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DIVERSIFYING ACCOUNTING TALENT IN THE MIDDLE EAST AND NORTH AFRICA: A Critical Imperative to Achieve Transformational Outcomes



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FOREWORD

The history of accounting is as fascinating as it is ancient. The first accountants in history are believed to have come from ancient Mesopotamia, a region now home to modern-day Iraq, Kuwait, Turkey, and Syria. In all probability, they were all men—in ancient cultures, women were seldom literate, and men were appointed as scribes to keep records. But interestingly, in not-so distant Egypt, Seshat came to be identified as the goddess of accounting in addition to writing, mathematics, architecture, astrology, and building.

What is today recognized as double-entry bookkeeping originated in late-medieval Italy and was first recorded in 1494 by a Franciscan friar and mathematician named Luca Pacioli, who came to be regarded as the “Father of Accounting.” Yet it was a woman, Christine de Pisan, a medieval Italian-French writer, who predated him by well over 100 years and wrote extensively on the nature and purpose of single-entry bookkeeping to demonstrate that it is not a simpler or earlier version of double-entry bookkeeping but a separate approach that should be considered in its own right. Yet no one refers to her as the “Mother of Accounting.”

Almost 600 years later, at the dawn of the Industrial Revolution, Isobel Guthrie was the first woman admitted to the IAAG in 1923. Guthrie had originally applied to this accounting society in 1915 but was not successful until after the passing of the Sex Disqualification (Removal) Act 1919.

One can clearly see that diversity and equal representation have not been traditional hallmarks of the profession. While things have changed today and women representation in the field has increased exponentially, a new set of challenges



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has emerged. As custodians and drivers of environmental, social, and governance (ESG) goals and as vanguards of ethical corporate principles and practices, finance and accounting professionals are realizing that their own record with regard to diversity, equity, and inclusion (DE&I) continues to be less than exemplary. The profession is now beginning to look within and ask hard questions on issues of social justice and equity—underrepresented ethnic minorities or people of determination, the lack of leadership opportunities, and challenges that women face in terms of retention, equitable access to mentors, and biases in recruitment.

On the positive side, this report finds that over the past two years, the profession’s attention to DE&I has markedly increased. For those of us in this noble profession, it is even more important today to continue driving the DE&I momentum and strive to level the playing field to ensure the continued creation of a more enabling and inclusive ecosystem. •

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EXECUTIVE SUMMARY

Once comprised of limited access points for women and persons from diverse ethnic groups, the accounting profession in the Middle East and North Africa (MENA) region, encompassing public accounting and

management accounting (accountants and financial professionals working in organizations), now boasts representation including women, a host of ethnicities and nationalities, and those identifying as people of determination, among others.

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 diversity, equity, and inclusion (DE&I) research study with three primary demographic focus areas: gender, nationality, and people of determination* (see [Why This Study?](#)). This study included an online survey of more than 1,100 current and former MENA accounting professionals and interviews of 13 accounting practitioners and academics. All survey respondents self-identified as current or former members of the MENA accounting profession and varied in experience level, country, and age. Ninety percent of survey respondents in this study identified as being current or former members of the accounting profession in the following countries: Egypt, Lebanon, Saudi Arabia, and the United Arab Emirates (UAE) (see [Appendix A: Research Approach](#) for additional demographic details of study participants).

* Under the National Policy for Empowering People of Determination, the UAE government decided to refer to “people with special needs or disabilities as ‘the determined ones.’” Consistent with this decision, throughout this report, persons identifying as having special needs or disabilities will be referred to as *people of determination*. The UAE law “defines a person with special needs as someone suffering from a temporary or permanent, full or partial deficiency or infirmity in his physical, sensory, mental, communication, educational or psychological abilities to an extent that limits his possibility of performing the ordinary requirements as people without special needs.” (Sources: The UAE Government, “The National Policy for Empowering People of Determination,” bit.ly/3HLrTWY; the UAE Government, “Protection, support and assistance of people of determination,” bit.ly/3zmRgfw)

In the face of diversity progress, however, many within the profession—namely, auditors who regularly visit local accounting department or firm sites, senior male accounting leaders, and a few female partners—report rarely encountering women in the profession during the normal course of operations, even today. In some countries, international talent often outnumbers local nationals in accounting teams, particularly in leadership roles. In others, there is not enough qualified local talent available to meet labor force demand. Stepping beyond empirical diversity perceptions, respondents shared views on equity and inclusion within the MENA accounting profession informed by their tenure, interactions,

and lived experience.

Many persons who identify as people of determination can elect to disclose their status or keep it private, which affects the ability to make accurate assessments around the segment’s representation. Yet broad underrepresentation in corporate roles and low labor force participation for people of determination are not disputed. While there is a lack of current research that provides a reliable estimate of the representation of people of determination in the accounting profession, this study did not identify evidence to suggest that the MENA accounting profession differs materially from the broader business workforce. •

Diverse international representation sometimes comes at the expense of local nationals' participation in the profession.

Although the MENA accounting profession boasts diverse representation of a host of ethnicities and nationalities, in alignment with broader population composition across the region, some countries within the region benefit from this diversity at the expense of local nationals actively participating in the profession. Study participants observed leadership roles occupied by expatriates

and lower-level roles held by local nationals. In acknowledgment, local government strategies in countries heavily affected by this context are evolving to reverse this trend in an intentional way. Unfortunately, these efforts do not consistently strike an effective balance between increasing opportunities for local nationals and maintaining quality in recruitment and promotion processes. •

Approximately two-thirds of respondents of all backgrounds view the profession as equitable or inclusive.

More than two-thirds of respondents view the profession as equitable (69%) or inclusive (70%). In comparing responses by demographic group, people of determination are more likely than those who do not identify as people of determination to report a broad view of the profession as equitable or inclusive, and women are just as likely as men to view the profession as equitable and inclusive. But the experiences of women and people of determination within the profession offer a different view of treatment received directly (see Figure 1). Less than half of female respondents believe women:

- Receive equitable treatment,
- Operate in an inclusive environment fostered by senior leadership, and
- Have access to the same opportunities, information, support, and resources as their male counterparts (see [Table 3](#)). •

I believe the profession is equitable.

69%

I believe the profession is inclusive.

70%

Women report they are not advancing in the profession because of inequity and exclusion.

When asked to identify factors that contribute to underrepresentation of women in senior leadership roles, female respondents point to firsthand observations or experience of inequitable practices and exclusive behaviors. Female respondents and interviewees 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 FEMALE UNDERREPRESENTATION IN SENIOR ROLES *(as reported by women)*

Women do not consistently receive fair treatment in the recruitment process.	53%
Women do not have equitable access to sponsors or mentors within their organization.	41%
Leaders demonstrate unfair prejudice or bias against women that negatively affects promotion.	42%
There is greater emphasis on recruitment than on retention of women.	35%

Women and people of determination leave employers and the profession because of DE&I-related issues.

Female respondents and respondents who identify as people of determination report that DE&I issues have directly contributed to decisions to leave a job and move on to another opportunity while working in the MENA accounting profession (see Figure 1). Our study found that 53% of female respondents have left a company due to a perceived lack of equitable treatment, and 52% left due to a lack of inclusion. More notably,

as many as 83% of respondents who identify as people of determination report leaving an employer due to a lack of DE&I.

More than two-thirds of female respondents and nearly 90% of respondents identifying as people of determination report having personally experienced inequitable or exclusive treatment that they perceived to be rooted in bias against people like them.

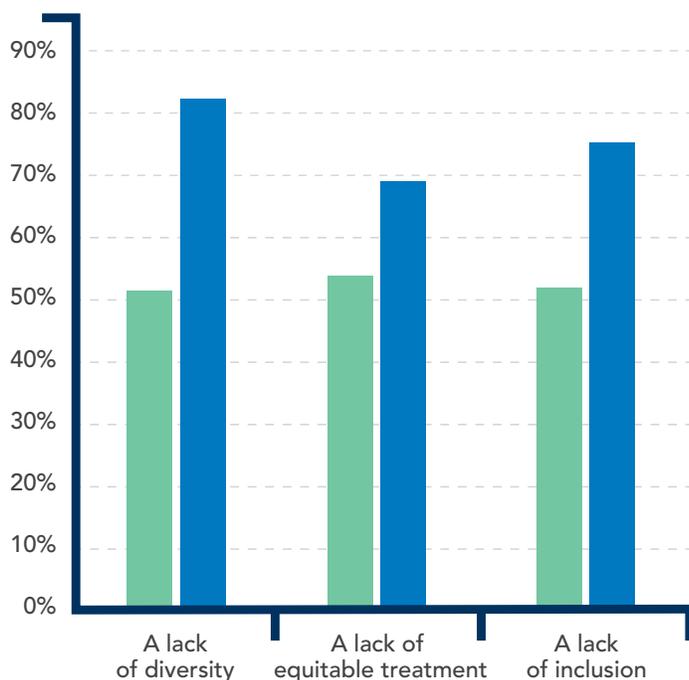


FIGURE 1:
 "I LEFT A COMPANY WHILE WORKING IN THE MENA ACCOUNTING PROFESSION BECAUSE OF A LACK OF DIVERSITY, EQUITABLE TREATMENT, OR INCLUSION."

■ Women
 ■ People of determination

The following are some examples:

- 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 contributions and failing to get promoted to a position for which they felt qualified.
- Feeling unsafe to contribute ideas that are different from others’.

One in three respondents identifying as a person of determination and one in four female respondents report that inequitable and exclusive

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



experiences contributed to their leaving the profession altogether (see Figure 2 and [Table 4](#)). •

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 underrepresentation of diverse people 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 by some as contrary to its ethical

principles and values of unbiased decision making and accountability (see [Ethical Imperative](#)). It can also lead to failure in enticing, developing, and engaging the requisite talent for the demands of the 21st Century.

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 the MENA region to improve female representation, gender equality, and representation of local nationals in the labor force. With targets as soon as 2030 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 the MENA region is critical to achieving transformational outcomes.

Although some strides have been made toward a more diverse labor force, progress has been incremental. Respondents 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. 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 Middle East and North Africa (MENA) region has become more diverse over time. Although the female labor participation rate in the region is among the lowest globally, some countries in the region have undertaken substantial initiatives toward the empowerment of women.³ Saudi Vision 2030, launched in 2016 by the Kingdom of Saudi Arabia, established a comprehensive strategic platform with a multitude of efforts geared toward providing equal opportunities to Saudi women socially, economically, and politically.⁴ In 2020, Saudi Arabia was recognized by the World Bank as the top reformer that has made the greatest progress globally toward gender equality since 2017.⁵ In a similar vein, actions have been taken in certain countries in the MENA region to provide a more equitable and inclusive environment for people of determination. In the United Arab Emirates (UAE), various policies and initiatives are in place to protect and empower people of determination, such as the promulgation of the UAE Disability Act to protect the rights of people of determination and the release of the first sign language dictionary to support people of determination with hearing impairments.⁶ •

DE&I progress does not manifest at senior levels.

Despite these trends and initiatives over the decades, representation of women in leadership roles remains markedly lower than the representation of their male counterparts in the MENA region. According to a study conducted by the International Labour Organization, the MENA region has the lowest representation globally for women in leadership roles, a result of the low labor force participation rate of women (and the significant decline of female labor participation rate with age).⁷ In this study, the state of DE&I for women in the MENA accounting and finance profession is not vastly different. Similar discussions of underrepresentation have been documented for people of determination in the MENA region. The data offer a clear conclusion: Women and people of determination 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 the MENA region 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 two primary demographic focus areas: gender and people of determination. 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 12 countries in the MENA region, with more than 95% of respondents reporting they worked in the accounting profession in one of the following countries: Egypt, Iraq, Jordan, Kuwait, Lebanon, Pakistan, Palestinian National Authority, Qatar, Saudi Arabia, Sudan, the UAE, and Yemen (see [Table A1](#)). Of the 1,147 survey respondents and 13 interviewees from the region, 18% identified as female and 22% identified as people of determination (see [Figure A1](#)). •

DE&I in the Profession: A Holistic View

MENA, a region covering 15 million square kilometers spanning multiple continents, is highly populated and culturally diverse.⁸ According to the World Bank, the total population of the MENA region was approximately 465 million in 2020, encompassing the population of 21 countries or territories speaking five major languages including Arabic, Hebrew, Persian, Turkish, and Kurdish.⁹ As indicated in the *Global Gender Gap Report 2021*, the MENA region has the largest gender gap globally, which will take 142.4 years to close given the slow progress over time.¹⁰ This gap manifests prominently as distinctively lower economic participation of women, fewer professional opportunities for women, and strikingly weaker political power of women.¹¹

Women. Cultural, social, and economic influences have significant impacts on the accounting profession in the MENA region just as they have on the workplace as a whole. For instance, such influences have led to historical limitations for women in corporate roles or relegated them to bookkeeping and clerical jobs. More significantly, women have been on the receiving end of demeaning remarks and stereotypes about presumed limited interest in and capabilities for leadership. It is also widely perceived in the culture across many MENA 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 the MENA region has responded to societal pressures and regulatory reforms. 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, members of the profession are starting to 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. In countries such as Egypt, gender quota legislation on board member compositions is advocated to raise the representation of women on corporate boards.¹²

Nationality. Although there is diverse representation of a host of nationalities within the MENA accounting profession, some countries within the region benefit from this diversity at the expense of local nationals actively participating in the profession. Lebanese nationals account for 95% of the population in Lebanon.¹³ Saudi nationals form 61% of Saudi Arabia's population, and Egypt nationals comprise 95% of the population in Egypt.¹⁴ In countries with limited diversity across nationalities, those active in the workforce do not consistently reflect the demographic composition of the countries served. This is even more pronounced in leadership roles. Local governments across the region are implementing measures to reverse this phenomenon. Study participants report, however, that while government intervention is necessary to accomplish greater representation of local citizens within their respective countries' accounting profession, this sometimes translates into hiring based on nationality rather than based on qualifications.

In contrast, the UAE, for example, is comprised of nearly 90% expatriates, encouraged by proactive government initiatives to attract the best talent, such as making Emirati citizenship and passports more accessible to investors and professionals.¹⁵ Striking an effective balance between improving representation and ensuring equitable access to employment opportunities is key to maintaining the strength and credibility of the profession at large.

People of determination. There are significant variations in government policies and legislation toward people of determination across the MENA region. Countries such as the UAE and Saudi Arabia promote awareness of the significance and benefits of the inclusion of people of determination and undertake initiatives and legislative efforts to protect and empower people of determination. There are also countries in the region where disability-related laws and policies are in place, but sometimes not fully enforced or implemented, leaving people of determination feeling excluded. •

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 reason for underrepresentation of diverse talent at senior levels. A deep dive into the data reveals disparities throughout countries in the MENA region.

When gathering perspectives on equity and inclusion by country in the MENA region, Egypt had the highest percentage of respondents viewing the profession as equitable (83%) and inclusive (79%). Respondents from Lebanon had the lowest percentage of respondents viewing the profession as equitable (50%) and inclusive (39%).

TABLE 2: EQUITY AND INCLUSION PERSPECTIVES (BY COUNTRY)

	Egypt	Lebanon	Saudi Arabia	UAE
I believe the finance and accounting profession in the Middle East and North Africa as a whole is equitable .	83%	50%	67%	68%
I believe the finance and accounting profession in the Middle East and North Africa as a whole is inclusive .	79%	39%	69%	70%

In the face of a transformation during which the profession redefines its offerings and reconsiders human capital resources, survey respondents and interviewees 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 three key areas:

- Attracting diverse talent,
- Retaining and promoting diverse talent, and
- Overcoming bias in the workplace.

Attracting Diverse Talent

All interviewees in this study shared the view that the MENA accounting and finance profession is primarily male-dominated. Most of the countries in the MENA region face similar DE&I challenges in attracting women to the accounting and finance profession. To ensure equitable and inclusive treatment of people of determination across all countries in the region, it is important that the accounting and finance profession attracts talent across a host of demographic characteristics. Interviewees and open-text responses also 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,
- Apparent cultural expectations of societal roles for certain demographic groups, 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 MENA accounting and finance profession could perpetuate a perception that it is closed and inequitable, and the brightest young talent from underrepresented groups may remain unengaged and unreachable. If efforts are not made to increase the visibility of the profession and to demonstrate and feature 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

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. This study recognized that many persons in the focus demographic groups are stuck in lower- or 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 who do not identify as persons of determination 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. •

Inequity and exclusion: One in three female respondents reports women do not receive fair and inclusive treatment.

When asked about the treatment and conditions of women within the MENA accounting profession, female respondents' views are less favorable than their perceptions of the profession as a whole (see Table 3).

Considered alongside factors that contribute to underrepresentation at senior levels, as shown in [Table 1](#), female respondents' perceptions support a view that the accounting profession in the MENA region does not consistently provide an inclusive environment in which everyone feels welcome and respected. Further, some women believe they receive inequitable treatment from the profession's leadership. •

TABLE 3: WOMEN PERCEIVE AN INEQUITABLE AND EXCLUSIVE WORKPLACE

I do <u>not</u> believe senior leaders provide an inclusive environment for women.	34%
I do <u>not</u> believe women receive equitable treatment.	33%
I do <u>not</u> believe women have access to the same opportunities, information, support, and resources as their male counterparts.	28%

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

Illustrating the impact of DE&I on organizational turnover are findings that, on average, more than one-half of female respondents and about three-fourths of respondents who identify as persons of determination said they left a company because of a lack of diversity, equitable treatment, or inclusion (see [Figure 1](#)). Further, when assessing the impact of DE&I on talent retention within the profession, as many as 27% of female respondents and 40% of respondents identifying as persons of determination report inequitable and exclusive experiences that they believe were rooted in bias and that contributed to their decision to leave the profession (see Table 4).

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 4, 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 4: “I EXPERIENCED BEHAVIORS THAT I PERCEIVED TO BE ROOTED IN BIAS AGAINST PEOPLE LIKE ME AND THAT CONTRIBUTED TO MY LEAVING THE PROFESSION.”

	Women	People of Determination
I heard derogatory comments or jokes about people like me.	26%	40%
I did not feel safe to contribute my ideas that were different from others’.	27%	38%
I experienced direct bias or discrimination.	23%	38%
I was not promoted to a position I was qualified for or given additional responsibility for which I demonstrated preparedness.	21%	36%
I was yelled at or demeaned by a colleague, supervisor, or leader.	21%	30%
I discovered that persons with comparable or lower-level jobs, education, or experience but different demographic backgrounds than me were receiving better compensation.	21%	29%

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).

“I believe that gender bias and stereotyping are the key challenges to overcoming underrepresentation.”

—Saudi female, senior audit officer

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/3nlFnas.

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 participants who identify as female, minority nationalities within respective countries, and persons of determination 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

IDENTITY CONTINGENCIES

“The things you have to deal with in a situation because you have a given social identity, because you are old, young...a woman...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.

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 or lack of interest in leadership opportunities. 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 and national 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. •



A Closer Look at **Specific Countries**

Discussion in prior sections highlighted aggregated findings of countries studied across the MENA region 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 four countries in the region—Egypt, Lebanon, Saudi Arabia, and the UAE. 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 with respect to gender and people of determination.

IN YOUR SHOES: EGYPT, SAUDI ARABIA, AND THE UAE

To heighten awareness of real-life experiences, professors Theresa Hammond and Prem Sikka call for “the use of oral histories to give voice and visibility to those marginalized or otherwise adversely affected by accountancy.”¹⁸ Following these academics’ suggestion, we present a series of profiles that “walk in the shoes” of interviewees from some of the countries discussed in this section who offered their firsthand accounts through one-on-one interviews and open-text survey responses. In some instances, these generational career reflections along the profession’s talent pipeline represent a single interviewee; in others, they portray the experiences of multiple interviewees and respondents with the demographic and professional attributes displayed.

EGYPT

Of the respondents who identified as current or former accounting practitioners with experience in Egypt, 83% believe that the accounting profession is equitable, and 79% perceive that the profession is inclusive. Yet 67% of respondents in Egypt also left a company because of a lack of equitable treatment, and 75% 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. Let's take a closer look at women and people of determination through study participants with accounting experience in Egypt.

Women

While women constitute approximately 50% of the total population in Egypt, the female labor participation rate was merely 20% as of 2021.¹⁹ Moreover, women represent only 7.4% of leadership or managerial positions in Egypt.²⁰ To close the gender gap, the National Strategy for the Empowerment of Egyptian Women 2030 was launched in 2017 by the Egyptian National Council for Women, focusing on Egyptian women's political, economic, and social empowerment.²¹ In response to the national strategy for empowering women, the Egypt Women on Boards Observatory, founded in 2017 in Cairo, advocates for the presence of women on boards in Egypt to reach 30% by 2030.²² Although there is still underrepresentation of women in senior leadership positions in Egypt, progress has been made gradually. The most recent study shows that the presence of women on boards reached 16.7% in 2021, a 28.5% growth from the previous year.²³

This study also found similar results with respect to the current status of women in leadership roles. While female professionals in Egypt shared similar views as their male counterparts with respect to the perception of the profession being equitable and inclusive, more than 20% believe that there is an inadequate presence of women in senior leadership positions. When asked to indicate factors that they believe have contributed to underrepresentation of women in senior leadership roles:

- 55% of female respondents reported that they do not consistently receive fair treatment in the recruiting process.
- 43% indicated a lack of equitable access to sponsors or mentors within their organization.
- 39% pointed to leaders demonstrating unfair prejudice or bias against women that negatively affects promotion.
- 26% observed a greater emphasis on recruitment of women than on retention.

55%

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

43%

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

39%

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

Although more than 80% of women indicated that their views are respected by accounting and finance colleagues and they can be their authentic selves in their organizations, nearly the same percentage of women reported that they have to work much harder than their male counterparts to gain comparable

recognition. When asked about their personal experiences, female respondents reported multiple DE&I challenges that negatively impact their advancement (see Table 5). Nearly 90% of female respondents reported experiencing direct bias or discrimination, leading to almost 40% of female respondents in Egypt leaving the profession. They also observed a lack of recognition for their contributions as well as unfair promotion practices, which prompted an average of 31% of female respondents to leave the profession.

TABLE 5: WOMEN PROFESSIONALS’ PERCEPTIONS OF BIAS-BASED BEHAVIOR IN EGYPT

I was not promoted to a position I was qualified for or given additional responsibility for which I demonstrated preparedness.	89%
I experienced direct bias or discrimination.	89%
I was yelled at or demeaned by a colleague, supervisor, or leader.	88%
The culture of the company was geared toward activities that excluded people like me.	88%
I was not given recognition for my contributions.	88%

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 the Middle East and North Africa.”

People of Determination

Estimated at about 11 million to 14 million, people of determination make up more than 10% of the total Egyptian population (estimated at 102 million in 2020).²⁴ Generally speaking, people of determination in the accounting and finance profession in Egypt had broader views than their counterparts about the profession being equitable and inclusive. Yet approximately 80% of them had to work much harder to gain comparable recognition, and nearly the same percentage left a company due to a lack of equitable treatment or inclusion. Moreover, people of determination reported multiple challenges that affect their individual ability to advance (see Table 6).

TABLE 6: PEOPLE OF DETERMINATION’S PERCEPTIONS OF BIAS-BASED BEHAVIOR IN EGYPT

I did not feel safe to contribute my ideas that were different from others’.	97%
I heard derogatory comments or jokes about people like me.	93%
The culture of the company was geared toward activities that excluded people like me.	93%
I experienced direct bias or discrimination.	92%
I was yelled at or demeaned by a colleague, supervisor, or leader.	90%
It was suggested that I change to a less demanding role or profession.	90%

Responses of people of determination 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 the Middle East and North Africa.”

Of particular importance with regard to assessing inclusion in the profession, 97% of respondents who identified as people of determination do not feel safe to contribute their ideas that are different from others', 93% felt that the company culture was geared toward activities that excluded them, and 92% experienced direct bias or discrimination. Moreover, more than 90% of these respondents emphasized that they heard derogatory comments or jokes about people like them, or were yelled at or demeaned by a colleague, supervisor, or leader. Ninety percent of them said it was suggested that they change to a less demanding role or profession. All these challenges led to an average of nearly 40% of people of determination leaving the profession.

In Your Shoes (Egypt)

SENIOR ACCOUNTING LEADER

Egyptian male // More than 10 years of accounting experience



“ One of the reasons there are not many women in leadership in accounting is because women sometimes let their feelings mess their work up, and I have seen that a lot.”

ACCOUNTANT OR AUDITOR

Egyptian male // 5 to 10 years of accounting experience



“ We need more international organizations to have a stronger presence in Egypt. Progress has been made in other countries when multinationals hire more women. This exposure can help bring more diverse accountants together.”

SENIOR ACCOUNTANT/ ACCOUNTING TEAM LEADER

Egyptian female // 10 years of accounting experience



“ Women are not in senior leadership roles in accounting because of unfair treatment and stereotypes. When I try to recommend a woman for a promotion in the company or to join a company in a role that is more senior, I can't find anyone to give her a chance.”

LEBANON

Of the respondents who identified as current or former accounting practitioners with experience in Lebanon, 50% believe that the accounting profession is equitable, and 39% perceive that the profession is inclusive. Yet 50% of respondents in Lebanon left a company because of a lack of equitable treatment, and 33% left due to a lack of inclusion. Here's a closer look at women and people of determination through study participants with accounting experience in Lebanon.

Women

Ranked 132nd out of 156 countries by the *Global Gender Gap Report 2021* issued by the World Economic Forum, Lebanon had a female labor force participation rate of 22.87% as of 2020, significantly lower than the world median of approximately 50%, according to the World Bank.²⁵ While improvement has been made over time with respect to women's political empowerment (e.g., the percentage of female ministers increased from 3.4% to 31.6% within two years), the percentage of females in top leadership roles in business remains low (5.9% in 2021).²⁶ The accounting and finance profession in Lebanon is not an exception in this regard. Although survey data collected for female professionals in Lebanon are not reported due to the small sample size of female survey participants, conversations with interviewees who self-identified as former or current accounting and finance professionals working in Lebanon revealed there is a substantial need to attract, retain, and promote women in the profession.

Some interviewees pointed out that stereotyping and bias regarding gender has led to the limited presence of women in senior leadership positions. According to one interviewee, it is expected that "men always prioritize their work over their families, but women always try to prioritize their family over work. Many Arab men share this view of women and their [commitment] and capabilities." Some also reported bias against women during the recruiting process based on the assumption that, after getting married and having children, "women tend to take more leaves and are not as efficient as men." Others stressed the unfair and unequal treatment that female professionals receive because they are held to a higher standard than their male peers and tend to receive harder and harsher criticism when they do not deliver.

People of Determination

The total population of Lebanon as of 2022 is projected to be 6.7 million by the United Nations, and an estimated 10% to 15% have physical, sensory, intellectual, or mental disabilities.²⁷ Yet legislation to protect the rights of people of determination is limited or not enforced, resulting in adverse political, social, cultural, and economic conditions for these people.²⁸ For

"Many companies have stated values related to DE&I or include things in their slogan or employee booklet that lists everything about equality and fair treatment, etc. However, that's not what people experienced in those organizations."

—Lebanese female interviewee, 10 to 15 years of public accounting experience

"Implementation or application is more important than the theories. We should have monitoring and follow-up to get out of unconscious bias."

—Lebanese male interviewee, more than 25 years of public accounting experience

instance, in the year 2000, Law 220 set a quota for the employment of people of determination in an organization, which unfortunately was rarely enforced by the government. People of determination in Lebanon are thus left with limited options in the labor market, resulting in 74% of them unemployed.²⁹

This is consistent with the observations of the interviewees in this study, who reported that there is little support in the workplace to create a truly inclusive and equitable environment for people of determination. For example, there is not much flexibility in work arrangements. Also, the concept of “part-time” does not exist in Lebanon because part-timers are expected to deliver the same as full-time employees, posing challenges to employ people of determination who might not be able to work full-time hours. Moreover, some interviewees highlighted the lack of facilities and infrastructure to accommodate people of determination in business communities and the wider society, making it harder for them to engage in the same level of business activities as their counterparts.

This to some extent explains the underrepresentation of people of determination in the accounting and finance profession in Lebanon. Due to the small sample size of survey participants identifying as people of determination, survey data collected for people of determination in Lebanon are not reported.

“The government needs to support DE&I in the profession for any change. It is important to create an environment of inclusion. During past years, the profession has made significant efforts to increase the opportunities available for diversity. But further progress is needed especially on how we verify the practice of diversity and equity is resulting in inclusion.”

—*Lebanese male interviewee, more than 25 years of public accounting experience*

SAUDI ARABIA

Of the respondents who identified as current or former accounting practitioners with experience in Saudi Arabia, 67% believe that the accounting profession is equitable, and 69% perceive that the profession is inclusive. Yet 39% of respondents in Saudi Arabia left a company because of a lack of equitable treatment, and 34% left due to a lack of inclusion. A closer look at women and people of determination through study participants with accounting experience in Saudi Arabia is presented here.

Women

Launched in 2016, Saudi Vision 2030 lays out grand strategic plans to make unprecedented reforms in the public sector, the economy, and society in Saudi Arabia, including providing equal opportunities for women.³⁰ Although the female labor force participation rate is only 23.3% and the percentage of women taking positions as legislators, senior officials, or managers is as low as 6.8%, Saudi Arabia was recognized by the World Bank in the report *Women, Business and the Law 2020* as the top reformer that has made the biggest progress globally toward gender equality since 2017.³¹ For example, a ban on women driving was lifted in 2018, and in the following year, new laws were enacted that allow women to apply for passports and to travel freely without obtaining a male relative's consent.³²

Moreover, Saudi women have increasingly taken on new roles and positions in business in the past five years, in line with a multitude of efforts by Saudi Vision 2030 to empower women in Saudi Arabia. In 2017, the first female chairperson in the history of the Saudi Exchange, the largest stock exchange in the Middle East, was elected to lead the board of directors of Saudi Tadawul Group, the parent and holding company of the Saudi Exchange.³³ Women are also seen to be flourishing in various sectors of the Saudi economy.³⁴

Similar trends are expected in the accounting and finance profession in Saudi Arabia. According to the interviewees of this study, while the accounting and finance profession in Saudi Arabia

“Empowering women to get into the workforce has unlocked the potential of a significant part of Saudi society that did not have as much opportunity before. We all can collectively benefit from this change and untapped potential.”

—Sarah Al-Suhaimi, chairperson, board of directors, Saudi Tadawul Group

Source: Institutional Investor, “Women in Finance: Saudi Arabia Looks to Embrace a More Inclusive Future,” September 14, 2021, bit.ly/3O8q1d9.

“I am very proud of Saudi women today as the potential that was always there has surfaced, and now you see them in leading roles, whether in government positions or in the private sector. I see them holding the highest positions and continuing to represent our country proudly worldwide in various fields, such as medical, media, entertainment, science and so on.”

—Rasha AlEmam, CEO, Alif Alif Radio in Saudi Arabia

Source: The World Bank, “Saudi women rising up in business in line with Vision 2030,” March 11, 2020, bit.ly/3PZNBdN.

is dominated by male professionals, more initiatives have been undertaken in the past five years to attract women to the profession. Yet interviewees did highlight that women are rarely seen in senior leadership roles in the profession, implying that there is also a substantial need to retain and promote female professionals. Due to the small sample size of female survey participants, survey data collected for female professionals in Saudi Arabia are not reported.

People of Determination

In an analysis of the national demographic survey conducted in 2016 in Saudi Arabia, the presence of disability was reported by more than half a million Saudi citizens (more than 3.33% of the population).³⁵ A 2017 survey conducted by the General Authority for Statistics indicated that 2.9% of the population in Saudi Arabia have a disability with extreme difficulty.³⁶ In order to grow and diversify the economy and increase employment, Saudi Vision 2030 proposed actionable strategies to enable people of determination to “receive the education and job opportunities that will ensure their independence and integration as effective members of society.”³⁷ This includes providing facilities and tools required to support people of determination to achieve success.³⁸ Due to the small sample size of survey participants identifying as people of determination, survey data collected for people of determination in Saudi Arabia are not reported.

In Your Shoes (Saudi Arabia)

SENIOR ACCOUNTING LEADER

Saudi male // 8 to 10 years of public accounting experience

“ I believe people who graduate from international universities overseas have more chances than those from local universities. I graduated from a local university. Before they interviewed me, they assumed I don’t speak English and that my university gave me poor knowledge.”

“ Females did not have a lot of chances to join accounting firms in Saudi.... In the private sector, they don’t give a chance to Saudi people to join accounting. Most of the private sector is managed by international people, and they want international people to work, so females and male Saudis didn’t have a chance. [In the past two to five years, thanks to our Vision 2030,] there is a big difference. [Saudi] accountants have more chances to work in the government and private sectors.”

“ Relationships give you more chances to get interviews. You can’t just go to a website and fill out an application [like you can in other countries]. Right now, companies that are hiring do so based on relationships. Even if you have a certification or are a good person but don’t know anyone working in that place, you simply won’t find a job.”

“ [Historically, people] didn’t believe women could have leadership positions. Even if you are a hard worker.... However, this changed in the last five years—now women have more chances than males even if they are not a good worker. The vision is to focus on increasing the number of women by quota.”



SENIOR AUDIT OFFICER

Saudi female // 10 to 15 years in public accounting

“ In Saudi, we have [a separate] male and female section. [Females] have a specific workspace. It is difficult [to get recognition for your work] because you are not present in the same space. Men dominate senior leadership roles, even those who are not qualified and are less experienced.”

“ Accounting and finance is mainly dominated by males. I hardly see any women in audit firm offices I visit. [Although the profession] is multicultural, Saudis are usually junior staff. [Most senior staff] are other nationalities like Indians or Jordanians. I have not [encountered anyone with visible or disclosed] disabilities.”

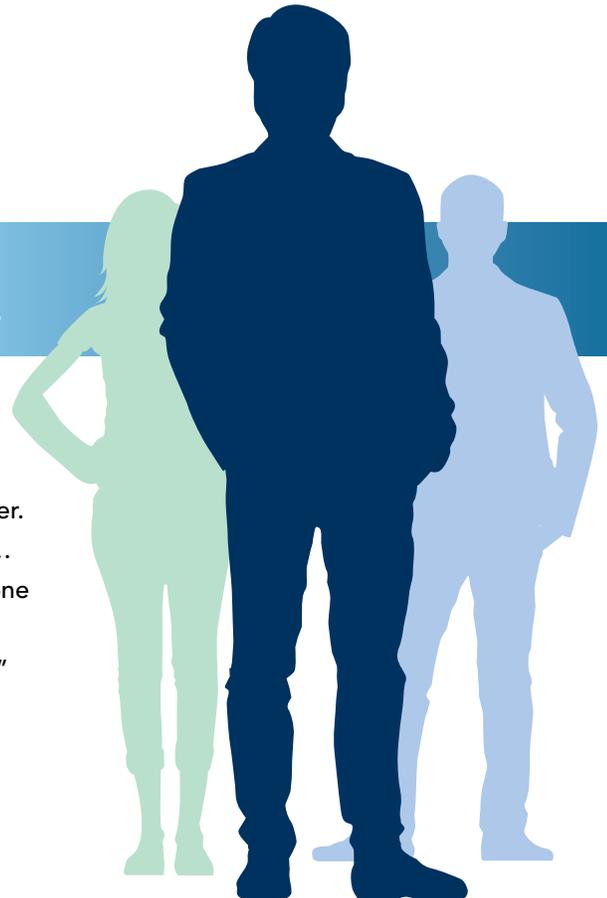
AUDITOR

Saudi male // Less than five years of public accounting experience

“ I have not been in the [profession] for long, and, thankfully, I have not [received or witnessed any treatment rooted in bias].”

“ In the past, they could not send women to companies, and now they are sending women everywhere regardless of gender.”

“ There should be a focus on what a person can do regardless of their gender. The results they can bring... We need results and someone who can perform the task regardless of who they are.”



UNITED ARAB EMIRATES

Of the respondents who identified as current or former accounting practitioners with experience in the UAE, 68% believe that the accounting profession is equitable, and 70% perceive that the profession is inclusive. Yet 39% of respondents in the UAE left a company because of a lack of equitable treatment, and 33% 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. Here’s a closer look at women and people of determination through study participants with accounting experience in the UAE.

Women

Compared with other countries in the MENA region, the UAE is significantly further ahead in closing gender gaps. The UAE government has undertaken multiple initiatives and implemented several policies toward gender equality, such as the establishment of the UAE Gender Balance Council in 2015 and the Gender Balance Index in 2017, enacting the equal pay law in 2018 to mandate equal payment for men and women in the UAE, and others.³⁹ Over the past three decades, the female labor participation rate has increased from 28.11% in 1990 to 52.9% in 2021.⁴⁰ Within one year, the percentage of female parliamentarians in the UAE increased from 22% to 50%, making the UAE one of the top five most-improved countries in the *Global Gender Gap Report 2021*.⁴¹ Nevertheless, women are still underrepresented in leadership roles. For instance, the percentages of women in senior leadership roles and ministerial positions in the UAE are 21.5% and 27.3%, respectively.⁴² Similar results are found in this study.

In general, female professionals in the UAE shared similar views as their male counterparts with respect to the perception of the profession being equitable and inclusive. While more than 75% of female respondents considered women having talent equal to that of their male peers, almost half of them believe there is inadequate representation of women in senior leadership positions. When asked to indicate factors that they believe have contributed to the limited presence of women in senior leadership roles:

- 19% of female respondents reported that they do not consistently receive fair treatment in the recruiting process.
- 17% pointed to leaders demonstrating unfair prejudice or bias against women that negatively affects promotion.
- 15% observed a greater emphasis on recruitment of women than on retention.
- 14% indicated a lack of equitable access to sponsors or mentors within their organization.

19%

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

17%

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

15%

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

Although more than 80% of women indicated that their views are respected by accounting and finance colleagues and they can be their authentic selves in their organizations, 72% reported that they have to work much harder than their male counterparts to gain comparable recognition. When asked about their

personal experiences, female respondents reported multiple DE&I challenges that negatively impact their advancement (see Table 7), including a lack of recognition for their contributions as well as unfair compensation and promotion practices. In addition, more than half of female respondents reported experiencing direct bias or discrimination, leading to almost 11% of female respondents in the UAE leaving the profession. Of particular importance with regard to assessing inclusion in the profession, 55% of female respondents do not feel safe to contribute their ideas that are different from others’ or have heard derogatory comments or jokes about people like them, resulting in an average of 16% leaving the profession completely.

TABLE 7: FEMALE PROFESSIONALS’ PERCEPTIONS OF BIAS-BASED BEHAVIOR IN THE UAE

I discovered that persons with comparable or lower-level jobs, education, or experience but different demographic backgrounds than me were receiving better compensation.	58%
I was not given recognition for my contributions.	56%
I was not promoted to a position I was qualified for or given additional responsibility for which I demonstrated preparedness.	55%
I did not feel safe to contribute my ideas that were different from others’.	55%
I heard derogatory comments or jokes about people like me.	55%
I experienced direct bias or discrimination.	52%

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 the Middle East and North Africa.”

People of Determination

Approximately 11% of the UAE’s population identify as people of determination.⁴³ Various policies and initiatives are in place to protect and empower people of determination in the UAE, including the UAE Disability Act passed in 2006 that protects the rights of people of determination, including ensuring equal and fair employment opportunities.⁴⁴ In 2018, the first “Emirati sign language dictionary” was also launched, allowing those with hearing impairments to learn and use standardized sign language.⁴⁵ Due to the small sample size of survey participants identifying as people of determination, survey data collected for people of determination in the UAE are not reported.

In Your Shoes (UAE)

SENIOR PUBLIC ACCOUNTING EXECUTIVE

Pakistani female // 40 years of public and government accounting experience



“ When I started out, there were no women in the profession at all. In an interview, they asked if I was married and insinuated that when I start having kids, I would no longer have time for work. They don’t ask these questions anymore.”

“ It’s one thing to be invited to a party and another thing to be invited to dance. Am I being asked to dance? I don’t feel part of the ‘in’ crowd. The good news is, I have made so many inroads.... People coming in after me have the doors open. I’m hoping as I retire, others are going to be included and asked to dance.”

“ Cultural inclusion has not happened for some nationalities and genders; [for example,] if it is an Indian woman, their cultural norms are sometimes walked over.”

“ At every stage, I have had to fight, show, and prove [myself].... When I ran a company with my husband, whenever we went to a meeting, people turned toward him and talked to him only.”

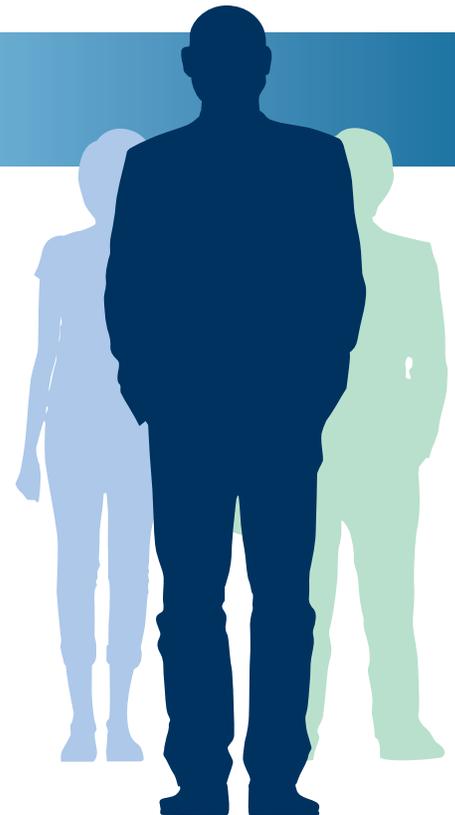
AUDIT MANAGER

African male // 8 to 10 years of public accounting experience

“ Sometimes women who run for leadership roles are held to higher standards than men and need to prove themselves. They have to prove...they are worthy of leadership roles.”

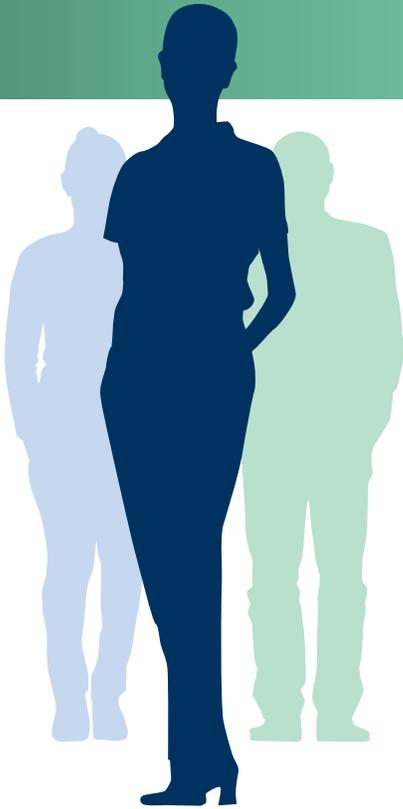
“ Most organizations...don’t have measures in place to...actively monitor [progress toward solving] underrepresentation. There simply are no targets in view. What doesn’t get measured doesn’t get done.”

“ A female colleague maintained her position because she thought moving up the ladder would bring a lot of challenges and take away from her family life. She even rejected a promotion because of the expectations she thought were associated with moving up. These issues need to be discussed.”



PARTNER, PUBLIC ACCOUNTING FIRM

British female // Age: 50-60, 15 to 20 years in accounting



“ I believe we are progressive in gender diversity but nowhere near [where we should be] with inclusivity. There is still a massive bias around nationality. [With] disability, we have a long way to go—it is almost like we never even started.”

“ We have 20 to 30 nationalities on my team. But is everyone on the team treated fairly? [Not necessarily.] Sometimes Arab-speaking female colleagues got opportunities, and the non-Arab-speaking males had fewer opportunities.”

“ During the hiring process, I hear ‘We will only recruit from this nationality’

or ‘We will only hire women for this role not men.’ This is actually a negative, [because] you might not get the right person. [This is] positively discriminating for women in the hiring, promoting, and bonus process.”

“ [COVID has made inclusion more challenging. With] 60 to 80 percent working from the office, there is a whole load of people working from home...and the ones who can’t come to the office are women because they have kids. The people who are at home are invisible. This is a whole new aspect of inclusivity that we need to consider.”

SENIOR MANAGER

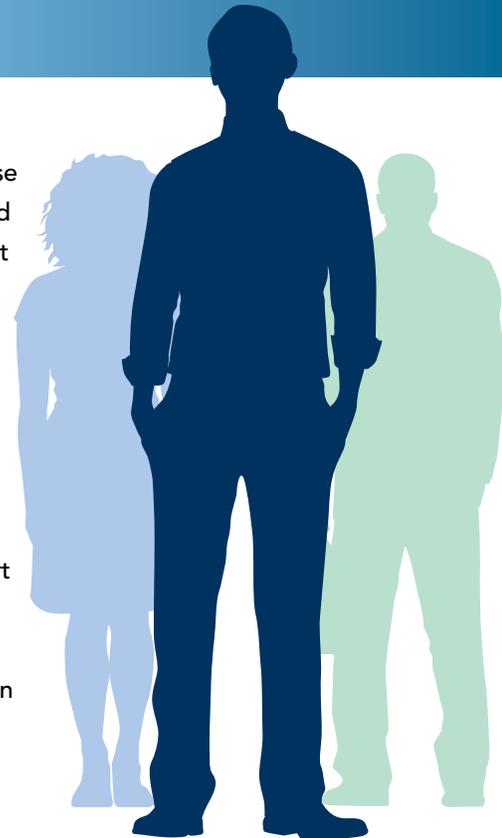
Asian male // More than 10 years of public accounting experience

“ Seeing how some companies advertise vacancies is degrading. Some state that only certain nationalities will be considered. When these companies are only open to some nationalities, then some qualified persons of other demographics are being overlooked. I know I have the professional experience but cannot even apply.”

“ I have witnessed salary discrepancies that are rooted in bias. [When I look at the data,] I can see white people get paid more than Asian ones in auditing—not based on talent and skills but primarily demographics.”

“ Being from an Asian country, most people underestimate us. Maybe because English is not my first language. I worked very hard to reach my position. It’s about changing perception and shifting attention from where we came from to what we can contribute to the job.”

“ In the UAE, many are successful in progressing diversity in the accounting and finance profession because there is a general lack of local talent, so they import talent from all parts of the world. That helps with diversity. Companies should consider hiring independent parties to run surveys to allow staff to speak their mind and learn how much progress they are making [with inclusion].”





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.⁴⁶ 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.⁴⁷

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.⁴⁸ 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.⁴⁹ 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."⁵⁰

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."⁵¹

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.⁵² 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.⁵³ 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.⁵⁴

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.”⁵⁵ 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

The profession’s long-term viability and strength depend on attracting, retaining, and promoting the next generation of professional leadership. Interviewees 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 that will involve “everybody”—the collective efforts of parents, secondary 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, or race.

- 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.
- Offer flexible work arrangements, including part-time and remote work, as well as in-office and at-home accommodations for persons whose delivery would benefit from tailored aids.

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. Survey respondents and interviewees 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 intermediate school and secondary school:** Professional accounting organizations arrange visits to intermediate and secondary schools in underserved communities to raise awareness about the accounting profession. Some partner with universities to invite intermediate and 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 professional accounting organizations and 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 CPA 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. 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 improving DE&I and 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 the MENA region 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 participants and people of determination 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. 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 the

MENA region 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 MENA accounting profession from a DE&I perspective, IMA and IFAC cosponsored a regional study of DE&I focusing on two demographic groups: females and people of determination. With the support and contributions of global research partner American Accounting Association; research partners Iraqi Union of Accountants and Auditors, Jordan Association of Management Accountants, Jordanian Association of Certified Accountants, The Lebanese Association of Certified Public Accountants, Palestinian Association of Certified Public Accountants, Philippine Institute of Certified Public Accountants—Dubai Chapter, Saudi Organization for Certified Public Accountants, UAE Accountants and Auditors Association, and Yemeni Association of Certified Public Accountants; and research advisors Rinku Bhattacharya, Lina Daouk-Öyry, Suzan Dsouza, Dana Jensen, Hanadi Khalife, Adrian Lim, and Rouba Zeidan, 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 the MENA region,
- The impact of DE&I on the MENA 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 the MENA region.

Findings are based on a survey of 1,147 current and former accounting professionals and academics in the MENA region as well as individual and group interviews conducted with 13 current and former accounting professionals and academics across the region. We surveyed the accounting profession from primarily 12 countries in the MENA region, including Egypt, Iraq, Jordan, Kuwait, Lebanon, Pakistan, Palestinian National Authority, Qatar, Saudi Arabia, Sudan, the UAE, and Yemen (see Table A1). A summary of key respondent demographics can be found in Figure A1. Of the 1,147 survey respondents and 13 interviewees from the region, 18% identified as female and 22% identified as people of determination.

FIGURE A1: DEMOGRAPHIC COMPOSITION OF DE&I SURVEY RESPONDENTS

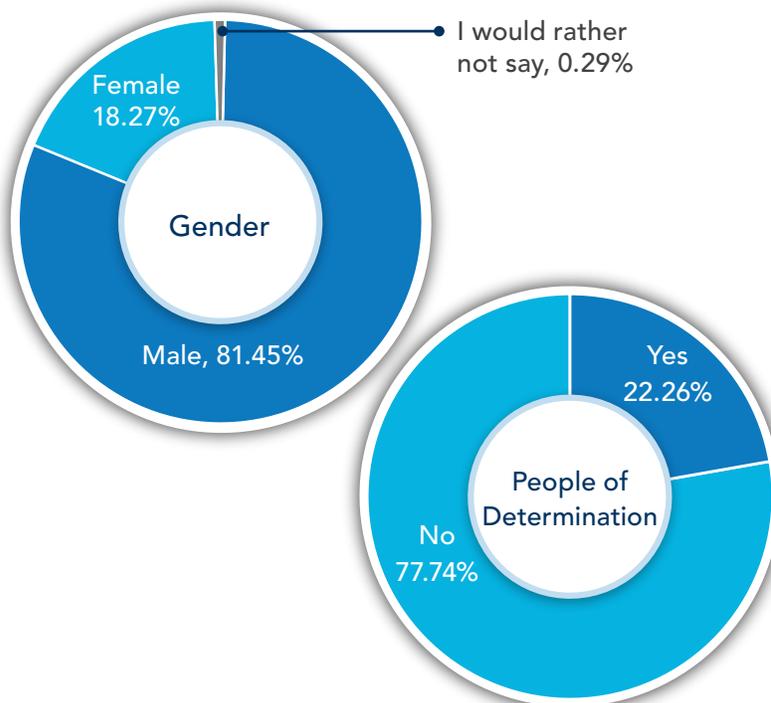


TABLE A1: LOCATION*

Egypt	18.66%
Iraq	0.52%
Jordan	2.62%
Kuwait	0.35%
Lebanon	4.10%
Pakistan	0.96%
Palestinian National Authority	0.44%
Qatar	0.70%
Saudi Arabia	45.77%
Sudan	1.39%
United Arab Emirates	21.01%
Yemen	0.52%
Other (not specified)	1.57%

*Percentages do not sum to 100.0% due to rounding.

TABLE A2: AGE

Less than 23	1.24%
23-38	56.23%
39-54	35.30%
55-64	5.61%
65-73	0.95%
74 and older	0.48%
I would rather not say	0.19%

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

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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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- ⁴ Kingdom of Saudi Arabia, *Saudi Vision 2030*, bit.ly/3x6ecgA.
- ⁵ The World Bank, *Women, Business and the Law 2020*, bit.ly/3a45w2O.
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- ¹⁰ World Economic Forum, 2021.
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- ¹⁷ Loreal Jiles, Shari Helaine Littan, and Diane Jules, *Diversifying U.S. Accounting Talent: A Critical Imperative to Achieve Transformational Outcomes*, IMA and California Society of CPAs, February 2021, bit.ly/3s9NW1P.
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⁵⁴ The Code includes provisions that require professional accountants to take action if they become aware of an actual or suspected noncompliance with law and regulation (see Sections 260 and 360).

⁵⁵ *Ibid.*