



Disability and accounting firms: Evidence from the UK

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Abstract

An accumulation of interpretative studies in a range of international contexts has considered gender, race and social class in accounting employment. However, no work has considered accounting firms' attitudes towards employing disabled people. This omission is surprising given the passing of successive disability rights legislation in the United States since 1918 and the United Kingdom (UK) since 1944 and consequent changes in public expectations regarding equal employment opportunities for disabled people. This paper examines the UK accounting profession's response to changes in disability legislation. Using a survey administered to UK firms and an analysis of the Big Four firms' 2003 UK annual reviews, we report that firms' have a minimal understanding of disability, that disability is not a significant component of firms' personnel policies, that firms lag behind other organizations in their attitudes to disability, and images of disability are wholly absent from firms' annual reviews. We discuss these findings in the context of prior accounting research which considers gender, race and social class, which is used to develop a research agenda.

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1. Introduction

In the UK, the 1900 Companies Act made auditing generally mandatory for companies listed on the stock exchange. Company audits are undertaken to protect the legitimate interests of a range of stakeholders: shareholders, creditors and employees. Consequently, auditors and the accounting profession¹ have been given a unique position by statute in safeguarding the public from poor quality financial information. In the light of the position and mission of the accounting profession, scholars have been interested in “who comprises the ranks of these ‘public’ accountants” (Hammond, 1997a, p. 29). The past two decades have seen a steady accumulation of studies of the history of the accounting profession,² which document the marginalization of minorities (Kirkham and Loft, 1993; Lehman, 1990; Lehman and Tinker, 1987; Matthews and Pirie, 2001; Tinker and Neimark, 1987). However, disability remains unexplored in the accounting literature. This omission is surprising in the light of legislation created in the past century with the intention of supporting greater inclusion of disabled people in meaningful employment. For example, the United States (US) has passed a series of progressive legislation in support of disabled people entering employment, from the *Soldiers Rehabilitation Act* of 1918, leading to the *Americans with Disabilities Act* of 1990, and the *Workforce Investment Act* in 1998. The United Kingdom (UK) has a similar, albeit more modest, legacy of employment law protecting disabled people, from the *Disabled Persons (Employment Act)* 1944 to the *Disability Discrimination Act* (DDA) of 1995. How effective legislation has been in protecting disabled peoples’ employment rights is questionable.³ For example, a recent UK Government-sponsored Labour Force Survey (LFS) reports nearly one-in-five people of working age have a long-term disability and that disabled people are half as likely to find employment (48% of disabled people are in employment compared to 81% of non-disabled people) (Smith and Twomey, 2002). Equivalent Europe-wide studies indicate similar patterns, with an employment rate of 27% for disabled people, less than half the employment rate of the working age population (European Commission, 2001).

Our stimulus for writing this paper is a concern about the homogeneity of the accounting profession, where the accounting literature provides overwhelming evidence of its domination by white (Fisher, 2000; Hammond, 1997a; Hammond and Streeter, 1994), middle-class (Jacobs, 2003; Walker, 1988), males (Ciancanelli et al., 1990; Fogarty, 1997; Hooks and Cheramy, 1988; Lehman, 1992; Lowe et al., 2001; Pillsbury et al., 1989; Spruill and

¹ In the United States, auditors are referred to as certified public accountants, a term which makes explicit their role in protecting the public interest.

² Throughout the paper we refer to accounting as a profession rather than an industry. Others have suggested accounting professional bodies function more as a craft or guild (Dyckman, 1974; Hopwood, 1988), distinct from other groups with superior claims. Fogarty et al. (2006, p. 2) question “whether more legitimacy flows from an accountant holding his/herself out as a member of a professional body or as an employee of the Big (or more ominously, Final) Four, remain unclear”.

³ The DDA was introduced in an attempt to remedy the inadequacies of the Disabled Persons (Employment Act) 1944. The 1944 Act required employers with 20 or more employees to ensure that at least 3% of their workforce was registered disabled persons. However, the legislation proved unsuccessful in providing sufficient job protection for disabled people and the quota requirement was rarely enforced—with only three prosecutions in the last 30 years.

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