Paradox tolerance and the enactment of diversity practices

The following is a practitioner report of an academic working paper “Convenient fictions and inconvenient truths: The role of paradox in understanding female career progression within leading UK accountancy firms.” by Louise Ashley and Laura Empson. Working Paper CPSF-008 2012 (available at - www.cass.city.ac.uk/cpsf)

During the past fifteen years, professional service firms have increasingly been promoting their commitment to diversity and inclusion (D&I), particularly with regard to gender. Proponents of D&I policies in professional service firms typically cite the “business case” to support their arguments. They argue that by retaining and promoting more women, the organisation will in turn be able to attract and retain more female talent in future. This will offer an improved capacity to innovate, and enable the firm to respond to the requirements of a diverse client base.

Why, then, with such an apparently convincing argument in favour of D&I policies, is there still such a wide variation in female career progression in the professions?

A study of accounting firms by Louise Ashley and Laura Empson of the Cass Centre for Professional Service Firms has shown how the business case is just one of three sometimes conflicting and contradictory narratives that are employed in relation to gender equality. In support of D&I agendas, and in addition to the business case, some professional service firms also cite the moral case, arguing that action in this area is quite simply the right thing to do.

However, Ashley and Empson’s study finds that both the business and moral case for gender equality and diversity are undermined by a strong client service ethic in accounting firms. The most important aspect of client service is responsiveness to client demands and expectations. In practice, this is interpreted as meaning constant availability to the client: the ability to respond quickly to demands which are sometimes erratic and unpredictable; the effective and efficient turnaround of projects often at short notice; and the provision of advice by an individual (or team) who is consistently available, known to, and trusted by, the client. So while, for example, some interviewees in the study argued that the business case for retaining more talented women is consistent with effective client service, the actual structural changes needed to retain these women, such as flexible working, are in fact in direct conflict with it. This contradiction begins to help explain why so many firms have struggled to deliver on their espoused commitment to D&I.

However, a key argument in Ashley and Empson’s paper is that the way in which organisational leaders combine and utilise these three narratives can help to explain and predict their success in promoting gender diversity at senior levels. Firms that utilise just one narrative in favour of diversity, either the business case or the moral case, are less likely to challenge the dominant client service ethic and to retain senior women. Firms that utilise both narratives in order to challenge the client service ethic experience improved outcomes for women.

In further detail, one of the case study firms, relied almost solely on the moral case to support its D&I initiatives. In the five years leading up to the financial crisis in 2008, the firm operated a highly progressive policy with regard to flexible work. However, when the economic downturn
hit, the firm experienced a high number of redundancies, and interviewees explained that these had been heavily focused on women, most of whom worked part-time. Interviewees argued that this strategic decision was associated with the fact that no business case had been established for this working pattern. A partner in the firm said:

“The pendulum went from being a backward organisation to a very progressive organisation…and the pendulum needed to swing back to the middle and say, well we’re doing a lot of stuff, but it’s got to have a business need and a business link which is why, not just me but I think a lot of partners would say, we really won’t be doing any of that because we didn’t link it into how we make money as a business…”

In other words, Ashley and Empson argue that the use of the moral case in isolation was not sufficient to challenge the client service ethic, or to provide a consistent and stable platform for a more fundamental and long-lasting change in attitudes towards flexible work and female career progression.

In the second of the case study firms the business case was emphasised as the sole motivation for involvement in the D&I agenda. More than half of the interviewees also talked about their personal belief in the moral case, but organisationally only commercial concerns were accepted as a valid reason for change.

However, the firm’s leaders had not succeeded either in supporting the business case with quantitative evidence or in constructing a convincing enough ‘story’ around it, as one partner commented:

“…people are used to measures and hard facts in our surroundings…so at the end of the day there’ll always need to be a business case…if you put a group of very different people together you usually will come up with a better solution. It might be hard for that to translate into numbers though…”

This uncertainty about the business case, combined with a weak commitment to critically appraising the practices within the firm, left the client service ethic relatively intact. As a result the firm had no urgent motivation for improving career progression for women, leading to stasis overall. Whilst flexible work was technically available at this firm its take-up was often discouraged. Interviewees report that this was a major factor in encouraging more women to leave the firm and reducing the number of women in the leadership pipeline.

Ashley and Empson found that the third accounting firm they studied in depth, had the highest percentage of female partners of all three case study firms and that percentage had gradually increased over the past five years. All interviewees at this firm narrated a business case for gender equality, and more than half also narrated a moral case. Not every interviewee was personally motivated by the moral case, yet all argued that both the business and the moral case could be identified as equally legitimate organisational narratives.

Interestingly, this firm was the only one of the three firms studied in which interviewees did not attempt to attach a cash value or clear bottom-line benefit to diversity. Tacitly or otherwise, they acknowledged the internal contradictions associated with the business case and its conflicts with the client service ethic.

In this respect, interviewees at the third firm appeared more ‘paradox tolerant’ than their peers at the other two accounting firms in the study. In turn, this has led the firm towards a more active commitment to both structural and cultural change.
To summarise, the study suggests that those accounting firms which have been less successful at facilitating the cultural and structural adjustments to enable female career progression to partnership are those where diversity practitioners and firm leaders have relied solely on either the business case or the moral case to drive equality actions. This focus has limited the opportunities for dialogue and productive change. In contrast, the relatively large number of female partners in the third firm studied results in part from the fact that organisational members use the business case as a narrative resource alongside their outspoken aim to ‘do the right thing.’ These twin narratives are used to challenge the client service ethic, legitimise alternative working patterns and, in the process, minimise negative associations between, for example, motherhood and commitment to work.