

How Accounting Firms Are Working to Address Systemic Racism

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Many businesses, individuals, and organizations are working to address issues related to systemic racism, and accounting firms are no exception. To better understand the overall landscape of the accounting world, I recently interviewed 12 highly respected accounting firm managing partners on a variety of issues - everything from financial challenges to M&A deals to employee morale. As part of this comprehensive survey, I also asked managing partners about the ways in which they were addressing systemic racism.

While the answers varied, most firms confirmed that they are trying to figure out how to best address systemic racism and its implications in their firms. There is a new urgency to address systemic racism, and to include their plans to address it among the firm's foundational tenets.

Most firms are engaging in training and encouraging open dialogue. Many are supporting social and racial justice organizations. Many firms have committees or

positions that focus exclusively on diversity. Some firms are viewing it as critical and urgent, most firms are viewing this as important, and a minority of firms have made the decision to do little.

The following are some of their specific responses:

- We are looking at our numbers and trying to measure whether people feel included. We have training across the organization and foster an open dialogue. We are fortunate to have a few black partners who have recounted life experiences that helped others understand the problems that they faced. We also have a lot of women leaders. We are donating to equal justice organizations. We have signed the CEO diversity pledge. We have made celebrating differences as one of our core behaviors.
- We have encouraged an open dialogue. We have had several panel discussions with people from inside the firm recounting their experiences and discussing racism and inequality. We have focused on recruiting designed to find diverse talent. We have partnered with the National Association of Black Accountants. We will work to translate our culture of conversation into change and action. We added a pillar of our grant making to

organizations that focus on racial and social justice.

- We are focusing on students in high school and early college from disadvantaged backgrounds to get them interested in accounting. Going to the schools to talk to them and bring them back to the office and interacting. We are involved in organizations that do this and we provided financial support to the organizations. We also support organizations that combat systemic racism.
- We had a town hall on racism. We have had further partner training. About 1/3rd of our equity partners are women, and we need to use what we learned from gender diversity for racial and other diversity. We are having uncomfortable conversations. We are supporting organizations that promote racial justice. This needs to be integrated into the day-to-day working of the firm, not just something off to the side.
- Internal and external statements made. There was a misstep and we had to backtrack to correct a communication not realizing some of the sensitivities. We are still learning. I have read *White Fragility* by Robin DeAngelo and *What If* by Steve Robbins. It doesn't fly to say that you are color blind. We are forming an internal group to address this.

- It is difficult because we don't have a critical mass of diversity to help others overcome their biases. Training on unconscious bias and other similar things is more difficult to do remotely.

You can read the [full survey and additional responses here](#).

Levenfeld Pearlstein is the law firm for accounting firms and the people who run them. Partner Russell Shapiro is a leader in advising on the legal and business aspects of accounting firm partnership agreements, mergers and acquisitions, and the enforcement of restrictive covenants. He has twice been recognized by Accounting Today magazine among the "Top 100 Most Influential People in Accounting." What's more, Levenfeld Pearlstein is a thought leader in the industry, and Russell has substantial management and leadership experience with the firm. He is currently a longstanding member of Levenfeld Pearlstein's Executive Committee, is Chair of the firm's Transaction Department, and is former Chair of the firm's Compensation Committee and the firm's Corporate Group. He incorporates this firsthand management and leadership experience into practical legal and related business advice and guidance to firms

