diversity I have witnessed in the
8 UK accountancy profession might not be the case in other countries or other sectors, or
9 even in parts of the UK accountancy profession I have not experienced. For example, in July
10 2018 the UK government published the results of a survey it had undertaken of the
11 experiences of 108,100 people in the UK who self-identified as LGBT+ (Government
12 Equalities Office, 2018), a survey that was apparently the largest of its kind ever undertaken
13 anywhere in the world (61% of respondents were gay or lesbian, 26% bisexual and 13%
14 transgender). Compared to 77% of the general UK population who, in similar surveys,
15 expressed satisfaction with their life in the UK, the survey found that only 65% of the LGBT+
16 respondents expressed such satisfaction, with only just over half of respondents (56%)
17 “[feeling] comfortable being LGBT in the UK” (p. 10). Of particular relevance for this
18 commentary, over half of respondents said they “avoided being open about their sexual
19 orientation ... in the workplace” (p. 11), especially with customers (57%, p. 21). In this
20 context, attitudes and positive action towards LGBT+ diversity in the UK accountancy
21 profession appear to be more advanced than across UK society (and among UK businesses)
22 as a whole.
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37 Another crucial variation across space in attitudes towards LGBT+ diversity is the number of
38 countries or states where there is legislative discrimination against LGBT+ people and/or a
39 very hostile environment from government officials (which may be driven, justified and/or
40 reinforced by fundamentalist religious beliefs). The UK LGBT+ rights group Stonewall (2017)
41 report that while 40 countries since 1990 “have outlawed homophobic hate crimes” and “24
42 countries recognise same-sex marriage”:
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- 48 • “72 countries criminalise same-sex relationships (and in 45 the law is applied to
49 women as well as men)
- 50 • The death penalty is either ‘allowed’, or evidence of its existence occurs, in 8 countries
- 51 • In more than half the world, LGBT people may not be protected from discrimination by
52 workplace law
- 53 • Most governments deny trans people the right to legally change their name and
54 gender from those that were assigned to them at birth
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- LGBT people around the world are subject to physical and sexual violence by both state and non-state actors
- They are discriminated against in education, health and social care and employment
- Many LGBT people are rejected by family and from other forms of social assistance
- Over a quarter of the world's population (29%) believes that people in same-sex relationships should be charged as criminals
- A quarter of the world's population believes that trans people should not be granted full legal recognition of their gender identity" (Stonewall, 2017)

In this context of states and communities that are violently hostile to LGBT+ people, large multinational organizations with an extensive global presence, such as the Big 4 and the two large second-tier accountancy / professional services firms studied by Egan (2018), have the potential to be positive change agents in helping transform societal attitudes towards LGBT (and other forms of) diversity in these less enlightened societies and sectors. Indeed, part of Stonewall's international campaigning on LGBT+ rights seeks to use multinational employers as catalysts for change:

"Equality in the workplace can be a catalyst for wider societal change, and multinational employers have a key role to play in achieving equality for LGBT people across the globe." (Stonewall, 2016, p. 10)

In acting as catalysts for changing attitudes towards LGBT+ diversity in other countries and other organizations (including the clients they advise), the large multinational accountancy firms can seek to persuade through moral arguments and also point to the economic benefits from diversity. In my experience, in practice there are a combination of ethical and economic motives for organizations to engage with diversity initiatives. The ethical motives tend to be based broadly on recognition that there should be equality of opportunity for all and everyone should be free from bullying and harassment. The economic motives identify a wide variety of potential economic benefits that can increase profitability for an organization from action on diversity, often linked to effectively addressing (or appearing to economically powerful stakeholders to address) each organization's informal and ever-changing social contract (Demuijnck and Fasterling, 2016; Gray et al., 1988; Shocker and Sethi, 1974). A very important point in this regard is that these factors are not mutually exclusive. Organizations that promote diversity for ethical reasons can also reap economic benefits from their diversity initiatives. Conversely, managers of organizations that are incentivised to act on diversity for economic reasons can find this becomes a catalyst for

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3 people within their organizations becoming more open to ethical understandings around
4 diversity, such that the diversity initiatives then become valued and more deeply embedded
5 for ethical reasons.
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10 While understanding and attitudes towards diversity have advanced considerably in the UK
11 profession in recent years, there is also widespread recognition that there is still a long way
12 to go until we have a profession where discrimination and disadvantage based on personal
13 characteristics have been eliminated. In some areas, such as socio-economic background
14 and the educational (dis)advantages this confers (Ashley & Empson, 2016), substantive
15 progress might take a lot longer than in other areas of diversity. However, I believe it is
16 important to celebrate efforts and progress in every area of diversity where this is evident,
17 while recognizing further progress is necessary. In other words, we need to encourage all to
18 follow the examples of innovators who have begun transformational journeys towards
19 diversity, rather than discouraging others to follow these leads by appearing to denigrate
20 and disparage those who are proactively innovating and making (some) progress. This is,
21 perhaps, an even more important factor in seeking to advance diversity into countries that
22 are much less enlightened in respect of a number of diversity dimensions than some
23 Western societies.
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35 This is not to say that as academics we should be uncritical of remaining barriers and
36 discrimination where these are identified. An important role of academics is to provide
37 robust evidence to help identify opportunistic exploitation of diversity agendas by
38 organizations, for example for cynical legitimization purposes where diversity rhetoric has
39 little or no substance. However, for other organizations that are making substantive
40 progress on diversity, academic scrutiny and critique is likely to have a larger positive impact
41 on the future lived experiences of LGBT+ and other diversity groups if it is in the form of
42 constructive rather than disparaging critique.
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51 In shining a light on some LGBT+ public discourses of diversity in large accountancy firms,
52 Egan (2018) is a welcome contribution to the academic literature. Its potential for positive
53 impact in helping these firms further enhance their actions on LGBT+ diversity is helped by
54 the constructive tenor of the critique it provides. As such I regard Egan (2018) as exemplary
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3 of the potentially fruitful approach that can be taken more broadly by Critical accounting
4 studies that seek to advance social agendas in practice. This is in contrast to some Critical
5 accounting studies (and, relatedly, Critical studies in other disciplines, for example those
6 using queer theory) that seem to disparage organizations that have made progress on social
7 issues but have not yet reached the ideals set out in the Critical theories informing the
8 studies. I therefore welcome Egan's (2018) 'glass half full' interpretations in contrast to the
9 'glass half empty' approach that seems to be prevalent among some Critical scholars. These
10 'glass half empty' approaches risk coming across as overly disparaging rather than
11 constructively helping proactive firms become even better, for example, at enacting LGBT+
12 diversity. I have long had concerns (informed by my many interactions with the world of
13 practice) that where academics are disparagingly critical of organizations that have not
14 reached a theoretical ideal, they risk sacrificing progress for idealistic purity. Such
15 uncompromising idealism limits a paper's (or an academic's) potential for positive influence
16 on the social issues at the heart of a paper because, at best, organizations that have put
17 resources into making considerable progress on a social issue could just ignore the research
18 that they consider unjustly subjects them to highly negative one-sided criticism. At worst,
19 the tenor of such research could deter other organizations from seeking to progress through
20 proactive innovation.

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36 In the remainder of this commentary, I will argue how some of the inferences in Egan (2018)
37 (that I have understood as optimistic indications of progress by the large accountancy /
38 professional service firms in Australia towards improved LGBT+ diversity) seem to challenge
39 some of the more idealistic dichotomous negativity characteristic of some Critical
40 accounting research.

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46 First, evidence in Egan (2018) regarding LGBT+ discourses from the large accountancy firms
47 in Australia that explain responsibilities of staff in relation to LGBT+ diversity initiatives.
48 Based on what I have read in the past in some Critical accounting papers, this evidence
49 could readily be interpreted by some Critical scholars as the firms shifting or diverting
50 responsibility for action on LGBT+ diversity from the firms to their employees. However, I
51 believe that any such negative inferences would, in effect, be calling for the firms to be
52 paternalistic on LGBT+ diversity matters by assuming full responsibility for these initiatives,
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3 actions and outcomes at the firm level. As firms can only effectively deliver on their
4 responsibilities through actions of their employees, it is the employees who actually
5 implement a firm's policies. It is also generally accepted that organizations relying on high
6 levels of intellectual capital can't simply micromanage through dictat what their employees
7 do. My understanding of Egan's (2018) more optimistic interpretation of these discourses is
8 that they indicate firms seeking to provide a context which empowers and educates their
9 staff to lead and contribute to changes in organizational cultures to ones that are positive
10 on LGBT+ diversity issues.
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18 Second, Egan's (2018) literature review indicates prior studies that have been critical of
19 diverse diversity initiatives by characterizing them as, rather pejoratively, a 'potpourri of
20 piecemeal initiatives' specific to each firm. However, Egan (2018) recognizes the benefits
21 and strengths of each firm having LGBT+ initiatives specific to that firm. For me this is
22 entirely reasonable, as staff in each firm would be expected to develop localized initiatives
23 specific to the circumstances and history of that firm (while learning lessons from observing
24 the initiatives of other firms).
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32 A third example of a key inference in Egan (2018) that could readily be interpreted
33 differently is in relation to the business case. The paper recognizes that a business case is
34 not necessarily inconsistent with empowering staff (and clients and others), or with a real
35 commitment to advancing LGBT+ diversity. However, there is some Critical academic
36 literature in sustainability accounting that takes what seems to be an almost knee-jerk
37 negative attitude against business case reasoning. Such research ignores circumstances
38 where a business case is compatible with substantive commitments to, and action on, social
39 issues (such as eliminating discrimination) and sometimes can even enhance these
40 commitments – such as when encouraging skilled people from diverse backgrounds to apply
41 for employment.
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51 Overall, therefore, I believe the Australian LGBT+ discourses examined by Egan (2018)
52 justifiably point to the positive and constructive conclusions drawn by Egan (2018) showing
53 progress the firms have made in this arena. This contrasts with the tenor of analysis in some
54 Critical studies where firms are disparaged for not reaching an ideal set out in the Critical
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3 theory at the heart of a study. In the case of studies informed by queer theory, such
4 idealism could be around how LGBT+ discourses on the accountancy firms' websites failed
5 to completely eliminate heteronormativity in managerial power structures. However, the
6 alternative, less dichotomous and equally plausible inferences outlined above from Egan
7 (2018), drawn from evidence presented in the paper, are likely to be much more effective in
8 encouraging other firms to innovate and become exemplars catalysing changes in attitudes
9 towards LGBT+ diversity in other organizations and countries.
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16 While ideals are vital in motivating progress and innovation, in practice the path to any
17 successful innovation is rarely a straight path (if you will excuse the pun). It is important not
18 to let striving to achieve the purity of an ideal become the enemy of progress, or to let
19 perfection be the enemy of the good. Progress might be slower than some desire, especially
20 in face of competing pressures and priorities within an organization to make progress across
21 a number of fronts (such as a number of different aspects of diversity) with finite resources
22 overall to develop these initiatives. In the context of the BBC survey cited earlier in this
23 paper, showing that only 15% of the UK general population now feel same-sex relationships
24 are wrong (BBC, 2018), idealistic purity could argue that we still need to put considerable
25 resources into tackling and changing the attitudes of the remaining 15% (a 'glass half empty'
26 perspective). However, a less dichotomous and more optimistic and impactful perspective
27 would recognize that prejudicial attitudes are never likely to be entirely eliminated. They
28 need to be called-out where they remain, but the intellectual energies of the academic
29 community are likely to have a much larger positive impact on equality and social justice
30 overall if they are refocused onto areas (countries and/or issues) where significant
31 discrimination remains. I therefore urge all academics who want to see continued progress
32 on LGBT+ diversity (and any other social justice issues) to consider the advantage of
33 following Egan (2018) in using critique positively and constructively to help organizations
34 move in this direction, rather than risk suffocating early innovations through destructive
35 disparaging critique based on failure to fully achieve a theoretical ideal.
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