

# The Gender Diversity Dividend

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In a recent article in this magazine, Donna Torres wrote compellingly about the importance of tackling the gender gap across the accounting profession. She made the case that gender diversity is not only a women's issue but a human one and affects the entire workplace. This certainly is supported by countless studies that show that diversity in the workplace strengthens teams as it brings in multiple perspectives to decision-making and helps to ensure that all options are considered, and the full range of stakeholders is taken into account. In tax work, of course, this is especially important. Arguably, the stakeholders in the tax decisions made by CPAs and other tax experts include not only clients and the employing firm, but also government and anyone drawing on support from the coffers of the state.

Working with a team at University of Limerick, we wondered how this diversity dividend would transpose to an area as technical and regulated as taxation? Donna Torres rightly pointed

out in her article that CPA leads in this area having achieved parity in terms of male and female members. So what are the implications for accounting practices of this change in demographic? We can all see the value from a perspective of equal opportunity.

We know gender diversity helps with teamwork, but how does it work out in working environments where professionals may work alone for a large part of the time, and which are highly regulated? Specifically, what difference might it make to a tax practice, in the current climate, to have more gender-diverse groups of tax experts in our organisations?

The current climate matters here. In recent years, triggered in part by reporting and debate around the Panama Papers, the Ansbacher accounts, the Apple tax controversy, we have seen a new wave of public concern about tax avoidance and evasion. This is being more clearly understood in its impact on government spending and cuts, and there is now the potential for significant reputational damage where very aggressive tax decisions are made. This is a change, and one that comes at the same time as the change in the gender makeup of the profession. We wondered how these two trends might interact?

At the University of Limerick, we recently undertook a large international study of tax experts and tax professionals. Our work formed part of a broader research project, the H2020 COFFERS project funded by the European Commission to address issues of taxation and inequality. Our part of the research addressed not policy, but the work of tax experts working in a range of sectors including professional service firms, the public sector and the corporate sector. We were interested, inter alia,

in seeing how men and women, working side-by-side as tax experts, might differ in their approach to work.

Tax workers as professionals are expected to exhibit a range of qualities in their daily jobs. However, people attach different levels of value or importance to the different characteristics, and this will change how they work. Imagine, for instance, that you and I are working side by side as tax juniors. You might think the most important thing for you is to be accurate in your work, for instance, while I might attach more value to being speedy. If there are more people like me than people like you in the office, then that will affect the overall way in which work is done.

We set out, then, to see if the qualities valued by men and women differ. These "work values" are not a synonym for ethics, although ethical behaviour is a key value for all professionals and is particularly important in tax work. Rather, the term describes the personal attributes that each respondent thinks are most important for their own role, a way of unpacking something that is often described as a work ethic, and of finding differences in the way different groups might prioritise one way of working over another.

We surveyed over a thousand tax experts working across 58 countries and asked them to score a range of personal qualities, all well-rooted in academic literature, that might be valued in their daily work. The responses were well-balanced on a range of dimensions, with a good mix of male and female respondents in each of the different age groups, sectors and at different levels in their organisations. We were satisfied then, that if we found significant differences between the kinds of qualities valued by men and women,

these would tell us something about the likely effect of gender changes in the profession.

The findings are very interesting, particularly in view of the changing gender makeup of the tax profession in general, and the newly qualified CPA cohort in particular. There were some foundational personal qualities which were rated more or less equally by the men and women who answered the survey, as they related to their day-to-day work. Unsurprisingly for tax professionals, these related to the importance of being technically competent, speedy, pragmatic and loyal in their work. Perhaps of more interest to CPAs working in tax, we also found significant differences in some key areas.

In their responses, women attached significantly more importance to being compliant and accurate than did men. The fact that they value this trait does not of course mean that they display it to a greater degree than do their male counterparts, but it does imply that this is something they focus on in their daily work, and in which they take pride. For that reason, the result suggests that having more women in the tax team may have a positive impact on the overall attention paid to accuracy and compliance, and so may act as a control, improving overall team performance in this area.

Men, by contrast, attached more value to the traits of being innovative and nuanced. "Nuanced" is a slightly ambiguous term. It can be a positive characteristic for a professional, implying that a range of considerations is taken into account in reaching a decision, for example, or that fine judgements are made on complex issues.

In combination with being innovative, it suggests an ability to devise novel and perhaps complex tax arrangements, or on out-of-the-box thinking on the subject of tax. Traditionally, such activities have been regarded as prestigious and important by advising firms as a means to generate fees from clients.

This prestige is moderating in the new climate of increased concern about the social impact of tax decisions and reputational risk associated with adverse tax judgements. The fact that men working in the tax field value this quality in themselves more than women do is interesting and suggests that a profession with a higher female representation may be even more appropriate in tax work at this time.

Women attached more importance to being ethical than did the male respondents to our survey. Attaching a value to being ethical at work is particularly important for tax professionals now with growing tax complexity, pressure for aggressive tax planning and rising public concern about tax avoidance and evasion. The finding that women place a higher value on being ethical is in line with other studies in the accounting profession and among accounting students, which have suggested a higher level of moral development among female professionals. It may be that this is explained less by inherent differences in the levels of ethics across the genders, and more in the value attached to it by men and women.

Overall, this suggests that it could be useful to have more women in the team at all levels in the organisation.

These findings represent both a challenge and an opportunity to the traditional accounting practice in Ireland. The differences suggest that the shifting gender balance of the profession may change the way in which tax work is done in a way that aligns well with the changing imperatives of the time. Overall, a tax team with a good balance of men and women would seem to bring a range of valued personal qualities to bear on the tax work, which would not be seen in a more homogenous group of all men or all women. This points the way to exploring other aspects of diversity at work, including race, age, culture etc., with a view to seeing how the "diversity dividend" could be delivered for the profession.



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