

## Press release

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### **Tackling unconscious bias is the key to driving greater diversity and inclusion within the professional services industry.**

**LONDON** – A lack of diversity within leadership among professional services firms is a direct consequence of biased behaviours that exists within the industry. That is one of the key findings from *HLB’s Unconscious Bias Awareness Study*, launched today. Furthermore, unconscious bias constrains the career progression for certain groups of professionals and is becoming a bottleneck to diverse hiring.

Commenting on the findings, Marco Donzelli, HLB’s Global CEO, says: *“Our industry is facing immense challenges, especially when it comes to attracting and retaining talent. For the industry to thrive, we need to explore what issues are currently holding it back. Addressing unconscious bias is a hard job but it’s a conversation we need to have now if we ever want to achieve greater diversity and inclusion.”*

#### **The impact of unconscious bias on career progression**

While the number of female public accountants has steadily increased, there is still a significant lack of female leadership within the industry. We discovered that several unconscious biases are the cause of this. One example is that the traditional career curve for women in accounting is rarely accommodating motherhood. Women of a certain age and/or working mothers can be seen as less preferential candidates for promotion due to the societal expectations placed on them as primary caregivers for their families. In addition, the pressure to deliver measurable results and clock in the billable hours is another core factor that eschews the career progression curve for female CPAs. Yet despite our research uncovering in some regions that female CPAs had higher success rates of closing client sales compared to their male colleagues, they were still being overlooked in succession planning in favour of their male colleagues who had the opportunity to demonstrate their commercial skills. As a result, many female professionals follow the pre-approved career routes, which often end at mid-level positions.

#### **The diversity debate**

In addition, the career progression curve for non-white candidates of both genders differs significantly to that of white professionals. Despite the increased number of graduates coming in from different backgrounds, CPA firms are still slow to embrace diverse hiring practices, with unconscious bias presenting itself in the recruitment process, through the practice of ‘cultural matching’ over candidates actual abilities. Our own findings suggest that even in richly diverse areas such as the UK, there are no shortage of diversity at entry-level, but few non-white CPAs progress up the ranks, with less than 10% promoted above the mid-level positions. In addition, structural reasons such as systemic barriers to education and access to opportunities can explain the lower rate of diverse candidates entering the industry.

Additionally, the unconscious biases displayed by clients' is a concern. Our firms reported that their teams had experienced instances of clients' own unconscious biases towards their diverse account teams. All of which raises serious questions for our profession: is the lack of diversity and trend of white males in leadership positions a result of client expectations, and does it affect which firms they are willing to work with? If yes, does that mean these biases should be reinforced or should we seek to challenge them? If clients are choosing firms based on their own biases, what steps can be taken to drive change? The first is through acknowledgement, with 92% of HLB leaders recognising that they must be at the forefront of providing equal opportunities to people of all genders and backgrounds.

### **Homogeneous leadership teams – a standard due for change**

The lack of diversity in leadership positions comes as a direct result of practices and unconscious bias which exists on the grassroots level within the industry. With a compromised career curve, fewer female and non-white candidates manage to make their way to leadership positions, with many giving up on either their professional growth or the industry. This has a direct impact on the attractiveness of the profession, with 67% of HLB managing partners agreeing that prospective employees look at the demographic make-up of the firm and leadership team when assessing an employer brand. Ultimately, homogeneous leadership structures are holding firms back from realising their full potential and driving outcomes for their clients. Our findings concurred that diversity encourages faster business development and drives opportunities.

### **Resolving the bias, one mental block at a time**

Our research uncovered that unconscious bias stands at the foundations of many organisational practices. And while removing them all at once is not feasible, gradual adjustments will yield a substantial impact. 82% of our leaders believe that firms should use their influence to address inequality issues and drive a sustainable change agenda around diversity. Some of the ways we are seeking to achieve this are through compulsory unconscious bias training; challenging and addressing biased behaviours at the leadership level; revising hiring practices and being more deliberate in identifying existing gaps in diversity.

Ultimately, maintaining the status quo as it stands is not an option. Inaction will further heighten the issues of inequality and drive talent to other industries. The profession must recognise the impact unconscious bias has had, so we can achieve the necessary change.

### **About HLB**

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