


# Chapter 12

## Addressing Inequalities in the Workplace

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### ABSTRACT

*This paper aims to examine the impact of financial, accounting and auditing practices on workplace inequalities. Workplace inequalities can take various forms, such as wage differentials, discrimination, and opportunities for advancement. In this framework, the potential of financial, accounting and auditing practices to maintain or reduce these disparities will be explored. In this study, the discussion of strategies for the importance of financial, accounting and auditing practices in addressing workplace inequalities is based on a literature review. By emphasizing the importance of these practices in addressing workplace inequalities, it aims to provide a basis for future research and practice. Scientific publications, articles, books and reports obtained with the keywords identified in the research were systematically analyzed.*

### INTRODUCTION

Inequality can negatively affect individuals, society and the economy, leading to an increase in crime, disease and environmental degradation in the long term (Yeditepe, 2021). Inequality can be based on religion, language, race, sexual orien-

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tation, physical disability, social class or gender and can occur within or between countries (UN Global Compact | Reducing Inequalities, n.d.).

Inequality in the workplace is a widespread problem faced by many organizations and societies and can be based on race, sexuality, faith and gender (Greene & Kirton, 2010), as well as wage differences and limited promotion (Smith & Whitehouse, 2020). Inequality can also have detrimental effects on the organizational performance of the business by negatively affecting employee morale and productivity (Layman, 2024). Implementing organizational procedures that bring accountability and transparency to performance-reward systems has been shown to reduce pay gaps based on gender, race, and nationality, highlighting the importance of such initiatives in promoting workplace equality (Roberson et al., 2020). Agnello et al. (2012) found that reforms in financial management and practices promote a more equal distribution of income. In a study conducted by Ang (2010) in India based on data from 1951-2004, it was observed that the insufficient development of the financial system negatively affects the poor more than the rich and further increases income inequality. Transparent financial practices promote trust in the workplace and reduce inequalities in organizations (Mozael & Samsudin, 2019). Implementing organizational procedures that bring accountability and transparency to performance-reward systems has been shown to reduce pay gaps based on gender, race, and nationality, highlighting the importance of such initiatives in promoting workplace equality (Roberson et al., 2020). A study of 9,000 people working at a private company in the United States found that the pay gap decreased after senior management adopted a set of organizational procedures that brought accountability and transparency to the company's performance-reward system. I examine performance-based reward decisions (Castilla, 2015).

A study using various 2004 and 2011 WERS datasets found that transparency in financial practices leads to higher wages and empowers workers in wage negotiations (Rosenfeld & Denice, 2015). It has been observed that wage transparency eliminates inequalities within the company due to discrimination in the workplace, and public disclosure of wage data can change the public perception of inequality (Treleven & Fuller, 2021).

In this context, corporate transparent financial management and practices, such as pay equity, measurable, balanced performance evaluations, and impartiality in the allocation of resources, contribute to employee satisfaction, organizational commitment, and increased productivity while reducing legal risks (Resources, 2023). Furthermore, transparent financial management and practices can increase investment by fostering trust as a cornerstone of good corporate governance and contribute to the overall success and sustainability of businesses (Probert, D. (n.d.)).

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