

The impact of multiple institutional logics on professional identities of auditors

Ms. Sudthasiri Siriviriyakul

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University of York

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Abstract

This research explores the impact of multiple institutional logics (Thornton and Ocasio, 1999) or the macro-level values that guide appropriate behaviours in the auditing profession on individual auditors and their professional identities. Due to national deregulation, globalisation, and market competition, there has been an increase in commercialism and business focus in the auditing profession (Hanlon, 1996; Crittenden et al., 2003; Sikka, 2015; Guo, 2016). The study employed an interpretivist, qualitative approach with 27 semi-structured interviews and participant-produced drawings (Kearney and Hyle, 2004) of statutory, external auditors from small, medium, and big-four audit firms in the UK.

The findings demonstrated the coexistence of three institutional logics including the technical, ethical, and commercial logics, highlighting tensions and complementarity of the multiple logics as experienced by individual auditors. This thesis argues that there are differences between the technical and ethical logics, traditionally combined under the umbrella of a professional logic in the current literature (Gendron, 2002). Participants negotiated tensions among multiple institutional logics by identifying with certain logic(s) and distancing from the other logic(s) or by compartmentalising their identification with different logics across time. Findings extend the understanding of how institutional logics may complement one another through presenting three types of complementarity including the facilitating, by-product, and stand-alone nature.

Next, this research found that individual auditors constructed three forms of professional identities in relation to multiple institutional logics including a guardian of public interests, an advisor, and a value-added watchdog. Various forms of identity work were performed to construct, reconstruct, revise, and secure these identities. The main institutional logics shaping these identities were the ethical and/or commercial logics. Finally, this thesis also has a methodological contribution regarding the use of participant-produced drawing to conceptualise abstract ideas, stimulate further discussion, and understand institutional logics and identities of individuals at the micro-level.

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Declaration

I declare that this thesis is a presentation of original work and I am the sole author. This work has not previously been presented for an award at this, or any other, University. All sources are acknowledged as References.

Chapter 1: Introduction

1. Background of the study

'Who is that girl I see, staring straight back at me?

Why is my reflection someone I don't know?

Somehow I cannot hide

Who I am, though I've tried.

When will my reflection show, who I am, inside?'

(Mulan, 1998)

This thesis is a realisation of my long-time quest for knowledge. Being born and raised in an upper-middle class of an academic family in the capital of Thailand, I have always aspired to pursue more learning and education to broaden and deepen the knowledge base. While most of my friends were going into industry after undergraduate studies, I decided to fly thousands of miles to the UK to follow my dream. As I entered a postgraduate level, I started to appreciate the important and fascinating issue of identity in business and management studies. Indeed, not only in the context of the academic circle, but I have always noticed that identity is the basis of everything in our lives. It is manifested in a sacred sphere of religions (Ysseldyk, Matheson and Anisman, 2010) and a joyful shopping spree of those luxury handbags and fragrance (Nandan, 2005; Godey et al., 2012). It is portrayed in the mass media such as televisions, films, and cartoons (Leavitt et al., 2015). It is in the self-presentation to our friends (Goffman, 1959) and even in the connection with our pets (Jyrinki, 2012). Ultimately, identity is who we are (Watson, 2008). Unsurprisingly, both of my Masters dissertations were related to the issue of identity to an extent. In my MSc, I applied a social identity theory (Tajfel, 1982; Turner et al., 1987) to the case study regarding the

localisation strategy of a multinational company. In my MRes, I studied the relationship between leadership and organisational identification (Mael and Ashforth, 1992). All of these made me interested to pursue more research in the topic related to identity in my PhD.

I started off my PhD journey with the initial proposal about studying not just identity, but 'multiple identities' as I felt that there are many identities in a person's life. Yet, I was struggling to frame my research in a specific organisational context. My undergraduate background in accounting and auditing inspired me to focus in this area. I felt that somehow there was a sense of multiplicity in the self-presentation (Goffman, 1959) and perhaps the prestige (Bourdieu, 1986) of being an auditor, but I could not refine my research with a clear, robust setting. Not until I encountered a theoretical conception of institutional logics (Thornton and Ocasio, 1999) did I realise that actually the plurality in the construction of an auditor's identity is not originated from the auditors themselves or their multiple identities. Instead, their single identity of being an auditor is indeed affected by the multiple institutional logics or macro-level values, principles, and assumptions in the auditing profession that guide different appropriate behaviours and actions (Thornton and Ocasio, 1999). From this point, I began to read more literature in institutional logics and found that few prior studies have investigated the relationship between the institutional logics and professional identity of auditors. It was rather surprising because I felt that this could be a really intriguing topic in that if it were a story, its central conflict in a plot would be fairly clear: how an individual auditor constructs his or her professional identity amidst multiple, different, oftentimes contradictory institutional logics. Since then, my PhD life has been devoted to find out not just the ending of this story, but also the small details of how it unfolded.

Metaphorically, this thesis is my presentation of such story. This first chapter gives an overview of my thesis. The remainder of the chapter is organised as follows. Firstly, the auditing profession which is the context and setting of this research is introduced. Secondly, the aims of the study are discussed. Thirdly, the main contributions of this research are specified. Finally, the structure of this whole thesis for the remaining chapters is explained.

2. The auditing profession

To begin with, there are many types of auditing in the society such as in the fields of healthcare, environment, and education, to name a few (Power, 2000). This thesis only focuses on the financial auditing in terms of the statutory, external auditing. According to the Institute of Chartered Accountants in England and Wales (ICAEW, 2006: 10), the main purpose of a statutory audit is:

To provide an independent opinion to the shareholders on the truth and fairness of the financial statements, whether they have been properly prepared in accordance with the Company Act and to report by exception to the shareholders on the other requirements of company law such as where, in the auditors' opinion, proper accounting records have not been kept.

In other words, an auditor works to give the shareholders reasonable assurance on the company's financial reporting that it accurately reflects the financial position and performance of the company and is not materially misstated (ICAEW, 2006). This is due to the 'agency relationship' between the shareholders and the managers of the company where the former act as the 'principals' who engage the latter or the so-called 'agent' to manage the company's affairs on their behalf (Jensen and Meckling, 1976:

308). With this separation of ownership and control, conflicting goals, and information asymmetry, the managers may not always perform for the best interests of the shareholders (Jensen and Meckling, 1976; Eisenhardt, 1989; ICAEW, 2006). Thus, the shareholders need reliable financial information to help them evaluate the managers' stewardship as well as make important economic decisions. An audit of the company's financial statements is therefore required by law as a mechanism to fulfil this purpose (ICAEW, 2006). Some small private companies may be exempted from the statutory audit as the shareholders also manage the company themselves. Nevertheless, the audit can still be helpful and necessary for other stakeholders, for example, the minority shareholders, creditors, regulators, and employees (ICAEW, 2006).

An audit trainee coming into the auditing profession usually starts from training to become a chartered accountant. Without this crucial professional qualification, individuals are unable to grow professionally in the auditing career (UCAS, 2019). The main professional bodies who award the chartered accountancy qualifications in the UK include the Institute of Chartered Accountants in England and Wales (ICAEW), the Institute of Chartered Accountants of Scotland (ICAS), Chartered Accountants Ireland, and Association of Chartered Certified Accountants (ACCA) (ICAEW, 2019a). In order to qualify as a chartered accountant, an individual needs to have a minimum amount of practical work experience as required by the professional body and to pass the exams (ICAEW, 2019b; ICAS, 2019; Chartered Accountants Ireland, 2017; ACCA, 2018). For example, the ACA qualification which is the chartered accountancy qualification awarded by the ICAEW requires an individual to have at least 450 days of accounting work experience, which usually span from three to five years, with an authorised employer as well as to pass 15 exams covering the fields of accountancy,

audit and assurance, finance, taxation, law, and business strategy. Moreover, an individual also needs to demonstrate the set of professional skills, understand and comply with the ICAEW code of ethics in their practical work experience (ICAEW, 2019b; ICAEW, 2019c).

Once qualified as a chartered accountant, an auditor continues to progress up in the audit firm. Successful auditors need to have not only the analytical and numerical skills, but also the soft skills of interpersonal ability, teamworking, and adaptability. This is because auditors normally work as a team. A lot of an auditor's work is carried out at the clients' sites, assessing the clients' accounting records, systems, risks, and controls. Accordingly, a good client communication skill is also key (ICAEW, 2019d). Ultimately, at the top level of an auditing career is an auditor who is eligible to sign audit reports or the so-called 'Responsible Individual' (RI). In order to apply for the RI's status, an individual needs to have the Audit Qualification and the Practising Certificate (ICAEW, 2019e). The key elements to pass these two qualifications include being a chartered accountant, having sufficient audit work experience and post-qualification experience as well as complying with the professional body's requirements on Continuing Professional Development (CPD) and code of ethics (ICAEW, 2019f; ICAEW, 2019g).

The auditing profession thus plays a key role in the public capital market, the economy, and society (Johnstone, Sutton and Warfield, 2001). Individuals who become auditors need to possess technical knowledge, expertise, experience, and comply with professional and legal regulations as stated earlier. This is because ultimately they are like 'guardian[s] of public interest[s]' (Sikka, Willmott and Lowe, 1989: 48) who attest to the credibility of the financial information and protect the investors, creditors,

regulators, and other users of financial statements in the public (Johnstone, Sutton and Warfield, 2001).

Nevertheless, various financial scandals from the past until the present have demonstrated the cases of questionable practices and substandard audits performed by auditors (Sikka, 2015). The world of well-respected, traditional auditing profession has increasingly embraced the growing commercialism (Hanlon, 1996; Zeff, 2003a). With fierce business competition, client interests have become the central concerns in the audit firms (Anderson-Gough, Grey and Robson, 2000; Zeff, 2003b). Auditors strive to increase the profits (Hanlon, 1996) and expand their professional boundaries to include a wide range of non-audit services (Guo, 2016). Hence, auditors nowadays are not only faced with traditional professional values where they need to adhere to technical and ethical requirements, but are also exposed to this growing dominance of commercial value (Hanlon, 1996; Gendron, 2002; Sweeney and McGarry, 2011; Spence and Carter, 2014; Guo, 2016).

Therefore, individual auditors are embedded in a context of multiple macro-level values or institutional logics (Thornton and Ocasio, 1999) in the auditing profession, each of which represents different guiding principle for appropriate behaviours. The multiple institutional logics in this study include the technical, ethical, and commercial logics. Defining briefly, the technical logic is the value related to technical compliance, specialised knowledge and expertise. The ethical logic is concerned with the public interests, integrity, and independence. The commercial logic focuses on profitability and client interests (Gendron, 2002; Spence and Carter, 2014).

The auditing profession characterised with these multiple institutional logics sets the stage for this thesis.

3. Aims of the study

This thesis aims to investigate the impact of multiple institutional logics (Thornton and Ocasio, 1999) or the values, assumptions, and principles at the macro-level in the auditing profession on the individual auditors and their professional identities at the micro-level. In particular, this research studies how individual auditors experience the tensions or complementarity among the three institutional logics in the auditing profession namely the technical, ethical, and commercial logics; how they respond, negotiate, balance, and position themselves among these multiple logics; and how they construct and reconstruct their professional identities in relation to these logics.

By bringing individuals into the picture, this research fills the gap in the literature on institutional pluralism and institutional change where most scholars primarily focus on the macro-level and ignore its impact on the micro-level of individuals (Pache and Santos, 2013; Smets et al., 2015; Bévort and Suddaby, 2016). According to Hallett and Ventresca (2006: 215), '[i]nstitutions are not inert containers of meaning; rather they are "inhabited" by people and their doings'. Thus, Hallett and Ventresca (2006) encourage researchers to study the micro-level of individuals as this forms the foundation of the macro-level institutions. Similarly, Albert, Ashforth and Dutton (2000) see identity as a root construct in studying organisational phenomena. Therefore, I address the paucity of research in this regard by offering more insights into how the institutional complexity of multiple institutional logics in the auditing profession is interpreted from the perspective of individual auditors.

In order to achieve the aforementioned aims of this thesis, I conducted a qualitative research using semi-structured interviews with participant-produced drawings (Kearney and Hyle, 2004). These data collection methods were employed to gain rich, in-depth data where participants could conceptualise and reflect abstract ideas of

institutional logics and identities, and use the drawings as a means to stimulate further discussion in the interviews (Kearney and Hyle, 2004; Pain, 2012; Ward and Shortt, 2012). My participants included 27 external auditors from the small, medium, and big-four audit firms in the UK with at least 3 years of work experience in statutory audit. The data were analysed using thematic analysis (Braun and Clarke, 2006). The key findings which represent the main contributions of this thesis are summarised in the next section.

4. Contributions of the study

This thesis has four key contributions as follows.

4.1 Discovering the impact of multiple institutional logics in the auditing profession on the construction of professional identities

Firstly, this research contributes to existing studies by empirically investigating how the multiple institutional logics (Thornton and Ocasio, 1999) in the auditing profession shape the professional identity construction of individual auditors. Prior research has studied the impact of institutional logics on identities of individuals, but in other industries such as medicine (McGivern et al., 2015; Kyratsis et al., 2017) and public sector (Meyer and Hammerschmid, 2006). The exception is Bévort and Suddaby (2016) who study the impact of multiple institutional logics on identities of accountants. Nevertheless, Bévort and Suddaby (2016) focus on the specific case of accountants who progress to managerial positions and whose firm has been going through a restructuring process to embrace the managerial logic. Thus, the dynamic of institutional logics in Bévort and Suddaby's (2016) research is different from my thesis where I consider auditors in general regardless of the internal structures of audit firms or positions.

The findings showed three forms of professional identities including a guardian of public interests, an advisor, and a value-added watchdog. Multiple institutional logics were found to shape the construction of these identities where the ethical and commercial logics drove the identities of a guardian of public interests and an advisor respectively. The value-added watchdog identity was drawn on both ethical and commercial logics together in a form of the hybrid identity (Meyer and Hammerschmid, 2006). The technical logic acted as a facilitating logic rather than the main logic to the identity construction of these three identities. I also discovered the mechanisms of how these three identities were constructed in relation to the multiple institutional logics. In particular, individual auditors engaged in several forms of identity work (Sveningsson and Alvesson, 2003) to construct, negotiate, revise, and maintain their professional identities under these logics.

4.2 Breaking down the professional logic in the auditing profession into technical and ethical logics

Secondly, I explicitly break down the professional logic in the auditing profession that scholars refer to in the literature (Gendron, 2002; Spence and Carter, 2014) into technical and ethical logics. Each has distinct goals, values, assumptions, and represents different guiding behaviours for individual auditors which constitute them as separate institutional logics (Thornton and Ocasio, 1999). My main argument in this regard is that by being technically correct, it does not necessarily mean that individual auditors are ethically right, and vice versa (Sikka and Willmott, 2013; Zeff, 2003b). The findings supported this point. Particularly, there were several instances where individual auditors identified with a technical logic, usually with a commercial logic, but distanced from an ethical logic. Hence, I argue that merely complying with regulations and laws or having the technical expertise may not necessarily guarantee the public

interest mandate of the auditing profession if the ethical concerns are neglected. Moreover, as stated earlier, technical and ethical logics played different roles in shaping the professional identities of individual auditors discovered in this research. Therefore, by distinguishing these two logics, I offer a clearer understanding of how individual auditors react to institutional logics in the auditing profession and construct their professional identities under these multiple logics.

4.3 Identifying the possible complementarity of institutional logics in the auditing profession and classifying it into 3 types

Thirdly, I found that in contrary to the prevalent assumption of most scholars in the field of accounting and auditing (Gendron, 2002; Spence and Carter, 2014; Sweeney and McGarry, 2011), institutional logics are not necessarily always contradictory or competing. Instead, there are many possible ways reported in this research that they can be complementary.

Similar to some prior studies in other contexts (Goodrick and Reay, 2011; Smets et al., 2015), I found both cases where the identification of one logic led to the compliance with another logic (Goodrick and Reay, 2011; Smets et al., 2015) and when each logic needed to be identified separately without any logic contributing to another (Goodrick and Reay, 2011). My contribution in the institutional theory here is that I further classified the first type of the complementarity into the facilitating nature and the by-product nature. This helped to represent the intentionality of individuals as well as demonstrate the different levels of importance of different logics for them. In particular, with the facilitating nature, individuals intentionally comply with one logic in order to identify with another logic, which is a main logic. For example, good client relationships helped to persuade clients to adjust the accounts to comply with the accounting standards. In this way, the embracement of a commercial logic in terms of good client

relationships facilitated the enactment of a main technical logic where accounts became technically correct. On the other hand, the by-product nature happens when the identification with one logic accidentally enables the compliance with another logic as a by-product outcome of the complementarity. For instance, an independence policy of job rotation to different clients additionally helped to promote technical learning for individual auditors from seeing different clients' industries. In this case, the identification with a main ethical logic by ensuring independence also strengthened a technical logic in terms of increased technical knowledge as a by-product. Therefore, by distinguishing the facilitating and by-product types, I emphasise the level of agency that individuals have when responding to institutional logics (Lok, 2010; Bévort and Suddaby, 2016).

Furthermore, I also reported the mechanisms that individual auditors in this study employed to minimise the tensions or contradiction among multiple institutional logics and promote more complementarity among them. I argue that the commercial logic does not necessarily damage the professional values as most scholars portray (Hanlon, 1996; Moore et al., 2006; Fogarty, 2014; Sikka, 2015) if it helps to facilitate the ethical and technical logics.

This point of contribution links back to the first contribution stated earlier in that the hybrid identity of a value-added watchdog, drawn from both ethical and commercial logics, was viable due to this complementary nature of institutional logics. This thesis is the first in the existing literature in the field of auditing and accounting that presents the hybrid identity from different institutional logics together.

4.4 Demonstrating the benefits of using a participant-produced drawing method in the study of institutional logics and identities of individuals

Fourthly, this thesis also has a methodological contribution regarding the use of a participant-produced drawing method (Kearney and Hyle, 2004) to research the relationship between institutional logics and identities of individuals. I found that this visual method, along with the semi-structured interviews helped to enable participants to conceptualise the abstract ideas of institutional logics and identities. Participants freely created their drawings in different forms including descriptive pictures, metaphors, timeline trajectory, and relational maps. All of these helped to enrich the interview data and stimulate further discussion of valuable points, some of which were not possible to obtain by normal interviews alone. Moreover, I argue that the use of participant-produced drawing can help to understand the institutional logics from the perspective of individuals at the micro-level. This is in contrast to the use of pre-existing images from organisational documents or media which tend to portray institutional logics at the more macro levels (Southall et al., 2008; Hollerer et al., 2013; Larsen and Dejgaard, 2013; Delmestri, Oberg and Drori, 2015). Thus, this drawing method can offer a better platform to study how institutional logics are interpreted and perceived by individuals in the organisation as well as the implications for their identities.

5. Structure of the thesis

The remainder of this thesis is structured as follows. To begin with, Chapter 2 reviews existing literature as the theoretical foundation for this research. This includes the identity literature where different perspectives of identity studies are examined (Sveningsson and Alvesson; 2003; Alvesson, Ashcraft and Thomas, 2008; Corlett et al., 2017), auditing and accounting literature regarding the context of auditing and

professional identity of auditors (Johnstone, Sutton and Warfield, 2001; Paisey and Paisey, 2006; Hamilton, 2013; Fogarty, 2014), and institutional literature with the issues of institutional logics and their impact on individuals and identities (Thornton and Ocasio, 1999; Meyer and Hammerschmid, 2006; Lok, 2010; Goodrick and Reay, 2011; Smets et al., 2015). Key terms are fully defined. Based on the literature review, I specify the gaps in the prior studies and present the research questions of this thesis. Next, Chapter 3 examines the methodology that I employed in this research ranging from the philosophical orientation, research design, data collection methods of semi-structured interviews and participant-produced drawing, research sample, data analysis, and my reflection on these processes.

Then, Chapters 4 to 6 report the findings of this thesis. Chapter 4 is concerned with the coexistence of multiple institutional logics in the auditing profession and their contradictory nature. Chapter 5 focuses on the complementary nature of multiple institutional logics. Chapter 6 presents the findings on the impact of multiple institutional logics on professional identities of individual auditors. The construction of the three identities found in this research including a guardian of public interests, an advisor, and a value-added watchdog are explored. After that, Chapter 7 is a discussion of the findings in relation to the literature. I argue how my thesis confirms, contradicts, or adds to the existing literature. The main contributions of this research are then elaborated on. Also, I acknowledge limitations of this thesis and provide suggestions for future research. Finally, Chapter 8 concludes the main points in the overall thesis and ends with final remarks.

With the permission from participants, their anonymised drawings are illustrated throughout the thesis when relevant. If referring to more than once, the mentioned

images can be found in Chapters 4 to 6. I also give further details about the research methodology in the Appendices at the end of this thesis.

Note that unless stated otherwise, I used the terms 'auditing' and 'accounting' interchangeably with the meaning of the statutory, external auditing in which auditors provide independent opinions on the truth and fairness of the organisation's financial reports (ICAEW, 2006).

6. Conclusion

In conclusion, my thesis studies the impact of multiple institutional logics (Thornton and Ocasio, 1999) or the macro-level values, assumptions, or principles in the auditing profession on the individual auditors and their professional identities. It addresses the gaps in the literature by investigating how individual auditors experience, negotiate, balance, position themselves among the multiple institutional logics and construct their professional identities in relation to these logics. In this chapter, I briefly explain how I became interested in researching this topic, outline the context of the auditing profession, specify the aims and contributions of this study, as well as introduce the remaining chapters in the thesis. In the next chapter, the literature review is presented, which leads to the research questions of this thesis.

Chapter 2: Literature Review

1. Introduction

The present research aims to study the impact of multiple institutional logics (Thornton and Ocasio, 1999) in the form of macro-level values in the auditing profession on the professional identity of individual auditors at the micro level. In particular, this research investigates how individual auditors experience, negotiate, balance, and position themselves among these multiple institutional logics that coexist in the auditing profession as well as how their professional identity is constructed and reconstructed under the interplay among these multiple logics.

Before turning to the central arguments of this research, it is necessary to firstly elaborate on several theoretical conceptions involved. This chapter discusses the key theoretical foundations on which the present research is developed. The structure of this chapter includes three main parts. The first part initially introduces and defines key concepts that form the cornerstone of this research including 'identity', 'professional identity', and 'institutional logic'. In conceptualising these key terms, I draw on a wide range of literature including the identity literature in management and organisation studies, the sociology of profession, accounting and auditing literature, and institutional literature. After examining these fundamental concepts, the second part of this chapter reviews previous research that connects institutional logics at the macro level with individuals and their identities at the micro level. Essentially, this part of the chapter articulates how individuals negotiate the multiple institutional logics and the effect on their identities. When searching for previous research in this area, I noticed that few studies in the field of accounting and auditing have investigated the relationship between institutional logics and identities of individuals. Previous studies in this regard are more prevalent in other fields such as healthcare and public sector

(McGivern et al., 2015; Kyratsis et al., 2017; Goodrick and Reay, 2011; Meyer and Hammerschmid, 2006). Therefore, these studies from the other contexts are also reviewed in this chapter and altogether provide richer understanding and theoretical resources for this thesis. All of these are the basis for the third part of this chapter which is the presentation of research questions for this study.

Moreover, it is worth mentioning that although many scholars study the relationship of multiple institutional logics and identities at different levels of analysis, the focus of this research and hence the articulation of existing literature on identities in this chapter is primarily at the individual level rather than other levels such as the organisation, namely organisational identity (e.g. Kodeih and Greenwood, 2013; Reissner, 2019). Similarly, the present research is interested in how individual auditors negotiate multiple institutional logics rather than how their organisations do so. Accordingly, although many studies investigate how organisations negotiate and manage multiple institutional logics (e.g. Pache and Santos, 2010; Greenwood et al., 2011; Mair, Mayer and Lutz, 2015; Perkmann, McKelvey and Phillips, 2019), the emphasis of this research is on those studies regarding how individuals respond to multiple logics. The different levels of analysis represent different dynamics, contexts, and goals of negotiation and response to the multiple institutional logics. For example, organisations respond to multiple logics with the aim to satisfy the institutional referents ultimately for the survival of organisation. Instead, individuals tend to be driven by the issues of status, social acceptance, and identity (Pache and Santos, 2013). Thus, it is more precise and relevant to primarily focus on the literature with the individual rather than organisational level of analysis. In the next section, the concept of identity is introduced through the discussion of different perspectives of identity studies in management and organisation studies.

2. Different perspectives of identity studies

There might be several ways to group the identity research in the field of management and organisation studies. The present research follows the categorisation used by Alvesson, Ashcraft and Thomas (2008) in which the research in identity is divided into three strands including the 'functionalist', 'interpretivist', and 'critical' orientations (Alvesson, Ashcraft and Thomas, 2008: 8). This categorisation is chosen because it reflects the accordingly three basic knowledge-constitutive interests which are the basis of human inquiry, including 'technical', 'practical-hermeneutic', and 'emancipatory' respectively (Habermas, 1972, as cited in Alvesson, Ashcraft and Thomas, 2008: 8). These three strands are examined in the following three parts.

2.1 The functionalist strand

The functionalist strand is most prominent in mainstream research in organisation and management studies. The underlying assumption of research in functionalist strand is that most social and natural conditions can be controlled. Using cause-effect relation models, this strand generally involves the relationship between variables and aims to improve organisational or managerial outcomes with the concepts of identity and identification (Alvesson, Ashcraft and Thomas, 2008). One important construct in this area is organisational identification, derived from social psychological theory namely social identity theory (Tajfel, 1982; Turner et al., 1987). Identification with the group or organisation which is 'the perception of oneness with or belongingness to a group' has been argued to have important impact both for the personal level and organisational level such as support and commitment to the organisation, in-group cooperation, and organisational effectiveness (Ashforth and Mael, 1989: 34). Identity studies in functionalist strand tend to adopt an objectivist, positivist view of identity. Identity is

generally seen as rather static, stable, secured, fixed, coherent, singular, and de-contextualised (Corlett et al., 2017).

2.2 The interpretivist strand

In contrast to the functionalist strand, the focus of identity studies in the interpretivist strand is not on improving organisational performance. The interpretivist orientation emphasises how individuals construct their identities through interaction, how the self-narratives are created in relation to others and from the contextual resources around them. Identity is an important key to understand complicated, evolving, and dynamic relationships among the individuals, work, and organisation. Individuals are seen to engage in the processes of ongoing identity construction. A significant concept in this strand is identity work (Alvesson, Ashcraft and Thomas, 2008). According to Sveningsson and Alvesson (2003: 1165), identity work can be defined as when individuals 'being engaged in forming, repairing, maintaining, strengthening or revising the constructions that are productive of a sense of coherence and distinctiveness'. The social interaction triggers an individual to engage in identity work to answer the question of who the individual is (Alvesson, Ashcraft and Thomas, 2008).

Another key theory in this field is the self-presentation theory by Erving Goffman (1959). Based on dramaturgy, Goffman (1959) argues that individuals in their social roles can be thought of as actors performing on the stage who constantly perform the selves to other people. Individuals are grounded in various structures and institutions. They may encounter conflicting requirements for who they should be. This triggers them to manage the tensions occurred (Goffman, 1959).

Contrary to the functionalist strand, the emphasis for interpretivist strand tends to be on becoming rather than being (Alvesson, Ashcraft and Thomas, 2008). Scholars in

interpretivist approach tend to lean towards the subjectivist, constructionist view of identity. Thus, when compared with the functionalist approach, identity in interpretivist strand is seen as more dynamic, fluid, evolving, negotiable, temporary, insecure, fragmented, multiple, and contextualised (Corlett et al., 2017).

2.3 The critical strand

The third strand of identity studies in the field of management and organisation studies is the critical approach. This strand primarily focuses on how an individual's identity is controlled by managerial and organisational elites as well as the resistance to such control in order to reach more emancipatory state. This view argues that managers tend to regulate employee's values and image to be in line with their expectation. Thus, employees are encouraged to internalise the managerial discourses to their self-narratives and construct a corporate-approved sense of self through organisational identification processes. Hence, in contrast to the social identity theory in functionalist strand, any attempts to encourage identification imposed by managerial elites are considered here as the ways towards social domination (Alvesson, Ashcraft and Thomas, 2008). This reflects the so called 'identity cage' in which the individuals' sense of self tends to be restricted due to the managerial power of organisational elites (Alvesson, Ashcraft and Thomas, 2008: 17). Accordingly, scholars in postmodernism and poststructuralism have referred to the notion of 'the death of self' (Callero, 2003: 117). A key theorist in this tradition is Foucault (1979, 1980, 1988, 1994). Foucault argues that the individual subject is the direct effect of power. Examples can be seen in daily activities such as the surveillance, evaluation, or measurement processes done by people in authority such as technocrats, teachers, or officers. Instead of seeing these processes positively as the support or intervention for security or learning

purposes, Foucault views them as the forms of domination and self-regulation (Callero, 2003).

Scholars in the critical perspective have a basic assumption that the self is not unified but rather fragmented. Organisations tend to control the work identities of employees. This may make identities appear to be single, static, integrated or in order although they may actually be multiple, changing, fragmented, and conflicting (Ramarajan, 2014; Corlett et al., 2017).

2.4 The chosen perspective of identity studies for the present research

This research aims to study the impact of multiple institutional logics or the macro-level values on professional identity of auditors. In particular, this study examines how individual auditors experience the coexistence of multiple institutional logics, position themselves and negotiate these logics as well as how these logics affect the sense of who they are, how they construct and reconstruct their identity. As explained later in the chapter, there has been a change in the institutional logics where the traditional professional logic is faced with the growing dominance of commercial logic (Hanlon, 1996; Sweeney and McGarry, 2011; Spence and Carter, 2014; Guo, 2016). This research aims to study whether and how this change affects the professional identity of auditors. Thus, the underlying assumption of this research is that identity can and does change and an individual constantly constructs and reconstructs his or her identity. In other words, identity in the present research is based on the ontology of becoming rather than being, negotiable and changing rather than fixed and static. Moreover, this research also sees identity of individual auditors not as the passive object of the governing managerial discourse and power as indicated by the critical approach (Alvesson, Ashcraft and Thomas, 2008). Instead, individuals in this research

tend to have certain level of agency to perform their identity work in relation to the coexistence of multiple institutional logics (Lok, 2010; Bévort and Suddaby, 2016). All of these are in accordance with the interpretivist strand which sees identity as not restricted and in the process of evolving, negotiable, dynamic and ongoing construction (Alvesson, Ashcraft and Thomas, 2008; Corlett et al., 2017). Consequently, the present research is grounded in the interpretivist approach to identity studies (Alvesson, Ashcraft and Thomas, 2008). Identity is defined here as 'the human being's notion of who and what they are' (Watson, 2008: 124). It is continually constructed, reconstructed, maintained, revised, and repaired through identity work as an individual interacts with others in the society (Alvesson, Ashcraft and Thomas, 2008; Sveningsson and Alvesson, 2003).

In sum, this section gives insights into the fundamental theoretical tradition of the identity studies for this research. Next, the terms 'profession' and 'professional identity' are examined in relation to the auditing context.

3. The auditing profession and professional identities of auditors

This thesis focuses on the professional identities of auditors. In this section, I explore the literature on professions and professional identities in relation to the auditing context.

3.1 Auditing as a profession

To begin with, a profession tends to have key defining characteristics including the possession of specialised knowledge and expertise, the existence of a community of practice, self-regulation of the profession, autonomy of the professionals, and the dedication to public interests (Fogarty, 2014).

Freidson (1970) argues that a profession can be thought of as an occupation that has become dominant in a division of labour. A profession, unlike other occupations, has autonomy and self-regulation. This autonomy is given to a profession due to its value of trustworthiness including being ethical and possessing knowledgeable skills (Freidson, 1970). Regarding the profession's knowledge, Abbott (1988) emphasises the abstract system of knowledge as the most important feature that makes any occupation a profession. This abstract knowledge is the basis for the practical skills and techniques to grow. It helps the profession to compete with other professions (Abbott, 1988). The work of the profession involves dealing with problems of the clients (Freidson, 1970). The profession creates its own independent way to conceptualise and deal with these problems in that the new social reality of the problems can be created and interpreted differently by the profession. This re-creation of the social reality is enabled by the autonomy of the profession in the society (Freidson, 1970). Moreover, Goode (1957) also highlights the importance of the professional community for the profession in that the members of the community share common values and language which tend to be distinct from outsiders. The professional community has control over the members such as the entry to a profession and the standard of professional behaviours (Goode, 1957). In addition, professionals believe in the service to the public in that their services benefit the public as well as contribute to the welfare of the society and humanity (Hall, 1968, 1975).

Public accounting or auditing is a recognised profession in the society (Hamilton, 2013). Auditors are seen to have technical knowledge and expertise (Paisey and Paisey, 2006). They have the professional bodies with certain level of self-regulation such as the Institute of Chartered Accountants in England and Wales (ICAEW) in the UK (ICAEW, 2017a) and The American Institute of Certified Public Accountants

(AICPA) in the US (AICPA, 2017). The independence and objectivity of the auditors provide autonomy in their work (Johnstone, Sutton and Warfield, 2001). Auditors are also seen as the guardians of public interests (Sikka, Willmott and Lowe, 1989). In the public capital market, there are those who seek capital in the market and those who provide such capital. Each party wants to benefit from the capital in the most favourable terms to themselves. Nevertheless, the capital providers are usually in the disadvantaged position compared to the capital seekers because only the capital seekers know the inside information of the firm and its future prospects. Hence, the capital providers may be unfairly misled by the capital seekers in the public capital market. The auditing profession, with the fundamental value of independence from the capital seekers, helps to alleviate the information asymmetry between the two parties by independently examining the information given by the capital seekers and attesting to its credibility. In this way, the capital providers including both investors and creditors in the society are protected by the auditors. The auditing profession is therefore crucial to the public capital market and the society as a whole (Johnstone, Sutton and Warfield, 2001).

3.2 Professional identities and professional socialisation of auditors

A professional identity can be defined as 'an individual's self-definition as a member of a profession' (Chreim, Williams and Hinings, 2007: 1515). Identities reflect the structural features individuals characterise as group memberships or social roles. As such, an identity as grounded in the relationships and memberships locates an individual in the social space (Gecas and Burke, 1995). Hence, membership in a profession affects how one is defined both by oneself and others (Slay and Smith, 2011). The professional identity evolves through the socialisation process with rhetoric as the resource shaping how that professional identity is defined (Fine, 1996; Slay and

Smith, 2011). The professional identity of auditors in the present research is thus considered as a socially constructed identity manifested in the memberships, relationships, socialisation, and rhetoric (Gecas and Burke, 1995; Fine, 1996; Slay and Smith, 2011), and not simply about 'a professional tagged with a list of technical accounting attributes' (Hamilton, 2013: 39).

Several scholars have studied the construction of professional identities through socialisation. In this regard, a concept of professional socialisation is usually referred to. According to Cornelissen and Van Wyk (2007), professional socialisation is a socialisation process where an individual obtains the knowledge and skills of a particular profession as well as internalises its norms and values into his or her behaviours, attitudes, and self-concept. As such, by interacting with others in the profession, an individual's set of beliefs and values may change to reflect those socially constructed values held by the profession. This can lead to a change in an individual's behaviours and ultimately his or her evolving professional identity (Cornelissen and Van Wyk, 2007; Ajjawi and Higgs, 2008). Moreover, by learning the professional values and 'common language', an individual tends to develop a sense of belonging and identification with the professional community (Ajjawi and Higgs, 2008: 136; Page, 2005).

Within the context of accounting and auditing, certain researchers have investigated the professional socialisation of individual auditors and its effect on professional identity. One seminal work is the research by Anderson-Gough, Grey and Robson (2000) who study the socialisation of trainee accountants in large audit firms. These trainees engage in professional socialisation through various processes including recruitment, training, evaluation, and daily tasks. They have learned that the client service is very important in that it shapes the beliefs and behaviours in their firms. The

concept of professionalism, for example, is understood in terms of presenting themselves properly and politely to the clients. These trainees have embraced the values of commitment and accountability to the clients. Working long hours to meet client deadlines, for instance, is more prioritised over spending time with family or friends. They know that by conforming to the client-serving ideal, they are more likely to build a successful career. Ultimately, these trainees have subscribed to the demands of clients as what they see being a professional is fundamentally about. It can be seen that their professional identity is constructed through the professional socialisation where the notion of client service is dominant (Anderson-Gough, Grey and Robson, 2000).

In another research, Lee (2002) also studies the professional socialisation of audit trainees. Similar to Anderson-Gough, Grey and Robson (2000), Lee (2002) finds that professional socialisation happens in daily work, training, and appraisal processes. As their firms employ risk-based auditing, these trainees learn to focus on materiality and efficiency, yet still have high regard of the audit protocol. The evaluation with certain criteria based on time budgeting makes them collude with their colleagues to limit the time for audit work, even to the extent that they may not report all actual time that they have worked. In this way, these trainees learn to sacrifice their own time and work unpaid overtime. Being a good auditor, thus, is socially constructed here as spending time (or at least being seen in the report as spending time) wisely on material areas and not 'over-auditing' the immaterial parts (Lee, 2002: 328).

Professional socialisation does not happen only for the novice trainees, scholars also investigate how professionals in later stages of their career path socialise and reconstruct their professional identities as well. This is evident in a research by Kornberger, Justesen and Mouritsen (2011) who study the construction of a

professional identity of auditors at the manager level. They find that building a manager identity is in a form of the 'rite of passage' where an individual auditor moves from a relatively structured phase of being a junior auditor into a more unknown, unstable, and challenging stage of being a manager (Kornberger, Justesen and Mouritsen, 2011: 514). These audit managers learn to socialise and manage good relationships with superior and junior staff, as well as the clients. This involves excellent social and political skills in order to present and position themselves well, which are more significant than technical expertise. Thus, the professional identity of these audit managers is not merely based on a technical essence. Rather, individual auditors build their professional identity out of the social interactions in their workplace (Kornberger, Justesen and Mouritsen, 2011).

All things considered, this section argues that auditing is a profession with specialised knowledge, community of practice, self-regulation, professional autonomy, and dedication to public interests (Fogarty, 2014). Moreover, based on the interpretivist approach to identity studies (Alvesson, Ashcraft and Thomas, 2008), the professional identity of auditors in this research is seen as not fixed, but rather continually constructed based on the social interactions with others in the profession (Gecas and Burke, 1995; Fine, 1996; Slay and Smith, 2011).

Although auditing is traditionally a prominent profession with recognised public responsibility (Johnstone, Sutton and Warfield, 2001), the auditing profession has been changing with the growing commercial drive over traditional professionalism (Hanlon, 1996; Sweeney and McGarry, 2011; Spence and Carter, 2014; Guo, 2016). This is related to the concept of institutional logics which is examined in the next section.

4. The coexistence of multiple institutional logics in an auditing profession

An institutional logic can be defined as ‘the socially constructed, historical pattern of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality’ (Thornton and Ocasio, 1999: 804). In other words, institutional logics offer values and assumptions that form the rules guiding appropriate behaviours for accomplishing the tasks of the organisation and how the organisational reality is interpreted (Thornton and Ocasio, 1999). This section examines the multiple institutional logics coexisting in the auditing profession.

4.1 Classification of institutional logics in the auditing profession by the existing literature

In the auditing profession, two main institutional logics are often referred to in the literature namely the professional logic and the commercial logic (Gendron, 2002; Spence and Carter, 2014). The professional logic reflects the set of attributes that represent an ideal professional (Gendron, 2002). These include the aforementioned defining characteristics of a profession including the possession of specialised knowledge and expertise, the existence of a community of practice, self-regulation of the profession, autonomy of the professionals, and the dedication to public interests (Fogarty, 2014). Accordingly, the professional logic assumes auditors to exercise considerable technical accounting expertise and knowledge in their work (Spence and Carter, 2014), identify strongly with their professional community (Gendron, 2002), be free from extra-professional pressures (Gendron, 2002; Spence and Carter, 2014), conduct their work and make decisions without client influence, and consider their foremost objective to be serving the public interests (Gendron, 2002; Spence and Carter, 2014). The key to the public interest mandate is the adherence to the codes of

conduct and codes of ethics especially regarding the value of auditor independence (Spence and Carter, 2014; Gendron, 2002).

In contrast, the commercial logic focuses on profitability, revenue generation, and client interests. Technical expertise is undermined with the prevalence of client focus. Auditors strive to win new clients, maintain client relationships, and expand services beyond core audit service to include non-audit services such as consulting (Spence and Carter, 2014). Auditors are motivated and controlled by the remuneration or performance evaluation scheme such as the 'profits per partner' indicator (Gendron, 2002: 665). Moreover, the profit maximisation means that cost is controlled through time budgeting (Sweeney and Pierce, 2006). Therefore, the commercial logic also includes the attempt to promote efficiency and achieve the targeted deadlines.

4.2 The dominance of a commercial logic

Although both professional logic and commercial logic coexist in the auditing profession, there has been a growing dominance of the commercial logic over the professional logic (Hanlon, 1996; Sweeney and McGarry, 2011; Spence and Carter, 2014; Guo, 2016). With the increased commercialism in auditing, the old conception of serving the public interests with the 'public watchdog' role appears to be shifting towards satisfying the clients (Hanlon, 1996: 346). Accordingly, Anderson-Gough, Grey and Robson (2000: 1161) find that the notion of client is very central and important in the audit firms in that 'the clients are everything, and probably one of the quickest ways to get yourself out of the firm is to really upset a client'. Similarly, Spence and Carter (2014) find that the commercial logic represents a higher status than the professional logic in the hierarchy of the audit firms. Auditors see an audit firm as a commercial or business-oriented organisation where individual auditors need to enhance the profitability of this 'business' (Hanlon, 1996). Technical and ethical

concerns seem to be downplayed as auditors who present the true and fair accounts but unpleasantly antagonise clients tend to be viewed unfavourably as 'a liability rather than an asset' (Hanlon, 1996: 351). Likewise, Sweeney and McGarry (2011) argue that auditor independence and objectivity seem to be given less emphasis with the dominance of commercialism. Moreover, contemporary auditors tend to offer a wider range of services in business including non-audit services such as consulting and thus reflecting the commercialism-driven aspiration that 'auditors *can* do more than auditing' (Guo, 2016: 104, emphasis in original).

The traditional professional logic started to deteriorate, with the increase in commercial logic since the mid-1960s (Zeff, 2003a). This is due to many forces including the national deregulation policy (Guo, 2016; Zeff, 2003a), globalisation (Spence and Carter, 2014), business growth and competition in the market (Zeff, 2003b), and the weakening power of the profession (Zeff, 2003a). Each of these forces is explained as follows.

Firstly, the deregulation and liberalisation policy has driven the commercialism in the accounting profession (Guo, 2016; Caramanis, 1998). For example, in the U.S. in the late 1970s, the Securities and Exchange Commission (SEC) issued the Release No. 250 and No. 264 which demanded the disclosure of non-audit services by audit firms and warned the profession and clients of the adverse effect of these non-audit services on the auditor independence and objectivity. Later in early 1980s, however, both of these rules were cancelled, reflecting the deregulation policy under President Ronald Reagan (Zeff, 2003a). Likewise, the neoliberalism in the UK which focuses on competition, light-touch regulation, private gain, and free markets has driven audit firms towards increasing commercialism and the pursuit of profits (Sikka, 2015). Similarly, the liberalisation policy in Greece also contributed to the increase in

commercial pressure in auditing profession in that intense competition among audit firms has made auditors become more economically dependent on audited companies. Auditors were more attentive to the client's needs and focused more considerably on offering them consulting services. Functions related to public interests such as being independent from the clients or ensuring the presentation of true and fair financial statements were given less emphasis (Caramanis, 1998).

Secondly, the fierce business competition and global reach to compete for clients by the big audit firms have driven them to change from 'professional firms that happened to be businesses' to 'businesses that happened to render professional services' (Zeff, 2003b: 280). The big audit firms have grown into international behemoths striving to generate revenue by securing new clients and retaining the existing clients. Great pressure has been placed on audit partners to meet the income targets in which failing to do so could mean the dismissal from the firm (Zeff, 2003b). In the quest for profitability, there were the cases that auditors have failed to deliver high standard audits. For example, time-consuming audit procedures were ignored as the time budgets were limited (Sikka, 2015). When the audit market has become saturated, audit firms expanded into non-audit functions. Audit partners were under pressure to cross-sell consulting services to audited companies. The diversified services helped to promote profitability more easily than traditional auditing service as they have less professional constraints or professional standards of conduct to follow (Zeff, 2003b).

Moreover, the accounting profession's power has weakened. The profession has been under intense pressure and intrusion from the industry and other external bodies. For instance, the industry seemed to interfere the accounting profession in the U.S. in

1970 where certain accounting standards¹ were established particularly to benefit some conglomerates (Zeff, 2003a). In another example, during 1970s and 1980s, the Department of Justice and the Federal Trade Commission (FTC) have pressured the American Institute of Certified Public Accountants (AICPA) to change portions of their Code of Professional Ethics as these were in restraint of trade. In particular, AICPA was compelled to remove the ban on competitive bidding, direct, uninvited solicitation and advertising. This has profoundly driven the competition among audit firms towards 'the aggressive pursuit of profit' (Zeff, 2003a: 202).

Similarly, in the UK prior to 1984, there used to be the regulations by the Institute of Chartered Accountants in England and Wales (ICAEW) that prohibited auditors from competitive bidding and advertising their services. The profession argued that the prohibition helped to prevent the high level of competition which may impair audit quality. However, the Monopolies and Mergers Commission (MMC) claimed that these regulations created entry barriers to the audit market and hence reduced competition, provided major audit firms the oligopolistic power to control the pricing which eventually resulted in higher audit fees. Consequently, the MMC pressured ICAEW to change these regulations. Later in 1984, these regulations were dropped. In the same way with the US, this modification of the regulations has driven the intense competition in the audit market in the UK (Crittenden et al., 2003).

All of these forces have resulted in the increase in commercialism in the auditing profession.

¹ Accounting Principles Board Opinions No. 16 and 17 about the accounting for business combinations and goodwill

4.3 Classification of institutional logics in the auditing profession by this thesis

Although scholars mostly include both ethical and technical values within the umbrella of the professional logic (Gendron, 2002; Spence and Carter, 2014), technical expertise and knowledge as well as the compliance with written rules do not necessarily guarantee ethical and moral concerns (Sikka and Willmott, 2013; Zeff, 2003b). Thus, this thesis explicitly separates the ethical logic from the technical logic. An example of the possible incongruence between the ethical and technical logics is seen in the study by Sikka and Willmott (2013) which reveals that the large audit firms have engaged in creating and selling the ingenious, complex tax planning schemes which are actually the tax avoidance schemes. Furthermore, in the extreme case, the auditor even helps the client to find the loopholes in the accounting standards (Zeff, 2003b). Although these activities are technically correct according to the written principles or rules and certainly represent ingenious technical expertise, they are morally wrong. For instance, the tax avoidance attempt can result in the loss of public revenues which support and maintain the public services such as healthcare, education, security, and pensions. In this way, the partners and employees of the audit firms who promote the tax avoidance schemes can be seen as the 'financial mafia' to the public interests (Sikka and Willmott, 2013: 417).

In another example, Spence and Carter (2014) find that the professional logic has been reframed as risk management in that auditors must not expose the audit firm to legal risk. This shows the adherence to technical logic but not necessarily to ethical logic as 'a concern to avoid lawsuits is not necessarily the same as having the public interest at the forefront of one's mind' (Spence and Carter, 2014: 956). With the increase in commercialism, audit firms seem to make all efforts to enhance profits at almost any cost even to bend the rules (Sikka, 2008). Thus, the worrying issue

underlying the increasing dominance of commercial logic and the deterioration of professional logic is not only in the reducing significance of technical value, but more importantly, the erosion of ethical value as auditors become less independent from the clients, serve client's needs, and move away from protecting the public interests (Sweeney and McGarry, 2011; Anderson-Gough, Grey and Robson, 2000; Caramanis, 1998).

Hence, based on the aforementioned literature, I explicitly distinguish the technical logic from the ethical logic as they do not necessarily represent the same values (Zeff, 2003b; Sikka and Willmott, 2013; Spence and Carter, 2014). Therefore, this thesis categorises institutional logics in the auditing profession into three logics including the technical, ethical, and commercial logics. The definitions of these three logics are given in the next section.

4.4 Definitions of the three institutional logics in the auditing profession

To begin with, the definitions of the technical and ethical logics can be derived from the original definition of the professional logic (Gendron, 2002; Spence and Carter, 2014) whereby the technical logic is concerned with the technical knowledge and compliance with rules whereas the ethical logic involves those elements of the professional logic which promote ethics and public interests. For the commercial logic, I follow the definition given in the literature (Gendron, 2002; Spence and Carter, 2014) with further emphasis on profit maximisation in terms of the cost control through time budgeting (Sweeney and Pierce, 2006).

Thus, a technical logic can be defined as a set of values associated with the possession and exercise of specialised knowledge and technical expertise as well as the compliance with accounting standards, auditing standards, laws and relevant

regulations. An ethical logic is concerned with the values of serving public interests, professional autonomy, auditor independence, integrity, and objectivity. A commercial logic represents an ideology of profit maximisation. This includes the emphasis on revenue generation, client interests, building and maintaining client relationships, non-audit service expansion, and remuneration (Gendron, 2002; Spence and Carter, 2014). Moreover, the cost control in terms of time-budgeting, efficiency, and achieving deadline targets also represents the profit maximisation value of the commercial logic (Sweeney and Pierce, 2006). Figure 1 summarises the definitions of these three institutional logics.

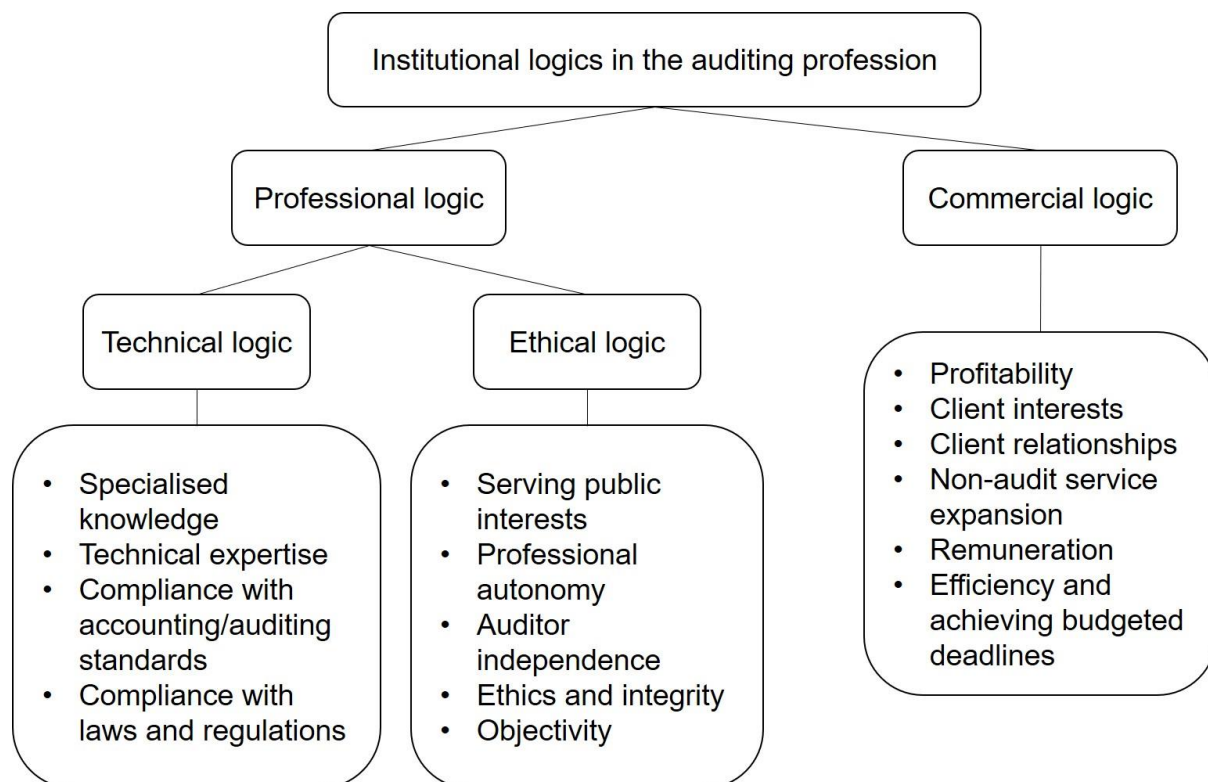


Figure 1 Three institutional logics in the auditing profession

Altogether, these multiple institutional logics represent the macro-level values in the auditing profession. The impact of these macro-level values on the micro-level of individuals is examined in the next section.

5. How individuals negotiate multiple institutional logics

As institutional logics shape the expected behaviours and practices of individuals, the coexistence of technical, ethical, and commercial logics in the auditing profession creates a context of institutional pluralism where individuals face multiple conflicting demands that come with different logics (Pache and Santos, 2013; Goodrick and Reay, 2011). This section examines the ways in which individuals negotiate different coexisting institutional logics.

5.1 Negotiating the contradictory institutional logics

Most scholars both in the accounting and non-accounting fields see institutional logics as inherently contradictory and competing with one another (Reay and Hinings, 2009; Gendron, 2002; Spence and Carter, 2014; Sweeney and McGarry, 2011). The different values and expected practices determined by different institutional logics mean that individuals are confronted with tensions arising from the win-lose relationships among these logics where the strength in the value of one logic means the decreasing value of another logic (Goodrick and Reay, 2011). As a result, individuals negotiate these contradictory logics by identifying with a particular logic and distancing from the other (Pache and Santos, 2013). For example, Kosmala and Herrbach (2006: 1417) find that sometimes the commercial pressure is very intense and may result in auditors 'cutting corners' in which they distance themselves from following all the detailed audit methodologies when there is a chance to do so without being seen (Kosmala and Herrbach, 2006). In this case, it can be seen that auditors identify with the commercial logic, distance from the ethical logic, and find the loophole in the technical logic so that their work represents the compliance with the technical logic. In the opposite example, Spence and Carter (2014) find that the increasing emphasis on sales and profitability in the audit firm makes the technical-oriented

auditors unhappy and decide to leave the firm as they feel that they are not 'fitting the mould' of what the firm prefers (Spence and Carter, 2014: 954). In this second example, the auditors identify with technical logic, but distance from the commercial logic. In both examples, the contradictory institutional logics affect the actions and decision making of the individual auditors (Kosmala and Herrbach, 2006; Spence and Carter, 2014). Although both cases represent the increasing significance of commercial logic in the auditing profession, it can be seen that the individuals react differently as they identify with and distance from different logics.

Moreover, individuals may compartmentalise their compliance with contradictory institutional logics in different contexts such as across time or place (Pache and Santos, 2013). For example, Smets et al. (2015) study the case of reinsurance underwriters in the Lloyd's of London reinsurance market where there are two coexisting institutional logics namely the market logic and the community logic. The market logic focuses on profit maximisation, share price, efficiency, self-interest and individualism. In contrast, the community logic emphasises the common values, reciprocity, loyalty, trust, and ties among members in the community (Smets et al., 2015). Smets et al. (2015: 958) find that the reinsurance underwriters use 'segmenting' as a way to separate the enactment of the two competing logics into different places, schedules, and dress codes in their daily work. In particular, the underwriters comply with the market logic when analysing, calculating, and evaluating deals in their offices. Later on in the day, these underwriters dress up with suits and ties, and walk to the Lloyd's building to trade with brokers in the Lloyd's community where they switch to embrace the community logic instead (Smets et al., 2015).

The compartmentalisation of different logics is also evident in Goodrick and Reay's (2011) research regarding the effect of multiple institutional logics on the professional

work of pharmacists in the U.S. from the past to present. Goodrick and Reay (2011) report four institutional logics in the pharmacy profession including the professional, corporate, state, and market logics. The professional logic values abstract knowledge and professional control over the work, education, product and service quality, and pricing. Under the corporate logic, pharmacists are employees in a firm with hierarchy and the corporate managers have control over pharmacy work, education, product and service quality, and pricing. The state logic relies on the government control over product and service standard and pricing as well as the professional work and education of pharmacists who are state employees. The market logic focuses on free competition, consumer satisfaction, and widely available professional knowledge (Goodrick and Reay, 2011). The coexistence of these competing logics for a long period of time is viable through the segmentation of different practices in the pharmacy profession according to the related institutional logics. For instance, during 1945 to 1965, the education for pharmacists was guided solely by the professional logic whereas other institutional logics did not prevail in this area. During this era, there was an increase in education standards for pharmacists driven by the professional association. This resulted in the increased costs for chain drug stores and thus conflicted with the corporate logic. Despite this contradiction, the professional association was successful in increasing the education standards because education was an area of practice that dominated mainly by the professional logic. On the other hand, the supervision and management model in large chain stores during 1965 to 1990 was governed by the corporate logic where pharmacists had to report to non-pharmacist managers. Although this was against the value of professional logic, the compartmentalisation of logics meant that only the corporate logic was enacted in this practice (Goodrick and Reay, 2011).

In sum, when being faced with contradictory institutional logics, individuals negotiate by identifying with one logic and distancing from the other, or identifying with multiple logics but in different contexts (Pache and Santos, 2013; Smets et al., 2015; Goodrick and Reay, 2011).

5.2 Negotiating the complementary institutional logics

Although most of the existing literature treats institutional logics as contradictory, there are some scholars who find that the relationships between institutional logics can also be complementary (Goodrick and Reay, 2011; Pache and Santos, 2013; Smets et al., 2015). Smets et al.'s (2015) research on reinsurance underwriters in the Lloyd's of London previously mentioned also reports the complementarity between the market and community logics. Specifically, the reinsurance underwriters employ the 'bridging' mechanism which 'skillfully import[s] pertinent aspects of one logic into the enactment of another, as and when it appears valuable and in ways that preserve legitimacy with representatives of both logics' (Smets et al., 2015: 958). In other words, practices guided by a given logic can promote the value of practices governed by another logic. For example, the reinsurance underwriters use news and gossip gained in the Lloyd's community to help make commercial decisions about pricing. In this way, the community news and gossip which are practices guided by the community logic facilitate the enactment of the market logic whereby underwriters can make better commercial decisions based on community information. In another example, underwriters use the commercial reasoning and calculations to explain and soften the deal or pricing decisions with the brokers in Lloyd's community. In this case, the commercial rationale driven by the market logic helps to preserve the relationship with brokers in Lloyd's community which conforms to the community logic. Thus, bridging reflects the complementarity between institutional logics and their 'mutually enriching

interdependencies' as the practices from different logics can facilitate and reinforce each other, creating mutual benefits together (Smets et al., 2015: 961).

Similarly, Goodrick and Reay (2011: 401) find that institutional logics in the pharmacy profession can have 'cooperative' relationships among one another where the strength in a given logic does not necessarily lead to a decrease in the value of another logic. In other words, it is possible to have a win-win, non-zero-sum relationship between different logics. Goodrick and Reay (2011: 402-403) define two types of cooperative relationships namely 'facilitative' and 'additive' relationships. Smets et al.'s (2015: 958) conception of 'bridging' discussed previously resonates with Goodrick and Reay's (2011: 402) notion of 'facilitative' relationships between institutional logics where practices from a given logic facilitate actions complied with another logic. For instance, from 1990 to present, the customer demands for medication knowledge driven by the market logic have increased the value of pharmacists' abstract knowledge which strengthens the professional logic. Both studies of Smets et al. (2015) and Goodrick and Reay (2011) show that individuals who are in the context of coexisting multiple institutional logics do not necessarily have to choose to identify with one logic and distance from the other, or separate their identification with different logics in different contexts. Instead, it is possible that the embracement of one logic facilitates the compliance with another logic given that the nature of relationships among these logics allows for such complementarity (Smets et al., 2015; Goodrick and Reay, 2011).

Furthermore, the complementarity among institutional logics can be in a form of individuals identifying with multiple logics without any logic leading to another. In this case, individuals merely need to increase the demands they have to meet in order to comply with multiple institutional logics at the same time (Goodrick and Reay, 2011). This is the so-called 'additive' relationship reported in Goodrick and Reay's (2011: 403)

study. For example, during 1910 to 1965, pharmacists needed to comply with both professional and market requirements for success. In particular, they had to be competent professionally and satisfy customer needs such as locating in convenient areas for suburban residents. It can be seen that pharmacists in this case identified with both professional and market logics where the practice under one logic did not necessarily enhance the value of practice under another logic as in the case of facilitative relationship (Goodrick and Reay, 2011). Again, when individuals are in this situation, they do not necessarily have to sacrifice one logic for the other or compartmentalise their identification of different logics into different contexts. They can simply embrace multiple institutional logics and satisfy the values guided by these multiple logics at the same time as the nature of relationship among these logics enables them to do as such (Goodrick and Reay, 2011).

Although the complementarity of institutional logics has been reported as discussed above, these studies are not in the field of accounting or auditing. Scholars in accounting and auditing tend to approach institutional logics based on the assumption that the relationships among these logics are contradictory (Gendron, 2002; Spence and Carter, 2014; Sweeney and McGarry, 2011). At best, the complementarity of institutional logics in the auditing profession is only referred to when the conflicting logics create tensions which are advantageous to counterbalance the dominant logic when making decisions in an organisation, creating a so-called 'complementarity within contradiction' (Gendron, 2002: 681). Yet, this conceptualisation is still based on the assumption that the relationships among institutional logics are unavoidably contradictory (Gendron, 2002). It would be beneficial to consider whether the complementarity of institutional logics as reported by scholars in other disciplines can also be found in the case of auditing profession. In other words, is it possible that

individual auditors identify with technical, ethical, and commercial logics at the same time?

As individuals negotiate the contradictory or complementary institutional logics, their identification with certain logic not only determines the appropriate practices for them to follow, but also affects the sense of who they are (Pache and Santos, 2013). The impact of institutional logics on identities of individuals is discussed in the next section.

6. The impact of institutional logics on identities of individuals

Institutional logics at the macro-level are related to the identities of individuals at the micro-level as institutional logics provide the 'normative frames' that give meanings to behaviours of individuals and shape their identities (Skelcher and Smith, 2015: 443). This section examines the impact of institutional logics on identities of individuals as evident in the literature.

Not many scholars study the relationship between institutional logics and identities in the context of accounting and auditing. Guo (2016) investigates the institutionalisation of commercial logic in the auditing profession in the North America, particularly in the U.S. and Canada. He focuses on how the powerful players in the field level including the professional associations and the large audit firms perform the mechanism that he calls an 'identity experimentation' as an attempt to institutionalise the commercial logic in the auditing profession (Guo, 2016: 103). This is done by redefining the identity of auditors and the work that they do (Guo, 2016). Two types of identity experimentation strategies include 'boundary work' and 'practice work' (Guo, 2016: 103). Firstly, the boundary work aims to transform the meaning of who an auditor is by claiming that auditors have knowledge and expertise beyond merely auditing and thus should be redefined into being 'versatile experts' who are able to perform more than audit work

(Guo, 2016: 105). For example, auditors have specialised, in-depth knowledge of clients and hence should be qualified to offer consulting or other non-audit services. The auditor's assumed traits of being trustworthy and credible are also claimed to justify the service expansion into assurance services of other areas beyond financial accounting such as in e-commerce. This new versatile expert identity emphasises the business and commercialism associated with the commercial logic while downplays the public interest mandate consistent with the professional logic. Secondly, the practice work is concerned with redefining the work of auditors to allow for service expansion beyond the traditional financial audit work and correspond with their new versatile expert identity. For instance, certain audit methodologies have made audit work increasingly become more similar to consulting work of business risk advisory. In another example, the accounting profession has tried to identify potential work that can be audited despite being outside the scope of financial accounting such as when auditors offer the M.B.A. programme ranking audit service. As the term implies, identity experimentation is performed in a trial and error nature and can be contested and rejected by both internal and external parties. For example, the service expansion into work that is far from traditional audit work has raised doubts about the expertise claimed among individual auditors within the profession itself. The public has also questioned the issue of auditor independence when offering non-audit services (Guo, 2016).

Guo (2016) offers good insights into how identity of auditors can be affected and transformed in the context of increasing dominance of commercial logic in the auditing profession. Nevertheless, he only focuses on identity that is projected by elite players in the field level of the profession, namely the professional association and large audit firms, as part of the mechanism to institutionalise the commercial logic in the

profession. As stated in his research, the trial and error nature of this identity experimentation mechanism means that this projected identity may be rejected even by members of the profession themselves (Guo, 2016). Thus, the way individual auditors see themselves as who they are may not be the same as the identity specified in Guo's (2016) paper, especially if, for example, they do not identify with commercial logic but rather identify with ethical or technical logics. Indeed, Guo (2016) calls for future research into the micro level where identity is studied from the perspective of individual auditors to investigate how these individuals react to the commercial logic institutionalised in the auditing profession.

Perhaps Guo's (2016) suggestion for future research above has been addressed elsewhere in the other contexts beyond the auditing profession. Many scholars study the impact of institutional logics on identities of individuals, especially when there is the transformation in institutional logics from the old logic to the new one (Meyer and Hammerschmid, 2006; Lok, 2010; McGivern et al., 2015; Kyratsis et al., 2017).

To begin with, Lok (2010) studies how a new institutional logic of shareholder value is institutionalised in public companies in the UK. The old institutional logic is the managerialist logic where shareholders are treated as merely suppliers of funds and have limited influence on management. In contrast, the new institutional logic of shareholder value aims to maximise shareholder value and see shareholders as the long-term owners of the company who can intervene and influence management more actively. Lok (2010) shows how the management and institutional shareholders perform their identity work to reconstruct their identities as they embrace this new logic. He finds that individuals do not just passively accept the new identities and practices associated with the new institutional logic, but rather use their identity work to resist and reframe certain identities and practices while still follow the new

institutional logic. For example, the new logic of shareholder value encourages shareholders to actively intervene the decision making of management and thus is likely to jeopardise the management autonomy from the shareholders. To resist this, management uses their identity work to reconstruct their identity into 'independent protectors of long-term shareholder value' (Lok, 2010: 1328) who selectively listen to some shareholders with long-term orientation and reject to serve the short-term, irrational shareholders. In this way, the management can preserve their autonomy while embrace the new institutional logic of shareholder value at the same time (Lok, 2010).

It can be seen that Lok (2010) represents the use of identity work (Sveningsson and Alvesson, 2003) to negotiate and revise the individual's identity when interacting with other social actors (Alvesson, Ashcraft and Thomas, 2008). This demonstrates the interpretivist orientation of identity studies where identities of individuals are socially constructed and continually evolving (Alvesson, Ashcraft and Thomas, 2008; Corlett et al., 2017).

Similarly, Kyratsis et al. (2017) also report the use of identity work to resolve the threats that arise from shifting institutional logics. Kyratsis et al. (2017) study how physicians in Eastern Europe successfully adopt a new professional identity that aligns with the new institutional logic. The old professional logic of narrow specialism consists of various specialist physicians who specialise in distinct branches of medical knowledge even in the first-contact health care. In contrast, the new professional logic of generalism emphasises a more holistic approach of medical knowledge and practices through the generalist physicians in the primary health care. Kyratsis et al. (2017) find that physicians perform certain types of identity work in response to identity threats that the new logic of generalism brings. For example, being generalist physicians

according to the new generalism logic is perceived as having lower status than being specialists under the old logic of narrow specialism. Physicians address this identity threat of status loss by reframing narratively who they are, who they are not, and what they want to be referred to as. For instance, they are now patient advocates who are responsible for the patient more holistically. They are not unimportant or second-rate physicians. Furthermore, they prefer to be called 'family physicians' instead of 'general practitioners' (Kyratsis et al., 2017: 631). In this way, physicians can resolve the identity threat of status loss that comes with the new logic of generalism and successfully adopt a new professional identity (Kyratsis et al., 2017).

Kyratsis et al. (2017) focuses on the case where individuals successfully internalise the new institutional logic and thus construct a new identity that is aligned with the new logic. However, when facing with shifts in institutional logics, not all individuals achieve this identification with the new logic and identity. Researchers show that there are cases where individuals still adhere to the old identity despite the transformation of institutional logics at the macro level (Bévort and Suddaby, 2016; Meyer and Hammerschmid, 2006). For example, Bévort and Suddaby (2016) study the case of accountants in Denmark who progress to managerial positions and whose firm has restructured from a professional partnership into a more corporate style. These accountants therefore are in the situation of the transition from the professional logic to the managerial logic. The professional logic emphasises the autonomy of individual professionals, ethics, professional competence, and professional standards. In contrast, the managerial logic values the efficiency, financial and strategic targets, specialised roles, and manager-employee relationships instead of collegial relationships (Bévort and Suddaby, 2016).

Bévort and Suddaby (2016) find that accountants in this context experience tensions between the professional and managerial logics. For example, the allocation of work has become more formal and centralised in which junior professionals are no longer assigned to only one partner but to different partners doing different projects and there is a department manager responsible for the administrative functions for many projects. Thus, the old work allocation which represents the craft production model where one team is responsible for producing one product has moved to the new model of rationality similar to the assembly-line where many individuals are assigned to particular functions of producing many products. Furthermore, the management training under the managerial logic also results in a companywide manager role with standardised managerial competencies. Not only do these accountants experience tensions at the operational level, but most importantly they feel the tensions, frustration, and confusion at the identity level. In particular, they struggle with the question of who they are, whether they are the traditional, professional managing partners according to the old professional logic or the corporate executives according to the new managerial logic (Bévort and Suddaby, 2016).

Similar to Lok (2010), Bévort and Suddaby (2016) find that individuals do not passively or oppressively conform to the shifts in institutional logics, but rather actively reconstruct their identities as the new logic is being institutionalised. Bévort and Suddaby (2016) compare two offices of the firm under study and discover the differences between accountants in these two sites regarding how the new institutional logic shapes their identity construction. Accountants in the Copenhagen site primarily use a prospective sensemaking strategy where they rely on the future-oriented identity of being a corporate manager according to the new institutional logic of managerialism. On the other hand, accountants in the countryside office are slower in embracing the

new logic and identity. They are more retrospectively oriented and tend to adhere to the old identity of being a professional partner. For instance, when offering admiration from the management team to the employees, accountants in the countryside office refer to the management as the third person whereas those in the Copenhagen office directly offer the praise from themselves as representative of the management team. This shows the different levels of identification with being managers driven by the new managerial logic (Bévort and Suddaby, 2016).

Moreover, the coexistence of multiple institutional logics may not only mean that individuals will construct or reconstruct their identities according to the old logic or the new logic. Some scholars indeed find that the resulting identities can be in the form of the combination among these multiple logics. For example, Meyer and Hammerschmid (2006) study a public sector in Austria where the new managerial logic has gradually replaced the old legalistic-bureaucratic logic and the impact of this transition on the identity of executives. While the majority of executives still identify with the old institutional logic and see themselves as 'servants of the state' rather than 'public managers' (Meyer and Hammerschmid, 2006: 1007), there are some executives who identify with both legalistic-bureaucratic and managerial logics. In other words, their responses show the cues from both logics. Meyer and Hammerschmid (2006: 1006-1007) call this group 'hybrids' who have a 'hybrid identity'. Nevertheless, Meyer and Hammerschmid's (2006) research is based on a quantitative approach with the questionnaire survey and thus does not explain in detail how the two logics compete or complement each other, or how the so-called hybrid identity is constructed based on these two logics.

The so-called hybrid identity is also reported in the research by McGivern et al. (2015) regarding medical professionals who are in managerial roles, thus integrating

professional and managerial logics. McGivern et al. (2015: 412) distinguish two types of medical professionals with this hybrid identity namely the 'incidental hybrids' and 'willing hybrids'. The incidental hybrids such as the clinical directors are more traditional professionals who tend to be reluctant to embrace this hybridity. Hence, their hybrid identity is temporary and only based on necessity and obligation. They tend to protect professionalism and are seen by other staff as professionals. In contrast, the willing hybrids show more permanent combined manager-professional identity. They are more willing and interested in organising and managing healthcare organisations. They challenge outdated professional ideology and regulate professionalism. These willing hybrids position themselves as elites compared to other professionals. Accordingly, other professionals see them as hybrids or managers. The willing hybrids generally are in more senior positions than the incidental hybrids such as being the medical directors, network directors, or public health directors (McGivern et al., 2015).

It can be seen that McGivern et al. (2015) and Bévort and Suddaby (2016) both study the situation when professionals are presented with the shifts from professional logic into managerial logic in which some of them are more advanced than the others in adopting the new identity consistent with the managerial logic. In particular, Bévort and Suddaby's (2016) countryside-office accountants are in a similar state with McGivern et al.'s (2015) incidental hybrids while Bévort and Suddaby's (2016) Copenhagen-office accountants are comparable with McGivern et al.'s (2015) willing hybrids. However, these two studies approach the identity construction among the two institutional logics differently. Bévort and Suddaby (2016) see institutional logics as more discrete and contradictory whereby individuals construct their identities using either retrospective or prospective sensemaking strategies to rely on either old or new

identities guided by old and new logics. On the other hand, McGivern et al. (2015) perceive institutional logics as more complementary, thus allow the 'hybrid' identity to occur in which individuals draw on both logics. Again, this stresses the assumption prevalent in the accounting profession regarding the contradictory nature of institutional logics.

All in all, it is interesting to see how the coexistence of technical, ethical, and commercial logics impacts the identities of individual auditors, whether these individuals would identify with a particular logic and construct identity based on that logic, or integrate the values from different logics into their identity, thus creating a form of hybrid identity (Meyer and Hammerschmid, 2006; McGivern et al., 2015). A related question is whether the nature of relationships among institutional logics in the auditing profession fundamentally enables individuals to combine these institutional logics. All of these questions are addressed in this thesis.

7. Research questions

Based on the unaddressed questions in the existing literature examined in this chapter, the research questions for this thesis are as follows:

- 1.) To what extent do individual auditors experience tensions, conflicts, or contradiction among the multiple institutional logics in the auditing profession?
- 2.) How do individual auditors negotiate, balance, and position themselves among the multiple institutional logics in the auditing profession?
- 3.) How do individual auditors construct their professional identities in relation to the multiple institutional logics in the auditing profession?

To begin with, the first research question is concerned with whether the individual auditors perceive the nature of institutional logics in the auditing profession as

contradictory as most scholars in the accounting and auditing field generally argue (Gendron, 2002; Sweeney and McGarry, 2011; Spence and Carter, 2014), or is it possible that these logics can be complementary like in the cases of other fields (Goodrick and Reay, 2011; Pache and Santos, 2013; Smets et al., 2015) as well? Next, the answer for the first research question leads to the second research question in that how do individual auditors respond to these institutional logics? If the logics are competing, how do they manage this contradiction? Which logic do they comply with and which one do they distance from, and in what situations or issues? Is it possible that they compartmentalise their identification with these logics in different contexts (Goodrick and Reay, 2011; Pache and Santos, 2013; Smets et al., 2015)? How do they deal and cope with the different demands of technical, ethical, and commercial logics? If in the first research question the individual auditors feel that institutional logics can be complementary, how do they approach such complementarity? For example, does the identification of one logic facilitate the compliance with another logic (Goodrick and Reay, 2011; Smets et al., 2015), or do individual auditors need to identify with multiple logics at the same time without any logic leading to another logic (Goodrick and Reay, 2011)? Do individual auditors employ any other mechanisms when negotiating among these logics? Then, the third research question considers the impact of the multiple institutional logics on the professional identities of individual auditors in that as they react to these logics, how do these macro-level values shape how they construct and reconstruct their professional identities? Are they influenced by any particular logic (Bévort and Suddaby, 2016; Kyratsis et al., 2017) or is it possible to construct the combined identity from more than one logic (Meyer and Hammerschmid, 2006; McGivern et al., 2015)? Do they experience any identity threats to their professional identity construction under the multiple institutional logics

(Kyratsis et al., 2017)? If they do, how do they resolve such threats and manage to secure their professional identities? Do they perform any identity work to negotiate and maintain their professional identities in relation to the multiple institutional logics (Lok, 2010; Kyratsis et al., 2017)?

All things considered, this thesis aims to study how individual auditors experience, respond, negotiate, balance, position themselves, and construct their professional identities in the midst of the coexistence of multiple institutional logics namely the technical, ethical, and commercial logics in the auditing profession. The three research questions above are interconnected. The extent of tensions among institutional logics that individual auditors experience affect how they respond to these logics and the extent that their professional identities can be combined from different logics. Answers to these research questions would help to provide more insights into the relationship between institutional logics at the macro-level and the individuals at the micro-level, which to date has received scarce attention from researchers despite calls for more studies in this area (Hallett and Ventresca, 2006; Pache and Santos, 2013; Smets et al., 2015; Bévort and Suddaby, 2016; Guo, 2016).

8. Conclusion

To conclude, this chapter of literature review discusses the theoretical underpinnings of this thesis. I follow the interpretivist approach to identity studies where the professional identities of auditors are based on the ontology of becoming rather than being; in the changing, negotiable, dynamic state of ongoing construction rather than being fixed and static (Alvesson, Ashcraft and Thomas, 2008; Corlett et al., 2017). Individual auditors are also seen as not being passively coerced into accepting the managerial or institutional discourse and power but rather have certain level of agency to actively negotiate and perform their identity work (Lok, 2010; Bévort and Suddaby,

2016). They are embedded in the context of multiple institutional logics coexisting in the auditing profession where each institutional logic provides distinct values and assumptions guiding appropriate behaviours for individuals (Thornton and Ocasio, 1999). The existing literature indicates two institutional logics in the auditing profession including the professional and commercial logics (Gendron, 2002; Spence and Carter, 2014). I intentionally break down the professional logic into technical and ethical logics as these two values do not necessarily resemble each other (Sikka and Willmott, 2013). Therefore, this research sees individual auditors as in the context of three institutional logics namely technical, ethical, and commercial logics. The technical logic emphasises specialised knowledge, technical expertise, and the compliance with professional rules, standards, and regulations. The ethical logic is concerned with the dedication to public interests, professional autonomy, ethics, integrity, objectivity, and auditor independence. The commercial logic stresses the importance of profitability, revenue generation, efficiency, client interests, personal remuneration, and client relationships (Gendron, 2002; Spence and Carter, 2014). Although these three institutional logics coexist, previous research shows the growing dominance of commercial logic in the auditing profession which started since the mid-1960s as a result of the national deregulation policy, globalisation, business growth, market competition, and the weakening power of the profession (Hanlon, 1996; Caramanis, 1998; Crittenden et al., 2003; Zeff, 2003a; Zeff, 2003b; Sweeney and McGarry, 2011; Spence and Carter, 2014; Sikka, 2015; Guo, 2016).

Being faced with technical, ethical, and commercial logics, how would individual auditors negotiate these multiple institutional logics? The existing literature represents two approaches depending on the nature of relationships among institutional logics, whether these logics are contradictory or complementary to one another. Most studies

treat institutional logics as competing and thus individuals need to identify with one logic and distance from the other, or compartmentalise their identification with different logics into different contexts (Kosmala and Herrbach, 2006; Goodrick and Reay, 2011; Pache and Santos, 2013; Spence and Carter, 2014; Smets et al., 2015). Nevertheless, some studies find that the complementary relationships among different institutional logics can also emerge. In this case, it is possible for individuals to identify with multiple logics such as when the compliance with one logic helps to facilitate the enactment of the other logic or when multiple logics can simply be identified at the same time without one leading to the other (Goodrick and Reay, 2011; Smets et al., 2015). Yet, these studies that show the complementarity of institutional logics are mostly in the non-accounting fields. Researchers in the accounting and auditing field tend to assume that relationships among institutional logics are inherently contradictory (Gendron, 2002; Sweeney and McGarry, 2011; Spence and Carter, 2014; Bévort and Suddaby, 2016; Guo, 2016). This represents a research gap to consider whether institutional logics in the auditing profession can complement one another and thus enable individual auditors to identify with multiple logics at the same time.

Furthermore, this chapter also reviews the existing literature regarding the relationship between institutional logics at the macro level and identities of individuals at the micro level. Institutional logics determine the frames of individuals' behaviours and shape their identities (Pache and Santos, 2013; Skelcher and Smith, 2015). Several researchers study cases where the new institutional logic is introduced and institutionalised, creating a context of institutional pluralism whereby multiple institutional logics affect identity construction and reconstruction of individuals (Hammerschmid, 2006; Lok, 2010; Meyer and McGivern et al., 2015; Bévort and Suddaby, 2016; Guo, 2016; Kyratsis et al., 2017). These studies argue that individuals

do not passively or merely internalise the new institutional logic into their identities, but rather actively engage in the identity work to construct and reconstruct their identities. For example, the management in Lok's (2010: 1328) research performs their identity work to reconstruct their identity into 'independent protectors of long-term shareholder value' who can reject to serve the short-term, irrational shareholders and hence can preserve their management autonomy despite embracing the new logic of shareholder value. Physicians in Kyratsis et al.'s (2017) study also use identity work to resolve the threat of status loss that comes with the new institutional logic of generalism and successfully adopts a new professional identity driven by this new logic. The considerable level of agency that individuals have also means that some individuals may resist the new institutional logic and identity. This is seen, for instance, in the case of Bévort and Suddaby's (2016) accountants in the countryside office who still primarily adhere to the old identity of being a professional partner. Moreover, given that the nature of relationships among multiple institutional logics can be complementary, individuals may also construct a hybrid identity where they integrate values from multiple logics into their identity (Meyer and Hammerschmid, 2006; McGivern et al., 2015).

However, few studies in the accounting and auditing field have investigated the impact of multiple institutional logics in the auditing profession on the professional identity of individual auditors. Although related, Guo's (2016) study is more about identity that is projected from the institutional key players at the field level rather than how individual auditors themselves perceive and construct their identity. Bévort and Suddaby's (2016) research is framed in the context where an organisation is restructured to a more bureaucratic and corporate form according to a managerial logic as well as when individual accountants move to managerial roles rather than considering the

institutional logics existing in the auditing profession as a whole. Therefore, this represents another research gap and triggers several unaddressed questions such as how individual auditors see themselves as who they are in relation to the coexisting technical, ethical, and commercial logics, whether their identity is reliant on a particular logic or integrated from more than one logic, and how their identity is constructed and negotiated. All the research gaps and unaddressed questions in the existing literature specified in this chapter are the basis for the three research questions of this thesis. Overall, this study aims to investigate how individual auditors experience, negotiate, balance, position themselves among the multiple institutional logics in the auditing profession as well as how these logics shape the construction of their professional identities. In the next chapter, the methodology that employed in this research is examined.

Chapter 3: Research Methodology

1. Introduction

As examined in the previous chapter, the three institutional logics in an auditing profession, namely the technical, ethical, and commercial logics, represent different values, assumptions, and principles guiding appropriate behaviours and practices of individuals (Thornton and Ocasio, 1999). How individual auditors negotiate, balance, and position themselves among these three institutional logics, as well as how they construct their professional identities under these logics, are the central questions of this thesis.

In this chapter, the research methodology of this study is presented. To begin with, the underlying philosophical orientation of this research is discussed. This involves the ontological and epistemological considerations that have been employed in this thesis which represent my worldview and approach to knowledge as a researcher. Accordingly, the philosophical underpinnings here, along with the research questions and aims of the study discussed in the previous chapters jointly determine the practical research methods and designs of this study which are given next in this chapter. These include the justification for the decisions on data collection methods, research sample, and data analysis. Finally, this chapter ends with the reflection of the data collection and analysis processes regarding how the study went both on and off the field as well as the relationship between the researcher and the research. Note that in addition to the main text in this chapter, further details are also given in the Appendices at the end of the thesis.

2. Research philosophical assumptions

I employed Burrell and Morgan's (1979: 29) sociological paradigms (Figure 2) as a framework to consider the philosophical assumptions underlying this thesis.

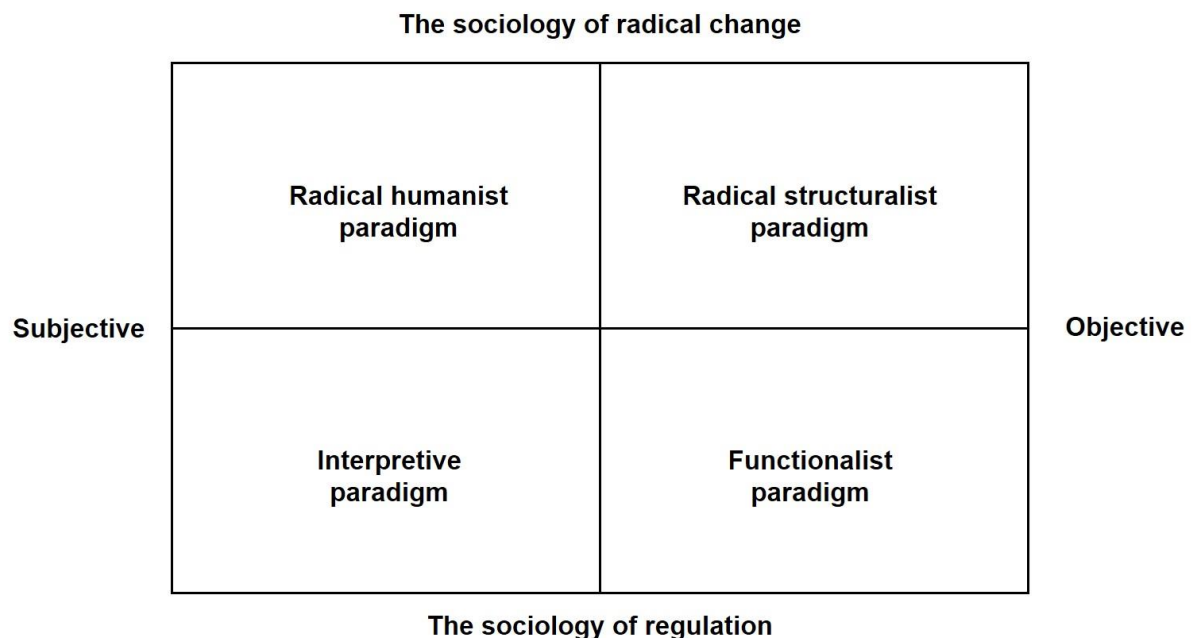


Figure 2 Sociological paradigms (Burrell and Morgan, 1979)

Overall, this research is located in the Interpretive paradigm where the nature of social science is the subjectivist orientation and the nature of society is the sociology of regulation (Burrell and Morgan, 1979). The justification behind this claim is elaborated in this section.

To begin with, the subjective nature of social science for this research can be seen through its ontology and epistemology as follows (Burrell and Morgan, 1979). Firstly, the ontological position of this thesis is social constructionism (Berger and Luckmann, 1966). Based on this position, reality is seen as socially constructed. Social actors interact with each other and have expectations of each other. Meaning is gradually ingrained into social actors and the society and becomes the social reality (Berger and

Luckmann, 1966). The social world is seen as the result of 'historically situated interchanges among people' (Gergen, 1985: 267). According to Schwandt (1994: 118), 'particular actors, in particular places, at particular times, fashion meaning out of events and phenomena through prolonged, complex processes of social interaction involving history, language, and action'.

I argue that both key concepts of this thesis including institutional logics and identities all represent socially constructed realities. Regarding institutional logics, the definition given by Thornton and Ocasio (1999) apparently reflects this point. As mentioned earlier in Chapter 2, an institutional logic is 'the socially constructed, historical pattern of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality' (Thornton and Ocasio, 1999: 804). In other words, social actors socially construct institutional logics and assign meanings to them as guiding principles and assumptions for how individuals should behave under each particular logic. For example, under the commercial logic, individual auditors are expected to increase profits and serve client interests (Spence and Carter, 2014; Gendron, 2002). This commercial logic and its associated meanings and demands are not present or scientifically formed by itself per se like in the case of objective reality. Instead, these commercial values in which individual auditors focus on profitability, for instance, have been socially constructed by social actors in the society such as audit firms and clients. In this way, institutional logics are ontologically subjective as they do not exist independent of social actors (Searle, 1995).

For the concept of identities, although it can be seen in a more objective sense, this research views identities as subjective and socially constructed (Alvesson, Ashcraft and Thomas, 2008). As mentioned earlier in Chapter 2, this thesis follows the

interpretivist strand of identity studies where an individual's interaction with others triggers his or her construction and maintenance of identity (Alvesson, Ashcraft and Thomas, 2008; Sveningsson and Alvesson, 2003). As such, individuals continually construct and negotiate their identities in relation to others based on the contextual resources. Thus, identities from this perspective are more changing and evolving rather than fixed and static (Alvesson, Ashcraft and Thomas, 2008; Corlett et al., 2017). Similar to institutional logics, identities in this research hence are perceived and given meanings by individuals and others around them. From this viewpoint, identities do not exist objectively, but rather are socially constructed by social actors (Searle, 1995). This thesis studies the relationship between institutional logics and identities of individual auditors. As both of these two concepts are considered here as socially constructed realities (Berger and Luckmann, 1966; Searle, 1995), the ontological orientation of this research is therefore social constructionism (Berger and Luckmann, 1966).

Secondly, the epistemological orientation of this research is interpretivism. Related to the ontological underpinning where the social world is viewed as constructed by social actors, it is necessary to enter their world and understand this world of lived experience from their point of view (Schwandt, 1994). In this way, the researcher has to take the view of the individual auditors instead of the external observers. Thus, social phenomena cannot be studied by the same way as natural science. The emphasis is on how individuals make sense of or interpret the social phenomena (Scherer, Does and Marti, 2016). In particular, I need to understand how individual auditors negotiate and respond to multiple institutional logics, make sense of and interpret the impact of these logics on their professional identities. These are all complex social phenomena, full of rich insights and particular details which are not reducible to positivist law-like

generalisation. By seeing the world from the perspective of the individual auditors, I can understand the meanings and interpretations in which these auditors subjectively attribute to these complex phenomena, examine how they experience, maintain, express, and share the socially constructed realities with others (Duberley and Johnson, 2016).

Regarding the assumption about the nature of society, this research is based on the sociology of regulation rather than the sociology of radical change (Burrell and Morgan, 1979). Although there is a change in the mix of multiple institutional logics especially the prevalence of commercial logic over technical and ethical logics, this happens in a gradual way as it has started since the mid-1960s (Zeff, 2003). Thus, it is not considered as a radical change. The commercialism has gradually become part of the status quo of the auditing profession which has been maintained by the audit firms as they tend to accept and reproduce this commercial logic (Sweeney and McGarry, 2011; Spence and Carter, 2014; Guo, 2016). Furthermore, this research tries to understand how an individual auditor experiences and perceives the impact of multiple institutional logics on their professional identity 'as it is', not 'as it should be'. In other words, this research is concerned with 'what is' rather than 'what is possible'; and 'actuality' rather than 'potentiality' or 'alternatives' (Burrell and Morgan, 1979: 17-18). Consequently, the underlying assumption about the nature of society in the present research is the sociology of regulation (Burrell and Morgan, 1979).

Altogether, the nature of social science as subjectivist orientation and the nature of society as sociology of regulation constitute this thesis in the Interpretive paradigm in Burrell and Morgan's (1979) sociological paradigms.

3. Data collection methods

The research philosophical foundations discussed earlier are the basis for the practical considerations of data collection methods employed in this research which are examined in this section.

3.1 Semi-structured interviews

In this study, the semi-structured interviews were employed to gain in-depth, detailed understanding of the impact of multiple institutional logics on individual auditors and their professional identities. The justification and procedures for this method are discussed below.

3.1.1 Justification for using semi-structured interviews

To begin with, qualitative researchers generally use interviews to understand experiences, opinions, mechanisms, values, or behaviours of participants. Interviews may also help participants to feel more confident to talk about sensitive or confidential issues when compared to other methods such as questionnaires where they have never met the researchers before (Saunders, Lewis and Thornhill, 2012). This was important for my research because the questions may involve personal experience of individual auditors or organisational information which participants might not want to share if good, face-to-face rapport has not been established.

Interviews can be classified into three types including structured, unstructured, and semi-structured interviews (Rowley, 2012; Saunders, Lewis and Thornhill, 2012). Firstly, structured interviews are based on questionnaires of predetermined questions which are identical to every participant (Saunders, Lewis and Thornhill, 2012). Thus, this type of interviews is similar to questionnaire surveys, but instead of letting participants to complete the questionnaires by themselves, the researcher reads the

questions to them (Rowley, 2012). Structured interviews tend to expect rather short answers and the order of the questions is the same for every participant (Rowley, 2012). This type of interviews is useful for a deductive research where researchers aim to test a theory and analyse the data quantitatively (Saunders, Lewis and Thornhill, 2012).

Secondly, unstructured interviews are more informal and in-depth. Researchers have no predetermined questions. Participants can talk freely about the topic. As such, the participant's answers guide the interviews (Saunders, Lewis and Thornhill, 2012). This type of interviews is more suitable for experienced researchers as it needs skills in conducting the interviews as well as analysing relatively various and incomparable transcripts (Rowley, 2012).

Thirdly, in semi-structured interviews, researchers have a list of key questions in an interview schedule which are flexibly used in different interviews. For example, some questions may be excluded in some interviews whereas some other questions may be asked for the context of that particular participant. The question order can also be changing in order to encourage the flow in the conversation. (Rowley, 2012; Saunders, Lewis and Thornhill, 2012).

Based on the three types of interviews discussed above, I decided to employ semi-structured interviews because this type of interviews mostly matched the objectives, research questions, and philosophical underpinnings of this thesis. Firstly, semi-structured interviews enabled me to obtain the in-depth, detailed data which I needed in order to answer the research questions. Yet, I still had some control over the scope and focus of the interviews through the set of key interview questions. Secondly, as semi-structured interviews can help to answer the questions about 'what', 'how', and

'why', they were appropriate for this study in which I explored how individual auditors responded to multiple institutional logics in the auditing profession, how these logics shaped their identity construction, and what forms of identities individual auditors constructed in relation to these logics. The 'why' questions also helped me to gain richer, more robust data. Thirdly, the semi-structured interviews were also suitable for the exploratory nature of this thesis as I could probe the answers of participants further, encouraging them to discuss or build on their answers. This was crucial for interpretivist orientation of this research where I needed to understand the meanings from the perspective of participants. As such, being able to probe these meanings was beneficial for providing more inductive, in-depth data (Rowley, 2012; Saunders, Lewis and Thornhill, 2012; Creswell, 2014).

Moreover, by exploring the answers of participants, this type of interviews could open up areas of issues that I never considered before which were insightful and important for answering research questions (Saunders, Lewis and Thornhill, 2012). For example, the mechanisms of how individual auditors dealt with difficult, demanding clients helped me to understand how individuals practically balanced among institutional logics and minimised conflicts among them better. In addition, several prior studies which give in-depth insights into how institutional logics affect individuals and/or their identities also employed semi-structured interviews as part of their data collection (Kosmala and Herrbach, 2006; Reay and Hinings, 2009; Lok, 2010; Spence and Carter, 2014; McGivern et al., 2015; Smets et al., 2015; Kyratsis et al., 2017).

3.1.2 Procedures

Each interview took place at the participant's office or the public place such as a café or a restaurant and lasted approximately one hour. The interview schedule (see Appendix A, page 290) was used as a guide to ask the participant. My interview

questions partly derived from the literature, but most importantly were designed to generate data that helped to answer the research questions of this thesis (Rowley, 2012). This research involves a lot of abstract and complicated topics such as institutional logics. Thus, I made sure that the interview questions were clear, understandable, and concise as much as possible (Saunders, Lewis and Thornhill, 2012).

Firstly, a participant was asked some general questions about how he or she came into an auditing profession and what he or she thought were the important features of the auditing profession which distinguished it from other professions or occupations (Spence and Carter, 2014; Gendron and Suddaby, 2004). Secondly, the exploration of institutional logics in an auditing profession was carried out by asking a participant some questions that would bring out their discussion on these logics. These questions included topics about the overall objective of their work, how important serving the public or profitability were to their main objective, their driving sources of motivation and demotivation when doing audits, how important clients were to them, characteristics of successful auditors in their opinions, and auditor independence (Gendron, 2002; Kosmala and Herrbach, 2006; Sweeney and McGarry, 2011; Spence and Carter, 2014).

Thirdly, the issues about potential tensions or complementarity among multiple institutional logics were obtained by asking a participant whether and how they experienced different goals, values, and stakeholders affecting their audit work, how they felt about and balanced between keeping a distance and a good relationship with clients as well as among protecting the public and serving the clients who ultimately generate revenue to the audit firm (Gendron, 2002; Sikka, 2009).

Fourthly, the topic about how a participant negotiated among multiple logics was addressed by following up on the previous questions regarding potential tensions and complementarity among these logics such as how they dealt with such situations and what they would suggest new auditors to manage tensions. The potential distance from the institutional logics and the auditing profession itself was also explored by asking how important being an auditor was for themselves or a sense of who they were as a whole (Gendron, 2002; Kosmala and Herrbach, 2006; Bévort and Suddaby, 2016).

Fifthly, a participant was asked about their opinions on the current state of the auditing profession in terms of the boundaries of legitimate work, professionalism, and any transition of the profession from the past to present. This helped to understand the transformation of the auditing profession where the traditional auditing has embraced more commercial logic (Hanlon, 1996; Sweeney and McGarry, 2011; Spence and Carter, 2014; Guo, 2016). Furthermore, a participant was asked about how they felt about auditors or audit firms that provided non-audit services, whether this service expansion was a good or bad thing in their opinion, and what professionalism meant to them (Gendron and Suddaby, 2004).

Finally, the interview questions also asked about the social standing or prestige of the auditing profession. In particular, I asked a participant how they felt about the social standing of the auditing profession, what drove the prestige and what could damage it, the stereotype of being an auditor that people in the society often associated with, whether they agreed or disagreed with such stereotype, and whether they would recommend young people to become auditors and why (Gendron and Suddaby, 2004; Guo, 2016). Note that this research initially planned to cover the issue of prestige in professional identities of auditors. Thus, this topic was included in the interview

questions. As with the nature of the qualitative research where the research process can be emergent and the initial research plan can be adjusted over time (Creswell, 2014), I subsequently reframed the scope and focus of the study where the issue of prestige was no longer a central emphasis. Nevertheless, these interview questions were still useful to elicit further data about the effect of multiple institutional logics on individual auditors and their professional identities, especially when participants talked about the recent audit scandals in the society which related to the importance of ethical logic. The discussion of auditor stereotype also added richer data on how participants tried to portray their professional identities to other people under multiple institutional logics.

Furthermore, other probing or follow-up questions built on participant's answers were asked to gain more in-depth, detailed data (Rowley, 2012; Saunders, Lewis and Thornhill, 2012). Critical incident technique (Butterfield et al., 2005) was also employed to ask participants concerning the key experience, events, or cases that represented specific, clear, detailed examples illustrating their answers such as when they had very difficult client experience and how they dealt with these situations. In addition, I made sure to listen attentively to their answers as interviews were not only about asking questions. By listening carefully to them, I could understand thoroughly and explore the answers further. When any parts were unclear, I asked the participant to clarify or give some examples to illustrate the points accordingly (Saunders, Lewis and Thornhill, 2012).

3.2 Participant-produced drawings

Moreover, in this research, the participant-produced drawing method (Kearney and Hyle, 2004) was also employed as part of the interview. The participant-produced drawing asks participants to draw images that enable them to articulate their

impressions, feelings, and thoughts (Ward and Shortt, 2012). This section discusses the use of this visual method in the present research.

3.2.1 Justification for using participant-produced drawings

To begin with, using drawing in the interview can foster participant's reflexivity and interpretation of the topic under study (Bagnoli, 2009) as well as stimulate further discussion in the interview (Kearney and Hyle, 2004; Pain, 2012; Ward and Shortt, 2012). A visual method tends to access and help investigate experience that is not easily represented by words (Bagnoli, 2009; Guillemin and Drew, 2010; Ward and Shortt, 2012) or involves subconscious knowledge or abstract ideas (Pain, 2012). This was particularly useful for the topic of this research which covers abstract concepts including identities and institutional logics. Drawing generally can offer rich data regarding participant's experience, feelings, and emotions (Kearney and Hyle, 2004; Ward and Shortt, 2012), including conflicting or paradoxical emotions (Vince and Broussine, 1996). Thus, this helped to examine the potentially contradictory and multifaceted nature of the multiple institutional logics from the perspective of individual auditors.

Furthermore, the participant-produced drawing allowed data to emerge from the participant's own perspective (Bagnoli, 2009; Pain, 2012). This helped to empower the participants, value their point of view, and encourage more active participation from their part (Guillemin and Drew, 2010; Pain, 2012). The drawing was also likely to help reduce the researcher's influence since the participants could frame and reflect their own experience in the drawing freely by themselves and use the images drawn as a guide in the interview (Kearney and Hyle, 2004). This is in line with the aforementioned epistemological assumption of interpretivism. In other words, the free-drawing activity where the participants were the ones who produced the drawings enabled me to

understand the participants' socially-constructed world from their point of view (Schwandt, 1994).

Participant-produced drawings tend to make participants feel more comfortable or 'break the ice' in the interview (Bagnoli, 2009: 552; Ward and Shortt, 2012). This method also enables the more holistic communication as the images tend to have the 'condensing' quality in which they can tell the complicated stories about the participant's emotions, plans, dilemmas, and dreams (Bagnoli, 2009: 551). Thus, drawing offered a succinct way to present the participant's experience in that this visual method, in combination with the discussion of the images, tended to mostly capture the 'core' or 'heart' of personal experience of individual auditors (Kearney and Hyle, 2004: 366). There may be many various issues related to being an auditor. Nevertheless, only those that were important or meaningful for the participants would be expressed in their drawings (Kearney and Hyle, 2004; Bagnoli, 2009). In addition, drawing may encourage the way of thinking that is beyond a standard way. Hence, it helps to minimise the prototypical, easily-replied 'ready-made' answers to interview questions (Bagnoli, 2009: 566). Scholars argue that this tends to provide more honest data from the participants (Nossiter and Biberman, 1990; Kearney and Hyle, 2004; Ward and Shortt, 2012). I found that the drawings triggered participants to express their own personal perception and experience instead of the general cliché in the auditing profession. For example, participants illustrated in their pictures what auditing personally meant to them rather than what the audit firm handbooks prescribed to them.

3.2.2 Procedures

The participant-produced drawing was done at the beginning of the interview, after some warm-up verbal questions. For each interview, a participant was given a sheet

of A3 paper and coloured pens. He or she was allocated approximately 10 minutes for this drawing activity with the following instruction (Kearney and Hyle, 2004):

Please draw anything that represents 'being an auditor' for you. If possible, try to avoid writing words. You will not be judged on your artistic ability. 'Stick people' are acceptable. You will have the opportunity to discuss your drawing afterwards.

On a separate, small piece of paper placed near the A3 paper, the written instruction was also given to remind and clarify the task throughout the drawing activity. This instruction was written in a form of a question 'What does "being an auditor" mean to you?'.

The participants were allowed to draw freely anything in any forms. For example, they might choose to draw their own self-portraits or some visual metaphors, all of which tend to represent their identities (Bagnoli, 2009; Clarke and Holt, 2017). After a participant finished drawing, he or she was asked to discuss the drawing and its meanings with me. This was indeed an important part as the images being drawn were considered just the backdrop for the more crucial part which was the reflection and discussion of these images (Ward and Shortt, 2012). Then, the verbal interview proceeded on, with the referral back to the drawing at times when relevant, both by me and sometimes by the participant themselves. This helped to elicit more details and elaboration of topics being discussed (Kearney and Hyle, 2004; Pain, 2012; Ward and Shortt, 2012). For example, when talking about changes in the profession from the past, I referred back to a participant's drawing and asked that if they had drawn this picture in their day one at work or when they were a student, whether and how it would have been similar or different from this picture. The comparison of visual

perceptions through time here was adapted from the study by Munoz, Mosey and Blinks (2011) who use two rounds of drawing activity to understand students' shifting mental frames in a classroom context. This question helped me to understand their perception of transforming values or institutional logics in the auditing profession very well.

3.3 Adjustment of questions

Moreover, as the research progressed, the initial interviews led to the adjustment and addition of questions in the interview schedule for the later interviews (Creswell, 2014). The key revisions included two points. Firstly, regarding the question on how a participant became an auditor, I found that some participants talked about the technical requirements and educational track that they did in order to be an auditor. However, the question was intended to understand more about the motivation, feelings, and experience of how they were attracted to the auditing profession when they started their career. So, I rephrased the question into 'what got you interested in the auditing profession in the first place?'.

Secondly, some participants drew pictures that represented the guardian identity of the auditors such as a bird overseeing the world, a police officer protecting the world, and a person with a label 'Mr Integrity' (see Figures 12, 7, and 8, pages 119, 110, and 112 respectively) as well as talked about the importance of protecting the public stakeholders in the society. On the other hand, some other participants deliberately said that they saw themselves as being business advisors rather than traditional auditors. These also correspond with the literature where traditional auditors are seen as guardians of the public interests (Sikka, Willmott and Lowe, 1989) or public watchdogs (Hanlon, 1996), and that the commercial logic in the auditing profession drives auditors towards the more business advisor or 'versatile expert' identity (Guo,

2016: 105). Therefore, in the later interviews, I added the question asking a participant whether they identified themselves with being a guardian of public interests/watchdog or a business advisor/businessperson and why. This question along with data from other parts of the interview and the drawing helped to make sense of the data in terms of what identities individual auditors saw themselves in relation to multiple institutional logics.

3.4 Ethical considerations

Participants were given the information sheet in advance which gave details of the purpose and process of the interview. The consent form was also given to a participant before the interview to sign if they agreed to participate. The information sheet and consent form together guaranteed the confidentiality and anonymity of both the verbal and visual data collected. Participants were ensured that they could withdraw from participating at any time. The consent form also asked participants for the permission to record the voice of the interview and to use anonymised quotes and drawings in the research report and publications (Creswell, 2014; Saunders, Lewis and Thornhill, 2012). One participant refused to have the voice recorded. In this case, I wrote down key points in the participant's answers during an interview instead (Gendron, 2002).

4. Research sample

As with the nature of qualitative research, I purposefully selected participants who would best enable me to understand the issues under study and address the research questions rather than using random sampling (Creswell, 2014). Thus, the research sample in this thesis was chosen to help me gain the best insights into how multiple institutional logics affect individual auditors and their construction of professional identities. Details of the research sample are elaborated in this section.

4.1 Sizes of audit firms

In this research, participants included external auditors who perform statutory audits from the small, medium, and big-four audit firms in the UK. I defined medium audit firms as those firms which ranked fifth to one hundredth in the UK by total income². The small audit firms were those ranked beyond the top hundred firms. At least one auditor from each of the big-four audit firms participated in this study. According to the literature, auditors in different sizes of the audit firms embrace institutional logics differently. Prior studies claim that auditors in smaller audit firms tend to be less receptive to the commercial logic and adhere more strongly to professional norms when compared with those in the big-four firms (Lander, Koene and Linssen, 2013; Guo, 2016). Thus, by including a range of audit firms, this research represents a broader picture of the auditing profession and extends the existing research that heavily focuses on the large firms (Hanlon, 1996; Anderson-Gough, Grey and Robson, 2000; Kosmala and Herrbach, 2006; Sweeney and McGarry, 2011; Spence and Carter, 2014; Bévort and Suddaby, 2016). Nevertheless, as with the interpretivist, qualitative nature of this study, the generalisation of population is not the primary concern of this research (Creswell, 2014). As such, the more important purpose of including different sizes of audit firms was not about generalising, but rather to understand individual auditors with various backgrounds, experiences, and contexts which could provide richer and more insightful data (Rowley, 2012).

² The ranking was in terms of the total income in the UK for the last financial year as at the time of interview. Information about the size/ranking of the audit firm was provided by a participant in the interview and verified by me through the Accountancy Age website (Accountancy Age, 2020).

4.2 Auditing profession in the UK

This study was conducted in the UK. Reasons for choosing this research site are examined in this section. Firstly, the UK is one of the largest economies and most prominent financial centres in the world. According to the Global Financial Centres Index, London is the second leading global financial centre after New York (Szmigiera, 2019). The Gross Domestic Product (GDP) of the UK is ranked in the fifth place in the world (The World Bank, 2019). Thus, the general economy and financial sector in the UK represent a developed system with international impact.

Secondly, as introduced earlier in Chapter 1, auditing is an established profession in the UK with the major professional accountancy bodies such as Institute of Chartered Accountants in England and Wales (ICAEW), Institute of Chartered Accountants of Scotland (ICAS), and Chartered Accountants Ireland (ICAEW, 2019a). These accountancy bodies authorise the professional qualification of chartered accountancy which helps to progress into higher positions in the auditing profession (Graduate Prospects, 2017). The qualification of chartered accountancy is highly valued and thus needs specific requirements in order to qualify. For example, the ICAEW requires an individual to pass certain examinations in business, accountancy, finance, and law as well as to have at least three years of working experience with the approved employer (ICAEW, 2019b). The professional accountancy bodies also have the code of ethics for members to comply with (ICAEW, 2019c).

Moreover, as stated earlier in Chapter 2, there has been the increase in commercialism in the auditing profession in the UK due to deregulation (Crittenden et al., 2003). In 1984, the regulations that prohibited audit firms from advertising and competitive bidding in the UK were dropped. This has enabled the intense competition

among audit firms (Crittenden et al., 2003). Sikka (2015: 3) argues that audit firms in the UK have embraced values of neoliberalism including the 'faith in competition, free markets, quest for private gain and light-touch regulation'. In line with these neoliberal values, the success of audit firms is judged by the number of clients and profits with great emphasis on commercialism (Sikka, 2015). Several empirical studies support the significance of commercial logic in auditing profession in the UK especially in the case of the big-four audit firms (Anderson-Gough, Grey and Robson, 2000; Kosmala and Herrbach, 2006; Spence and Carter, 2014). The auditing profession in the UK hence represents the coexistence of traditional values of technical and ethical logics, along with the new, growing commercial logic. All of these made the UK an appropriate context for this study.

4.3 Number of audit work experience

The participants in this research included external auditors with at least 3 years of work experience in statutory audit. This cut-point of 3 years was employed in accordance with the aforementioned minimum requirement of work experience for the qualification of chartered accountancy (ICAEW, 2019b). In this way, participants in this study have stayed in the auditing profession for a considerable length of time to understand the nature of auditing and being an auditor. Thus, they were likely to have experienced institutional logics or the guided principles, values, and assumptions (Thornton and Ocasio, 1999) in the auditing profession and were supposed to reflect on how these logics have affected their construction of professional identities to a certain extent.

Note that some participants also had further experience of doing other kinds of financial audits such as internal audit, client asset (CASS) audit, and grant audit in

addition to their experience of at least 3 years in statutory audit. However, the majority of the participants only work in statutory, external audit which is the focus of this thesis.

4.4 Methods of recruitment and sample size

Access to participants was originated from personal and professional networks. A snowballing technique (Biernacki and Waldorf, 1981) was also employed to recruit further participants from initial contacts. The number of participants was determined by the point of data saturation. In other words, more interviews were conducted until additional interview did not provide new themes or new insights (Saunders, Lewis and Thornhill, 2012; Creswell, 2014). I found that the data started to saturate since 25 participants have been interviewed. Yet, in order to ensure this, I continued to conduct two more interviews to make sure that no major new points were obtained (Saunders, Lewis and Thornhill, 2012; Creswell, 2014). Overall, the research participants of this thesis consisted of 27 auditors in total, including 16 males and 11 females with the age bands 21-30 to 61-70. Their positions varied from Audit Associate to Audit Partner. The number of audit work experience ranged from 3 years and 4 months to 37 years. The data collection was conducted from December 2017 to February 2019. Appendix B (page 295) presents further details for the demographic information of participants.

5. Data analysis

The data analysis of this research was conducted by thematic analysis which can be defined as 'a method for identifying, analysing and reporting patterns (themes) within data' (Braun and Clarke, 2006: 79). Although Braun and Clarke (2006) originally engage thematic analysis in the field of psychology, they also claim that it is also useful for the research areas beyond psychology as well. Thematic analysis is a foundational approach for qualitative data analysis which offers theoretical flexibility as it does not

tie to any particular theoretical position (Braun and Clarke, 2006). Thematic analysis can offer detailed, rich, and 'thick description' of the data, which was very useful for the nature of this research that involved in-depth, detailed qualitative data (Braun and Clarke, 2006: 97).

Thus, for this study, thematic analysis (Braun and Clarke, 2006) was used to find the patterns or themes in the data regarding how the individual auditors negotiated, positioned, and balanced among multiple institutional logics in the auditing profession, as well as how they constructed their professional identities under these logics. The data analysis occurred concurrently as the data collection progressed. This allowed me to consider the existing data and guided the new data collection (Miles, Huberman and Saldana, 2014). The stages in the data analysis using thematic analysis are elaborated as follows.

Firstly, each interview was transcribed in full (verbatim) by me and a professional transcriber (Braun and Clarke, 2006). I carefully and thoroughly checked every transcription done by a professional transcriber word by word to ensure the accuracy of the transcripts, especially with the technical terminology that participants sometimes used such as 'debit/credit'. The professional transcriber signed a confidentiality agreement with me to ensure that all data being transcribed were treated confidentially, no copy of the data was made, and all data were destroyed permanently after finishing the transcription work. Pseudonyms were used instead of the real names of participants and organisations in order to protect their anonymity (Creswell, 2014). Then, the transcripts were read and re-read carefully (Braun and Clarke, 2006).

Secondly, initial codes were generated (Braun and Clarke, 2006). The definition of codes can be drawn from the meaning given by Miles, Huberman and Saldana (2014: 71-72) as follows.

Codes are labels that assign symbolic meaning to the descriptive or inferential information compiled during a study. Codes usually are attached to data “chunks” of varying size and can take the form of a straightforward, descriptive label or a more evocative and complex one (e.g., a metaphor).

Therefore, a code is a word or words that attributes meaning to a portion of data in the interview transcripts. It illustrates and captures the essence of that portion of data (Miles, Huberman and Saldana, 2014). The codes were derived inductively from the data. When I coded these data, I asked myself what each chunk of data was about and gave a short explanation of that data chunk as a code. Examples of codes from the transcript excerpts are shown in Table 2, Appendix C (page 296). Thus, in this second stage, I coded the data throughout each interview transcript systematically (Braun and Clarke, 2006).

Thirdly, further coding was done to sort the codes from the previous stage into potential themes (Braun and Clarke, 2006; Miles, Huberman and Saldana, 2014). King and Horrocks (2010: 150) define themes in a thematic analysis as ‘recurrent and distinctive features of participants’ accounts, characterising particular perceptions and/or experiences, which the researcher sees as relevant to the research question’. In other words, themes demonstrate patterned meanings in the dataset in relation to the research questions (Braun and Clarke, 2006). Hence, in this stage, coded data were assigned to the relevant themes. There were different levels of themes in the forms of themes and subthemes (Braun and Clarke, 2006). I used both inductive and deductive

approaches to generate themes. Thus, some themes were derived from the data while others were based on the literature. For example, the themes about tensions and complementarity among institutional logics were in parallel with the institutional literature about conflicting and complementary institutional logics. On the other hand, the subthemes about the sources of tensions among logics were derived inductively from the data. When doing this step, I tried to see how the coded data answered the research questions and categorised them into themes that would help to address these research questions. At this stage, there were some themes that did not really answer the research questions, but might help give additional interesting points or better insights. I did not discard these themes, but categorised them together as 'Miscellaneous'. For instance, the point about working in a team was not deliberately related to technical, ethical, or commercial logics per se, but may help to better understand the dynamic of the audit working environment in which individual auditors negotiated multiple institutional logics and constructed their professional identities. As such, I categorised 'teamworking' under the major theme 'Miscellaneous'. Moreover, the relationships among themes or codes were also examined (Braun and Clarke, 2006). For example, the theme about tensions between quality and efficiency is related to the theme regarding time management as a mechanism to balance among different logics. Further examples of themes and subthemes are shown in Figure 20, Appendix C (page 300).

Fourthly, themes were reviewed further to determine whether they needed to be refined, combined, divided, or discarded. Data within each theme presented a coherence together whereas data between different themes were distinctive from each other. In this stage, themes were checked in two levels, whether each coded data extract fit well with the given theme and whether the final set of themes accurately

represented or reflected the meanings evident in the entire dataset (Braun and Clarke, 2006). For example, the subthemes under the theme regarding sources of tensions among multiple institutional logics (see Figure 21, Appendix C, page 301, compared with Figure 20, page 300) were revised because I found that many of them were actually originated from the issue about dynamic of an auditing profession in one way or another. For instance, the point about fear of losing a client if giving them an unclear audit report was indeed caused by the nature or dynamic of the auditing profession where a client was the one who chose and paid an auditor. Thus, I re-categorised these subthemes ('reporting issues', 'problematic interactions with clients', and 'independence') to become further subthemes under the subtheme 'dynamic of auditing profession' accordingly.

Furthermore, some themes in the 'Miscellaneous' category were re-categorised into other groups if they could fit and provide meaningful insights in such places. For example, initially I assigned the theme about an auditing profession as a stepping stone to other careers in business to a Miscellaneous category. Subsequently, I decided to move it to the theme about complementarity among logics, under a subtheme regarding the relationship between technical and commercial logics. This was because I felt that the reason most participants gave for this stepping-stone capacity was actually related to how a technical logic in terms of technical knowledge and experience from being an auditor helped to promote a commercial logic in a sense of being a successful businessperson or advancing personal remuneration prospects. Hence, this point could fall into the theme about complementarity among institutional logics.

In the fifth stage, I clearly defined each theme and renamed the themes to be clearer and more concise if necessary. This involved identifying what each theme or subtheme

was essentially about (Braun and Clarke, 2006). Examples of how I defined themes and subthemes are shown in Table 3, Appendix C (page 301). Finally, the final themes and subthemes were reported along with examples of data extracts that were compelling and vivid. The argument was related back to the research questions (Braun and Clarke, 2006).

Although the stages of thematic analysis are presented here in order, it is noteworthy that the analysis was not a linear process in which I simply moved from one stage to the next. Instead, it was an iterative process where I moved back and forth along these stages (Braun and Clarke, 2006; King and Horrocks, 2010). I needed to re-read the transcripts again and again, revise the codes and themes, re-categorise subthemes, move codes/themes to different places in the data hierarchy, and check whether these themes made sense to the research questions. In short, the thematic analysis I did here was not in a neat, clean-cut fashion, but rather characterised with the non-linear, continually-revising, 'messy' nature (Sinkovics and Alfoldi, 2012: 818). I used a qualitative data analysis software 'NVivo 12 Pro' to aid the thematic analysis throughout.

For the visual data analysis, the verbal discussion of the images was transcribed and also analysed using this method of thematic analysis along with other verbal interview data (Vince and Warren, 2012). With the permission of the participants, examples of images were presented alongside the related interview quotes (Vince and Warren, 2012). It can be seen that the drawing method was employed here not necessarily to produce the images themselves as the 'end product', but more importantly as a tool or 'catalyst' (Vince and Broussine, 1996: 9) to generate the discussion containing richer, ineffable data that are usually difficult to obtain in a normal interview alone (Bagnoli, 2009; Guillemin and Drew, 2010; Ward and Shortt, 2012). Note that if the

drawings contained names or any identifiable attributes such as an audit firm's logo, I would edit the images by removing these identifiers and using pseudonyms instead to protect the anonymity of participants and related parties (Bagnoli, 2009).

Overall, the major themes found in the data included the coexistence of each institutional logic, tensions among institutional logics, complementarity among institutional logics, the protection of traditional watchdog identity, the expansion into advisor identity, and the hybrid identity. These are reported and elaborated later in Chapters 4 to 6. Examples of how I analysed the data through different stages are given in Appendix C (page 296).

6. Reflection on data collection and analysis

In this section, I reflect on the data collection and analysis processes of the study. This reflection was based on a research diary (Nadin and Cassell, 2006) that has been used throughout the research period to facilitate the researcher's reflexivity which is an important aspect in qualitative research (Creswell, 2014).

To begin with, I started recruited participants as soon as the ethics approval was successful. At first, I was rather concerned about finding participants in the UK. Although my undergraduate degree was in accounting with auditing major, and I had some internship experience in accounting, I did them all back home in Thailand and thus all auditors and accountants I know are in Thailand. As an international student here with no family or prior corporate work experience in the UK, I was afraid that it would be very difficult to recruit participants here.

During that time, there was a career event at the University of York where one big-four audit firm came to introduce their job opportunity to students. I attended that event and built some rapport with professionals there. Afterwards, I emailed these individuals.

One of them replied to me that she was in a tax department, but she was happy to ask her colleague in the audit department to help with my interview. This was how I gained access to my first participant. Then, with a recommendation from a senior PhD student, I built more connections with auditors in the UK through an online professional network 'LinkedIn' which turned out to be a very effective way of reaching out to potential participants. I sent my messages to each of them individually, briefly introduced myself and my research, attached the information sheet, and asked them if they were happy to participate. Although most of them did not reply back to me, amazingly some of them did. This was actually the major source of my participants.

I also searched for the contacted email addresses which audit firms publish in their official websites, and sent them the emails. Unfortunately, the email method was not very successful when compared to LinkedIn. Two of them replied the emails back to me. One person agreed to participate. Another person forwarded the email to her colleagues in the firm for me. Furthermore, I also found that female participants were more difficult to recruit, partly because the auditing profession is rather male-dominating (Khalifa, 2013), and also perhaps women may be less comfortable to respond to an online invitation to meet in person. Thus, I tried to emphasise in the invitations to potential female participants that their opinions and experience would be very much appreciated since I was struggling to find female auditors. Eventually, I managed to find 11 females to participate, some of which were in high positions as well.

The qualitative interviews were not new to me as I have done them in my MRes degree previously. The unfamiliar and novel part was the participant-produced drawing (Kearney and Hyle, 2004). Apart from reading the literature (Kearney and Hyle, 2004; Bagnoli, 2009; Pain, 2012; Ward and Shortt, 2012; Clarke and Holt, 2017) to learn

more about how participants would react to a visual method, I practised by conducting a pilot interview with my friend and asked her to comment on the process afterwards. She said that it was interesting and suggested some adjustments in the positioning of the A3 paper and the sitting orientation between a researcher and a participant.

It turned out that the drawing activity received different reactions from participants. Some of them were very enthusiastic and enjoyed this, saying that it was 'fun' and 'interesting'. One participant asked me to send him a copy of his drawing as well. Hence, after that, I decided to send a scanned version of the drawing to each participant along with the signed consent form in my thank-you email after the interview. Some participants referred back to the drawings by themselves when answering later questions in the interviews. One participant continued to add details of the drawing in the course of the interview, long after the drawing activity has finished such as adding cars on the street or other buildings in the backgrounds. I asked him the meanings of these additions at the end to discover that they did not actually add significant meanings to the picture. It seemed like he just enjoyed 'playing' with the artwork in front of him while telling me the story of his work experience.

On the other hand, some participants were rather reluctant and hesitant to begin the drawing. They were not very confident about their artistic ability, emphasising that they were 'accountants' and thus were poor in drawing. Some of them told me that they have not drawn for a long time. I tried to encourage them to draw, and stressed that they would not be judged on the artistic ability and that any forms of drawings were fine (Kearney and Hyle, 2004). Eventually, they all managed to do so.

Personally, I am quite a shy person. I felt that the participant-produced drawing beneficially helped me to feel less nervous in the interview. This was because firstly,

the drawing activity brought some sense of creativity and playfulness to the interview and thus tended to relax the formal interaction between me and the participant. Secondly, it gave me some break from leading the process, to have some rest and recollect myself or have an informal chat with the participant while they were creating their picture. Thirdly, I felt less confrontational and awkward when having the image on the table as something to refer to in a one-to-one interview. In this way, the drawing helped to create a 'three-way interaction' to some extent, where not only a researcher and a participant were present, but the image itself also played a role as a 'stimulus' in the interview (Wall and Higgins, 2006: 42).

I was very grateful for all participants. These were very busy people who were willing to take time to help me in my research without getting any payment in return. They were friendly and engaged with the interviews and drawings very well. Some of them were very talkative and gave long, clear examples of their work experience to illustrate the points discussed whereas some others were quite short in their answers in which I had to ask probing questions further. Many participants talked about the recent audit scandals in the press and told me that it was a good time to study auditing profession. I realised that some of them were quite protective when talking about their audit firms which were blamed in the news. I listened sympathetically without judging or taking sides. Moreover, I was quite impressed that some participants were comfortable to tell me rather sensitive or confidential stories even with the recorder on such as issues about abuses, frauds, or malpractices. This was probably due to the strict confidentiality and anonymity that I guaranteed them and the rapport we built to an extent before the interviews (Creswell, 2014).

Many participants brought back my memory of when I was studying accounting in my undergraduate degree. The wordings they used, the accounting principles they

mentioned, and most importantly the story of how they came into auditing made me reflect back to my own life. For example, some of them talked about changing their mind from going to a Medical School into studying Accounting due to the fear of blood. This particularly resonated with me and made me think of my younger self. Furthermore, although I never worked in auditing myself, I have a lot of friends who are working as auditors in Thailand. The data collection somehow made me think of them. The drawings were really good triggers of these feelings. For instance, some participants drew sad, stressful faces whereas some presented a happier, brighter tone. When I looked at these pictures, I could not help thinking of my friends back home and wondered whether they would experience the same thing. Sometimes, I also thought of myself in a sense that if I had decided to go down the same route, what I would have become right now. Hence, I felt that I could relate to the topic under my study rather easily.

I enjoyed travelling to different places in the UK to interview participants face to face. Some people offered to do the video or phone interviews with me to save travelling costs, but I decided to go to meet them in person instead. I felt that not only could I notice the body language while they were talking which enriched the data, the interaction and rapport were better through face-to-face interviews (Saunders, Lewis and Thornhill, 2012). In addition, some of them invited me to their offices. Thus, it was a great and exciting opportunity for me to have the exposure to these audit firms. I maintained building the rapport with participants even after the interviews. Some of them have moved to other jobs or other cities, but I still keep in touch with them.

I took care of the ethical considerations seriously, especially in terms of the confidentiality and anonymity of the data. I made sure to anonymise the data, both verbal and visual forms (Creswell, 2014; Bagnoli, 2009). I used pseudonyms beginning

with A to Z, and then AA for the last participant. This helped me to memorise the participants and the time of interviews better. I renamed the pseudonyms if any participants' real names were similar to any of the pseudonyms I have used. I learned that even small details in the drawing may have identifiable attributes. For example, one participant drew a picture of himself signing an audit report. At first, the small signature in the drawing looked like just a random scribble. Then, I compared the shape of this tiny scribble to the participant's signature in the signed consent form and found that it was actually the same. Consequently, I needed to edit the picture and type a pseudonym there instead (Bagnoli, 2009).

After conducting each interview, I wrote down my reflection in a research diary within 24 hours. This included the key points the participant said, my thoughts and comments on these data, how the interview went, and the ways to improve future interviews. As stated earlier in the chapter, I adjusted the questions in the interview schedule accordingly (Creswell, 2014). These notes in the research diary were very helpful when analysing the data later on. They gave me some initial analysis and made me recall the points and examples that participants mentioned. I also continued writing down further notes and observation points from the analysis process in this research diary (Nadin and Cassell, 2006).

Perhaps one of the most painful and depressing stages in my research was the transcription of interviews. At the beginning, I planned to transcribe all data by myself to save costs and familiarise myself with the data (Braun and Clarke, 2006; Saunders, Lewis and Thornhill, 2012). However, I found that it was very time consuming and challenging, especially when participants used regional or foreign dialects and accents. Therefore, I decided to use a professional transcriber. Yet, even with this aid, it still took a long time to check the accuracy of the transcripts carefully as the

professional transcriber made certain mistakes throughout. Compared to the interviews in my MRes dissertation which were conducted in Thai language, I learned that the transcription was extremely more difficult when it was done in a second language. This was rather surprising because during the interviews, I could understand the conversations well. However, when transcribing, I found it very challenging to catch every single utterance without a non-verbal expression or looking at the speaker's mouth. Sometimes, I even felt left out or self-racist that I did not belong here in this country when I was struggling to catch the particular word in the recording. At the end, I followed what the professional transcriber did when the voice was unclear which was writing the words '[inaudible segment]' in such places. After a long, gruelling period of time, I eventually managed to finish all transcripts.

Then, I analysed each interview transcript using NVivo 12 Pro software. I never used this programme before. In my MRes, I also did a thematic analysis of interview transcripts, but using a manual approach with highlighters, coloured pens, and sticky notes. In this PhD, I decided to use NVivo because the data volume was much larger than my MRes. The research scope and depth of my PhD were also to a greater extent than when I did my MRes. Thus, I enrolled in a training course of the University regarding how to use NVivo programme and learned about it. I felt that the software was easy to grasp. I only used basic functions in it including the 'nodes', 'coding stripes', 'annotations', 'find', and 'project map'.

Compared to my MRes experience of doing thematic analysis manually, I felt that NVivo was very helpful. Firstly, the programme enabled me to link a theme back to its original place in the interview transcript so that I could find the context of that particular sentence easily by just one click. When I did my MRes, I had to add line numbers to each transcript so that when coding, I could refer back to the location in a transcript.

This meant that I had to manually note the line number of a particular code/theme by myself. By using NVivo, this was automatically done for me. Secondly, I noticed that the software served an iterative nature of thematic analysis (Braun and Clarke, 2006). For example, I could move any 'node' or theme to become the subtheme of another node easily and neatly. Also, if I wished to go back to re-code any part of the transcript, I could do so simply by cropping that part in the transcript window and dragging it to the theme in the nodes window without worrying that I would accidentally double the same sentence in a theme as NVivo did not allow me to.

Thirdly, the ability to expand and close the 'nodes' or themes in the software helped me to flexibly see different levels of the data hierarchy. For instance, I could expand the major themes to see the subthemes and then close down these subthemes in order to switch to view the big picture of data structure easily and quickly. Fourthly, the number of transcript 'files' and 'references' indicated at the end of each theme in the nodes window beneficially helped me to see the approximate occurrence frequency of each theme. For example, I could automatically know that how many transcripts contained a particular theme and how many times that theme has been coded in the entire dataset. Hence, it helped me to see how many participants were talking about a particular issue. Although quantitative frequency is not a main focus in qualitative analysis (Braun and Clarke, 2006), this number helped me to understand the data better by seeing the recurrent themes. All things considered, when compared to a manual approach in my MRes experience, I felt that NVivo assisted my thematic analysis to be more organised, tidy, convenient, and less time-consuming. Nevertheless, I was still aware that NVivo only provided me with a technical tool to manage data. It did not code the data for me. At the end of the day, I had to analyse

the data by myself with the same judgement and rationale employed as when I did it manually (Creswell, 2014).

Overall, I felt rather attached to the study and the participants. As with the nature of the interpretivist research where the researcher is not an objective external observer (Schwandt, 1994), I would not be surprised if some of my personal backgrounds or assumptions have been internalised into the social construction of realities in this research (Berger and Luckmann, 1966; Creswell, 2014). The 27 participants in my research were like the characters in my 'story' whom I tried to enter their world and understand them through their narrative and visual accounts in order to present this story to the readers of my thesis (Saunders, Lewis and Thornhill, 2012: 610). Somewhere in this process, my history, values and identity inevitably could shape how the story was told (Creswell, 2014). Apart from my cultural and socioeconomic backgrounds in general, these also included my previous education in accounting and auditing, my prior internship experience in accounting, and my exposure to friends who are accountants and auditors. Therefore, although I tried my best to see things from participants' perspective, I acknowledge that all of these personal backgrounds of mine may possibly influence how I understood the topic under study, conducted the research, and interpreted the data (Creswell, 2014).

7. Conclusion

In conclusion, this chapter examines the research methodology of this thesis. I argue that this research is located in the Interpretive paradigm (Burrell and Morgan, 1979). Realities are seen as socially constructed (Berger and Luckmann, 1966) and do not exist independent of social actors (Searle, 1995). It is important to understand the world of lived experience of these social actors or participants from their point of view instead of taking the view of an external observer (Schwandt, 1994). Thus, the impact

of multiple institutional logics on individual auditors and their professional identities here could not be studied in the same way as the natural science (Scherer, Does and Marti, 2016). The assumption about the nature of society for this research is the sociology of regulation (Burrell and Morgan, 1979).

Based on the philosophical orientation above, I conducted 27 semi-structured interviews with auditors with at least 3 years of audit work experience from small, medium, and big-four audit firms in the UK. This type of interviews helped me to gain in-depth, detailed data in an exploratory nature which suited the interpretivist orientation of the thesis (Rowley, 2012; Saunders, Lewis and Thornhill, 2012; Creswell, 2014). Moreover, participant-produced drawing (Kearney and Hyle, 2004) was also employed as part of the interview in order to enable participants to better reflect and articulate the abstract issues of identities and institutional logics, stimulate further discussion in the interview, express multifaceted nature of things, provide richer and more honest data, and empower participants (Vince and Broussine, 1996; Bagnoli, 2009; Pain, 2012; Ward and Shortt, 2012). The verbal discussion of the drawing was transcribed and analysed along with other verbal interview data by a thematic analysis (Braun and Clarke, 2006; Vince and Warren, 2012). The data analysis was conducted as an ongoing process concurrently with the process of data collection (Miles, Huberman and Saldana, 2014). Lastly, the research diary was used to help facilitate my reflexive awareness (Nadin and Cassell, 2006). I acknowledge that my personal, educational and professional backgrounds may inevitably shape the research processes and data reported to some extent, although I tried to view the world from the participants' perspective as much as possible (Schwandt, 1994; Creswell, 2014).

In the next chapter, the findings of this thesis regarding the contradictory nature of institutional logics in the auditing profession and how individual auditors negotiated among these logics are presented.

Chapter 4: The contradictory nature of institutional logics in the auditing profession

1. Introduction

This research investigates the multiple institutional logics in the auditing profession or the macro-level values and assumptions guiding appropriate behaviours for individuals (Thornton and Ocasio, 1999) and their impact on individual auditors and their professional identities. This chapter reports the findings regarding the coexistence of these multiple logics including the technical, ethical, and commercial logics (Gendron, 2002; Spence and Carter, 2014), the tensions among them, and how individual auditors responded to these conflicts and contradiction. In this way, the present chapter represents the contradictory nature of institutional logics where the increase in value of a given logic resulted in the weakening value of the other. As such, multiple institutional logics compete with one another in the win-lose relationships (Goodrick and Reay, 2011).

To begin with, the chapter firstly outlines the three institutional logics in the auditing profession found in the data. Secondly, the tensions that individual auditors in this study experienced for each pair of these logics is examined. Thirdly, all three logics are considered together regarding tensions among them. Finally, the chapter ends with the main sources of tensions, contradiction, and conflicts among these multiple logics. With the permission from participants, examples of their interview quotes and drawings are given throughout the chapter. All names of people and organisations are pseudonyms instead of real names to protect their confidentiality and anonymity (Creswell, 2014).

2. The three institutional logics in the auditing profession

As stated in Chapter 2, the technical logic focuses on technical knowledge, expertise, and compliance with standards and rules. The ethical logic stresses public interests, integrity, auditor independence and autonomy. The commercial logic is concerned with the profitability, client relationships, service expansion, remuneration, and efficiency (see Figure 1, page 44, for the summary of the three logics' definitions). The data showed the coexistence of all these three institutional logics in the auditing profession as follows.

2.1 Technical logic

A technical logic was exhibited in the data mostly through the emphasis of a chartered accountancy qualification, the technical accounting and auditing knowledge and experience, as well as the compliance with professional standards, rules, and laws.

The importance of having or studying towards a chartered accountancy qualification, either ACA or ACCA qualification, was very strongly addressed by auditors in this study. As this professional qualification requires the elements of both passing exams and practical working experience, participants emphasised the valuable technical knowledge and experience earned from this qualification. For example, Cesar³ would recommend young people to start their career as being an auditor:

When we qualify as accountants, we begin to understand business. So, you know, to be an auditor you've got to pass professional exams, and that's tax, accounts, case studies, financial management, all sorts of stuff ... the foundations that you have make you a very, very business person. They prepare you well for anything. (Cesar, Audit Partner)

³ All names reported here are Pseudonyms

Indeed, several participants were attracted to this profession because of the intention to have this professional qualification. They did not plan to stay in this profession forever, but saw auditing experience and the professional qualification as a stepping stone to other careers in business and finance. In fact, some participants decided to immediately leave the profession once they become qualified. The drawing of Noel clearly represents this intention:

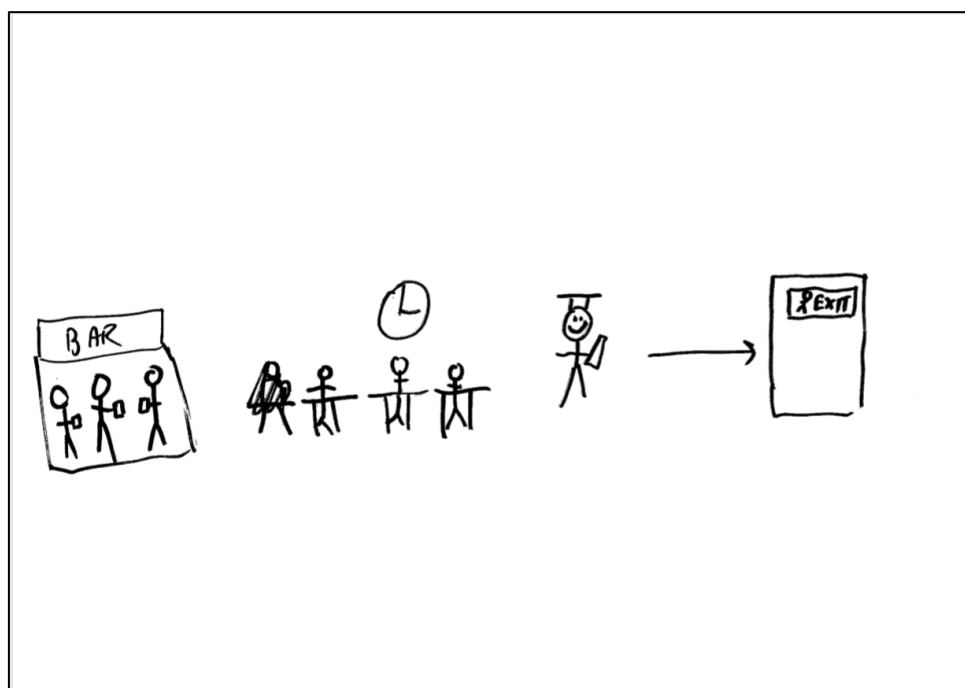


Figure 3 Noel's drawing

According to Noel, apart from the social activities with his colleagues, being an auditor meant to him as doing the ACA exams and 'then you finish your exams, and everybody heads for the exit' (Noel, Audit Supervisor).

Moreover, most participants valued the breadth of technical knowledge and experiences from seeing a variety of businesses and industries of their clients. Each business and industry had its own risk and technical accounting issues to focus. Seeing a variety of clients hence broadened an individual auditor's technical

knowledge and experiences. For example, Anastasia's drawing shows different client businesses she covered:

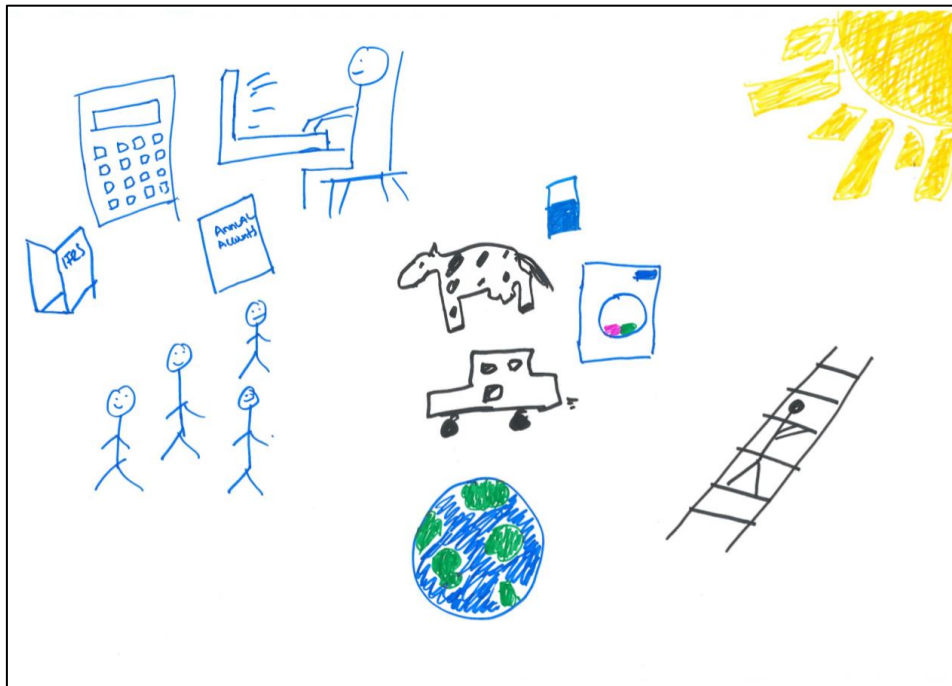


Figure 4 Anastasia's drawing

This represents my client base. So, they are in different types of business. So, I got a car auction company, washing machines, and cows, so making beef, and then [the name of the water company], so a glass of water. (Anastasia, Audit Senior Manager)

Similarly, Zanita's drawing captures the variety in different days of an auditor's life due to meeting different clients:

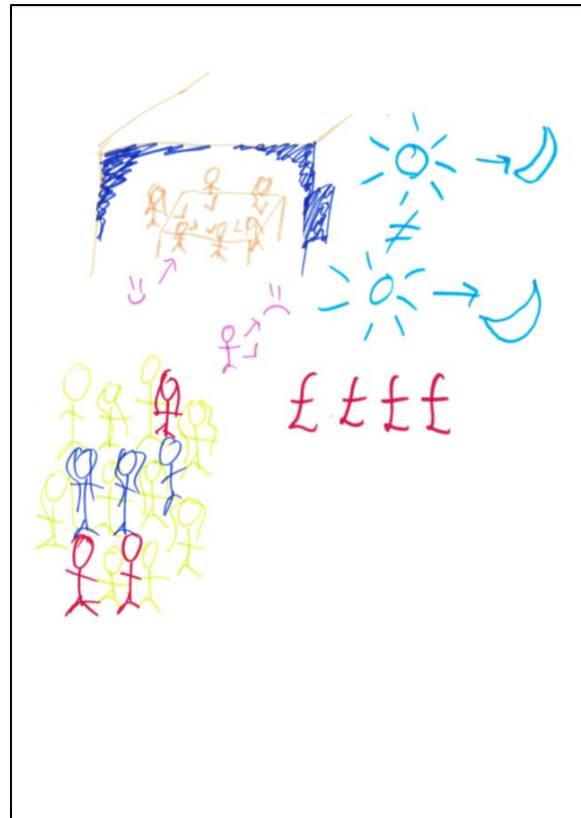


Figure 5 Zanita's drawing

This is representing how no two days are the same ... So, this [picture of the sun and moon] is meant to represent a day, like morning to evening ... you're not going to the same place every single day because you go to multiple clients ... I don't think many other professions allow you to see such a diverse range of kinda businesses or people. Because let's say you go and work for a company and they do one thing ... Whereas in audit, you'll see like multiple businesses. Some listed, some private. (Zanita, Audit Manager)

Regarding the compliance with standards and rules, most participants mentioned the importance of accounting and auditing standards as well as related laws and regulations. Not only did they have to follow these standards and rules, but they also

had to demonstrate to the regulators or the public about their compliance. For instance, Daniel referred to the 'red tape' in the auditing profession:

So, sometimes some of the regulation that we have is tedious. Erm, there's a lot of processes that we have to go through. But, at the same time it's erm, that's what makes it important as well, is that it's worthy of a lot of attention. So, yes, red tape ... You have to demonstrate good practice and compliance. And that's important in itself. (Daniel, Audit Senior Manager)

Several participants demonstrated the need to follow standards or rules, or do the right things in order not to get penalised or face lawsuits. For example, Brendon mentioned how he pushed hard to have an adjustment in the client's account:

And there was thing that we found that needed, we wanted to reduce it and she [a client] was like pressuring us not to put them through, but we had to, being our professional responsibility. And being that as it's wrong, we got sued if we've deliberately, you know, overstated them. (Brendon, Audit Director)

Likewise, Ian talked about how he was motivated to do well:

The QAD⁴, FRC⁵, they do inspection visits ... So, they will select a sample of the audit engagements and look at the files and the work that the firm did ... So, that's one level of motivation because you wouldn't want to have a, you know, bad report from them because, you know, the worst case, they can take your licence away. (Ian, Audit Partner)

⁴ Quality Assurance Director

⁵ Financial Reporting Council

2.2 Ethical logic

Due to the recent negative news about the auditing profession in the UK, the issue of ethics was discussed by many participants. Thus, the data showed the ethical logic emerged from issues of wrongdoings or scandals in the profession, the importance of public interests, auditor independence, professional scepticism, and integrity.

Most participants saw wrongdoings and scandals as the main source of damage to the auditing profession's social standing. For example, Daniel talked about the recent case of audit failure:

Then you do get audit issues where the auditors have failed to spot something. And I'm not fully on board with all the issues that happened at Company A⁶, but clearly, erm, if auditors miss things, and you know it does happen ... So, it's not definitely in good standing at all, we need to stay on top of our game to minimise any audit failures which, well of any kind, but the ones that, the scandals are what makes the biggest difference. (Daniel, Audit Senior Manager)

Many participants emphasised the auditor's responsibility to ensure the truth and fairness of the financial statements. A picture of weighing scales was drawn to represent this idea, for example, in Patrick's drawing:

⁶ Company A is a Pseudonym of a large company that has recently collapsed

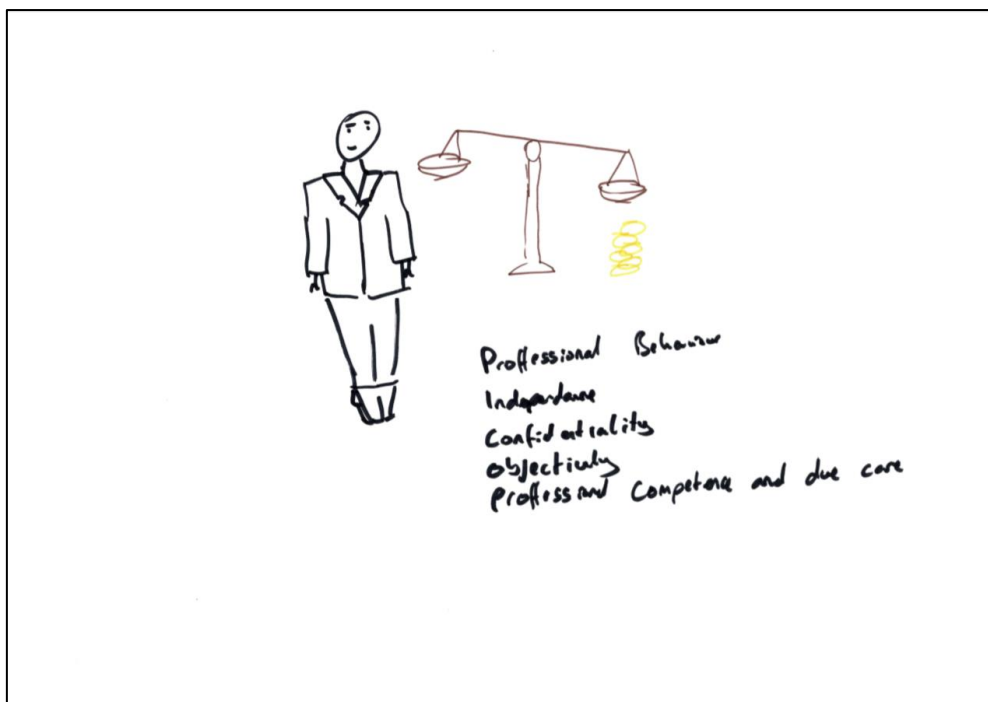


Figure 6 Patrick's drawing

Patrick explained his drawing, 'that's the scale, which is kind of symbolic of like truth and fairness, isn't it? ... It's actually in our audit report ... we believe that these erm financial statements are true and fair. That's literally' (Patrick, Audit Manager).

Although some participants did not primarily focus on the public interests as they worked with private companies, most participants considered the public stakeholders in the society that they had to protect. This conception was expressed through their drawings as well. For example, Judy drew a picture of herself wearing a police officer's uniform and protecting the world:

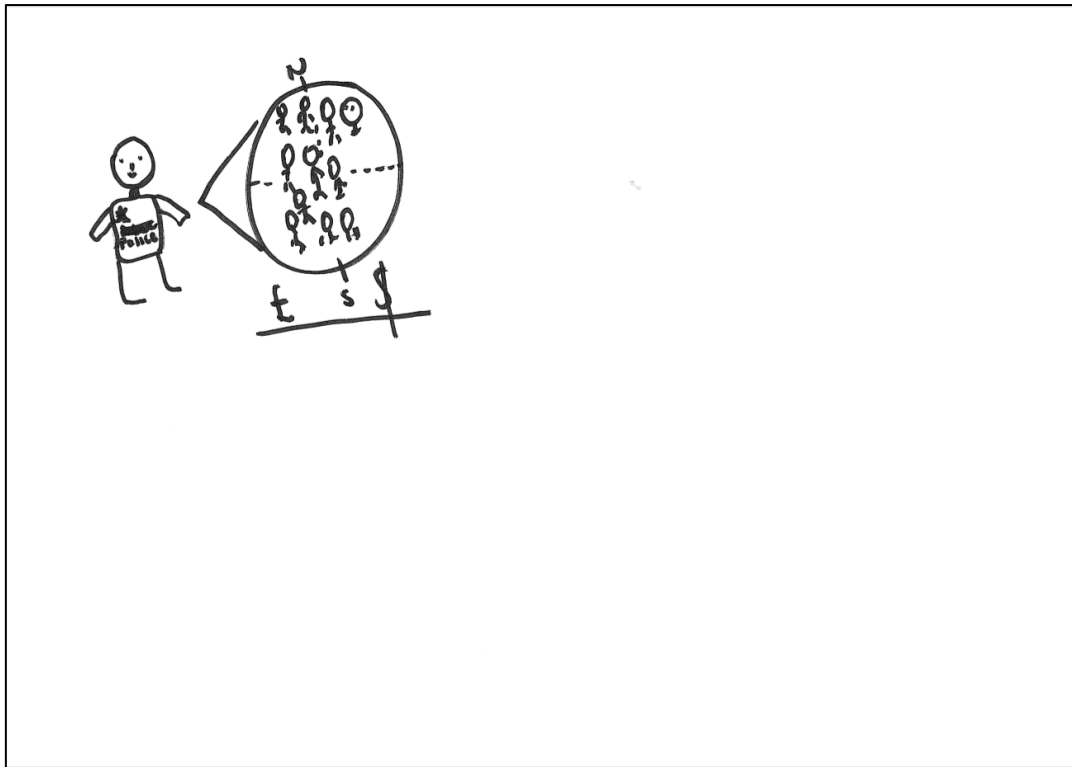


Figure 7 Judy's drawing

This is me ... as a police making sure, like, people are relying on me to do my job properly ... the world outside or the public really sits, like, at the top. Because then, if the public doesn't think that you're doing a good job, then well, what's the purpose of the job? (Judy, Audit Assistant Manager)

The issue of auditor independence was emphasised greatly by most auditors in this research. They referred to strict independence procedures within their audit firms such as confirming their independence before starting any audit job, not accepting gifts or hospitality, and non-audit services being independent from the audit service. For example, Ubika strongly stated that:

It [independence] is the most important thing, erm it always has been ever since I can remember ... So, independence is really, really important because it stops me being put into an awkward position as well as

preserving public trust, it helps to preserve my own personal reputation.

(Ubika, Audit Director)

Furthermore, several participants stressed the significance of professional scepticism in the auditing profession. For instance, Aaron mentioned the questioning mind of an auditor:

You need to have what is called professional scepticism ... So, you don't only believe things by words. You need to look for facts. So, you need to look for evidence ... if you are trained erm as an auditor, you always have that mindset. (Aaron, Audit Senior)

Central to the ethical logic is integrity, which has been emphasised by many participants. Ian, for example, drew a picture of himself labelling that he was 'Mr Integrity':

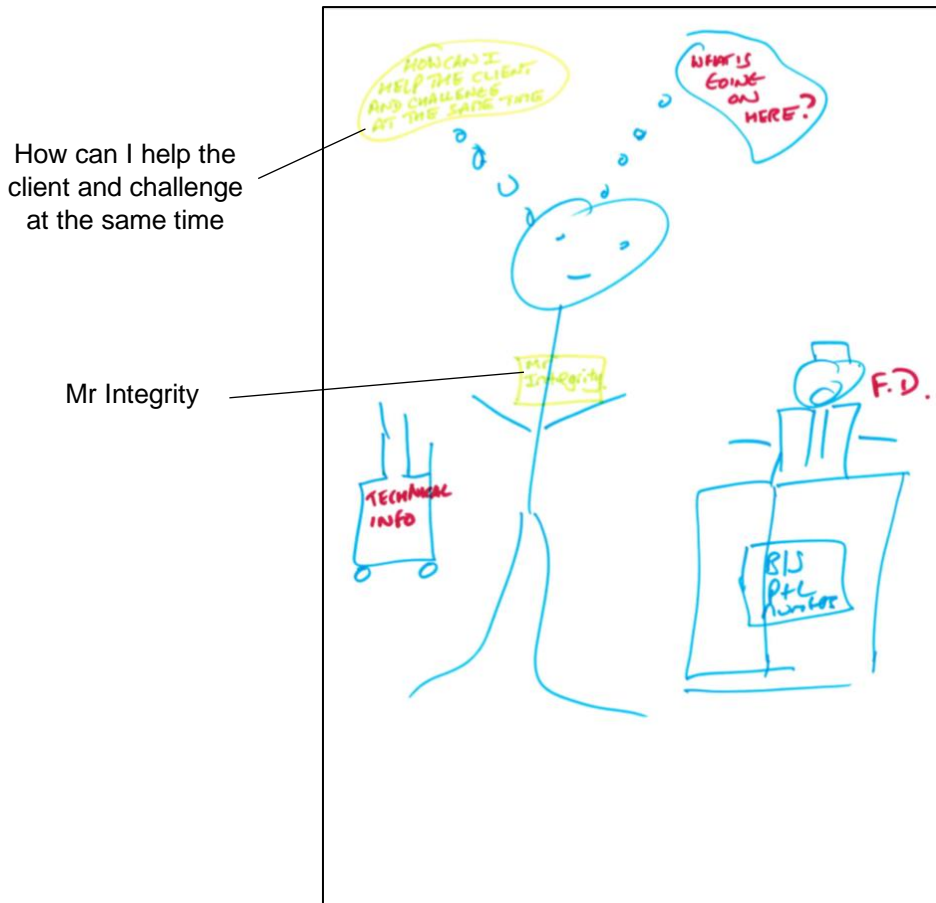


Figure 8 Ian's drawing

I'm Mr Integrity ... being, sort of, professional erm and not compromising on things or self-interest or anything so that you're neutral without bias ... not be, sort of, erm you know, swayed, you know, to do things which you're not comfortable doing or don't really or shouldn't be doing. (Ian, Audit Partner)

2.3 Commercial logic

The commercial logic was demonstrated in the data through the points about building a good client relationship, profitability and efficiency, meeting deadlines, providing non-audit services, and adding values to clients.

Most participants emphasised the importance of building and keeping a good client relationship.

For example, Cesar talked about the importance of not upsetting clients:

So, the relationship between the auditor and the client is key ... So, if one of my people ... goes and upsets the bookkeeper of the client by asking a stupid question, or asking for the same thing 10 times, that's going to come back to me through the Directors and it's going to show that we're incompetent. Or we're not, just clueless basically, so we have to avoid.
(Cesar, Audit Partner)

Yuna strongly said how auditors were 'brainwashed' to keep a good client relationship:

Clients are very important. I think to anyone. So, erm that's I guess industry erm, you set industry perception right now ... because you are, you are in as a graduate or as a high-school leaver, erm they brainwash you in a way that the client is number one ... you really value the client. You have to, you learn with years to manage the client in a way to always avoid conflict.
(Yuna, Audit Manager)

In the drawings, several participants drew pictures of people, representing their clients and the interactions with them. Titus, for example, drew a picture of hands between an auditor and a circle of clients:

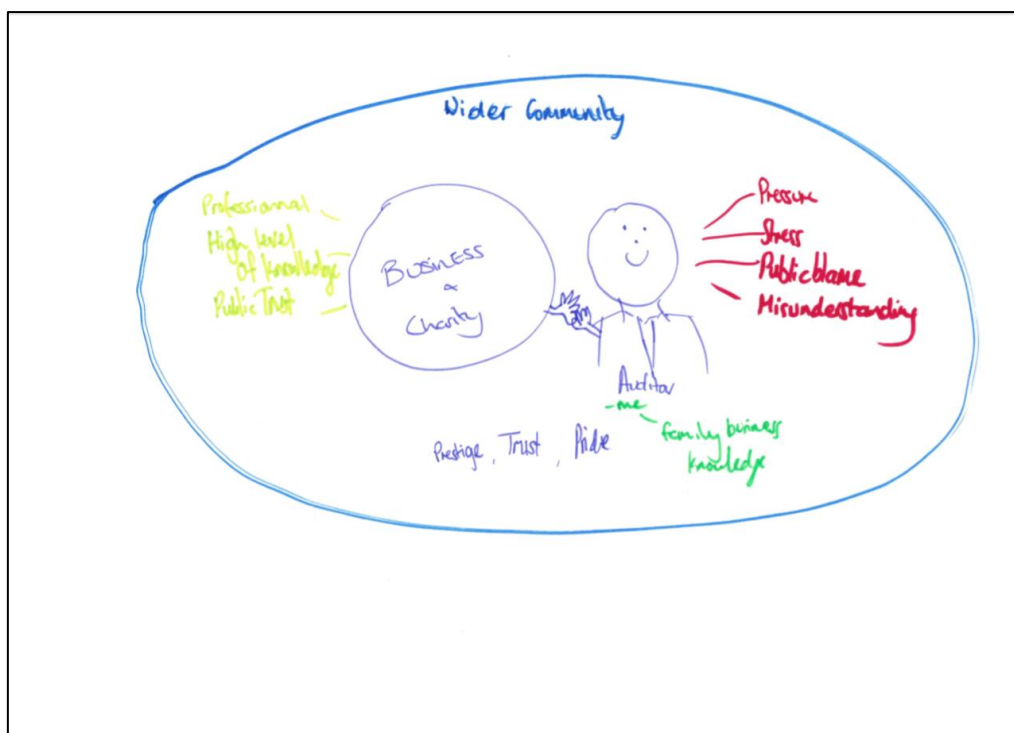


Figure 9 Titus's drawing

I think, an auditor, the business and charity⁷, they're like friends. They should be friends. They should be, they should be interlinked and work together ... to make things happier in there ... there's a happy, friendly relationship. (Titus, Audit Senior Executive)

Another important issue in the commercial logic was the focus on profitability in which many participants talked about especially in terms of efficiency. For instance, Wendy said that:

I really want to deliver a good, efficient audit so that the people in my firm make money from it because it's a commercial product at the end of the day ... I like to make sure that there's a nice, quick turnaround. (Wendy, Audit Manager)

⁷ Titus also audited charity organisations as well.

Related to efficiency was being able to finish the task within a deadline. Many auditors mentioned the significance of meeting deadlines. For example, Hamlet talked about the criteria that would make auditors get promoted or grow in their career:

I would say, it comes with the issue of obviously being someone who is well organised. You know, that is someone who actually meets, manages to meet deadlines ... And remember the more time you spend on the client, the more cost the company is paying because you could be working on another client, but you spend more time on the same client then. That's the way there's the opportunity cost. (Hamlet, Audit Assistant Manager)

The importance of meeting deadlines was not only for efficiency, but also for satisfying clients' expectations and keeping them happy, as Brendon mentioned when he talked about his motivation for work: 'the motivation is keeping the client happy ... Get the accounts signed on a timely manner. So, they are happy. And they pay us. We are happy' (Brendon, Audit Director).

With this significance of meeting deadlines, most participants found themselves working very hard and late at night despite being as efficient as they could. Valentina, for example, drew a picture of herself with a sad face with a clock showing the time past midnight as well as a picture of a calendar representing deadlines:

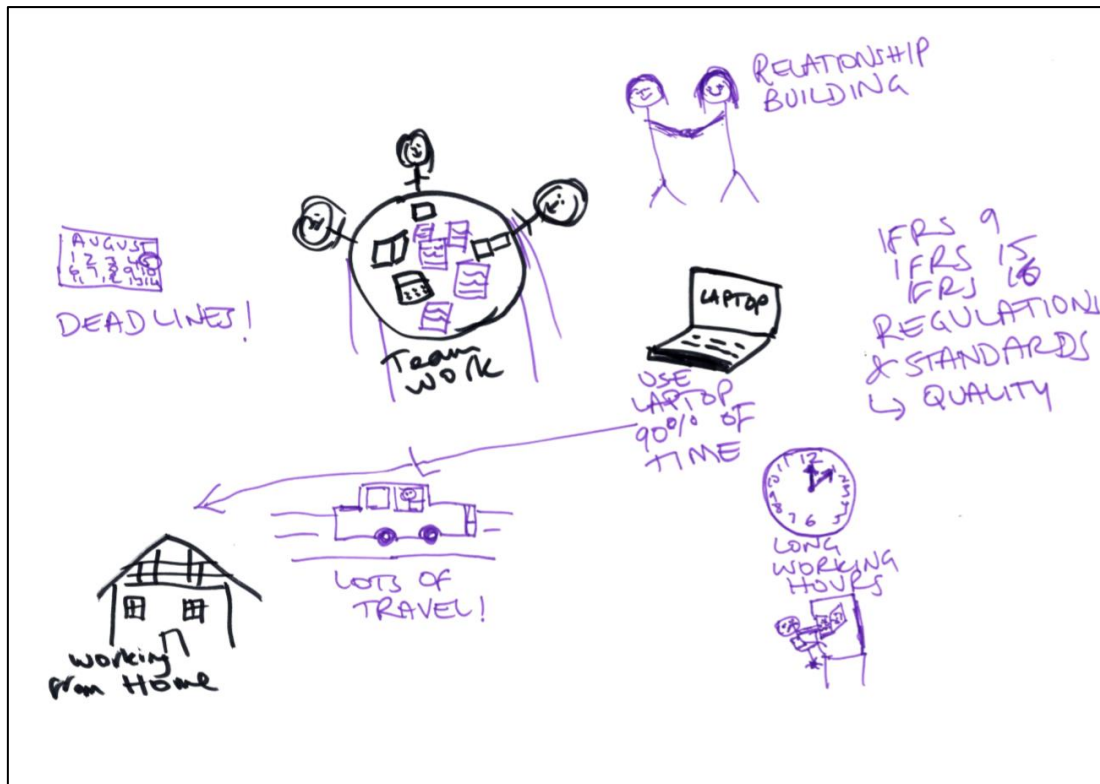


Figure 10 Valentina's drawing

Auditors work very long hours, especially during busy season ... [This is] five minutes past midnight ... with a sad face as well ... And that, sort of, links to this which is deadlines ... It just never ends (laughter). So, that's what auditing, we always, like, work towards all the time deadlines. (Valentina, Audit Assistant Manager)

This resonates with Yuna's drawing which shows the stress from long hours of working:

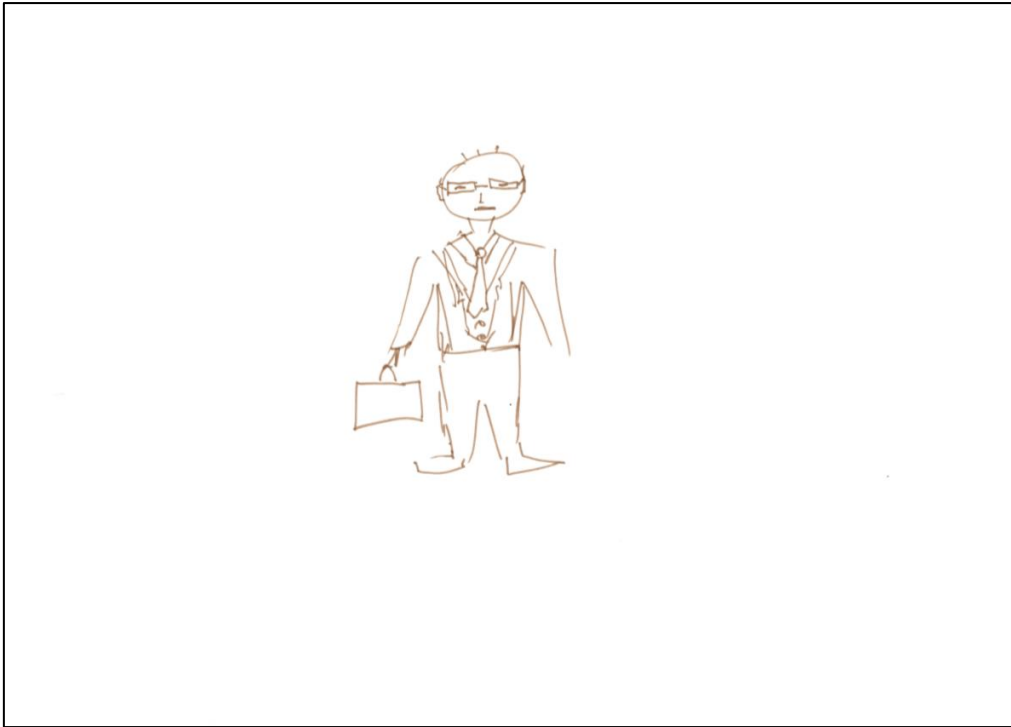


Figure 11 Yuna's drawing

We are starting with the hair, right? Not much hair. You work a lot. So, you're stressed. So, you lose your hair ... A lot of, a lot of hours. So, you work loads. So, you work like 90 hours a week. It's stressful. Hair goes away in the first place ... And I can tell you, sometimes I am in the meetings and I'm looking around and no one got hair. So, I mean like, not like bald. But you see people, like, he's got the hair loss under way. (Yuna, Audit Manager)

Moreover, the commercial logic was also seen in the data extensively regarding the non-audit service provision. For instance, George saw providing a variety of services made his audit firm be able to serve clients better:

We care for the client. We have a vast range of services in every one of our local offices ... there will be somebody who can assist you with any part of

your business, from an accounting perspective, we've got advisory perspective, financial. (George, Audit Senior)

In terms of profitability, some participants directly admitted that non-audit services are more profitable than the audit service.

Audit is inherently not profitable. So, audit margins are really bad. Erm. You get bad recoveries in jobs. I mean, like, just to be really honest, it's like, audit is not profitable. Where you make money is where you combine non-audit services. So, you do the audit, but then you'll say "oh, why don't we do your tax?", "why don't, oh, you're doing a merger, why don't we do your corporate finance then?". That's where you get the best margins. (Xena, Audit Senior)

The cross-selling strategy to offer non-audit services to audit clients was also claimed by Noel:

Most audit firms generate the majority of their revenue outside of audit. So, audit is a way to win a client, and then you offer them other services. And that's how revenue is generated, yeah. Because audit is not profitable. (Noel, Audit Supervisor)

Furthermore, several participants emphasised the intention to add value to clients' businesses. This included giving them advice or recommendations to improve their business, accounting system, or internal control. For instance, Patrick and Fred described how they could help clients to do better:

If erm we can do something for our clients, we usually will ... if we see an opportunity for them to save money, we will always let them know. And erm if we see an opportunity for them to improve, we will usually let them know

that as well. So, I mean erm we are in the business of offering client services. (Patrick, Audit Manager)

We review their system, we check the works, the improvements have been made ... notice the segregation of duties, or whether they are lacking the segregation of duties, whether controls are weak ... this way we provide to client our side of overall financial process and how the business is doing.

(Fred, Audit Assistant Manager)

2.4 The coexistence of multiple institutional logics in a single drawing

Interestingly, several participants drew pictures representing different institutional logics in their own drawings. This showed the coexistence of multiple logics in an auditing profession from the perspective of individual auditors. For example, Kenneth's drawing of a bird and an audit machine represent the ethical duty of auditors and efficiency respectively:

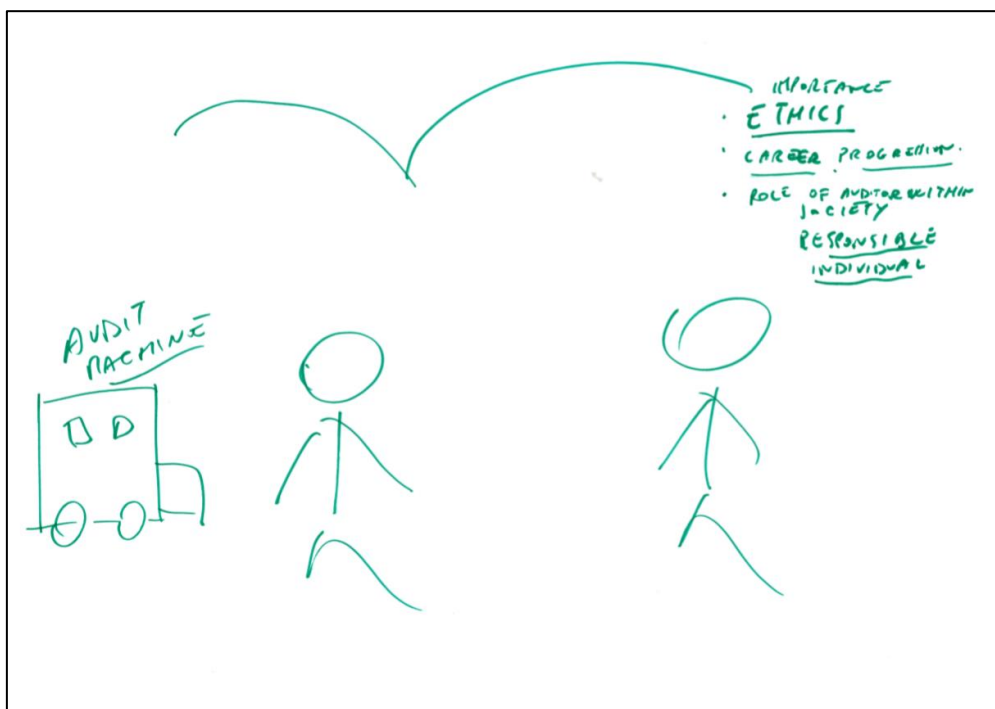


Figure 12 Kenneth's drawing

I'm like a bird basically that supervises ... the world (laughter) because, you know, they are able to see the activities of people. Yeah, yeah, yeah, kind of like supervising (laughter). And, erm. But sometimes when I feel super-efficient, I think I am like a machine (laughter). So, I get into the office, and I say, today I'm an audit machine ... I got a lot of things to do (laughter) ... it's important the role, you know, the ethical role that you have ... (Researcher: Ethics. Yes. This is why you drew the bird, like, overseeing from, like, bird's-eye view, seeing everything?) Yes, exactly. (Kenneth, Audit Partner)

Hence, within one drawing, Kenneth showed the coexistence of ethical and commercial logics.

Similarly, Ian's drawing (see Figure 8, page 112) and his discussion of it illustrated different institutional logics:

This is what I'm thinking "what is going on here?" and "how, how can I help the client?" but "and challenge, challenge him at the same time?". So, I need to make sure I'm challenging, you know, the numbers are right, but at the same time I want to try and help them. (Ian, Audit Partner)

By ensuring accounts were right, having integrity and not compromising to clients, and trying to help them, the technical, ethical, and commercial logics were all depicted in his drawing.

Another apparent example is Sabrina's drawing:

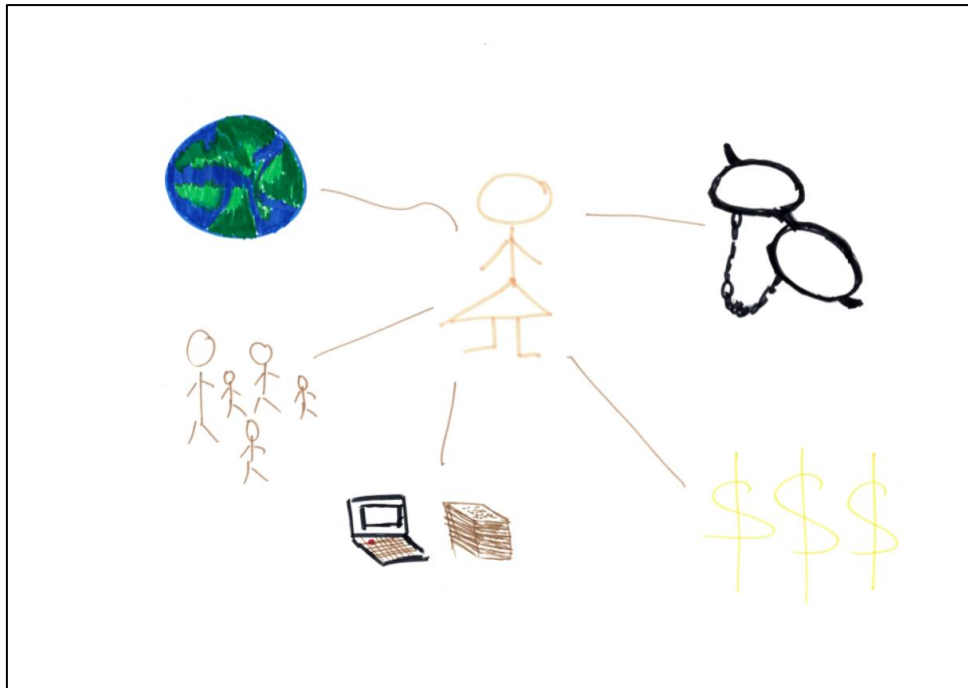


Figure 13 Sabrina's drawing

The attentiveness to details. Yeah, I would say that auditor, being in this profession, it does train up your sharpness. Your sharpness in erm critical thinking ... the other bit is of course the monetary reward ... So, if you work hard, the monetary reward will actually come along ... And the next bit is being an auditor, it also means that we actually play a part in erm, in preventing some erm fraudulent activities or probably some financial crime ... so we are actually in the position or we actually have the duty to contribute to the society ... (Researcher: So, what is this one about?) The handcuff. So, it actually represents like our responsibility towards the white-collar crime. (Sabrina, Audit Assistant Manager)

Sabrina's pictures of a laptop with financial statements, handcuffs, and the Dollar signs represent the attentiveness to details, responsibility to protect the public, and monetary rewards. These show the coexistence of the technical, ethical, and commercial logics respectively.

3. The tensions for each pair of institutional logics in the auditing profession

From the data, individual auditors experienced certain tensions or conflicts due to the contradictory nature of different institutional logics. When facing with such tensions, participants identified with one logic and distanced from the other logic. This section examines the tensions for each pair of institutional logics where one logic was the dominant logic and the other logic was compromised, and vice versa.

3.1 Technical logic versus ethical logic

This thesis explicitly distinguishes a technical logic from an ethical logic, under the umbrella of a professional logic in the literature (Gendron, 2002; Spence and Carter, 2014). Findings supported this differentiation between the two logics as there were cases where participants identified with a technical logic, but distanced from an ethical logic, and vice versa.

The data showed that compliance with professional standards or rules did not necessarily mean that it was ethical. For example, Xena talked about some auditors who used an excuse of 'creative accounting' for audit scandals or wrongdoings:

I don't know whether I think other firms are guilty of the same kinda thing, but it's like [an audit firm's name] get caught a lot. Erm. And I think there can be an opinion of, like, oh, like, creative accounting. (Xena, Audit Senior)

Creative accounting refers to the situation when accountants manipulate the accounts in order to make the figures look more favourable than they genuinely are. Although creative accounting is technically correct according to the accounting standards, it is questionable in terms of ethics as the misrepresentation can unfairly affect the decision making of financial statements' users (Blake et al., 2000). Thus, the creative

accounting mentioned in this example represented the identification with a technical logic and a distance from an ethical logic.

On the other hand, findings also showed the opposite case where an individual auditor identified with an ethical logic, but distanced from a technical logic. For instance, Daniel felt that sometimes auditing and accounting had too detailed rules to follow. He preferred to step back and focus more on the principles:

I think the thing that I struggle with is where auditing and accounting are becoming more rules based. Not about the principles ... So, rules is where you've got 1,000 pages of very detailed, very precise guidance and principles is about stepping back and making sure that something makes sense, is properly presented, is understandable, all of those softer attributes
(Daniel, Audit Senior Manager)

Although not specified deliberately, the characteristics when things made sense, were presented properly, and understandable tended to fit with the ethical logic in that the accounts fairly showed financial values as they were without being manipulated or disguised through any techniques that could make the financial reports difficult to understand or misrepresent the meanings. The long, detailed rules in the quote were in accordance with the technical logic. Hence, Daniel's quote above shows his identification with the ethical logic and a distance from the technical logic.

3.2 Technical logic versus commercial logic

Findings showed the tensions between a technical logic and a commercial logic. For example, when being asked about the evaluation criteria to get promoted, Ubika said that at the moment, the technical ability was more valued than the commercial ability:

You need to be able to review the file, make sure that the audit complies with all of the auditing standards ... If I went back five years, I'd say it was probably more, the criteria were probably more business development ... But now, it's all very much about quality. (Ubika, Audit Director)

The quote above shows that there has been a change from the focus on business development ability to the technical auditing ability. In this way, the technical logic was more embraced whereas the commercial logic was less identified.

The opposite direction was also found in the data where individual auditors complied with the commercial logic and distanced from the technical logic. For instance, Orlando recalled the time when he had to work very long hours during a busy period, which could compromise the judgements and the quality of the work:

So, I was working very long hours ... And the problem with that is the risk of getting something wrong because you're making judgements every day, every hour, you know. You decide whether something matters or doesn't matter ... you are more likely to make a mistake ... because you haven't got time to think. (Orlando, Audit Director)

Based on the quote above, the time pressure meant that sometimes individual auditors may make wrong judgements and mistakes could happen. Thus, by trying to keep up with deadlines and be efficient, the audit quality may be compromised even unintentionally. In this way, the commercial and technical logics contradicted each other where individual auditors embraced the commercial logic and sacrificed the technical logic.

3.3 Ethical logic versus commercial logic

Findings showed many cases of conflicts between an ethical logic and a commercial logic. Several participants demonstrated the compliance with the ethical logic over the commercial logic. For example, when commenting on the non-audit services, Wendy stressed that auditors should not be too close to clients to the extent that it adversely affected their integrity:

I understand it [the service expansion] can also be a negative. You really need your auditors to appreciate that they need to be independent. Because you don't wanna get too familiar where basically your opinion could be bought or you could be unduly influenced. (Wendy, Audit Manager)

By keeping independent and not being influenced by clients or their money, Wendy identified with the ethical logic and distanced from the commercial logic. Similarly, Ian significantly expressed the adherence to integrity and independence over monetary gains from clients:

If you've got an important client and they pay you quite a lot of fees, and they want to do something, then, you know, you've got to retain that, sort of, integrity and the independence thing again, and lack of bias and not be, sort of, erm you know, swayed. (Ian, Audit Partner)

Ian's quote represents the refusal to give in to client's demands even though they could bring a lot of fees to the audit firm. Thus, the commercial logic was sacrificed for the ethical logic. Likewise, Sabrina clearly said that she would prefer losing fraudulent clients and revenues from them rather than compromising to them and damaging the reputation of the firm:

When it comes to the, any breaches ... I would rather still let go of the client ... At my rank, it is not up to my call. But I will still do whatever that is necessary to report this to ... the MLRO, the Money Laundering Reporting Officer ... And if the firm says no, then we will have to resign from the client directly ... I wouldn't actually erm compromise to the client just to make them, keep them satisfied ... So, imagine ... if you can't let go of this client because they give you a very high audit fee at the cost of ... at the risk of erm losing or jeopardising the reputation of the firm which I don't think that is right. (Sabrina, Audit Assistant Manager)

Sabrina's ethical stance against the fraudulent client in this way showed that when there was a conflict between ethical and commercial logics, she decided to choose the ethical logic over commercial logic.

However, findings also demonstrated the opposite orientation where individual auditors identified with the commercial logic and abandoned the ethical logic. For example, Judy admittedly said that when there was a time pressure, auditors may decide to take shortcuts which could affect the audit quality:

I think, like, sometimes, like, quality can suffer ... auditors are always, like, time pressured. Yeah, you have like a budget that you agree with, like, the client to say, well, yeah, we expect it to be like hundred hours and we expect it to be like ten thousand or whatever. Erm. And there's always, like, that pressure to finish things on time. And unfortunately, I'll admit that there are some instances where people will take like shortcuts. (Judy, Audit Assistant Manager)

By deliberately taking shortcuts, individual auditors sacrificed the ethical logic for the sake of meeting the deadlines and budgeted time according to the commercial logic. Note that if the compromised quality resulted in material mistakes, it could also mean the distance from a technical logic as well. In another example, the conflict between ethical and commercial logics happened when there was an expectation to retain an audit client in the following year and this affected the reaction of individual auditors to the mistakes found in the client's accounts:

I've been on a job when we were on a client, but they were tendering their audit, so they were putting up for sale next year ... when people did come up with, like, erm problems or adjustments, we ended up having a discussion, you know, how big are these? How important are these? Do we have to feed them back? Erm. Which to me is a conflict because my personal answer is, of course, you should ... but then there was a reluctance because obviously we didn't want to upset them and potentially lose the client. (Lovette, Audit Associate)

Lovette's quote above shows the bias that individual auditors had when doing an audit as they did not want to lose the client. This illustrates the lack of objectivity that auditors are supposed to have according to the ethical logic. In this case, the commercial concerns came to the forefront and the ethics was compromised. Again, if the mistakes were material, it also meant that the technical logic was distanced from as well.

4. Tensions when considering three institutional logics in the auditing profession

When considering all three institutional logics together, there were certain cases where participants identified with one logic and distanced from the other two logics; or

identified with two logics and distanced from the third logic. This section elaborates the main scenarios found in the data including when individual auditors identified with technical and ethical logics and distanced from a commercial logic; and when they identified with commercial and technical logics and distanced from an ethical logic.

4.1 Technical and ethical logics versus commercial logic

Many instances showed the embracement of technical and ethical logics and the distance from the commercial logic. Firstly, several participants talked about the tensions with clients when they needed to adjust the accounts. These participants decided to stand firm and demand the audit adjustments even though that would challenge or upset the clients. This is exemplified in the quote below:

You'll work with a client and then for me to tell someone they're doing their job wrong is (laughter) ... kind of a hard thing to do ... they push back, and, like, oh, you're wrong, or they'll erm be really unhappy that it's raised but we have to deal with it. Erm, and that can damage your rapport, but I feel like it's, ultimately, it has to happen because that's the job. (Lovette, Audit Associate)

Lovette's quote shows a difficult situation when she had to bring up the audit adjustment issues which made the client 'unhappy' and 'damaged the rapport'. Still, she felt that it was necessary to do because it was 'the job'. This represents her definition of the audit job as first and foremost making sure that the accounts were correct rather than satisfying or serving the clients. By ensuring that the figures were technically right according to the accounting standards, Lovette identified with a technical logic. Her integrity and ethical stance by not giving in to the clients demonstrated the compliance with an ethical logic. She also distanced from a

commercial logic in a sense that her action upset the client and damaged the relationship with them.

Similarly, Orlando felt that it was more important to produce the right audit opinions than to please the clients:

The main objective of my work, I've only really got one objective, I've got to give the right opinion. Erm. Okay? And that is, erm that's very clear these days erm as I said earlier, it doesn't matter in the end if I upset a client ... We have to get the right opinions. Erm. You know, we obviously don't upset clients deliberately. We work with them to get to the right answer erm, but if you have a major disagreement, we stand firm and the only thing that matters in auditing in the end is getting to the right opinion. (Orlando, Audit Director)

Orlando's quote above shows that he would try to work with the clients to make sure the accounts were correct. Yet, if they disagreed with him, he would not compromise to them. He felt that his 'only one objective' in his work was to 'give the right opinion' even though that meant upsetting the clients. In this way, Orlando identified with technical and ethical logics, but distanced from the commercial logic in that he kept his ethical stance to ensure that the accounts and audit opinions issued were technically correct instead of satisfying the clients.

In a more extreme case, participants talked about qualifying⁸ audit reports when they strongly disagreed with the clients and the mistakes were material. For example,

⁸ Qualifying technically means issuing an unclear audit opinion

Cesar recalled the time when he had a major disagreement with the client whose stock account was materially wrong to the extent that he decided to qualify the audit report:

We had to qualify the erm audit report on the basis of stock. And that lost us the job. It genuinely lost us the client ... We had a big row in the office and said "we've got to qualify the report" he said "you're not qualifying my audit report because it makes me look like an idiot." We said "we've got to qualify your audit report because quite frankly there is nothing you can give us to provide evidence that your figures are correct and your whole internal controls are a shambles." ... there was nothing we could do to prove the figure, because that is what auditing is about, true and fair, proving a figure, there was nothing we could do to prove it. (Cesar, Audit Partner)

Based on Cesar's quote, his decision to qualify the audit report strongly upset the client where they said that it made them 'look like an idiot'. Still, Cesar went on with this to ensure the 'truth and fairness' of the accounts. As a result, he lost the client. Cesar's strict adherence to making sure that the accounts were technically correct, true, and fair even if it lost him the revenue illustrated a strong identification with ethical and technical logics and a distance from a commercial logic.

This willingness to lose clients was also evident in Yuna's case when she mentioned that sometimes the clients did not take auditors seriously. These clients only expected auditors to sign the audit reports without bothering them to adjust the accounts, otherwise they would change auditors:

They [clients] perceive you as a ... pretty much like erm, you know, serving the restaurant, you come, you serve and you go to your business ... So, they believe you are there, you've tested, you've signed the opinion, and

you got paid for this. So, don't bother us ... So, I think the way to go about it is to actually somehow break this barrier and, you know, go and say "no, actually we are, you know, we are providing assurance of your report. And if it's not what you say it is, so we're not gonna sign" ... ultimately you have to accept the outcome where they can tell you "you know, we'll go for another auditor" ... You will lose your fee, you will lose your bonus maybe, but you build your reputation. (Yuna, Audit Manager)

Interestingly, Yuna compared auditors with waiters or waitresses who serve the food in the restaurant. This shows a sense of inferiority of auditors in relation to clients where clients would not want to 'be bothered' and could threaten to 'go for another auditor'. Still, Yuna was not submissive to this. She kept standing her ground and pushing for the correct accounts even though this may make her lose the clients and revenues from them. Similar to Sabrina's quote earlier, Yuna saw the adherence to ethical stance as building the reputation of auditors. As such, she strongly identified with ethical and technical logics, and distanced from the commercial logic.

Secondly, some participants talked about the process of asking for information or collecting audit evidence from clients which may annoy or upset them. For instance, Noel said that generally he would make sure to keep the clients happy, but that did not mean it would prevent him from asking 'tricky questions':

So, the more, the things that will annoy a client are asking for the same information twice. Or not letting them know how things are going, things like that. That stuff is very important to make sure that the client's happy, but if the client is not happy because I'm asking tricky questions, then they don't,

that's fine there. If you are gonna annoy the client by doing that, then you annoy the client. That's what happens. (Noel, Audit Supervisor)

In this case, by asking tricky questions as part of the audit, Noel did not really worry about annoying the client. His main concern was asking for information and collecting audit evidence. Hence, he chose technical and ethical logics over a commercial logic when there was a tension among them. Likewise, Wendy reflected back on one client who was rather nervous and resistant to auditors coming in and asking questions:

She [the client] was very unnerved by the fact that she got new auditors coming in, asking some very important questions ... And she kept pointing me out and saying ... "tell them everything's run perfectly here! There's nothing to worry about. They might as well just go home, pack up and go home" ... So, I remember saying that "I'd love to [name of a person], but I have to put you in a file, you'd have to pop out and say 'everything's fantastic'" (laughter). I said "well, you know, we have to get, we have to get the evidence on file ... I have to get certain things in the file. Just be patient. We'll get there". (Wendy, Audit Manager)

It can be seen that Wendy was not submissive to the client's unwelcoming reception and demand for auditors to 'go home'. She was aware that this could upset the client, but still kept asking questions and collecting the audit evidence. By complying with the technical audit procedure without skipping it or being swayed by the client's pressure, Wendy exhibited an identification with technical and ethical logics, and a distance from a commercial logic. In another example, the reaction from the client was rather extreme when they became angry and yelled at the auditor:

No matter under what circumstances, under what happen, even when your client is yelling at you, even when everyone is like literally ... jeopardising your personal emotion ... you should be able to set all the personal emotion aside and deal with the issues professionally ... they [clients] will use very erm, very harsh tone ... when they are angry ... they will raise their voice ... throw you a lot of sarcastic words ... for me, so long as I have the info-, the supporting data, my supporting evidence with me, I know how to defend myself and I wouldn't care about how people react. (Sabrina, Audit Assistant Manager)

In this case, Sabrina remained calm and kept doing her audit work and collecting audit information despite facing an angry client. She did not let the client's harsh response stop her from doing her job. Thus, Sabrina placed greater emphasis on the technical and ethical logics rather than on the commercial logic. Interestingly, her quote shows that by adhering to technical and ethical values, she could 'defend' herself. It can be seen here that not only the public stakeholders would be protected, by complying to ethical and technical logics, individual auditors can also safeguard themselves from any potential problems such as professional negligence or malpractice.

Thirdly, certain participants mentioned the priority of ethics, professionalism, and compliance with professional rules over business focus in the auditing profession. For example, Ubika compared an auditing profession with medicine and law:

You've got to really stick to the ethics ... Before you even think about profit and making money, you've got to do the right thing ... that's similar to ... being a doctor or being a solicitor where you've got to, you've got like very strict professional rules and guidelines that you've got to follow. And that

they come first before you as an individual and your company. (Ubika, Audit Director)

According to Ubika, auditors, doctors, and solicitors were alike in a sense that they all needed to first and foremost 'stick to the ethics' and follow 'very strict professional rules and guidelines'. The monetary aspect was secondary to these ethical and technical concerns. Thus, when there were tensions among the three logics, Ubika would choose ethical and technical logics over the commercial logic. Similarly, Ian also stressed the importance of 'professionalism' in the auditing profession:

I mean, it [auditing] is a profession ... you need, you know, the qualification, you've got to be a professional to do it ... we are all in business to make a profit, but I guess erm sometimes you think bankers, that's the only thing they're in business for is to make money ... whereas, you know, we need to be, sort of, careful and, you know, there's the professionalism and putting aside, you know, that sort of greed or sort of money grabbing aspect. (Ian, Audit Partner)

Based on Ian's quote above, being a professional made auditors different from bankers where auditors not only needed the specific qualification, but also had to 'put aside' the commercial gains. This corresponds with Ian's drawing where he labelled himself as 'Mr Integrity' (see Figure 8, page 112). Accordingly, this represents the adherence to technical and ethical logics over the commercial logic.

Likewise, George saw the importance of arriving at the correct figures and protecting stakeholders as stronger than profitability:

The nature of audit itself is it's right up there, it's a right or wrong answer, and if you need to put in additional costs to get to that right answer, then

you have to incur the costs. I think, the objective of the work to protect stakeholders is a lot more important than maximising your profit margin. And, I think, most people within my firm would agree with that. Those in the audit profession. (George, Audit Senior)

The above quote shows that George was willing to be less profitable if it would make the accounts technically correct and ultimately can protect relevant stakeholders. Therefore, the commercial logic was sacrificed for the sake of technical and ethical logics.

4.2 Technical and commercial logics versus ethical logic

Findings also reported several instances when individual auditors identified with technical and commercial logics, but distanced from an ethical logic. Firstly, some participants admittedly said that public interests were not part of their main concerns. They predominantly focused on serving the clients and ensuring the compliance with professional standards:

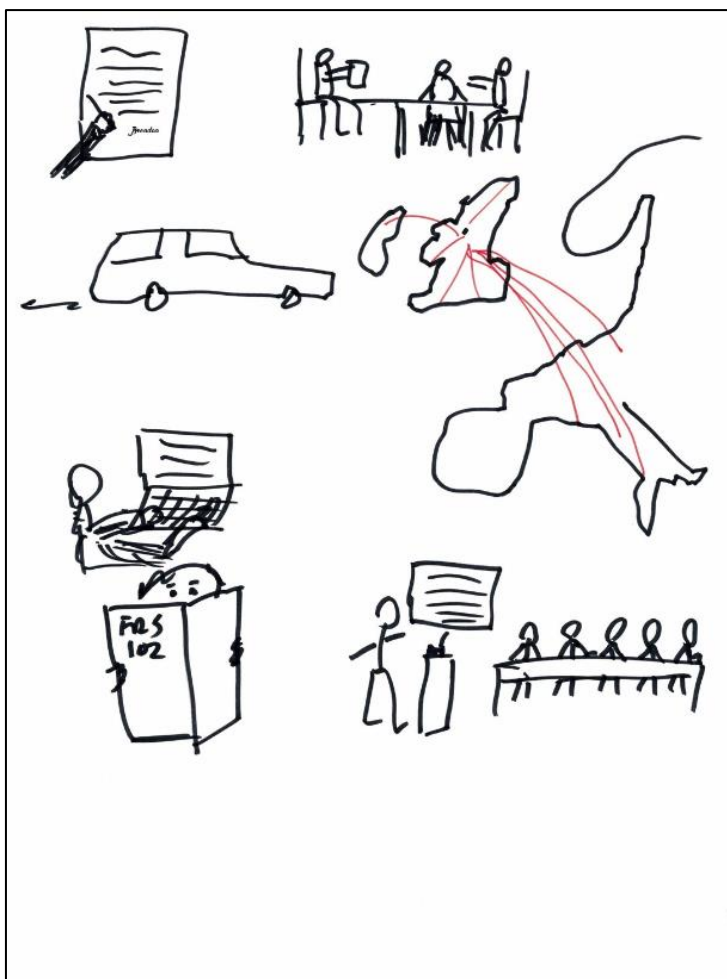


Figure 14 Brendon's drawing

Main objective [of my work]. It's that (pointing at the drawing of himself signing an audit report, top-left of the picture). It's to do the audit and sign the audit off for the set of accounts of the clients ... So, we have a team doing the audit. And we review their work, making sure they've done it to the necessary standard ... (Researcher: How important is serving the public to your main objective?) Umm. It is important but I don't think our firm we think it in that way. Because our main focus is on the client rather than the public. I know these reports go on to public records ... the sort of clients I deal with are not public companies. So, there is no public shareholders in ... So, really the only people that are actually interested in the accounts are

the clients themselves. Sometimes maybe the bankers or any financial providers ... we've always got that at the back of our mind. (Brendon, Audit Director)

The quote above shows that although Brendon was well aware of the public stakeholders and considered them to some extent, his priority was always 'the client rather than the public'. Thus, he prioritised a commercial logic over an ethical logic. He also made sure that the audits followed professional standards, which represented the compliance with a technical logic.

Similarly, Xena talked about how serving the public was not the key concerns in her audit firm:

(Researcher: What about erm serving the public?) Serving the public? No, that doesn't even come into it [the objective of the work]. If I'm honest, I just only, you know, you have such tight deadlines to meet, you just wanna get through it as well as you can, in the most timely manner that you can, with the least amount of Partner review points ... And without upsetting the client. I think the client's needs get addressed more than, yeah. But also, I don't think my firm works on as many public listed entities. (Xena, Audit Senior)

According to Xena, satisfying client's needs was more important than public interests. This showed the identification with a commercial logic. Similar to Brendon, Xena mentioned that her audit firm was not dealing with many of the public companies. However, even with small clients, they all have public stakeholders apart from shareholders or investors to take into consideration according to an ethical logic, for example, employees, creditors, and regulators (ICAEW, 2006). This ignorance of

public interests thus demonstrated the distance from the ethical logic. The technical logic was still identified as Xena stressed 'the least amount of Partner review points', illustrating the technical concerns of the audit work.

Related to this objective of serving the clients rather than the public, Xena mentioned how individual auditors would accommodate client's demands unless the mistakes were enormous:

Independence in an audit sense is questionable ... they have a lot of sway because ultimately you want their money, right? ... Ultimately you will cave in to what the client demands. But you have to remember that some battles are not worth fighting. So, if a client has a massive error ... then you have to force them to adjust. (Xena, Audit Senior)

Xena's quote shows that individual auditors may 'sway' from being objective and independent in order to retain clients and their money, as long as the mistakes were not too severe. This departure from objectivity and independence represented the distance from an ethical logic. Yet, if the errors were within the materiality level, the accounts may still be technically correct. Therefore, a technical logic was still followed. A commercial logic was strongly embraced as individual auditors catered to client's preferences ultimately to ensure commercial gains from them. Interestingly, Xena mentioned here that some serious cases were not 'worth fighting'. This illustrated some sense of risk assessment in that individual auditors would determine whether the sway from ethical stance was worth the risk of any potential adverse outcome such as penalties or lawsuits as seen in the audit scandals. Thus, the technical logic rather than the ethical logic played a crucial role here in preventing individual auditors from compromising to clients too far.

Secondly, an ethical logic was sacrificed in several cases to ensure the compliance with a commercial logic in terms of meeting deadlines. In these instances, a technical logic tended to be followed. Again, this was due to the fear of potential penalties or lawsuits that breaching the technical logic could result in. For instance, Sabrina compared audit firms with different sizes and levels of budgets where she felt that those with smaller budgets tended to have lower audit quality as individual auditors rushed to finish the work within deadlines:

Given that the client in big four, they are, they are actually generating a higher, erm higher audit fee, so which means you tend to get more allowance of time to actually perform your work. So, even though, there is always a rush of a deadline, however, you will be given ample, I would say, not ample, sufficient amount of time to actually complete your work. So, you get the time to erm think through the audit, audit consider, or the audit risk, or the audit testing, the results properly. Yeah, instead of just rush everything through and then erm at the same time, you compromise on the quality ... because they [smaller-sized audit firms] have got lower budget, so they can't actually spend that much of time ... to ensure there is like a really good quality of documentation. (Sabrina, Audit Assistant Manager)

According to Sabrina, individual auditors in smaller firms were under more time pressure when doing audits. By not producing 'a really good quality of documentation', it did not mean that the accounts must be materially incorrect. These individual auditors could still meet the minimum technical standards whereby the technical logic was followed. Yet, by rushing everything and compromising audit quality, individual auditors tended to distance from the ethical logic where they put the shareholders and other stakeholders at risk.

Sabrina's quote above shows that the big-four audit firms would have better audit quality than smaller-sized firms. However, the opposite viewpoint was offered by Wendy who saw large audit firms as having more time pressure from meeting targets:

But I'd say in the top four firms ... I'd say that their quality is probably, in my opinion, less. Because erm there's more pressures on staff to meet targets and get deadlines. There're normally quicker deadlines ... I have seen some massive, like, erm kind of like, struggles with power where, say, an Audit Senior was dead against erm some, kind of like, missing some kind of testing, but maybe the Audit Partner or the Audit Manager said "well, we run out of time. We've got to get this sorted". And they just swept it all away and, you know, used their power erm to, kind of like, just get the audit through the door ... just get everything signed off. And, you know, I have seen some audits where I've thought "that's not being quite done properly".

(Wendy, Audit Manager)

According to Wendy, the large audit firms needed to compete to reach the business targets and this resulted in the stricter deadlines than smaller-sized audit firms. Whether auditors in the big-four audit firms or smaller firms are allowed more time for their audit work is not the focus of this thesis. The point here is that audit quality tended to be compromised when individual auditors were faced with time pressure to meet deadlines. Mostly they were likely to at least keep the minimum quality that would not pose material mistakes to avoid potential lawsuits or penalties. Thus, the commercial and technical logics were followed whereas the ethical logic was sacrificed. Yet, if the rush to finish audit work hugely affected audit quality beyond the materiality level, it would mean that the technical logic was also distanced from.

Another example that showed the departure from an ethical logic due to time pressure was the compromise of professional scepticism. Valentina gave an example of this:

Sometimes you just, kind of like, you find yourself accepting what they [clients] tell you rather than erm challenging it. Erm. I think you build a good working relationship with them ... without even realising, you find that you're just trusting them ... And because obviously there's a lot of work to get through. Erm. Sometimes there's not, during busy season, there's not enough time and resource to be challenging ... to be challenging everything ... It's erm, it is quite difficult ... to do both. And to, kind of like, exercise that professional scepticism as well as finish your work on time. (Valentina, Audit Assistant Manager)

Based on Valentina's quote, good relationships with clients and meeting tense deadlines according to a commercial logic may jeopardise the auditor independence, objectivity, and professional scepticism that individual auditors should have as guided by an ethical logic. By not 'challenging everything', it did not necessarily mean that accounts would be materially incorrect. Thus, a technical logic may still be embraced. Still, the tension occurred where the ethical logic was compromised. Valentina's point about time pressure from strict deadlines was also evident in her drawing (see Figure 10, page 116) where she drew herself with a sad face working late at night chasing the deadlines, which were also depicted through a picture of a calendar.

5. Sources of tensions among multiple institutional logics in the auditing profession

This section reports key sources of tensions among multiple institutional logics in the auditing profession. Firstly, the tensions happened from external pressures between

the regulators and market competition where the former drove towards technical and ethical logics whereas the latter stimulated the commercial logic. This is seen in Daniel's quote below:

I think the way the Financial Reporting Council is currently operating, means that erm, means that there's a lot of accountability through the FRC ... so they make sure we're doing the right quality work, and therefore, erm, the public can be assured of what a good audit we're doing. And I think the market pressures act in the opposite direction. So, the fact that there's a market for audit services, for example, means that clients won't pay too much because there's a, there's a good competitive ... and because there's, you know, people want to win audit work, it's, the fees are, there's a market for the fees. (Daniel, Audit Senior Manager)

Based on Daniel's quote, the FRC's monitoring made individual auditors do good quality audits and think about the public, thus enacting the technical and ethical logics. On the other hand, market competition triggered the need to identify with a commercial logic. Hence, individual auditors faced tensions from being in the middle of these opposite forces, and had to negotiate among them.

Secondly, the dynamic of an auditing profession itself represented a source of fundamental tensions and conflicts where clients were the ones who chose and paid auditors to audit them. For example, Yuna talked about how she viewed the 'conflict of interests' in the auditing profession:

If you find problems, you have to be in a position of a good relationship to persuade them ... and they have to correct it. And at the same time, they don't tell you, you know. Erm essentially, erm send you away and, you

know, shut the door and say “we don’t care”. Because they can do that as well, you see what I mean? And that’s a conflict of interests of audit profession. You are erm reporting to shareholders on management, right? And you are paid by management. You are paid by the company, right? You are paid to police them. Police is not paid by the people that it polices, right? Police is paid by government. So, that’s the problem of audit profession. So, if you don’t have a good relationship, they will say “okay, we’ll change auditor”. (Yuna, Audit Manager)

According to Yuna, if individual auditors did not manage good relationships with the clients, when there were disagreements with them on audit adjustments, clients may not listen to auditors and replace them. In this way, some auditors may have a sway or compromise to clients to maintain the revenues from them. This was evident in several examples given previously where an ethical logic was compromised for the sake of a commercial logic. A technical logic may or may not be embraced depending on the level of the sway. If client’s demands made the accounts materially wrong, the technical logic would be sacrificed as well.

The conflict of interests was not only seen in the situation of negotiating audit adjustments with clients or reporting what auditors found, but also in the interactions with them when individual auditors asked for information or collected audit evidence. As expressed in examples given earlier in this chapter, asking tricky questions or collecting information from clients could make them annoyed or angry to the extent that they might become rude. Individual auditors were in the dilemma of pleasing the clients or standing their ethical ground and following technical audit procedures. Therefore, this represented a situation with tensions among commercial, ethical, and technical logics.

The dynamic of an auditing profession in this way also meant that sometimes auditor independence might be jeopardised for the sake of commercial gains from clients:

I'm always saying to my colleagues that this whole independence thing does not work. To an extent, it does work but, like, at the end of the day, I know that my client pays my salary ... So, as much as I can say ... we need to ... maintain independence, yes, to some extent but I don't think that it eventually works like fully and completely. (Judy, Audit Assistant Manager)

Judy's quote above demonstrates that auditor independence can be questionable because ultimately auditors are paid by clients. Cesar also agreed with this questionable claim of independence as he did not see the auditing profession in a very good light:

I think things like Company A⁹ are exactly why I don't have high views ... there is a huge lack of independence still between auditors and their clients. I know that lots of big firm auditors still do non-audit work through one shape or another, tax advice, share valuation advice, helping listings, all of which fundamentally threaten independence, and as a consequence of things like Company A, which I don't think is going to be the first and last this year, I have very little faith in the quality of an audit, which is sad. (Cesar, Audit Partner)

Cesar's quote above portrays a low quality of audit work from a lack of independence through offering non-audit services to audit clients. It can be seen that the dynamic of

⁹ Company A is a Pseudonym of a large company that has recently collapsed

an auditing profession is the source of this problem because it allows auditors to have the commercial gains from their audit clients in the first place.

Accordingly, one of the participants felt that the social standing of the auditing profession could be improved by changing this fundamental dynamic of the profession:

If the shift can be done in terms of who pays the fee. So, maybe if the fee can come from maybe the government ... So, it is, audit fees are paid by clients. So, if there can be a change where rather than clients pay, the government pays, then I think that will improve ... because you don't need to be focusing on managing client relationships. (Aaron, Audit Senior)

Based on Aaron's opinion above, if the audit fees were paid by a third party such as the government rather than audit clients, the fundamental conflict of interests in the auditing profession would be resolved. Nevertheless, at present, the dynamic of the auditing profession still presents a major source of tensions among ethical, technical, and commercial logics.

Thirdly, tensions among multiple institutional logics in the auditing profession found in this thesis also arose from the conflict between audit quality and efficiency. As many examples in this chapter showed, participants were more likely to take shortcuts, lower the audit quality or level of professional scepticism when facing tense deadlines. This was evident even in the cases of participants who generally emphasised the public interests such as Judy or Valentina. Judy's drawing and most of her verbal data in the interview showed that she saw herself as like a police officer to protect the world. Valentina stressed the importance of protecting the public especially in the public sector as well as exhibited in her drawing the accounting standards that she had to follow. Yet, both of them mentioned the time pressure from deadlines that might

compromise the audit quality or professional scepticism. Therefore, the busy periods represented a context where individual auditors tended to significantly embrace a commercial logic of meeting deadlines and ensuring efficiency. This commercial logic was strongly prioritised over other logics.

Note that the other two sources of tensions stated earlier were present irrespective of any specific time periods or contexts as individual auditors were faced with external pressures and the nature of dynamic in an auditing profession all the time. Thus, the compartmentalisation of identification with multiple logics (Goodrick and Reay, 2011; Smets et al., 2015) for participants in this research was done only through the context of busy periods.

6. Conclusion

In conclusion, this chapter reports the findings regarding the multiple institutional logics and the tensions among them. This thesis found the coexistence of technical, ethical, and commercial logics where a technical logic was seen through the points about chartered accountancy qualifications, technical accounting and auditing knowledge, and the compliance with regulations, rules, and laws. An ethical logic was evident in terms of the concerns for public interests, auditor independence, integrity, and professional scepticism. A commercial logic was expressed through issues regarding client relationships, profitability, non-audit service expansion, adding values to clients, and efficiency.

Tensions among institutional logics were found in every pair of the logics. When considering three logics altogether, major instances occurred when individual auditors identified with technical and ethical logics and distanced from a commercial logic; and when they embraced commercial and technical logics and sacrificed an ethical logic.

Examples of these scenarios are given throughout the chapter. This chapter also presents the sources of tensions among multiple institutional logics including the external pressures between regulators and market competition, the dynamic of an auditing profession where clients selected and paid auditors to audit them, and the conflict between audit quality and efficiency. The latter source of tensions was particularly evident when individual auditors experienced time pressure from strict deadlines. Therefore, this thesis argues that a busy period was a context where a commercial logic would be strongly embraced. Overall, individual auditors negotiated the tensions among multiple institutional logics in the auditing profession by identifying with certain logic(s) and distancing from the other(s), as well as compartmentalising their identification of different logics in different contexts across time. The drawings also captured the multiple institutional logics that participants embraced and prioritised.

Nevertheless, not all situations in an individual auditor's life were faced with contradictions from different institutional logics. The data showed that indeed there were many cases where individual auditors experienced complementarity among these logics as well. This complementary nature of institutional logics is elaborated in the next chapter.

Chapter 5: The complementary nature of institutional logics in the auditing profession

1. Introduction

In Chapter 4, the coexistence and tensions among multiple institutional logics in the auditing profession are presented. In particular, three institutional logics including technical, ethical, and commercial logics were found in the data. Firstly, a technical logic is concerned with technical knowledge and expertise as well as the compliance with regulations, standards, rules, and laws. Secondly, an ethical logic focuses on integrity, auditor independence, public interests, objectivity, and professional scepticism. Thirdly, a commercial logic emphasises profitability and revenue generation, service expansion, client interests, client relationships, and personal remuneration. I found that these multiple logics could contradict one another where individual auditors identified with certain logic(s) and distanced from the other(s), or complied with different logics in different contexts.

In this chapter, it is argued that not only institutional logics in the auditing profession can contradict one another, but their relationships can also be complementary as well. In other words, it is possible to have win-win, non-zero-sum relationships among multiple institutional logics where the increase in the value of one logic does not necessarily result in a decrease in the value of another logic (Goodrick and Reay, 2011). Therefore, institutional logics do not always compete or contradict one another as most scholars in the auditing and accounting field claim (Gendron, 2002; Sweeney and McGarry, 2011; Spence and Carter, 2014).

The remainder of this chapter is structured as follows. To begin with, I define the three types of complementarity among institutional logics and explain how they were derived

from. After that, I examine the complementarity for each pair of multiple institutional logics. Next, the complementarity when considering all three logics is reported. Then, mechanisms that individual auditors in this research employed to minimise or avoid the tensions and promote complementarity among multiple institutional logics are given at the end of the chapter. Overall, this chapter demonstrates that individual auditors could experience and encourage the complementarity among multiple institutional logics to a certain extent.

2. The three types of complementarity among multiple institutional logics in the auditing profession: definitions and origins

The complementarity among multiple institutional logics found in this research can be categorised into three types as summarised in Figure 15. These different types were derived from both the existing literature and the data themselves as follows.

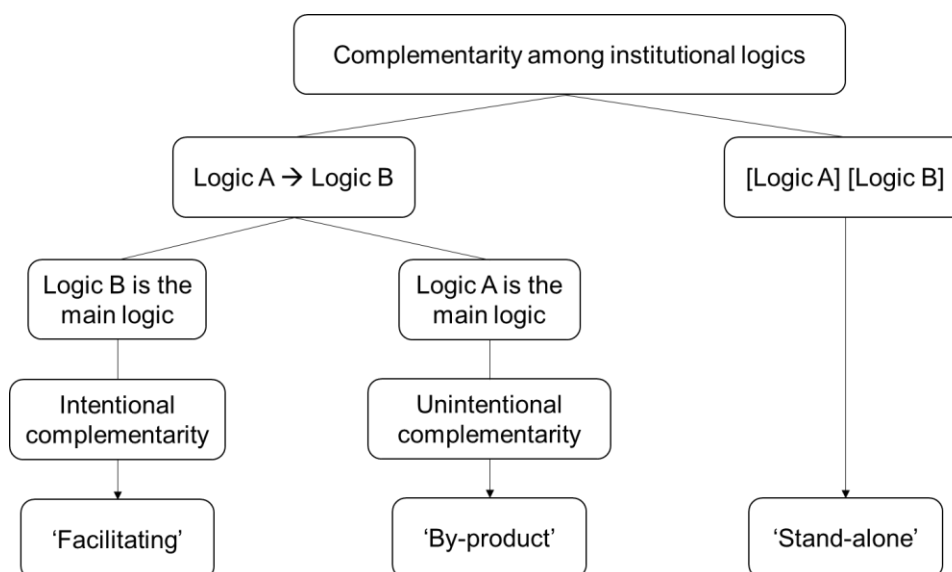


Figure 15 Three types of complementarity among institutional logics

Firstly, I followed the classification by Goodrick and Reay (2011) who distinguish the complementarity among multiple institutional logics into two categories: 1) when one logic strengthens another logic (signified in Figure 15 as 'Logic A → Logic B'), and 2)

when different logics are identified without any logic promoting the other logic (signified in Figure 15 as '[Logic A] [Logic B]'). Goodrick and Reay (2011: 402-403) call these two types of complementarity the 'facilitative' and 'additive' relationships respectively. For clearer understanding, I renamed the 'additive' category into 'stand-alone' type to show that each institutional logic has to be enacted 'alone' without any logic reinforcing another. Accordingly, the stand-alone nature of complementarity among institutional logics can be defined here as the type of complementarity when an individual needs to identify with different institutional logics separately as the identification of one logic does not necessarily contribute to the compliance with another logic (see Figure 15). For example, when an individual auditor ensures that an audit is technically correct and commercially efficient, he or she needs to identify with both technical and commercial logics at the same time. The identification with each institutional logic is separate. By being technically correct, it does not guarantee efficiency, and vice versa.

Secondly, when analysing the data, I found that Goodrick and Reay's (2011) facilitative relationship in which a given logic promotes another logic can be further classified into two groups according to the importance of each logic to the individuals and the intentionality of the individuals to create such complementarity (see Figure 15, the categorisation under 'Logic A → Logic B'). In the first group, individual auditors comply with one less important logic in order to strengthen another logic which is more important. In other words, individuals intentionally 'facilitate' the complementarity. Hence, I called this type a 'facilitating' nature. An example of this type of complementarity is when an individual auditor uses the client relationship to gain technical information and learn more about the client's business in order to technically assess the audit risk. In this case, the commercial logic is complied with to intentionally promote the technical logic which is a main logic. The client relationship is used only

as a 'stepping stone' to reach the end goal of obtaining technical information, knowledge, and ability to assess the audit risk. Therefore, I defined the facilitating nature of complementarity among institutional logics as the type of complementarity where an individual intentionally complies with a less important logic in order to identify with another logic which is the main logic (see Figure 15). Note that in this thesis, I refer to the less important logic in this type of complementarity as a 'facilitating logic'¹⁰.

On the other hand, there were some instances in the data where the identification with a more important logic strengthened another less important logic. In this second group, individual auditors do not intentionally identify with a given logic to promote another logic. The complementarity simply happens, and the less important logic is generated as a 'by-product'. Thus, I named this complementarity type the 'by-product' nature. For example, when an individual auditor holds strongly to the integrity by standing his or her ground, he or she can also earn the respect from the client. In this instance, the main institutional logic is an ethical logic. By identifying with this main logic, it also unintentionally generates a commercial logic in terms of the respect from the client as a by-product. The individual auditor does not merely comply with the ethical logic in order to gain the client respect per se. The client respect simply occurs unintentionally. As such, the by-product nature of complementarity can be defined as the type of complementarity among multiple institutional logics where an individual's identification with a main logic unintentionally leads to the compliance with another logic as a by-product (see Figure 15).

¹⁰ I named it a 'facilitating logic' because it is not a main logic, but 'facilitates' the enactment of a main logic.

3. The facilitating nature of complementarity between each pair of multiple institutional logics in the auditing profession

The first type of complementarity among multiple institutional logics in the auditing profession found in this research is the facilitating nature. As stated previously, for this type of complementarity, participants intentionally complied with one logic in order to identify with another logic. The former logic acted only as a facilitating logic to promote the latter which was a main logic. The enactment of the main logic was the intentional outcome of the complementarity. This section examines each pair of institutional logics in the auditing profession and reports on the instances of facilitating nature of complementarity found in the data where one logic was a facilitating logic and another logic was a main logic, and vice versa.

3.1 Technical logic versus ethical logic

Findings showed certain cases when individual auditors complied with an ethical logic as a facilitating logic to generate an identification with a technical logic which was a main logic. For example, participants talked about how the professional scepticism helped them to discover any potential mistakes in the accounts:

So, a good auditor accepts nothing they're told ... I've had this quite a few times with various liabilities that they've not put in their accounts, which should have been in their accounts ... there was a massive rent arrears, lots and lots of money and it was very substantial, the liability, which would have depressed their profits, depressed the balance sheet, and I said "this isn't in your accounts. Why not?" and he said "well, we don't agree with it." So, I thought, well that's just great but that's not a reason for not including it because there's a reason, there's a basis on which the landlord has raised the invoice. So, in the end I wrote to the firm's solicitors to ask their legal

opinion ... And the solicitors said "well yes, absolutely, because it's within the terms of the lease, blah, blah, blah." (Cesar, Audit Partner)

Cesar's quote above demonstrates that by exercising the professional scepticism where he did not simply believe what a client told him, he could find the liability that was not included properly in the accounts. In this way, the ethical logic of exercising professional scepticism and being objective helped to facilitate the technical logic where accounts became technically correct according to the accounting standards. It can be seen here that the professional scepticism was not employed here as an end in itself. Instead, it was intentionally exercised in order to achieve the main outcome of the accounts being technically correct. Thus, the main logic here was the technical logic whereas the ethical logic only acted as a facilitating logic.

Similarly, Yuna talked about how not being submissive to clients when asking them technically complex questions could help to understand the clients' business processes better:

As part of your audit, you do walk-through where you go to the client and you ask, so, you know, you trade the rules, erm review of rules, how do you trade. And he explains to you. And he will be talking a very much technical language, things that you don't understand. Successful auditor will dig to understand, will dig to the very bottom and he'll understand. At the end of it, understand everything. The one who isn't, he will be afraid maybe. He will, he will be afraid to ask questions and the client will laugh. He [a client] will mock sometimes, say "how come you don't know this?". So, you should be sufficiently pushy and say "well, I don't. And you have to explain this to me." (Yuna, Audit Manager)

As Yuna's quote above shows, by standing an ethical ground and not giving in to client's mocking or resistant reactions, individual auditors could develop their knowledge about the client's business processes which was necessary for their audit work. Hence, an ethical logic of not being submissive to clients helped to promote a technical logic of improving technical knowledge. Note that Yuna talked about understanding a client's processes as one of key characteristics of successful auditors. Therefore, this implied that her main focus here was on obtaining such insights rather than not being submissive to clients. In other words, an ethical logic was embraced here only as a facilitating logic to generate the enactment of a technical logic as a main logic.

On the other hand, this research also found the opposite direction of a facilitating relationship where a technical logic helped to promote an ethical logic where the latter was a main logic. For instance, Ubika talked about the importance of following independence rules to help preserve the public trust which she depicted in her drawing:

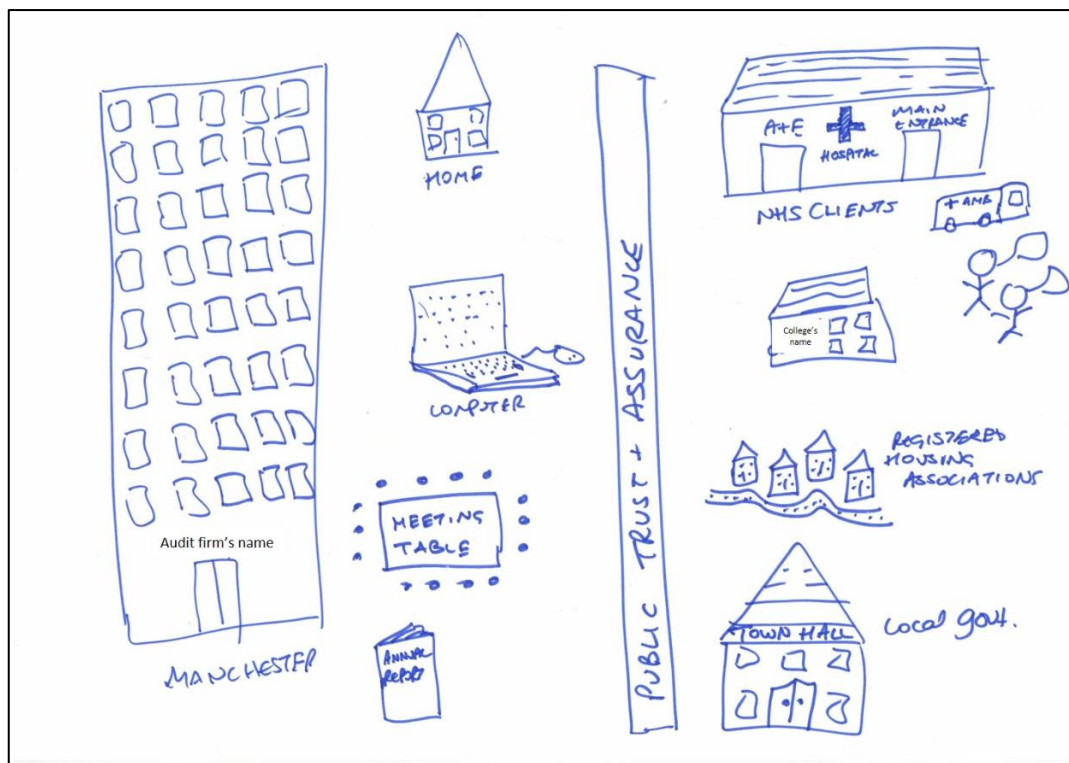


Figure 16 Ubika's drawing

We have very strict [independence] processes. So, for example, if one of my client's tax or pensions or any of my other departments at work wanted to do some work for an audit client ... I have to go through a number of really, you know, detailed checks before I allow them to do that work ... and those hoops are really stringent. We have annual training every single year to make sure that we understand the rules. And I have to do a declaration every year to say that I've understood the rules and it has to be a witness-signed declaration ... And that comes back to this bit, doesn't it? (referring to the drawing) Because how can the public trust us? ... So, independence is really, really important because it stops me being put into an awkward position as well as preserving public trust, it helps to preserve my own personal reputation. (Ubika, Audit Director)

The 'really stringent' rules, 'training', and 'witness-signed declaration' represented the compliance with a technical logic. The preservation of 'public trust' demonstrated the identification with an ethical logic. In this way, the technical logic acted as a facilitating logic that helped to promote the ethical logic, which was a main logic. It can be seen here both from Ubika's drawing and her verbal data that the public trust was very important to her. Similar to some other participants in this research, she saw integrity and ethics as building her reputation. Thus, the utmost concern for her was the embracement of the ethical logic. The technical logic in terms of following the rules was only a means to help her reach an end of preserving the public trust.

Likewise, when discussing her drawing (see Figure 7, page 110), Judy talked about how following the accounting principles helped her to be more likely to protect the public stakeholders:

Obviously, like, they [the public] are putting money into, like, these companies which I've neglected to draw. But basically, I feel like sometimes I'm a cop to say no, you've not done this correctly, no you've done this correctly or not. So, basically, I'm, sort of like, there to, sort of like, enforce, not like the rules as such, but like the accounting principles that govern and that basically form the basis of, like, any erm financial statements ... and the fact that me as a, like, a police erm person, have actually erm looked at that information and didn't find, like, anything, like, significantly wrong, then I feel like they are, like, in a better position to actually make decisions. (Judy, Audit Assistant Manager)

According to Judy's quote and drawing, being a police officer to protect the public stakeholders when making decisions can be achieved through 'enforcing' the

accounting principles. Thus, the technical logic was a facilitating logic that helped to enact the ethical logic, which was a main logic in this complementarity.

3.2 Technical logic versus commercial logic

Many participants illustrated that a commercial logic can act as a facilitating logic to promote the identification of a technical logic. For example, a good client relationship could help individual auditors to obtain technical information from the client. This was vividly elaborated by Hamlet when he recalled having a very difficult client who was rather resistant to give him certain information. Then, he tried to build a good relationship starting from using 'golf' and 'horses' as a better platform to connect with this client:

So, as I went in his office and then I realised something. His office was full of erm golf pictures and horses and stuff with his kid on a horse and of himself on the book, which I thought "okay, so, he loves golf and he's into horses". Because clearly his kids love horse riding and stuff. So, the third day when I went to speak to him, I didn't even talk about our work "hi, how are you?" ... "Oh, by the way, how is golf going? What was..." I started asking questions about golf, started talking about Tiger Woods, started talking about horses and stuff. And it's switching. Since that day, the way he started speaking was totally different ... And from there, it worked well. He gave me what I wanted. He became forthcoming and yes, everything progressed. (Hamlet, Audit Assistant Manager)

Hamlet's quote above shows that by building a good client relationship, he could cooperate with the client better. This helped in his technical work as an auditor where he could get the technical information from the client and ask them to disclose such

information in their accounts according to the accounting standards. As such the commercial logic of a good client relationship was embraced as a facilitating logic to generate the identification of the technical logic, which was a main logic.

Similarly, several participants talked about how good client relationships helped to persuade clients to adjust the accounts according to accounting standards when individual auditors found some mistakes in the accounts or when clients disagreed with the accounting treatment or interpretation:

When you have an accounting standard and the interpretation is a grey area. So, there is a judgement involved in it. And your client can go one way and you go the other way ... So, because they respect you because you got that good relationship with you ... That helps you to get to the right decision. (Anastasia, Audit Senior Manager)

According to Anastasia, her good relationship with the client helped to convince the client to adjust the accounts accordingly to be technically correct. Hence, a commercial logic helped to facilitate a technical logic. It can be seen here that the main outcome of this complementarity was not really about building good client relationships, but more about making sure that the accounts were technically correct. In this way, Anastasia intentionally embraced the commercial logic ultimately to identify with the technical logic.

Compared with Chapter 4, when a similar situation happened where individual auditors disagreed with clients over the audit adjustments. Without the help of good client relationships, this could cause a tension among multiple institutional logics where individual auditors may need to choose whether they would stand their ethical ground and lose the client, or have a sway and compromise their stance to accommodate

client's demands. Findings in this chapter here demonstrated that such tensions could be alleviated with the mechanism of having good client relationships where complementarity of institutional logics was promoted. In other words, when having a good relationship with the client, individual auditors could possibly ensure that accounts were technically correct, stand their ethical ground without having a sway, and keep the client at the same time. Other mechanisms to generate complementarity and minimise tensions among multiple logics are further elaborated at the end of this chapter.

Moreover, a commercial logic can facilitate a technical logic through the reinvestment of profitability into technical development and trainings. For instance, Randolph talked about why he felt that the profitability of the audit firm was important:

If the company or the firm we are working for is making profit, they will invest in our training, they will invest in the technology, they will invest in resourcing ... for last year, our firm they did quite, quite well. So, we can clearly see a difference in 2018 compared to 2017 ... now they are spending quite a lot in technology ... more trainings, everything. (Randolph, Audit Assistant Manager)

Randolph saw the utilisation of profits into technical tools and trainings beneficial to him as an individual auditor working in that audit firm. Note that Randolph also talked about seeing auditing as a 'career-building job' and a 'learning thing' from seeing different industries and working in a 'technology-driven organisation'. He also planned to leave the audit firm and go into industry later:

I think it's a career-building job ... I mean to be an auditor and to work for any audit firms, you get experience of different, different firms, different

companies ... you come across different situations every day. So, that's a learning thing for you ... So, having experience from all around the sector, different sectors, I mean working in a technology-driven organisation, it's quite good, but I'm, for me, I think I'm just building up my career, my profile ... I don't want to make a Partner ... (Researcher: Do you kinda plan to be erm in, erm working in industry eventually?) Yeah, yeah, of course.
(Randolph, Audit Assistant Manager)

Thus, for him personally, the profitability of the audit firm was less important than the day-to-day learning and technical development he could earn from the work experience. In this way, the technical logic tended to be a main logic instead of a by-product logic. It is noteworthy that for someone who is an Audit Partner, for example, the commercial gains in terms of dividends or bonus arising with the profitability may be more important than the technical learning and development. In such case, a technical logic would act only as a by-product logic accidentally generated from this complementarity. When analysing, the context of each participant was taken into consideration to determine their intentionality in a case-by-case basis.

On the other hand, many instances in the data showed the opposite orientation of facilitating relationship where a technical logic helped to promote a commercial logic. Firstly, knowledge and understanding from auditing a client and from seeing a variety of other businesses helped to suggest good recommendations to a client:

They [clients] are the main erm source of erm my motivation ... when you go to the client, your main agenda is to help the client in any way ... and because we have different experience working with the different clients, with the different industries, so our knowledge base is ... much more

enhanced from the, let's say, the owner of the company. So, when we go there, we give them a different opinion from the broader perspective ... what have they done, what they can do right in order to be more competitive towards their competitors. (Quennell, Audit Assistant Manager)

According to Quennell, his main motivation at work was to help clients to improve. This was facilitated by having a broad range of technical knowledge from seeing different industries. Therefore, a technical logic acted here as a facilitating logic to realise the enactment of a commercial logic, which was a main logic for this complementarity.

Secondly, technical knowledge and experience could also help to make audit work become more efficient. For example, Valentina talked about the time pressure she experienced when having inexperienced Audit Trainees as part of her team:

Sometimes you get inexperienced staff erm, so you have, like, erm Trainees who have never done audit before, and you get them on your job rather than erm, you know, actual, you know, public-sector trained auditors. And so, you end up having to explain to them erm what they need to do half of the time. And then, erm you have to pick up their work and tidy it up because it's, sometimes it's not up to standard. Erm. And then, you end up working in your own time to finish off your own work. (Valentina, Audit Assistant Manager)

This quote resonates with Valentina's drawing (see Figure 10, page 116) of a sad face when she had to work late at night. Her quote above shows that the junior auditors' lack of technical knowledge and experience resulted in the waste of time in finishing the audit work. Thus, the well-trained individual auditors would make the audits

become more efficient. In this way, a technical logic helped to facilitate a commercial logic.

In a rather similar fashion, Patrick gave an example of how technical knowledge could be utilised to save the time when dealing with clients who tended to ask too much and wasted his time:

We've had some people who ... every time we start a test, they want to know why we are doing it ... it is obviously wasting our time ... (Researcher: How would you deal with that?) ... I will usually explain to them erm what the risk is that we are trying to cover, the assertions that I am covering (laughter). I'll go into depth usually to the point where they're probably a bit bored ... then they don't ask me again and then I can erm get the audit done a bit quicker. (Patrick, Audit Manager)

By explaining in-depth technical issues to these clients, Patrick could manage to deal with them and make the audits become more efficient. Apparently, a technical logic of technical knowledge acted here as a facilitating logic to accomplish a main logic which was a commercial logic of being efficient. Patrick did not explain the technical bits to clients as an end in itself. Instead, he intentionally did so to solve the problem about clients wasting his time.

Thirdly, the data also showed that the technical knowledge and advice given to clients could help to build their relationships and trust:

So, when we say trust or relationship, I mean in my case, it's always starting, started when I gave them something ... So, they are stuck somewhere, they call me "I'm stuck. What do I need to do?" And then I'm sending them the guidance, or the references, the standards. So, this is

how all of my relationships with my clients started ... I can clearly feel the difference erm after that triggering event and before that triggering event. Yeah, so if something has not happened and I give erm a call to client ... they will say "you never emailed me to ask if I can call you." ... But once you have a trust ... They'll say "okay, no problem." (Randolph, Audit Assistant Manager)

Based on Randolph's quote above, his technical knowledge enabled him to help the clients and earn their trust and good relationships. As such, a technical logic acted here as a facilitating logic to intentionally promote a commercial logic in the end.

Fourthly, several participants said that the technical knowledge and experiences helped to enhance their personal career prospects and salary potentials. For example, Yuna talked about how individual auditors who qualified as chartered accountants were seen as 'an asset' for any employers:

You start to get actually paid a decent amount of money once you get qualified ... And then, you are looking and you see like, okay, so this project I don't wanna do. Erm. This project, I do want to do. So, I'll go and say "okay, guys, you want me to work for you. I will do this project. If not, I will go for the competitor". And the competitor will take you because you are qualified and you have good experience now. You are, kind of like, an asset for anyone ... So, if you are offering me a double salary in a small firm, you know, somewhere in the, in Africa, I'll go. (Yuna, Audit Manager)

According to Yuna, a chartered accountancy qualification signified the good technical knowledge and experiences which were very valuable for the career prospects and

earning potentials for individual auditors to the extent that they could be a bit more selective on the projects that they wanted to do.

Likewise, Sabrina said that individual auditors were eager to learn and do the best assignments to improve their personal career opportunity:

Everyone will want to perform at their best level ... in order to be seen ... you will get the opportunity to be noticed by your Partner and also, probably by your audit clients ... there's a lot of instances where the auditors actually join their former clients and to be ... part of their staff ... I think the eagerness to learn is always there ... auditors erm is not like the highly paid people ... if I can apply the job in the, in the industry, I can actually earn twice of what I'm currently earning. (Sabrina, Audit Assistant Manager)

Thus, the technical knowledge and experiences helped to open up career prospects and high income for individual auditors. In this way, a technical logic worked as a facilitating logic that generated the enactment of a commercial logic, which was a main logic for this complementarity.

3.3 Ethical logic versus commercial logic

Although ethical and commercial logics seem to be rather distant and antagonistic in which many tensions could occur between them as seen in the previous chapter, findings also showed that they could complement each other as well. Firstly, a commercial logic can act as a facilitating logic to enhance the strength of an ethical logic. For instance, as stated earlier in Chapter 4, time pressure could result in the rush to finish audit work. On the other hand, when having more resources and budgets, this could also mean that individual auditors would be less likely to have time pressure. Sabrina's quote in Chapter 4 (page 139) illustrates this point when she compared a

big-four audit firm and a smaller-sized firm where she felt that the former could generate higher audit fees. Thus, individual auditors in the larger firms would, in Sabrina's opinion, be given more budgeted time to carefully think through their audit work instead of rushing their work and compromising the audit quality. As such, a commercial logic in terms of high revenues helped to facilitate the main logic which was an ethical logic where individual auditors did not have to rush and put the public stakeholders at risk.

Secondly, the opposite direction of the relationship between ethical and commercial logics was also evident in the data. In other words, an ethical logic can also help to facilitate a commercial logic as well. For example, Randolph talked about how the ethical reputation of the audit firm was important to attract clients:

They [clients] are very particularly keen about the reputation of the firm ... and you won't get any business from that, those companies if you don't carry a reputation ... so that is why whenever any instance happened where ... any big firms get guilty of ... being held at the professional negligence, there is a lot of communication within the firm, how to address that reputation risk. (Randolph, Audit Assistant Manager)

Randolph's quote shows that individual auditors in the audit firm were very careful when dealing with the (un)ethical incidents because clients were very sensitive about the ethical reputation of the audit firm. Therefore, these individual auditors embraced an ethical logic as a facilitating logic to promote a commercial logic in terms of retaining and attracting clients, which was the main logic and intentional outcome of this complementarity.

4. The by-product nature of complementarity between each pair of multiple institutional logics in the auditing profession

The second type of complementarity among institutional logics found in the data is when one logic generates another logic as a by-product. In this category, individual auditors first and foremost identified with the main logic. Yet, such identification unintentionally resulted in the strength of a by-product logic. This section elaborates on this type of complementarity for each pair of multiple institutional logics in the auditing profession.

4.1 Technical logic versus ethical logic

Findings reported certain instances where individual auditors identified with a technical logic which also resulted in the enactment of an ethical logic as a by-product. For instance, the fear of being caught and penalised helped to prevent unethical behaviours:

Somebody offered me football tickets once ... I made sure my firm paid for them at face value ... there was no benefit to me ... Because what I don't want is for someone who I fall out with ... to phone up the Institute and say "did you know he's had football tickets? Oh yes". I mean, you've got to look to be clean and to be seen to be squeaky-clean. (Cesar, Audit Partner)

It can be seen that Cesar was very concerned about being 'seen' as 'squeaky-clean'. He also feared of the potential penalty if anyone reported him to the professional body. These represent the key concerns according to the technical logic where he made sure that he followed the rules and demonstrated such compliance. The ultimate ethical behaviour tended to be a by-product that also happened from this technical compliance.

Similarly, Anastasia talked about how the more scrutiny from the regulator made her audit firm address the independence risks:

I think it [an auditing profession] is become a lot more regulated. There's a lot more scrutiny on an auditor to make sure that they do their job correctly. And it's again going to independence, making sure that there is no independence risk ... And as a result of that, we try to adapt our testing methodology. Really make sure we're focusing on the risks, really understanding what the regulator's looking for, and addressing those issues. (Anastasia, Audit Senior Manager)

Anastasia's quote shows that individual auditors in her firm tried to cope with the more scrutinised requirements from the regulator. By doing so, the independence was also more ensured. Like Cesar, the fear of failing to comply with the regulations was the main concern in this case. The ethical logic in terms of auditor independence was generated additionally as a by-product.

In contrast, a technical logic was also found in this research as a by-product logic from the complementarity with an ethical logic, which acted as a main logic. For example, Quennell mentioned the importance of ensuring independence and avoiding conflict of interests with clients by a staff rotation policy. However, this action also resulted in individual auditors learning more technically from seeing different businesses:

So, we make sure there is no conflict of interest ... different companies have a different policy like five-year rotation plan for the Managers. They have to rotate from the one client to another ... they can learn a lot ... If you are staying, like, longer than five years, yes, you will be, like, make, like, contacts of the clients, client's firm people like the employees ... So, we

make sure nothing happens as such in the conflict of interests. (Quennell, Audit Assistant Manager)

Quennell's repetition on the attempt to avoid conflict of interests in the quote above illustrates the significance of an ethical logic as a priority. The technical logic through the learning opportunity was less emphasised. Thus, the complementarity between the two logics here was in a form of a by-product nature where the ethical logic accidentally strengthened a technical logic as a by-product.

4.2 Technical logic versus commercial logic

Several instances in the data indicated the possible complementarity between technical and commercial logics in a by-product nature. When individual auditors identified with a technical logic, they could also comply with a commercial logic as a by-product logic. For instance, Ubika talked about the importance of learning and understanding client's business in order to determine the risks when auditing. This also had a further benefit of being familiar with the client's account terminology which helped to build a good relationship with the client:

So, you need to speak to them, like, at the beginning of the financial year to understand their business, what's happening in their business this year ... make sure your audit is very much focused, you know, so we use the right language, we use terms they understand ... they get really annoyed if they've got a CIP, but in your document, say, you call it a TEP ... little things like that will drive them nuts and they'll think you don't care about them ... I think you then need to get to know their business so that you understand exactly what the risks are in the audit. (Ubika, Audit Director)

Ubika's technical attempt to understand the client's business and risks enabled her to also satisfy the client by using the right terminology for their accounts. In this case, Ubika's main goal was not to please the client. Instead, she first and foremost wanted to learn about the client's business to understand the risks. The good effect on client relationship was only a by-product for this complementarity.

On the other hand, a commercial logic was also found in many cases as a main logic that generated a technical logic as a by-product. For example, the provision of non-audit services helped to provide in-house technical expertise within the firm to assist audit work:

It [non-audit service provision] is a good thing because I get to erm have the opportunity to, like, work in those departments and get exposure to, like, other areas of the business. Erm. But also, from, like, the client perspective, you can erm, like, utilise erm expertise, like, experts in your other, specialists in other departments to, erm, to help the client resol-, the client resolve some of their issues. Erm, I mean, we work closely with the pensions department. We have, like, pension specialists and IT specialists and also tax specialists, and they help quite a lot with some of our work.

(Valentina, Audit Assistant Manager)

Valentina's quote above illustrates her favourable opinion towards non-audit service provision of the audit firm, which represents an identification with a commercial logic. As she said, these non-audit functions also helped to provide specialised knowledge to help with her audit work. Note that Valentina also mentioned in the beginning about the good opportunity to work in these non-audit areas. Hence, she rather embraced

strongly with this commercial aspect of the firm. This was also evident in her opinion about seeing her organisation as a professional services firm rather than an audit firm:

I think erm for a lot of people, they see the big four as being mainly like audit, even though they've been known to, like, do lots of other professional services. Erm. I don't see us as being just audit firms. I see us as being like professional services firms. Erm, you know, and when I, when I talk about, you know, what my firm does, erm I would refer to it as a professional, yeah, professional services firm rather than just an audit firm. (Valentina, Audit Assistant Manager)

In this way, the commercial value in a sense of the provision of non-audit services was rather important to her. This was why a commercial logic was interpreted here as a main logic when compared to a technical logic of having further technical support in a firm.

Similarly, non-audit service provision could also help to retain talents within the audit firm where audit staff who no longer wanted to do audits were able to transfer to other functions instead of leaving the firm. This is represented in Orlando's quote below:

The problem with auditing is if it is high-profile and high-risk work because if you get it wrong, it's very bad for the firm's reputation, and it's not as profitable as consulting work. So, you know, that makes it difficult, erm it makes it difficult to run a firm that only does audit ... And sometimes it [non-audit service provision] is good because, yeah, for example, some of my colleagues here, they qualified as Chartered Accountants, they did auditing and then they transferred into tax because that's what they want to do for

the rest of their career and they don't have to leave the firm to do it.

(Orlando, Audit Director)

Orlando saw the non-audit services as important for the business survival of the audit firm as auditing was not very profitable. This commercial logic also additionally helped to foster a technical logic in terms of the retained technical knowledge and expertise. It can be seen here that Orlando was more concerned about the commercial focus rather than the technical aspect. Thus, a technical logic acted here only as a by-product from the complementarity.

Moreover, a commercial logic in terms of the profitability of the audit firm also helped to retain talents within the firm, as Randolph said below:

And also, it [profitability] helps to retain the trained staff ... So, if let's suppose, if I'm working here for eight years, I'm getting a good salary, I won't leave ... I mean, if I'm not getting a good salary, it will not help to retain quality people. They will start leaving you, right? So, everything is linked. (Randolph, Audit Assistant Manager)

Although Randolph might not really care about the audit firm's profitability as he planned to move to industry later, the good salary was a big factor that could keep him in the firm. In this way, the technical expertise retained in the audit firm was a by-product whereas the main logic was a commercial logic in terms of profitability and personal remuneration.

4.3 Ethical logic versus commercial logic

Findings showed that an ethical logic can generate a commercial logic as a by-product. For example, Wendy felt that keeping an ethical stance and not being swayed helped to receive more respect from the clients:

Sticking to objective. Erm. So, not being swayed. You get a lot more respect as an auditor for erm keeping your stance. So, if someone tells you that you can't access a certain thing, and you politely explain to them that you unfortunately need access and that's important, erm without being too heavy-handed, you often find that you get a lot of respect from the, from the client ... because they appreciate that you have got a job to do and you're not gonna be swayed. (Wendy, Audit Manager)

Interestingly, instead of feeling the tensions, Wendy saw the exercising of integrity and not being swayed as possibly leading to client respect. In this way, her ethical stance according to an ethical logic additionally contributed to a commercial logic as a by-product.

On a contrary, a commercial logic was also found in this research to strengthen an ethical logic as a by-product. Firstly, several participants claimed that the advice given to clients could help to improve their internal control system:

I think my objective on the profession is first thing to conduct a really good quality audit. So, which means erm audit is not, just not about financial reporting, but at the same time, I would also like to provide a more valuable services to my clients which includes erm advising them on any control deficiencies which will directly or indirectly impact their erm business profitability ... so, for me, audit is just not about reporting numbers, but it's more about reviewing the processes and identifying any erm loopholes or any erm control deficiencies in your client's site and you provide that advice to client, so that will actually win you another, another erm contract or more professional contracts from the client. (Sabrina, Audit Assistant Manager)

Sabrina's quote above shows that she was very concerned about providing advisory service to clients which basically increased the revenues for the audit firm. Yet, the advice regarding internal control could additionally help to reduce weakness in the control systems of clients. This was more likely to prevent frauds and enhance the truth and fairness of the information. Accordingly, a commercial logic acted here as a main logic that contributed to an ethical logic which was a by-product of this complementarity.

Secondly, non-audit service provision helped to decrease the chance of breaching client's data confidentiality from dealing with many different firms:

Sometimes you have to think about the client perspective as well. Erm. Like, client is a bit more like erm information and things. Like, they don't want to share information with so many people. So, they are more comfortable with one company ... and then they get advice from whatever they're doing.

(Quennell, Audit Assistant Manager)

According to Quennell, an ethical logic in terms of maintaining data confidentiality could be strengthened by a commercial logic regarding non-audit service provision. Still, the main logic was the commercial focus. The claim of data confidentiality tended to be the additional benefit or even an excuse of generating more revenues from non-audit services. For example, it could be questioned that data confidentiality of clients need to be ensured according to the laws and regulations anyway. Thus, the ethical logic here was interpreted only as a by-product logic rather than the main logic or key outcome from the commercial logic.

5. The stand-alone nature of complementarity between each pair of multiple institutional logics in the auditing profession

Furthermore, there were cases where the complementarity among institutional logics happened without any logic generating another logic. Instead, these different logics appeared together equally and separately. This section examines this type of complementarity for each pair of institutional logics.

5.1 Technical logic versus ethical logic

The data showed the complementarity between technical and ethical logics in a stand-alone nature. For instance, Judy talked about ensuring that accounts were technically correct without compromising the independence by telling the specific numbers to the clients:

Coming back to, like, the issue of independence ... you don't want to assume, like, a management role ... It is like the specifics, you can't say "oh no, that needs to be 10%", "oh, no, that needs to be er £10 instead of like £20", or "that needs to be that with that". At the end of the day, you are there to assess whatever they have done. Yes, you'll do, like, your own estimates and say "this is what I'm willing to accept, between this amount and this amount. If it's close enough, then I'm willing to accept" ... because what happens then is that, like, you have, like, a threat to, like, independence. (Judy, Audit Assistant Manager)

Based on Judy's quote above, she identified with technical and ethical logics at the same time where she tried to make sure that the client's accounts were correct and maintained independent as well. It can be seen that each logic did not contribute to the enactment of another logic. In particular, ensuring that accounts were technically

correct did not make her independent, as she might deliberately tell the specific numbers. Similarly, being independent did not automatically make the accounts become technically right. In this way, the complementarity between the two logics was in a stand-alone nature. Note that Judy's drawing of a police officer protecting public stakeholders in the world by ensuring that the accounts are technically correct (see Figure 7, page 110) resonates with her ethical and technical concerns here.

5.2 Technical logic versus commercial logic

Regarding the technical and commercial logics, findings in this research reported several instances where these two logics complemented each other in a stand-alone fashion. For example, Hamlet talked about ensuring good audit quality and efficiency at the same time:

(Researcher: What are the evaluation criteria for people working as an auditor, like in terms of how they get promoted?) ... I would say, it comes with the issue of obviously being someone who is well organised ... So, if you are the kind of person who normally finishes their jobs within time, or even finishes earlier than the budgeted time. And of course, it's not just about finishing. Finishing but still maintaining a quality job ... So, I think, I would say it is actually someone who manages to strike a balance between quality and efficiency. (Hamlet, Audit Assistant Manager)

In this case, Hamlet identified with technical and commercial logics simultaneously in that the accounts were technically correct and he could meet the deadlines. These two logics did not automatically lead to each other. As such, the identification with both logics represented a stand-alone type of complementarity.

In another example, Titus mentioned providing a working paper that followed standards and laws, and was also helpful to clients:

I think the main objective of my work is to provide, at the moment anyway, is to provide a working paper file that is both compliant with standards and laws ... and also they provide information to the client that's useful for them going forward. (Titus, Audit Senior Executive)

In this case, Titus identified with technical and commercial logics at the same time by complying with professional standards and laws, and helping clients respectively. Again, each of these logics did not contribute to one another. Hence, the complementarity between them was in a form of a stand-alone nature.

5.3 Ethical logic versus commercial logic

Findings showed several examples where ethical and commercial logics could be identified at the same time without any logic leading to another logic. Firstly, some participants talked about the equal importance of serving the public and profitability:

So, I think, obviously, there's a need for the balance between the purpose we should serve in terms of erm giving assurance on financial reporting that's given to stakeholders and also in terms of the company itself making enough to be able to reward its employees, the partners, the directors.
(Hamlet, Audit Assistant Manager)

The two objectives of the public interests and commercial focus did not automatically lead to one another. In order to create this complementarity, Hamlet had to identify with both of them in a stand-alone fashion.

Secondly, certain participants mentioned that they needed to be independent and friendly to clients at the same time:

I think there's a recognition that you can be friendly and polite. You can work together, but preserve your independence ... just sort of like, you know, your demeanour. I think as an auditor, you have to have that "I am friendly, but I am firm." (Ubika, Audit Director)

Similarly, Titus talked about building good relationships with clients, but also standing his ethical ground and not compromising to them:

In the firms I've worked with, it's encouraged to build the sort of personable, professional, personable relationship with a client, but then being able, it's, the key ability of an auditor is being able to then turn around and say "no, this is wrong." (Titus, Audit Senior Executive)

Both examples of Ubika and Titus showed that individual auditors could ensure independence, integrity, and good client relationships at the same time without having to sacrifice any of these. The ethical and commercial logics needed to be embraced simultaneously without any logic contributing to another logic. This demonstrated a stand-alone nature of complementarity.

6. The complementarity when considering three institutional logics in the auditing profession

When considering all three institutional logics, the findings showed several cases where individual auditors identified with all three logics. The nature of complementarity can be facilitating, by-product, stand alone, or a combination of these.

6.1 The facilitating nature

To begin with, there were instances when the relationships among the three institutional logics represented a facilitating nature. For example, extra procedure for

confidentiality helped to create the client's trust which ultimately allowed individual auditors to obtain information from the client and learn about their business:

Often payroll is a really difficult thing to get information on ... because they're concerned that whether their employees will get access to the payroll records and confidentiality will be breached ... Sometimes you have to say to them that "look, I'll look at the information erm with you around if that makes it better". Just finding some happy medium ... to make sure that whatever worries they've got are relieved really. (Wendy, Audit Manager)

In this example, firstly, an ethical logic in terms of the confidentiality procedure was a facilitating logic that promoted a commercial logic of client's trust. Secondly, this trust helped to facilitate a technical logic in terms of obtaining technical information and learning about the client's business. Overall, the ethical, commercial, and technical logics were all identified in the facilitating nature.

6.2 The by-product nature

The by-product nature was also evident in the complementarity among three institutional logics. For instance, the advice given to clients helped them to comply with regulations, which in turn, tended to protect the public:

I would also like to provide a more valuable services to my clients which includes erm advising them on ... their compliance to the regulatory requirements. Like, you know, in the banks and the insurance [industry], they are subject to a very tight erm supervisory by the regulators ... as a way to protect the public, so one of the ways is to erm implement a more stringent supervisory over all these erm, all these institutions. So, if let's say, things are not moving, are not, are not erm looking right, at least the

government or the regulatory body can step in and advise them that stop doing all this, stop doing all this before you go bust. (Sabrina, Audit Assistant Manager)

In this case, firstly, a main commercial logic in terms of advice given to clients additionally generated a by-product in a form of a technical logic where these clients were complied with the regulations. Secondly, the compliance with regulations also created an ethical logic as a further by-product where the public would be more likely to be protected. In this way, all three institutional logics were identified with, and the complementarity represented the by-product nature.

6.3 The stand-alone nature

Moreover, the stand-alone nature of complementarity among three institutional logics was also found in the data where participants identified with all logics at the same time without any logic(s) leading to the other logic(s). For example, Wendy talked about the attempt to make sure that there was a balance among following standards, being independent, and helping the clients:

I like to make sure that the quality of the audit is really good. Erm. But, yeah, sometimes I feel that erm I'm too far, you know, making sure the standards fit and not really giving them the ser-, I really wanna make sure I look after them. But then, sometimes erm, you go the other way, and you offer them advice. And you think "well, maybe I'm getting too familiar now". And you wanna make sure there's really always a balance. (Wendy, Audit Manager)

Wendy's quote above shows the identification with three institutional logics at the same time. The technical logic was embraced where she made sure that 'the standards fit'. She complied with the ethical logic as she was concerned about keeping

independent and not 'getting too familiar'. The commercial logic was also enacted as she offered the clients advice and 'looked after them'. Altogether, Wendy identified with all logics and tried to maintain the balance among them. Each of these logics did not automatically contribute to one another. Thus, the complementarity was in a form of a stand-alone type.

6.4 The combination of different complementarity types

Furthermore, the three institutional logics were found in this research to complement one another where the relationships within the complementarity included different types.

6.4.1 The facilitating and by-product nature

The data showed that three institutional logics could complement one another where both facilitating and by-product types were found. For instance, scrutinising and asking the client tricky questions as part of an audit helped to learn about their business which, in turn, enabled individual auditors to give good advice to the client:

You, as an auditor ... you get interactions that you probably wouldn't get as any other professional. And you ask some very tricky questions. You have to. So, you ask some questions that you don't really want to ask as well erm like "have you experienced any fraud?" ... And you're really apologetic, but you've got to ask them. And sometimes you get the answers back and you think, well, I could probably help them with that ... I could probably put them in touch with somebody else who'll help them. (Wendy, Audit Manager)

In this example, firstly, a main ethical logic in terms of scrutinising the clients such as in the issue of fraud accidentally created a by-product of a technical logic where individual auditors obtained technical information and learned about the client's

business. Secondly, the technical insights helped to facilitate a commercial logic where individual auditors could give beneficial advice to the client. Thus, the relationships in the complementarity were in the by-product and facilitating types respectively. Overall, Wendy identified with ethical, technical, and commercial logics.

6.4.2 The facilitating and stand-alone nature

Findings also showed instances where the three institutional logics complemented one another with the combination of the facilitating and stand-alone types. Example of this case was evident in the discussion of drawing by Ian (see Figure 8, page 112):

This is what I'm thinking "what is going on here?". And "how, how can I help the client?" but "and challenge, challenge him at the same time?". So, I need to make sure I'm challenging, you know, the numbers are right, but at the same time I want to try and help them. (Ian, Audit Partner)

Ian's quote and drawing show the complementarity among the three logics as follows. Firstly, an ethical logic in term of challenging the clients and not being swayed or compromising to them helped to facilitate a main technical logic where the accounts were technically correct. Secondly, this technical logic complemented with a commercial logic in terms of helping the client in a stand-alone fashion where none of them automatically contributed to the other. Altogether, Ian identified with ethical, technical, and commercial logics where the relationships among these logics consisted of the facilitating and stand-alone types.

6.4.3 The by-product and stand-alone nature

Lastly, the combination between the by-product and stand-alone nature in the complementarity of three institutional logics was also evident in the data. For instance, Patrick discussed his drawing (see Figure 6, page 109):

So, I guess it [being an auditor] means several things to me. So, obviously being a professional, so I've, sort of, tried to do someone in a suit. Erm. Sort of, holding, holding people to account ... So, yeah. So, I get a lot of pride of being like a professional. And I feel like my job is providing a useful service to companies that require it ... So, you, you'll often hear people saying all of, everyone hates audit, auditors ... But we actually have a lot of our clients who erm actually view it with a totally erm other side of things, and actually really value us checking it and making sure that it's correct.

(Patrick, Audit Manager)

When being asked further about the picture of the suit and tie which represented being a professional, Patrick explained what professionalism meant to him and also further wrote these down in the picture:

So, it's professional, erm, professional behaviour ... Independence. So, not letting, allowing ourselves to be swayed in any way. You provide, yeah, independent piece of advice. Erm. Confidentiality, obviously we're dealing with sensitive information all the time, financial, payroll, you know, people's salaries and taxes and everything. Erm. Objectivity, so not to, kind of, put your own personal feelings onto a situation, but it's, kind of, look at something totally without any sort of emotion, but objectively. And professional competence and due care, so that just means that not taking on any work that you're physically not able to do, that you don't have the expertise to do and doing everything to the best of your ability. (Patrick, Audit Manager)

Altogether, Patrick's quotes and drawing illustrate the complementarity of multiple institutional logics as follows. Firstly, he identified with an ethical logic which was seen through 'holding people to account' and being 'professional', which included a lot of ethical values such as 'independence', 'objectivity', and 'confidentiality'. Secondly, this ethical logic was embraced along with a technical logic where he made sure that the client's accounts were correct. This complementarity was in a stand-alone nature where neither of the ethical or technical logics here contributed to one another. Thirdly, a technical logic acted as a main logic to additionally generate a commercial logic as a by-product where the clients appreciated Patrick and saw him in a positive light. Overall, Patrick identified with ethical, technical, and commercial logics where the complementarity represented the stand-alone and by-product types.

7. The mechanisms to minimise tensions and promote complementarity among multiple institutional logics in the auditing profession

It can be seen that there were many instances in the data where participants did not have to choose among multiple institutional logics and sacrifice any logic for the other logic(s). The various types of complementarity as well as the combination of these types shown in this chapter demonstrate several ways multiple institutional logics can possibly be identified at the same time. This chapter also summarises the mechanisms that individual auditors in this research employed to minimise or avoid tensions and promote complementarity among multiple institutional logics in the auditing profession as follows.

7.1 Building and maintaining good client relationships and communication

To begin with, many participants stressed the importance of good client relationships. As shown previously in certain examples in this chapter, the commercial logic of good client relationships can help to facilitate other logics where individual auditors can

obtain technical information from clients, learn about their businesses, and determine the risks and audit plans to focus on these risks. Having good client relationships also mean that when there are disagreements with the clients about the accounting interpretation or audit adjustment, individual auditors can persuade clients to adjust accounts according to the accounting standards more easily. Ultimately, building and maintaining good client relationships can help to make the audits go smoothly without having to compromise the ethical stance or worry about losing the clients which, as mentioned in the previous chapter, could happen due to the fundamental conflict of interests in the auditing profession where clients choose and pay auditors.

Moreover, the good client relationships also involve the regular and good-quality communication with clients where individual auditors keep them in the loop and let them know about the audit processes:

So, we have to make sure that erm we work with them [clients] and they know what we need because it can make them, like, angry if we erm, we don't make it clear, like, from the start what we're going to be doing and how long we're gonna take and everything. So, I think communication is like a key part. (Valentina, Audit Assistant Manager)

This is because when there are any problems, clients can be informed timely and cooperate with the auditors together to solve the issues:

So, I think what is important on managing client relationship is communication ... these need to be structured and timely communication ... if certain issue arises on their financial statements, erm so they have to be communicated early rather than waiting, waiting, waiting. Then last minute, you just come and you say "okay, there's this issue" ... so they will

question in terms of your professionalism as well. What you have been doing all this time? (Aaron, Audit Senior)

Also, individual auditors need to be polite and respectful when communicating with clients:

Whenever, when I conduct the audit, I will make sure I follow the rules. So, if they are, if they are, if they are in breach of any rules, I will still highlight it factually to them. Of course, that wouldn't be done without any respect to them. So, it will be communicated to them respectfully and politely. (Sabrina, Audit Assistant Manager)

Based on the quote above, Sabrina emphasised being respectful and polite when communicating difficult issues with clients. This resonated with Cesar, who talked about using tact and diplomacy when discussing challenging topics such as bad news with clients:

But sometimes there are also erm management letters that, erm, they need tact and diplomacy to discuss ... They [the client] don't like to see things wrong, okay? And our job, is to highlight weaknesses ... and sometimes about the treatment of things or accounts, the treatment of contingent liabilities often ... People don't like to put bad news in their accounts and so consequently there's a very careful step of making sure, and that, the skill of that is really the skill of the discussion between the Partner and the client member and my job is to persuade them that actually they've got no choice, but to make it as painless as possible. (Cesar, Audit Partner)

As Cesar's quote above shows, instead of bluntly challenging or demanding the clients to adjust the accounts, diplomatic and tactful auditors could persuade clients to do so

without upsetting them too much, and as a result, losing them. Neither did they have to compromise their integrity or ethical stance and give in to them. In this way, the tensions among ethical, technical, and commercial logics could be minimised.

7.2 Ensuring independence at all times

Secondly, along with having good client relationships, individual auditors should always ensure independence. This helps to minimise or avoid the tensions where an ethical logic would be compromised. As several examples in this chapter show, it is possible to be independent and identify with technical and/or commercial logics at the same time. For example, a commercial logic of providing non-audit services can be embraced without jeopardising an ethical logic if the audit firm has strict independence safeguards in place:

So, in my experience in the past, erm a really good audit team will make sure there are controls in place and there's, like, erm they call it Chinese Walls, and they make sure that you're really segregated, and you have nothing to do with, like, the other team and there's no, like, transfer of information or anything like that ... there're so many processes we have to go through to make sure that's the case ... I know there's restriction in place on the level of services you can provide, and I understand that completely.

I think that's right and that should be the case. (Lovette, Audit Associate)

Another technique that can help to promote independence when giving advice to the clients is when individual auditors avoid explicitly selecting or implementing the solutions to clients. In particular, individual auditors can give recommendations to clients to the extent that eventually clients are the ones who choose the options or implement the systems:

I think the consultancy work should probably be limited to making the recommendations rather than actually then implementing those recommendations ... because then I think you're crossing the line between you're just getting a bit too close, because if you're making those improvements, then you can't come back the next year and have an unbiased view on whether those are working or not. (Miranda, Audit Associate Director)

We give them [clients] a recommendation, but we don't suggest them to do it. That's only a recommendation, not a suggestion. A recommendation is "okay, I can tell you. Why can't you just go in by train? Why can't you just take a plane?" This is a recommendation. It's entirely up to you whether you will say, "Okay, yes. That's a good opportunity. Why not?". (Quennell, Audit Assistant Manager)

Miranda and Quennell's quotes above show that the ethical logic in terms of auditor independence could still be identified with even when the commercial logic, where individual auditors gave advice to clients, was also embraced. This technique thus can help to minimise tensions among multiple institutional logics.

7.3 Dealing with time pressure

Thirdly, many tensions or conflicts among multiple institutional logics reported in this study were driven from the time pressure where a commercial logic of meeting deadlines or efficiency can contradict ethical and technical logics where the audit quality may be compromised and public stakeholders were put at risk. Nevertheless, the data also showed certain ways to deal with the time pressure and encourage the

complementarity among multiple logics. For instance, Ubika talked about engaging the clients early on in the year and not leaving things to the last minute:

You don't just wait until the end of the year, turn up with a great big team and say "right, we're now gonna audit your accounts" out of the blue. So, you need to speak to them, like, at the beginning of the financial year to understand their business, what's happening in their business this year ... say [to the clients] "don't wait until the year-end to talk to us about an issue". So, I had one of my clients who wanted to change their depreciation policy, right? So, rather than wait for the year-end for them to put in what they thought was right and then for us to come along and go "we don't like it, you need to change it", they didn't put us in that position. We had the conversation with them early. (Ubika, Audit Director)

By having an early engagement with the client, Ubika could discuss any potentially problematic issues and resolve them timely before the year end. Thus, she could relieve the time pressure to some extent. Furthermore, Ubika also mentioned having certain trainings to clients in advance when there were changes in accounting standards:

What might give rise to an error? Well, you know, it might be like a change in accounting standards. So, at the moment, there's a big change in accounting standards, IFRS 15 or IFRS 9 ... So, we can have an early conversation with them, have a think about how it will change their accounts. You know, historically we had the introduction of IFRS 102 ... we started talking to our clients about IFRS 102 two years before. We did workshops with the audit committees. We did workshops with the finance

staff and said “look, this is what we will expect to see as auditors”. So, we’re really giving them the training. (Ubika, Audit Director)

These technical trainings in advance not only helped Ubika to reduce the time pressure when the new standards were implemented, but also minimised the potential technical mistakes in the client’s accounts and the resulting tensions when having to persuade clients to adjust the accounts.

Similarly, Patrick talked about how being organised and doing the work as much as possible in the earlier stage could help to decrease the time pressure at the end:

I would suggest that start work, start your career as organised as you can ... so that when stressful times come, you’re dealing with it better ... and I’d also say erm do as much of the work in quiet time as you can ... so, erm whilst I’m out on site, if I can do as much as I possibly can, then when it gets close to the final deadline, and there’s a few things for them [clients] to send to me before we can finalise, then, you know, the more I’ve done in the fieldwork stage, the less stress there is at the very end. (Patrick, Audit Manager)

Moreover, participants mentioned the negotiation with the clients regarding unachievable deadlines. Again, this involved the good communication with clients:

And you know, most people understand if you explain well, you know, sorry, we just can’t do that. You may be able to do it in three days. If it’s too much, you know, it will have to be five days. And, you know, you’ve just got to, sort of, try and negotiate and bring them round. (Ian, Audit Partner)

Ian’s quote above shows that the time pressure from tense deadlines may be relieved when negotiating with clients. Yet, Ian spoke from a perspective of an Audit Partner.

For more junior auditors, it would be more difficult to negotiate deadlines with the clients. In this case, the involvement of the senior staff in the audit team can be useful:

Sometimes, erm I'll talk to whoever is above me and try and get more resources or try and get them to try and push the deadline back perhaps or, you know, because with the Partners, Partners have erm a relationship with clients that, where they can, kind of, have more, kind of, frank conversations with them often. Erm. Whereas in an Audit Manager, Audit Senior position, often you don't have that privilege. You don't have that rapport with the clients. So, Partners will often stick around in the firm for longer as well, which is why they have a better relationship with them. And so, yes, sometimes you can ask the Partner to, kind of, intercede for you.

(Patrick, Audit Manager)

Patrick's quote above emphasises the importance of good client relationships which can help to negotiate the deadlines with clients. By asking the Audit Partner to 'intercede' for him, Patrick employed a mechanism of involving a third person which is discussed next.

7.4 Involving a third person

Fourthly, several participants talked about involving other people when they faced tensions with clients. These third-person individuals may include senior staff in the audit team, senior staff at the client's side, or specialists. For example, when dealing with difficult clients who refused to provide information, individual auditors especially the junior ones tended to involve the senior staff in the audit team:

I've had a lot of clients who erm, I think especially because I joined so young, erm they would, if I had a question for them or a request, they'd go,

well, that's not important, like, you don't need that, and I'd be like, well, I'm the auditor and I do. And then I'd need to get someone, like, above me to back me up to then say yes, she does need this, provide it for her. (Lovette, Audit Associate)

Thus, instead of arguing with clients and damaging the relationships with them, individual auditors can involve senior audit staff to alleviate the tensions with these clients.

Likewise, Aaron explained how consulting with the senior people in an audit team helped him to persuade clients to adjust the accounts:

(Researcher: When they [clients] are being difficult, like, when they are kinda, hesitate ... to change for the adjustment, what would you do with that?) ... So, it's the method of you grouping as a team and erm consult within the firm ... whenever you face like a serious client disagreement, then you have to consult ... normally there's always the Partner who can work with them, who are more experienced in terms of public relation skills. So, they can communicate with the client until the matter resolved. (Aaron, Audit Senior)

On the other hand, the senior staff from the side of the client can also be involved to help resolve any issues with the client's junior staff. For instance, Valentina talked about involving senior staff from the client's side when their junior staff did not provide the information to her:

If we're dealing with erm, like erm, someone who's like lower down, like a Financial Accountant, and they're being difficult or they're erm, like, suspiciously trying to erm, you know, not give us the information we need,

I can always raise it to ... someone who's higher up, like the Director.

(Valentina, Audit Assistant Manager)

Similarly, Judy recalled the situation when she had to involve the senior staff from the client's side because the junior staff would not want to adjust the accounts:

We've had to escalate it [the issue] to, like, the very top. Er. So, like, the top person in, like, finance is, like, the Chief Financial Officer. So, we ended up coming to that level because they were not wanting to adjust. (Judy, Audit Assistant Manager)

Therefore, rather than arguing with junior staff, wasting the time, and probably not being able to reach a consensus, individual auditors can involve the senior staff from the client's side to help resolve the issues and tensions.

In addition, some participants also involved other experts or specialists as a form of third-party opinions to help convince clients regarding certain technical issues that clients disagreed with. For example, Judy talked about how she solved the disagreement with the client regarding a valuation issue:

Obviously, I'm an accountant. I'm not, like, a specialist in, like, valuing things ... and in this case, we had to er engage, like, a specialist within, like, [name of an audit firm] Corporate Finance because they do mergers and acquisitions every day ... a client might say, oh no, it's just like a difference. But then, if you bring in a specialist and you say, no, this person deals with this kind of thing every day, we, they know what they see in the market every day. So, basically, it's like, it just makes, like, your argument, like, more stronger er because they can say, okay, well, we are not specialist. You've got a specialist. (Judy, Audit Assistant Manager)

According to Judy, by bringing in a specialist, she could convince and persuade the client to adjust the valuation accordingly. In this case, Judy did not have to antagonistically confront or adversely argue with the client which might jeopardise the client relationship. Nor did she have to compromise her ethical stance by giving in to them. Instead, the tension could be relieved and resolved by involving a third person. Hence, the complementarity among technical, ethical, and commercial logics can be promoted.

7.5 Reinvesting commercial gains properly

Fifthly, some examples given previously in this chapter show that the complementarity of multiple institutional logics in the auditing profession can be realised when the audit firms utilise the commercial gains properly. For instance, when the profits were reinvested in the trainings and audit technology, individual auditors could enhance their technical knowledge and audit quality. Similarly, when high audit fees were translated into sufficient budgeted time to complete the audit, individual auditors could experience less time pressure. They did not have to rush their work, and as a result, put the public at risk. Moreover, high profits could also be reinvested in people where the high salary helped to retain talented staff within the audit firm. All of these demonstrate that with the proper reinvestment of profits, a commercial logic can complement technical and ethical logics.

7.6 Choosing the right clients and avoiding the problematic ones

Finally, participants talked about deliberately choosing the right clients and avoiding the problematic ones. For example, Orlando mentioned that he and his audit firm would not want to work with clients who put pressures on auditors:

Now if a client says to me “you know, well, you know, we might take the audit somewhere else”, then I would say “well, that’s fine”. You know, because I don’t want to work for a company that is going to put pressure on the auditor, you know, I need the right professional relationship ... [audit firm’s name] should not be working for that company, you know. If they are going to be that difficult and they don’t set the right standards and don’t try to get their accounts materially correct and then try to put, they blame the auditor or put pressure on the auditor, we would say, too risky, we don’t want to work with you. So, I know today that if I walked away from an audit like that, my colleagues would support me. (Orlando, Audit Director)

Similarly, Ubika talked about the client acceptance criteria of her audit firm where they would try to avoid the potentially problematic ones:

So, one of the things that we do as well is we have something called a “client acceptance” ... the sort of things we would look for are the sort of environment they work for. So, you know, do they have an operation in a part of the world where there’s a lot of fraud and corruption? ... Do we want to be associated with that sort of organisation?”. Or similarly, you know, there might be like an organisation that, sort of like, has got sort of particular issues around their erm Going Concerns. So, there might be, you know, you might have management that are doing everything they can to hide their financial position ... so we do have quite a lot of rules around who we will and won’t work for. (Ubika, Audit Director)

By being more selective on client acceptance, individual auditors thus can reduce the potential tensions, for instance, when having disagreement with clients about the

accounts or finding certain issues that need to be reported and being pressured to sway from the ethical ground.

Furthermore, a good client selection can also help to avoid clients who would make the audit inefficient:

The other sort of clients who we won't accept are ones where they're very immature. So, sometimes, like, in my, erm in the education field, there're a lot of new, what they call academies, schools ... they've never done their own accounts before, they've never been audited before, and they're such hard work because they don't know what they're doing. And actually, sometimes it's just more effort than it's worth. So, sometimes I just say "you know what, we're not gonna do the aca-, the sort of, really small academies anymore because they're just not mature enough as a client". (Ubika, Audit Director)

Thus, by choosing the right clients for the size of the audit firm, individual auditors can minimise the inefficiency that problematic clients may bring. This would translate into the decrease in time pressure and increase in audit quality accordingly.

Overall, this section shows that several mechanisms can be employed in order to avoid or minimise the tensions among multiple institutional logics and promote the complementarity among them. Some mechanisms are particularly relevant for individual auditors at the top level of audit firms such as the proper reinvestment of profits or the good selection of clients. Others are applicable to individual auditors in any levels, for example, building good client relationships and ensuring independence.

8. Conclusion

This chapter examines the complementary nature of institutional logics in the auditing profession. It shows that multiple institutional logics not only can contradict one another as elaborated in the previous chapter, but also can complement one another where the strength in a given logic does not necessarily mean the weakening value of the other logic(s). Three types of complementarity among multiple institutional logics in the auditing profession are reported including the facilitating, by-product, and stand-alone nature. Every pair of the multiple logics was found to possibly have all these three types of complementarity. When considering three institutional logics together, the relationships within the complementarity were in the forms of facilitating, by-product, stand-alone, and the combination of these types. Interestingly, several drawings of the participants also show the complementarity of different logics. This chapter also reports the mechanisms that individual auditors in this study employed to minimise tensions and promote the complementarity among multiple institutional logics including building and maintaining good client relationships and communication, ensuring independence at all times, dealing with time pressure, involving a third person, reinvesting commercial gains properly, and choosing the right clients and avoiding the problematic ones.

Overall, this chapter and the previous chapter show that multiple institutional logics coexisting in the auditing profession including the technical, ethical, and commercial logics can contradict or complement one another. Although certain sources of tensions among these logics may make individual auditors sacrifice one logic to identify with the other, individual auditors can also employ certain mechanisms to encourage more complementarity among these logics as well. In this way, individual auditors in this research demonstrated certain level of agency when responding to multiple

institutional logics. All of these represent a foundation to the findings reported in the next chapter regarding the impact of these multiple logics on the professional identities of individual auditors.

Chapter 6: The impact of multiple institutional logics on professional identities of individual auditors

1. Introduction

This chapter builds on the previous two chapters by considering how the possible tensions and complementarity of multiple institutional logics in the auditing profession affected the ways individual auditors saw themselves in terms of their professional identities. When analysing, both drawings and verbal data were taken into consideration to interpret and categorise the professional identities of individual auditors. Key questions in the interview that helped in this process included the importance of being an auditor to participants and whether they identified with being like a watchdog/guardian of the public or businessman/business advisor. Note that the latter question was added during the course of the data collection as some initial participants deliberately drew pictures or talked about protecting the public interests or seeing themselves as business advisors. Nevertheless, the answer to this particular question was analysed along with data from other parts of the interview as well as the drawing activity.

The structure of this chapter is as follows. To begin with, the extent of identification with the professional identities of auditors is examined. This part gives an introductory account into how individual auditors in this thesis viewed professional identities in relation to their overall sense of self. Still, the focus of this research is in the professional identities rather than the overall self-identities of individual auditors. Then, the rest of the chapter elaborates on how individual auditors constructed and reconstructed three forms of professional identities including a guardian of public interests, an advisor, and a value-added watchdog. The impact of how different

institutional logics shaped the construction of these professional identities is considered throughout.

2. The extent of identification with the professional identities of auditors

In this section, I argue that participants identified with their professional identities differently. Their identification level ranged from very important to weak representation of their overall self-identities.

To begin with, several participants saw being an auditor as important for who they were as a whole. For instance, Ubika strongly identified with being an auditor:

First and foremost, you're a member of the profession before you are an employee at [an audit firm's name] or the auditor of that organisation. You know, you are, I am Ubika [Surname], ACA. And that, having that letter after my name implies I've got that professional expertise. (Ubika, Audit Director)

According to Ubika, her strong identification with being an auditor was represented by emphasising the professional qualification (ACA) right after her full name as who she was. This demonstrated the 'professional expertise' which she highly valued and adhered to. Thus, it can be seen that a technical logic played a part here where having technical knowledge and expertise was significant to her overall identity. Ubika also stressed that she identified with the auditing profession more than with the audit firm. Therefore, her professional identity was crucial to her overall self because regardless of the organisations she worked in, she would still be a professional.

Similarly, Titus talked and drew a picture about how he felt very proud of continuing the profession that his father and grandfather used to do (see Figure 9, page 114):

It's a family knowledge ... in that my dad works in the, in accounting, I work in accounting. I've got a couple of uncles who work in accountancy sort of

world in general, not so much in auditing ... Much the same as my other half is a, she's now becoming a nurse and her brother's a nurse ... her other brother's studying to be a doctor. So, I feel like, a lot of time, professional jobs like auditing ... tend to stick in the family as you go down the generations ... it's a sense of pride that I can continue what, sort of, my dad or my grandad used to do ... like, when I qualified especially ... I was really happy and the first person I told was my dad ... I feel like I've taken the, taken the torch. (Titus, Audit Senior Executive)

Titus's quote above also resonated with some other participants who had family members working in accounting and auditing as an inspiration for coming into this profession. Interestingly, Titus compared his situation with his partner where being in health and medical profession tended to pass down in the family as well. Thus, the pride and identification with a certain profession in the family affected the extent to which an individual perceived the importance of their professional identity.

Titus specifically mentioned the 'knowledge' that he and his family members had in the accounting field and the metaphor of 'taking the torch' from his father when he passed the chartered accountancy qualification. Similar to Ubika, a technical logic was mentioned here in terms of the technical knowledge and qualification. Being an auditor fulfilled Titus's dream in this sense and therefore became an important part of his overall identity.

Another example of a participant who identified strongly with being an auditor is Miranda who was on maternity leave at the time of the interview. She reflected how she realised the importance of being an auditor to herself even more when she became a full-time mother:

I think it [being an auditor] is quite important to me and especially I think I notice it even more now, being on maternity leave, that I don't have, currently I don't have that identity at the moment, you know ... So, going from being, working as an auditor, kinda, full time to suddenly being now a full-time mum, that's quite a big change and you, kind of, realise how much your work and your career does play a part in your identity. (Miranda, Audit Associate Director)

When being asked what she missed the most about her work, Miranda talked about the interaction with her colleagues as well as the problem-solving aspect of her job:

I think erm I miss my colleagues, so going in and, you know, having a bit of a chat with people. Erm. And I just, you know, it's kind of, you and your brain as well, you know, like (laughter) being at home, washing, feeding, changing, you know, you can get quite boring. So, I guess it's that element of where you have a, a kind of, problem-solving element almost. You have a tricky situation, whether that be something technical or whether it's erm something more, kinda, interpersonal, related to colleagues or whatever that you need to sort out. (Miranda, Audit Associate Director)

This problem-solving element represents a technical logic. It can be seen that all the examples of participants who highly identified with their professional identities demonstrated the importance of the technical logic to their overall identities. In other words, when compared with other identities in their lives such as being an employee, a son, and a mother, individual auditors tended to relate most with the technical logic. However, some participants explicitly claimed that they did not really identify with being an auditor. Mostly, these participants saw auditing as just a stepping-stone profession

that enabled them to pursue their desired careers such as in finance. They came into auditing to earn the chartered accountancy qualification, knowledge and experiences from doing audits, then planned to leave the profession right after being qualified. The drawing of Noel (see Figure 3, page 104) where he depicted the timeline of auditors entering the profession, being qualified, and heading to the exit door illustrates this point very well. Other participants, for example, Xena also mentioned how she planned her career of being an investment banker since young age by using auditing as a route to it:

So, when I was 16, I did some work experience at erm, at a few investment banks and I kind of decided when I was 16 that I wanted to go into investment banking. I was very fortunate to have a lot of exposure to some very senior bankers who said that they all began their careers in audit. And they did their chartered accountancy. And they said it was a really good place to start and you should kinda go from there, qualify your ACA and then go into banking ... you learn so much more in audit as a, as a basis of understanding both business and accounting. More so than I think you learn anywhere else as a trainee if you're chartered accountancy. (Xena, Audit Senior)

When being asked how important of being an auditor was to herself, Xena strongly rejected this identification:

(Researcher: How important is being an auditor to yourself as a whole?) ...
Zero ... I don't feel that my identity is an auditor. Erm. Mainly because I don't wanna stay in it. And I never wanted to stay in it. This isn't something that I began thinking it was what I wanted to do for the rest of my life, and

then, now I hate it ... I don't look at myself and be like "ah, I'm an auditor"...

I wouldn't step into a bar and be like "hey, guys. I'm an auditor" ... I would

say I work in finance ... because people think auditors are really boring,

right? ... Like "oh, god. That sounds awful". (Xena, Audit Senior)

It can be seen that Xena did not identify with being an auditor partly because of the negative stereotype that people in the society associated with this identity such as being boring, and partly because of the temporary sense of it to her life as she planned to move on to being an investment banker as soon as she qualified her chartered accountancy qualification. Thus, for many young auditors, the professional identity of being an auditor can be very weak and temporary to them. They did not aim to progress in this profession to become Audit Partners. All they need was just knowledge and experiences for their CV which can be confirmed by the chartered accountancy qualification.

Therefore, the institutional logics that prevailed in this case were the technical and commercial logics. They complemented each other in a sense that a technical logic in terms of the technical knowledge and experiences acted as a facilitating logic to build a commercial logic of personal job potentials which was a main logic in the end. Xena's answer to the question of whether she would recommend young people to become auditors demonstrates this point very clearly:

(Researcher: Would you recommend young people to become auditors?)

You know what, I really would. I think it's full of sh*t. I think there are days where it's just awful. It can be really stressful. It can be really difficult. Erm.

You know, I have a lot of negative things to say about it. But overall, I just think it provides such a fantastic training in business and accounting ... do

your three years and then go on and do something else. (Xena, Audit Senior)

The quote shows how much she hated doing audits but still valued its good technical knowledge grounding for future careers in business.

In another example, Sabrina said that she saw auditing as 'just a job to pay the bill':

(Researcher: How important is being an auditor to your overall sense of who you are?) How important it is? It's nothing to me (laughter) ... Everyone needs a job ... to me, it's just a profession that pays the bills and probably do a little bit of good to the public and that's it, nothing more than that.

(Sabrina, Audit Assistant Manager)

From the quote above, Sabrina also mentioned doing something good to the public which represents the ethical logic. Nevertheless, the strongest logic at the forefront here is the commercial logic where she considered being an auditor as mainly about the monetary values earned from it.

All in all, some participants in this study felt that being an auditor was an important part of who they were as a whole while others had weaker identification. This research focuses on the 'professional identities' of individual auditors as being embedded in multiple institutional logics in the auditing profession instead of their overall self-identities which may include other non-work aspects of their lives. Although being an auditor may not be significant for some participants outside of work, it was still a key identity in the professional context. Thus, participants who weakly identified with their professional identities were not excluded from this study.

Regardless of the extent of identification with their professional identities, data showed that multiple institutional logics shaped the construction of professional identities of

individual auditors. The rest of this chapter investigates three different ways of how individual auditors constructed their professional identities in relation to these multiple institutional logics in the auditing profession.

3. Identity of a guardian of public interests

Based on the literature, traditional auditors are seen to be 'guardian[s] of public interest[s]' (Sikka, Willmott and Lowe, 1989: 48) or public watchdogs (Hanlon, 1996) who protect the society by ensuring the credibility of the financial information given to the public (Johnstone, Sutton and Warfield, 2001). This was also evident in the data of this thesis where some participants explicitly stressed their important responsibility to serve the public interests and protect the public stakeholders. This can also be seen apparently through their drawings. For example, Judy's drawing (see Figure 7, page 110) shows how she saw herself as like a police officer who protected the users of financial statements in the society. Kenneth's drawing (see Figure 12, page 119) depicts how he saw himself being like a bird overseeing the world and having the ethical duty to the public. Thus, the first group of participants represented an identity of a 'guardian of public interests'.

As the name implies, a guardian of public interests can be defined as an individual auditor who sees his or her utmost concern as protecting public stakeholders in the society. These public stakeholders such as investors, shareholders, employees, creditors or suppliers rely on the accurate and credible financial information to make decisions. Hence, individual auditors help to safeguard these stakeholders from being misled by organisations who produce the financial reports. As such, guardians of public interests prioritise the public interests more than the client interests. Their relationships with the clients are not ultimately for the commercial gains, but rather to enable the audits and ensure the audit quality. Figure 17 summarises the definition of

the identity of a guardian of public interests, along with the other two identities found in this study which I present subsequently in this chapter.

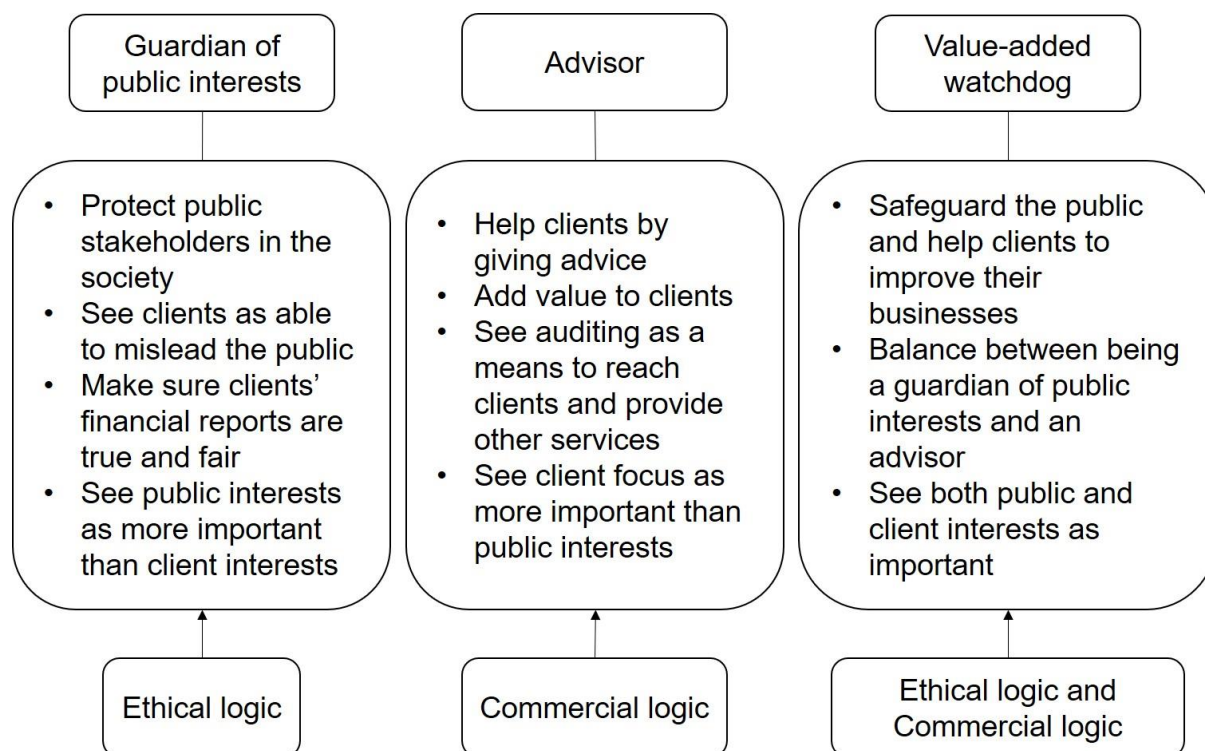


Figure 17 Three professional identities found in this research

A good example of a participant who represented an identity of a guardian of public interests is Ubika. Ubika is an Audit Director who works with the public-sector clients. She wrote in the middle of her picture the words 'public trust and assurance' (see Figure 16, page 155) and consistently talked about the importance of public interests, truth and fairness which were the qualities she valued personally:

You're there to, sort of like, hold them [clients] to account for the right reason really. And especially for me, one of the reasons I work in public sector is because ... I felt that it was more valued doing this work on behalf of the public and tax payers ... And it's quite interesting actually because erm my dad used to work in public sector ... you tend to find that people have a bit

of a public sector ethos ... my husband always laughs at me and says "oh, you're a typical auditor". I think I'm generally, I'm generally nosy, generally inquisitive and I've got a really strong sense of things having to be right and fair. (Ubika, Audit Director)

Interestingly, like Titus, Ubika also mentioned having 'a public sector ethos' which tended to run in a family as well. The quote above shows that Ubika agreed with her husband when he referred to her as being 'a typical auditor' who was sceptical, right and fair. She identified with this definition of being an auditor with the ultimate goal of serving the public. In this case, Ubika significantly embraced the ethical logic into the construction of her professional identity.

Similarly, Lovette mentioned a responsibility to the public and how she saw herself as a 'perfectionist' who wanted to make sure everything was right:

I have the opinion that if I have something that I think it's wrong, I want to push it until it's right. And sometimes I will get people more senior than me telling me to stop (laughter), like, "it's immaterial, Lovette, leave it". But, I'm kind of, I think I'm a bit of a perfectionist and I want everything to be right, especially if I'm taking responsibility for it ... I'd like to think that in audit, I am working on behalf of the public and on behalf of everyone who uses the statements that I'm auditing. Erm. That is what drives a lot of my work ultimately because I do feel like a level of responsibility. (Lovette, Audit Associate)

It can be seen that by 'wanting everything to be right', Lovette went beyond the point where the accounts were considered technically right or materially correct into perfection. She strongly identified with the ethical logic by considering the

responsibility to the public and thus aiming for perfect quality of her audit work. However, by trying to make everything correct and perfect, she distanced from the commercial logic of being efficient and thus was stopped by the senior staff not to correct everything. This therefore shows the conflict between the ethical and commercial logics where the commercial logic was compromised.

It may seem that individual auditors who identified with the identity of being a guardian of public interests would totally distance from the commercial logic as in the case of Lovette above. Nevertheless, there were many cases where the commercial logic was embraced as well, mostly as a facilitating logic to promote technical and ethical logics. The most obvious example is the client relationships which, as stated in the previous chapter, helped individual auditors to obtain information from the client, understand their business, be able to evaluate the areas of risks, persuade the client to adjust the accounts, and ultimately make the audit processes go smoothly. For instance, Ubika gave an example of how a good client relationship helped her to determine the risk areas in the audits:

I think you then need to get to know their business so that you understand exactly what the risks are in the audit. So, it's, whilst the meetings around the table with the client might be very friendly and open and whatever, at the same time we're really trying to make sure we know exactly what could go wrong in those accounts, you know. So, but if you did that in a sort of adversarial way, you'd never find out. So, you've got to be really friendly and, sort of like ... "so what's keeping you awake at night? What's worrying you?" And that sort of stuff, and they'll tell you everything. They'll, like, really offload, but that's really helpful for us because we'll go "right, okay, that, that could be a potential issue in the audit". (Ubika, Audit Director)

By being friendly and building good rapport with her clients instead of being aggressive or scary, Ubika could make them open up to her and thus this enabled her to do good quality audits. In this way, being a good watchdog did not mean that individual auditors had to always distance from a commercial logic. For example, Ubika talked about how auditors in the present have changed from the past in terms of the interactions with clients:

So, it used to be very much that auditors were, sort of erm, I don't know, something to be feared, you know. And I think, like, erm, you know, auditors, I think auditors used to behave differently as well to their audit clients. I think it was very much, you know, "we're here to audit you. You know, I'm not gonna be friendly to you. I'm not gonna talk to you" (laughter). That's very much the past. Whereas now, I think there's a recognition that you can be friendly and polite. You can work together, but preserve your independence. So, I think it's moved a lot. Definitely, even since I've been doing the job for the last 30 years. (Ubika, Audit Director)

Based on the quote above, auditors nowadays have embraced the commercial logic more than in the past. They have shifted from being a fearsome, detached auditor into a friendly, interactive auditor. This did not jeopardise their independence or public interest mandate, but indeed can help them understand their clients' businesses and perform their audits better. All of these were viable due to the complementarity of multiple institutional logics in the auditing profession. Yet, the main logic was still an ethical logic where it was realised through the commercial logic which acted as a facilitating logic.

Due to the recent incidents of audit scandals in the UK, the identity of being a guardian of public interests may be challenged or damaged. As such, several participants in this research tried to defend and secure this identity. They claimed that as a result of these audit scandals, the auditing profession has become more scrutinised and regulators such as the Institute of Chartered Accountants and the Financial Reporting Council have strictly monitored audit firms particularly in terms of audit quality and independence. This is exemplified in Anastasia's quote below:

I think it [the auditing profession]'s become a lot more regulated. There's a lot more scrutiny on an auditor to make sure that they do their job correctly ... making sure that there is no independence risk. Because I think there're lot of things that've gone wrong with big companies recently ... and the focus always comes back to what did the auditor do? (Anastasia, Audit Senior Manager)

Some participants claimed that recent audit scandals were just the small parts of the whole profession. This was because unfortunately the auditing profession only received attention from the public when things went wrong. However, when auditors did good quality audits, the public and the press did not talk about them. For example, Lovette felt that the press only reported the negative cases of auditors:

Obviously, the good news stories never get the press. It's only the bad ones. So, you can, like, I can be on really great audit teams that do a really good job, but you will never hear about those, you'll only hear about the ones that go wrong. Erm. And I think that has a huge impact on how people perceive the job and how people perceive auditors and accountants in general. (Lovette, Audit Associate)

Similarly, Ubika said that the newspapers that tended to attack the auditing profession did not really understand the profession properly:

What you're finding is that they [audit scandals] are being reported in the press, erm in parts of the press that never would have mentioned the likes of [audit firms' names] in the past. So, before, if you read the Financial Times ... You'd see that big four are all over them because, and those are papers written for the financial profession by the financial profession, where there's a respect. So, they'll still present the news fairly, but they understand what we are, who we are, and they will present the bad news and the good news with equal priority ... But now, we're in papers like [names of the newspapers], which doesn't understand the profession and just wants to put the headline ... and sort of, wants to put blame on someone. (Ubika, Audit Director)

Several participants saw the public blame as caused by the misunderstanding about the level and scope of assurance that auditors gave. The so-called 'expectation gap' was frequently referred to by individual auditors in this research. For instance, Judy talked about the materiality level in the auditing profession that the public did not understand:

People seem to think that oh, an auditor should spot, like, each and every single thing ... But you know ... You focus on the things that you think are important ... Otherwise you will be doing the audit for like a year and like still not be done ... when something wrong happens, then, like, people, they'll throw tantrums ... And I think, like, most of the time, it's mainly based on, like, the gap between, like, the understanding or, like, the expectation

gap erm of what they think that audit is and what an audit is actually. (Judy, Audit Assistant Manager)

Likewise, Aaron mentioned how auditing was not specifically about investigating frauds as most people in the society thought:

When you're out there, you think that auditing is more like erm looking for thieves, looking for money that has been stolen, which is the concept that most people, they have ... But no, it doesn't ... the society, they need to be educated on the way of auditors. Because there's always erm a gap between expectations and what actually happens, erm which is called expectations gap. (Aaron, Audit Senior)

Hence, with the audit scandals and blames from the public, individual auditors have become protective with their identity of being a guardian of public interests, trying to defend that they were not as bad as the press portrayed, they were still good although not perfect. It is interesting to see a technical logic played a part in some of the justifications of these participants in order to secure their watchdog identity. For example, some participants confirmed that they have strictly followed the more scrutinised rules and regulations while some claimed that they only gave 'reasonable assurance' or that their audits were based on a materiality level rather than absolute perfection. Although the ethical logic is not the same as the technical logic, these participants tried to claim that these two logics complemented each other where the technical logic facilitated the ethical logic. In other words, when individual auditors followed more scrutinised rules, regulations, and made sure accounts were materially correct, they were more likely to protect the public.

4. Identity of an advisor

In contrast to the identity of a guardian of public interests, the data showed that several participants in this research saw themselves as being advisors. They viewed auditing as primarily a skill or a means to approach clients and then give these clients further advice beyond audit work. They explicitly claimed that they were not traditional auditors in a public watchdog sense, but rather identified themselves more as business advisors who added value to their clients. This corresponds with Guo's (2016: 105) argument that the commercial logic institutionalised in the auditing profession has resulted in auditors transforming into 'versatile experts' who can offer more than audit service such as consulting. Driven by the data and supported by existing literature, this identity of an advisor can be defined as an individual auditor whose main concern is to help clients by giving them advice either directly or indirectly in order to improve their businesses and add value beyond the core audit work. These individual auditors strive to serve the clients, maintain good client relationships, and find opportunities to offer extra non-audit services to the clients. The public interests are secondary to the client focus as these individual auditors do not see themselves as public watchdogs or guardians of the public interests (see Figure 17, page 206).

An example of a participant in this group is Brendon, an Audit Director, who deliberately saw himself as a business advisor and recalled how his audit firm has changed the titles in the business cards accordingly:

We sort of, we see ourselves more like business advisors in audit. So, we change a lot of title actually ... that business card out there. So, I should be a business service director rather than audit director ... But my skill is audit, you know ... They [clients] see me as a business advisor. Because I talk more than just about audit. Because I can talk about bits of tax, bits of

accounting, bits of probably business skills ... we second a corporate decision to sort of remove the word audit from what their job role ... It's to show the clients that, you know, they are not just pigeonhole that could be audited. They might get involved in other sides of the services. (Brendon, Audit Director)

Brendon's quote above demonstrates his conception of his professional identity as being a business advisor rather than a traditional auditor although he signed audit reports. This reflects the importance he placed on giving advice and helping clients which conform to the value of a commercial logic. Not only did he see himself as an advisor, but he also intentionally portrayed this identity to his clients through the change of job titles in business cards in order to attract them to the firm's non-audit services.

As stated earlier, this group of participants did not prioritise the public interests. Some of them justified this by claiming that they only dealt with medium and smaller-sized clients which did not have public shareholders. Yet, those who worked in big-four audit firms also felt that giving advice to clients was more important than serving the public and specifically stressed that they were not police officers:

Well, erm, to be honest, erm a general perception about the auditors is like erm being a watchdog or the policeman. That's the general perception, but erm it's not true ... because you are, when you go to the client, your main agenda is to help the client in any way, to grow them, to let them know what they are doing wrong or what they are doing right. So then, they can enhance their skills and abilities to get a bit more, like, competitive to their other industries or other countries or something like that. So, it's not we just

go there being a policeman or a watchdog to identify who is doing wrong... we don't really go there to just catch them. (Quennell, Audit Assistant Manager).

Despite working in a big-four audit firm where clients were mostly large, public companies, Quennell identified more with being an advisor to clients rather than a watchdog and focused on 'helping the client in any way'. Interestingly, the notion of a policeman here was seen negatively as 'catching' people. This is in contrast to those who identified with being a guardian of public interests. For instance, Judy explicitly drew herself as wearing a police officer uniform where she protected the world (see Figure 7, page 110).

In another example, Yuna had a perception that giving advice to clients was more important than being a guardian of public interests because for experienced clients, she could never discover their concealed mistakes anyway:

If it's a client like [names of the large banks]. Based on experience ... if someone wants to cheat ... They will cheat, and you will, they will make sure you will not find it. So, the army of professionals. They have all been into big four and into consultancies and they know how to do it ... They have huge operations worldwide and they know how to conceal things ... we do sample-based audit, very often we don't understand various, a lot of things and complex operations ... We collect our fee. But we do maximum we can do because we have team of 30, 40 people and there for four months. Even if you die there, sleeping, they cannot reveal ever. (Yuna, Audit Manager)

Interestingly, Yuna had a perception that clients always outsmarted auditors. With such perception, the public interests would be difficult to ensure. She also mentioned collecting the audit fee which represented another element of a commercial logic. Thus, for participants who saw themselves as advisors, the commercial logic was strongly embraced whereas the ethical logic tended to be distanced from.

Apart from giving advice on accounting-related issues, participants talked about giving advice through the non-audit functions in the firms such as tax and IT advisory. The provision of non-audit services in an audit firm was a key mechanism which made the advisory identity emerge and prosper. Some individual auditors, especially in small and medium sized audit firms also worked in non-audit functions themselves although the majority of their work was in audits. Those in large audit firms did not give advice to clients directly by themselves, but still recommended clients to their colleagues in the non-audit functions of the firm. Either way, by having non-audit functions in their audit firms, they could become advisors to their clients. Thus, many participants in this group have tried to legitimise the provision of non-audit services by the audit firm to maintain their advisor identity. Firstly, they confirmed the strict independence procedures in place. For example, Hamlet claimed that a team who worked in the non-audit work for a particular client was not the same team who audited that client:

The key things to this is maintaining independence. So, if I'm an external auditor ... and I'm working on a client, I can't be the same auditor that comes as part of the, let's say, the IT. Or I can't be the same auditor who comes in and offers tax services. So, they need to be three different divisions which are actually independent of each other. And you can't cross over and work as a tax specialist on the same client and go back as this very auditor ... Because I guess that's compromising and becomes advocacy risk in terms

of you can be auditing something that you are involved in making. (Hamlet, Audit Assistant Manager)

Secondly, participants saw having non-audit functions in an audit firm as a way to provide and retain talents and expertise within the firm which could also benefit the audit work:

Whenever I'm doing something, then there is tax complex calculation that I've never done, and I have only two hours to complete it. I know for sure there is a resource. I can, I can email our internal hotline. I can tell them this is the calculation. I have no idea how to do it. And they return it to me within an hour because they are specialists in it. (Yuna, Audit Manager)

Thirdly, some participants claimed that offering non-audit services was good for clients where they could feel more secured in terms of data confidentiality and possibly have a better price deal than using many different firms:

Sometimes you have to think about the client perspective as well ... Like, they don't want to share information with so many people. So, they are more comfortable with one company ... to share with them and then they get advice from whatever they're doing ... It's more like if the same firm erm giving them an advice with a non-audit service and audit service, they might be able to give them like a bit more competitive price from the client perspective. If they hire, like, three or four different five companies, so they might charge, like, different prices from them, like, which they might not be able to handle. (Quennell, Audit Assistant Manager)

Furthermore, participants saw the provision of non-audit services as a necessity to business survival. They claimed that audits were inherently in a competitive market

and not profitable. Thus, the audit firm could not survive and grow if they only relied on audit services:

Audit margins are really bad. Erm. You get bad recoveries in jobs. I mean, like, just to be really honest, it's like, audit is not profitable. Where you make money is where you combine non-audit services. So, you do the audit, but then you'll say "oh, why don't we do your tax?", "why don't, oh, you're doing a merger, why don't we do your corporate finance then?". That's where you get the best margins ... It's just a necessity. Erm. Audit firms really wouldn't have that much money without it [non-audit service provision]. (Xena, Audit Senior)

Although many of these reasons for having non-audit functions in an audit firm represent the legitimate justification based on the complementarity of multiple institutional logics, the main logic in these cases was still a commercial logic. For example, a technical logic in terms of the in-house talents and expertise as well as an ethical logic regarding the data confidentiality for clients were indeed only the by-products from a commercial logic of having non-audit functions in the firm, which was a main logic. In this way, the main institutional logic shaping the construction and maintenance of their professional identity in a form of an advisor identity was still a commercial logic.

Another example of an advisory identity was found in Orlando's interview. Although Orlando did not see himself as an advisor, he talked about his former boss who preferred to be seen as a business advisor rather than an auditor:

Many years ago, erm a boss used to say to me if you were at a party and someone said "so, what do you do?" Erm. He said you wouldn't say you

were an auditor because that's low status, you know. You say you're a business advisor ... I always have said an auditor, and I think it's a proper job that needs to be done properly ... Someone said you wouldn't admit to being an auditor because it's, it's looked down on. Because it's not the same as running your own business and making something new happen. We are looking at the past all the time. So, we are just compliance function. (Orlando, Audit Director)

From this quote, it is interesting to see how an auditor identity was seen negatively while a business advisor identity was more valued. Again, like Brendon, this advisor identity was explicitly portrayed out to the audience. Orlando's boss claimed that an auditor identity had a low status because the nature of auditing as looking at the past and as only a compliance function. This shows the desire to be associated with a more forward-looking and value-added identity in which being an advisor entailed. This point strongly resonated with some other participants. For instance, Hamlet argued that audit work was more about reporting the past, which might not be very useful to the present:

What happens is if your company year-end is the end of December 2017, you audit it after the year's ended ... we report on that maybe six months before, after, sorry, the year's ended. But I'm actually telling you history because what I'm giving you is six months of, say, today is 23 March 2018. I'm reporting on financials for 31 December 2017, the company did this and that. It's still kind of relevant, but at the same time the judgement you make on this may not be that relevant because things are changing so much that what happened last year may not mean anything this year. (Hamlet, Audit Assistant Manager)

Similarly, Sabrina felt that an auditor always looked back at the historical data and provided a detective measure while an advisor tended to offer a more helpful, preventive measure for the future:

Auditor is more of like a detective measure. But when you become the advisor, the advisor or consultant ... you are managing ... the preventive measure. Yeah. So, which is something that I see this is the future of the auditors ... Because just look at the way how we approach our work. When you become auditor, you are looking at historical data ... You are checking things that have already taken place, already happened. But if you become the advis-, the consultant ... you will still look back, you will still look at your erm historical set of data, but then you come up with a new set of the erm framework or controls to help. (Sabrina, Audit Assistant Manager)

Note that Sabrina actually represented an identity of a value-added watchdog (see next section) where she currently also emphasised the public interest mandate. Nevertheless, she saw herself as ultimately moving towards the advisor identity in the future:

(Researcher: Some people see auditors as like erm being the guardian of the public interest or the public watchdog. Some people see auditors as erm more of the contemporary, like, businessperson, like business advisory ... which role do you identify yourself with more?) Mmmmm. Both ... ultimately, I will shift to the advisory bit, but so long as I become, so long as I'm acting as an auditor, whether I'm an external auditor or the internal auditor ... I'm still, erm resume the, what, the watchdog role. (Sabrina, Audit Assistant Manager)

Regarding the opinion of auditing as a compliance function, some other participants also agreed with this. For example, Cesar talked about how he felt auditing as not 'sexy' compared to advisory:

I've been in it [auditing] a long time, I see it very much as a compliance function erm, it's not sexy. I mean you might think that accountancy can't be sexy too, but actually it can. Some tax stuff is very sexy. It's much nicer to be with a client whose business it is, helping them grow, helping them develop, watching them smile when you come up with decent strategies. You can't do that on an audit basis ... I mean you have to remember that it [auditing] is a pure compliance task ... a client doesn't thank you for a clean audit report ... The client will thank you if you help his business grow, or if you've come up with a tax strategy that will reduce the tax he's got to pay. So, maybe I should have drawn a sad face there. (Cesar, Audit Partner)

Cesar's quote above shows the preference to be seen as an advisor who could help and add value to clients rather than just offering them the pure audit service. Like Orlando's boss, Cesar saw auditing as a compliance function. This shows that the technical logic in terms of making sure accounts complied with accounting standards was not valued by him and thus was distanced from his identity. The appreciation he received from clients strongly impacted how he identified with being an advisor rather than an auditor. In other words, although there were many other stakeholders in the auditing profession such as the shareholders, the creditors, or the regulators, Cesar valued the client's reaction more than others. This demonstrates the embracement of a commercial logic into a construction of his professional identity.

In addition, some participants even felt that in the future, auditors would be replaced by advanced technology. As a result, auditors needed to transform into being advisors. For instance, Hamlet felt that the service expansion was necessary otherwise auditors might lose their jobs to IT professionals:

The world is changing. Things are becoming more computerised, more automated, more system controlled. So, us as auditors, we're now already, if you were, you just remain as traditional auditors, then you would lose business to other people like to IT. So, what audit firms also do, they're also evolving to move in line with the changes in technologies in the world ... So, there is a need for us to also move and offer additional services as well.
(Hamlet, Audit Assistant Manager)

Likewise, Sabrina saw the future of auditing profession as being invaded by advanced technology:

What I see about auditors is that in the next 10 years or probably 20 years, auditors might lose their job ... with the development of the AI, the Artificial Intelligence and the Blockchain technology, people wouldn't need us to do, to become the policing role because if everything is automated and when all the information can be integrated seamlessly in all sections, the fraudulent, the chances or the allowance, the room for the fraudulent activity is very low, very limited. So, which is now, I think, moving forward, it is very important for auditors to adopt more advisory role ... Because you know, like, the engineers, they might not know what is going on behind the accounting, behind the Debit/Credit thing, behind the financial reporting

standards. So, this is where the auditors can actually come in and provide our feedback. (Sabrina, Audit Assistant Manager)

Sabrina's quote above shows that although shifting into being an advisor, auditors would still need technical accounting knowledge. Thus, a technical logic played a part here as a facilitating logic to the main commercial logic of being a system advisor to clients.

However, not everyone agreed with this future extinction of auditors. For instance, Miranda saw the professional scepticism as an important judgement that can never be replaced by technology:

You're always gonna need auditors. Things are always gonna need to be checked or reviewed ... And I certainly don't think it's a job that could, kind of, be automated because the professional scepticism that you need to be an auditor and that's the judgement that I don't think you could ever train a machine to do. (Miranda, Audit Associate Director)

Still, Miranda stressed the importance of helping clients to learn and improve, which she tended to lean towards more than the public guardianship aspect. Thus, she represented the advisor identity:

If you're going into an organisation, they need to be willing to learn to improve ... you're no good at your job if you go in year on year and find the same things every year because clearly that organisation hasn't learned or understood from what you found last year. So, there is that element of guardianship of course, but there's also that element of presenting any findings to the client or organisation ... to make them see that, you know, this way of approaching things is not correct ... I think that, kind of,

consultancy, advisory bit comes to the forefront because otherwise you would just be finding the same thing year on year. (Miranda, Audit Associate Director)

Whether human auditors will remain in the future is not the scope of this research. This study argues that for now, there are auditors who currently see themselves more as advisors even though they are still doing audits.

5. Identity of a value-added watchdog

Many participants, however, saw themselves in the middle between being a watchdog (or a guardian of public interests) and a business advisor. Their verbal and visual data show the importance of both elements. Moreover, when being asked whether they identified themselves as being a guardian of public interests or a business advisor, they explicitly claimed that they were in the middle of these two. In other words, they felt that they had to protect the public, making sure the financial statements were true and fair, but at the same time they also would like to add value to the clients. Thus, I named this group as representing the identity of 'a value-added watchdog' or a public watchdog who also adds value to the clients. For these individual auditors, their main objectives are both safeguarding the public stakeholders and helping the clients to improve their businesses. They see the two responsibilities as both significant and can be achieved together. They do not feel that they are either guardians of public interests or business advisors, but rather the mixture of the two. They value both public and client interests (see Figure 17, page 206).

For example, being asked whether he identified with being a public watchdog or a business advisor, Patrick said it was a combination of the two:

I think it's a combination, if I'm honest. I don't think it's either one or the other because I genuinely feel that erm we protect the public interest and we make sure that the accounts are true and fair, and at the same time, we look at the business and we see how we can help them. It's really hand in hand. (Patrick, Audit Manager)

In this case, Patrick saw protecting the public and business advisory to be able to go 'hand in hand'. This reflects the complementary nature of multiple institutional logics in the auditing profession where the ethical logic in terms of protecting the public interests and accounts being true and fair complemented with the commercial logic of helping clients to improve in a stand-alone way where both logics were main logics. Altogether, the identification with these two logics resulted in an identity of a value-added watchdog, or a public watchdog who protected the public stakeholders and also helped add value to clients' businesses.

Similarly, Wendy talked and drew about her favourite part of doing audits which was the end meeting where in addition to summarising what she found in the audit, she could also give recommendations and advice for clients on how to improve their businesses:

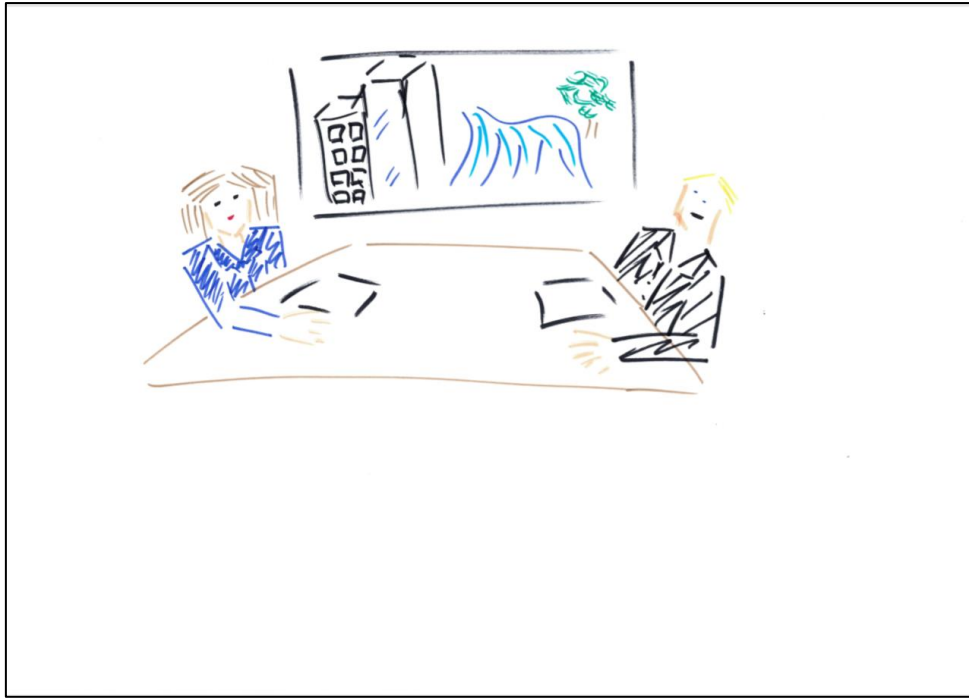


Figure 18 Wendy's drawing

All I've mainly drawn really, is, kind of like ... the interaction you have with clients really. It's the end meeting ... This is me in the boardroom ... So, just running through what we, what we've found during the audit. Erm. And this is my favourite part of an audit ... Because normally at this stage, erm you can tell them exactly what you've found. They really want to hear that you've found nothing and everything was fine, but sometimes you can give them some insight into a certain practice that happened in the firm and just say "you know, if you change this, then maybe you could save money or you could prevent something happening, you know. You could prevent some fraud or something like that" ... you can say "look, you've done the statutory audit. You need this by law, but there are some extra things that I can probably recommend you do". Maybe even, like, tax strategies ... And erm normally they're really helpful. (Wendy, Audit Manager)

Accordingly, when being asked whether she identified with being a public watchdog or a business advisor, Wendy said 'fifty-fifty':

I'd like to think I'm like fifty-fifty (laughter). Right in the middle ... just because you, kind of, wanna do both. They're paying for the service and you wanna make sure you're giving them a good service. But also, you wanna make sure you're protecting the key stakeholders ... the pension firm, that's a perfect example, you know. I really made sure that they were adhering to the FCA regulations ... even though I got a gut feeling that they were really well controlled and they were really good, I still wanna make sure that they were and they weren't just pulling the wool over my eyes. But I also wanted to give them something back. (Wendy, Audit Manager)

It can be seen that Wendy identified with all three institutional logics. She made sure the client adhered to the FCA regulations, hence complied with a technical logic. She tried to protect the stakeholders, thus embraced an ethical logic. At the same time, she offered a value-added service to help improve the client's business, which corresponded with a commercial logic. These three logics complemented one another by firstly the technical logic acted as a facilitating logic to promote the main ethical logic in that when the client followed the FCA regulations, the risks to the stakeholders were reduced. Then, the ethical logic and the commercial logic complemented each other in a stand-alone fashion where Wendy protected the stakeholders as well as added value to the client by giving them good advice. Hence, the resulting identity became a value-added watchdog which also resonates with her drawing. Interestingly, Wendy drew a picture in answering to a question 'what does being an auditor mean to you?'. Instead of a picture of a calculator, money, a computer, or an excel spreadsheet like some other participants, Wendy chose to draw a picture of her 'favourite part of

an audit' where as much as she audited the client, she could also give them valuable advice. This was what being an auditor meant to her. She thus represented a value-added watchdog identity.

The value-added services individual auditors could give to clients ranged from giving accounting-related advice such as recommendations on accounting methods, internal control, and accounting information systems; to giving broader business advice such as cash flow, tax, or general business improvement. Similar to the case of an advisor identity, participants in this group also claimed that they did not breach independence while providing these value-added services because they had certain independence procedures in place. For example, Ian mentioned that he may give advice to the clients, but would not do it by himself:

There's some issues with their [client's] stock, you know, some food stock which had gone missing at, you know, the warehouse and so, erm he [the client] was asking about, you know, what can they do to work it out and, you know, find out what's going on and stuff. So, but then at the same time, if you're an auditor, then you're meant to be, sort of, checking that stock and accuracy. So, you know, erm you can give them so much advice and I think you can give them like this is what I would do, you know, erm but not actually do it yourself. (Ian, Audit Partner)

In this way, Ian could ensure the independence and be the value-added watchdog where he could add value to clients without jeopardising his independence as a guardian of public interests. Note that this value-added watchdog identity is also portrayed in Ian's drawing (see Figure 8, page 112) in which the picture of the left thinking bubble reads 'how can I help the client and challenge at the same time'. In

other words, Ian wanted to both add value to clients and challenge them as a watchdog to the public.

Likewise, Orlando explained how he would help a client by referring to his colleague in a non-audit department instead of deliberately giving advice by himself:

So, if I have a client that is struggling, they are struggling to, you know, they are running out of cash and the business is performing poorly, erm I might well say to them “look, erm, you know, would you like to talk to a colleague of mine who specialises in underperforming businesses or can advise the board on the risks that they are facing if they carry on making losses, you know, and they may be able to help you how to improve your cash flow or to improve the business?” But I wouldn’t usually do that myself. (Orlando, Audit Director)

By maintaining the independence, individual auditors in this group could avoid conflicts between the ethical and commercial logics when giving advice to clients, and thus construct and maintain their value-added watchdog identity.

The balance between ethical and commercial logics is also seen in Zanita’s quote regarding being able to manage boundaries with clients’ demands:

I think it really varies, client by client. Some are much more demanding and, kind of, expect you to guide them too much, but obviously you have to be independent. So, there’s like challenge of putting up boundaries and then saying “we can’t do this for you because we need to look at it”. (Zanita, Audit Manager)

By standing her ground, Zanita could add value to clients without damaging the independence. Hence, she could be an advisor and a public watchdog at the same time.

Similarly, George talked about drawing boundaries of what work he could do to help clients that would not compromise the audits:

If you're giving a small bit of advice, you say, you know, your system is not doing very well here, why don't you implement this, that's fine. If they want anything more, such as negotiating with the bank etcetera, we wouldn't be able to do that, because we're acting with them, and we're essentially working for them. And, as the company's auditor, I wouldn't be able to do that ... We can prepare reports for them to take to the bank, and say yes, we've audited this and that's fine, but we can't go and fight their corner ... that's just something that we can't do. (George, Audit Senior)

The maintenance of the balance and boundaries between being a public watchdog and a business advisor can be learned with practice and experience, as Orlando stated:

It's not difficult, it's just a lot of practice ... you can help your clients up to a point, but you're also checking them ... you've got to know where the line is ... I think you can learn, with experience you can usually tell, you know, and there's lots of guidance now about the lines you mustn't cross. (Orlando, Audit Director)

Moreover, several participants showed that it was not extra-ordinary for them as auditors to also give advice to clients, thus being a value-added watchdog. This was

because they tended to have a breadth of knowledge from seeing various businesses and industries and a depth of understanding the client's business from auditing them:

When you're doing an audit you get a really deep insight into how a company works and you see it from all different perspectives across their operations so, erm, that gives one the possibility to make some really good quality recommendations ... if they are coming up with an accounting method for working out erm, whether their inventory is impaired, we can say well, your competitors and other companies in your sector are doing this kind of thing, you should think about doing this ... because from my perspective I see loads of companies, but one finance director, he's not necessarily knowing what's happening at other companies. (Daniel, Audit Senior Manager)

The opposite direction can also happen when the advice given to clients triggered the audit concerns:

I had a client ask me about a certain levy on the payroll ... But then from an audit side of that, it made me think if you were meant to be applying this levy or if you were worried about it, should you have then applied it this year while I'm auditing? So, I had to go back and look. But, you know, I was kind of, I was happy to give the advice, but also you have to remember that you are their auditor, and there was a potential breach of their laws, well, not laws and regulations, but their tax liabilities etcetera. (George, Audit Senior)

The viable complementarity between being a public watchdog and an advisor is also seen through the examples where the advice given to clients, especially about internal

controls and information systems helped to make the clients' accounting systems and information become more robust, truer and fairer:

If they [a client] want, for example, we identify a shortfall in one of their systems and they want us to come in and help them ... So, we could do that and we could quite happily go and assist them with that as their auditor because it's only going to make their systems more robust and their information more true and fair. (George, Audit Senior)

Based on George's quote above, the commercial logic in terms of giving advice to a client helped to generate the ethical logic where the information became true and fair. Thus, being an advisor and a watchdog could go along because of the complementarity of these logics.

6. Conclusion

To conclude, this chapter reports the findings regarding the impact of multiple institutional logics on the professional identities of individual auditors. Firstly, the chapter gives an overview of the extent participants identified with their professional identities. It was found that some participants felt being auditors as important to their overall sense of self whereas others tended to weakly see the significance of this identity to their self-identities as a whole. Secondly, three forms of professional identities of individual auditors found in this research are reported. These include identities of a guardian of public interests, an advisor, and a value-added watchdog. Participants constructed and maintained these three identities by resolving any threats to their identities and trying to portray their identities to the audience.

The multiple institutional logics shaped the construction of professional identities of individual auditors in that an ethical logic drove an identity of a guardian of public

interests, a commercial logic reinforced an advisor identity, and both ethical and commercial logics together contributed to a value-added watchdog identity. Interestingly, a technical logic did not deliberately lead to any form of professional identities found in this study, but rather helped to facilitate the ethical and/or commercial logics in the construction of the three identities. For example, no one has claimed to be a standards compliance officer, but by complying with accounting and auditing standards, they were more likely to protect the public and thus be a guardian of public interests. Likewise, participants did not portray themselves as being a guru, but they stated that they used their technical knowledge to advise clients and represented the advisor identity.

In the next chapter, I discuss the overall findings in relation to the literature and elaborate on the contributions of this thesis.

Chapter 7: Discussion

1. Introduction

This research studies how individual auditors negotiate, balance, and position themselves among multiple institutional logics in the auditing profession and the impact of these on their professional identities. Chapters 4 to 6 report the findings based on the interview data and drawings of participants in the study. This chapter further discusses these findings in relation to the theoretical body of existing literature elaborated in Chapter 2. Thus previous chapters are connected together to present the important contributions of this thesis based on how the findings add, confirm, or contradict the existing studies in a wide range of literature such as institutional literature, accounting and auditing literature, and identity studies (Gendron, 2002; Lok, 2010; Goodrick and Reay, 2011; Spence and Carter, 2014; McGivern et al., 2015; Smets et al., 2015; Guo, 2016; Kyratsis et al., 2017).

The structure of this chapter is as follows. Firstly, an issue regarding the impact of multiple institutional logics on the professional identities of individual auditors is discussed. Secondly, the coexistence of three institutional logics in the auditing profession is considered. Thirdly, the contradictory and complementary nature of institutional logics is examined. Fourthly, the use of participant-produced drawing in this research is discussed. All of these four points represent key contributions of this study. As with other research, this thesis also has limitations. Therefore, this chapter also presents the limitations and suggestions for future research at the end. Unless depicted in this chapter, the images of participants' drawings mentioned in this chapter can be seen in Chapters 4-6.

2. The impact of multiple institutional logics on professional identities of individual auditors

This thesis fills the gap in the auditing and accounting literature regarding the relationship between institutional logics and professional identities of individual auditors. Consistent with the literature beyond the auditing and accounting field, this thesis found that institutional logics not only provide the guided principles for appropriate behaviours and practices for individuals, but also shape their identities (Pache and Santos, 2013; Skelcher and Smith, 2015). Thus, the first contribution of this research is that it offers fresh insights into how multiple institutional logics in the auditing profession shape the construction of professional identities of individual auditors. This section discusses this first contribution by initially examining three forms of professional identities found in this research one by one. Then, the overall discussion on how these three identities add to the existing literature is presented.

2.1 Identity of a guardian of public interests

In contrast to several studies which claim the strong internalisation of commercial value in the auditing profession (Hanlon, 1996; Sweeney and McGarry, 2011; Spence and Carter, 2014; Guo, 2016), this thesis found that indeed there were participants who saw themselves as guardians of public interests. The identity of a guardian of public interests reported in this thesis showed a more distance from a commercial logic in the auditing profession. Participants in this group strongly identified with the ethical logic not only through the way they performed their work, but most importantly through the sense of who they were. Despite the emergence and growth of commercial logic in the auditing profession, these individual auditors still adhered to the old identity based on the traditional institutional logic (Bévort and Suddaby, 2016; Meyer and Hammerschmid, 2006). The distance from a commercial logic in this case thus

corresponds to Guo's (2016) argument that the institutionalised commercialism in the auditing profession can be subject to the contestation or rejection by individual auditors. When relevant, the commercial value was reframed only as a facilitating logic that helped to make auditors perform their audits better such as when client relationships helped to collect information from clients. Nevertheless, the main logic was still an ethical logic.

Consistent with Lok (2010) and Bévort and Suddaby (2016), these participants did not oppressively conform to the shifts at the macro level of institutional logics, but exercised certain level of agency when constructing their professional identity at the micro level through identity work (Sveningsson and Alvesson, 2003). In particular, by constructing their identity as guardians of public interests, they saw themselves as first and foremost protecting the public by ensuring that the accounts were true and fair. The client interests or profitability concerns hence came second in their opinions. For instance, the provision of non-audit services was acceptable only when they did not cause doubts on auditor independence or public trust:

I think as long as you do it [non-audit service] properly, it's a good thing ... but only as long as it doesn't get out of that balance with the independence ... I think what's happening is that if it's gonna, I think because of the level of debate nationally at the moment around the role of audit and independence. If it starts to mean that public don't trust, I'd rather we didn't do it ... if public trust is affected, then it's sort of, at the end of the day, that you've got to acknowledge that, haven't you? ... If it gets to the point where the public say "you know what, it's really not right", then I think that's the time to say "well, actually, you know, you need to be stricter on the rules."

And I would be happy with that. Public trust is number one. (Ubika, Audit Director)

The quote above shows that Ubika strongly valued independence and public trust more than revenue generation of non-audit services. By seeing herself as a guardian of public interests, she was able to resist any actions that would jeopardise the ethical value and thus exercised some level of agency against the commercial logic that has been institutionalised in the profession.

Moreover, the recent audit scandals in the UK extensively threatened the identity of a guardian of public interests. Individual auditors in this thesis performed their identity work to resolve this identity threat by the following ways. Firstly, they stressed that they were now working under more scrutinised regulations and improved professional standards after the audit scandals. Secondly, they distanced themselves from those who caused the audit scandals by claiming that those cases were just the small parts of the whole profession. These participants highlighted that the press only reported on the problematic cases and did not pay attention to them when they did good-quality work. Thirdly, they clarified the meaning of doing audits where only the reasonable assurance rather than absolute assurance was offered. Overall, these individual auditors engaged in identity work whereby they tried to reframe that they were still reliable auditors, although not perfect, and they were not those negligent auditors in the news. Thus, participants alleviated the identity threats by reframing who they were and who they were not (Kyratsis et al., 2017). In this way, these individual auditors could secure their professional identity of a guardian of public interests.

The construction of the identity of a guardian of public interests represented the retrospective orientation to identity construction where individual auditors primarily

relied on the old identity guided by traditional institutional logic (ethical logic) rather than embraced the new commercial logic institutionalised in the auditing profession (Bévort and Suddaby, 2016). In contrary to those participants who saw themselves as advisors, individual auditors who constructed the identity of a guardian of public interests were slower to internalise the new commercial value of the profession. Although they realised the future trend of moving into a more commercialism-oriented era where auditors might be replaced by automation, they still adhered to the traditional identity of auditors. These participants were more oriented to the past and present where they saw traditional auditing as very important to the society. For example, Fred, an Audit Assistant Manager who strongly identified as being a guardian of public interests felt that auditing was in high demand to the documented society:

I think audit is very pivotal in any documented society. The bank won't lend anybody if they don't rely on information. So, as an auditor, we make sure the bank kept lending, clients get lended [sic] to and we make sure that erm, the information they're presenting is according to erm financial reporting standard ... Auditors are feeding demand, so if there is a company being formed, they need an auditor. If their company has been dissolved, they need an auditor ... we'll be there next 100 years although they are predicting we are going to go out. Like, if the auto ... or other analytical tools are so advanced, they can check the anomalies transaction by transaction.

(Fred, Audit Assistant Manager)

According to the quote above, Fred was aware of the possibility that traditional auditing may be replaced by advanced technology. Yet, he still relied on the old identity of being a guardian of public interests rather than an advisor. In this way, Fred used

retrospective sensemaking strategy as his identity construction was mainly shaped by the old institutional logic (Bévort and Suddaby, 2016).

2.2 Identity of an advisor

Guo (2016) examines the professional identity of auditors that is projected by the powerful players in the field level namely the professional association and the large audit firms. His study partly resonates with findings in this thesis. In particular, his notion of the 'versatile expert' identity (Guo, 2016: 105) is similar to an advisor identity found in this thesis. This represents the impact of commercial logic in redefining the professional identity of individual auditors into someone who have knowledge and expertise beyond auditing and can perform more than audits (Guo, 2016). However, this thesis sees the professional identity of individual auditors from their point of view, not as the identity being projected to them from the field-level actors as in the case of Guo's (2016) research.

As the findings of this thesis showed, being able to offer non-audit services in audit firms was the key to the construction of advisor identity. Thus, consistent with Guo's (2016) study, several participants in this thesis have tried to legitimise the non-audit service provision with various justifications. This represents the identity work (Sveningsson and Alvesson, 2003) they engaged in when constructing and reconstructing their advisor identity. For instance, many participants emphasised that they had strict independence procedures in the audit firms which allowed them to offer non-audit services. Interestingly, it can be seen that participants drew from the compliance with an ethical logic in terms of being independent when performing their identity work that ultimately secured their advisory identity predominantly consistent with a commercial logic. Although the ethical logic was employed here, it acted only as a facilitating logic to the main commercial logic, given the nature of complementarity

among institutional logics. In other words, the ethical logic here was referred to as an attempt to legitimise non-audit service provision and hence advisor identity. The independence procedures may or may not actually be followed strictly in practice.

Indeed, similar to Guo's (2016) versatile expert identity, the advisor identity found in this thesis stressed the business and client focus more than the public interests. These participants did not see themselves as or were proud to be watchdogs or guardians of public interests. They preferred to view themselves and to be seen by others as business advisors. Thus, the dominance of commercial logic embraced in their identity construction was apparent.

A related issue in the construction of an advisor identity found in the data was the perceived prestige or status of auditors. Participants in this thesis performed identity work to resolve identity threats that came with certain institutional logics (Kyratsis et al., 2017). In particular, some participants felt that the image of traditional auditors portrayed a low status in the society to the extent that some of them would not introduce themselves in a social setting as auditors. The low status originated from the nature of audit work as looking at the past in order to audit historical data, not creating something new, and merely as a compliance function rather than adding value to clients. Thus, ethical and technical values were seen here as associating with low prestige.

Accordingly, participants engaged in identity work by reframing who they were, who they were not, and what they wanted to be referred to as (Kyratsis et al., 2017). For example, they were forward-looking business advisors or consultants who added value to clients' businesses and helped them grow. They were not the geeky, boring, traditional accountants who did mundane, pure compliance job. They wanted to be

referred to as business advisors who could look at business in general. The change of titles in the business cards from 'audit director' to 'business service director' represents a good example of this identity work. In this way, these participants could alleviate the identity threats of low status that technical and ethical logics brought and reconstruct their professional identity as business advisors who, in their perception, had higher status in the society.

Considering technical and ethical logics as traditional institutional logics in the auditing profession when compared to a commercial logic (Hanlon, 1996; Sweeney and McGarry, 2011; Spence and Carter, 2014; Guo, 2016), the construction of advisor identity represented an adoption of a new institutional logic. This thesis found that most participants in this group tended to use a prospective sensemaking strategy (Bérvort and Suddaby, 2016) where they constructed and reconstructed their professional identity based on a future-oriented identity of being an advisor according to the new commercial logic. They rarely identified with the old conception of being watchdogs or mundane, traditional auditors. Indeed, many of them saw the future of auditing profession as strongly characterised by innovation and commercialism where traditional auditors would be replaced by machine or other advanced technology and hence auditors needed to transform into offering advisory rather than audits. These participants proactively embraced this future trend and were willing to reconstruct their identity into advisors accordingly.

2.3 Identity of a value-added watchdog

Furthermore, this thesis also found the identity of a value-added watchdog where individual auditors felt the sense of being guardians of public interests and business advisors who added value to clients' businesses at the same time. This value-added watchdog identity drew from ethical and commercial logics equally. The

complementary nature of institutional logics was the key to the construction of this identity. As such, the value-added watchdog identity found in this thesis resonates with the form of 'hybrid identity' reported in the literature (Meyer and Hammerschmid, 2006; McGivern et al., 2015). According to McGivern et al. (2015), individuals with the hybrid identity can be classified into two types including the incidental hybrids and willing hybrids. The value-added watchdog identity in this thesis corresponds with the type of willing hybrids where individuals show a high level of hybridity and willingness to have the hybrid identity. They reflect values from both institutional logics without primarily leaning towards one logic (McGivern et al., 2015). In other words, this group of participants was willing to see themselves being both public watchdogs and business advisors at the same time without predominantly relying on either of these two identities, but rather in a form of a combined identity.

As the value-added watchdog identity was constructed from the integration of ethical and commercial logics, the successful construction and maintenance of this identity depended largely on the individuals' attempt to protect this complementarity between the two logics as well as avoid potential conflicts between them. Individual auditors in this thesis did this by ensuring the independence procedures were in place, standing their ethical ground, and managing boundaries with clients' demands. These practices were not the one-off enactment, but participants kept managing this balance from time to time in order to maintain the value-added watchdog identity. This is exemplified in a quote of Wendy below:

So, I like to make sure that the quality of the audit is really good. Erm. But, yeah, sometimes I feel that erm I'm too far, you know, making sure the standards fit and not really giving them the ser-, I really wanna make sure I look after them. But then, sometimes erm, you go the other way, and you

offer them advice. And you think “well, maybe I’m getting too familiar now”.

And you wanna make sure there’s really always a balance. (Wendy, Audit Manager)

Thus, Wendy tried to keep the balance between being a public watchdog who performed good-quality audits and a good advisor to her clients at the same time. Whenever she felt that she was ‘too far’ to either side, she would adjust her positioning and come back to the balance again. This mechanism to maintain the balance and manage the boundaries between different institutional logics is similar to Smets et al.’s (2015: 958) notion of ‘demarcating’ mechanism that individuals employ to balance the competing demands of different institutional logics. In particular, demarcating mechanism is enacted as a monitoring process to determine whether an individual has ‘sway[ed] too far’ towards a particular logic (Smets et al., 2015: 959). This balancing mechanism rebuilds the boundaries between different logics, reasserts each logic’s demand, and ultimately tries to avoid conflicts between them. Hence, demarcating mechanism helps to re-stabilise the balance between two logics (Smets et al., 2015). Nevertheless, Smets et al. (2015) see demarcating as a mechanism that avoids potential conflicts between different institutional logics by triggering the segmenting mechanism which compartmentalises the compliance of different logics into different contexts. This thesis argues that demarcating can also cause the balance between different logics where these logics are both identified at the same time, in the same context, thus creating a combined identity of a value-added watchdog. The drawing of Wendy illustrates this point well (see Figure 18, page 226). In her drawing, she was talking to a client about what she found in the audit that they needed to adjust as well as her advice for improving their business. In a single context of this meeting, Wendy

identified with both the ethical logic as a public watchdog and the commercial logic as an advisor. The resulting identity hence was a value-added watchdog.

2.4 The three identities: overall discussion

All things considered, this thesis fills the gap in the literature regarding the relationship between multiple institutional logics in the auditing profession at the macro level and the professional identity of individual auditors at the micro level. This research argues that individual auditors negotiate the interplay among technical, ethical and commercial logics, and construct their professional identities primarily based on the ethical and/or commercial logics, resulting in the identities of guardians of public interests, advisors, and value-added watchdogs. The technical logic tends to act as a facilitating logic that helps to achieve identities guided by ethical and/or commercial logics.

This thesis helps to shed more light on the impact of multiple institutional logics on identities of individuals in the accounting and auditing field. Similar studies that investigate the relationship between institutional logics and identities of accountants or auditors include Guo (2016) and Bévort and Suddaby (2016). Nevertheless, Guo (2016) refers to the identity as being projected from the field-level actors rather than from the actual construction by individual auditors themselves. Bévort and Suddaby (2016) investigate the shift of institutional logics only in a case of accountants who progress to managerial positions in a firm that goes through a restructuring process into a more corporate style. This thesis, however, studied individual auditors in the UK in general, regardless of their positions or internal firm structures.

Moreover, this thesis addresses the dilemma in the literature regarding whether an individual constructs their identity based on one dominating logic (Kyratsis et al., 2017;

Bévort and Suddaby, 2016) or combined logics in a hybrid fashion (Meyer and Hammerschmid, 2006; McGivern et al., 2015). I argue that both ways are possible and evident in this thesis. In particular, the identities of a guardian of public interests and an advisor represent the identity construction based on one main logic (an ethical logic and a commercial logic respectively) while the value-added watchdog demonstrates the hybrid fashion. This shows the viable tensions and complementarity of multiple institutional logics in the auditing profession.

Interestingly, this thesis contradicts most prior studies that report the stronger embracement of commercial logic in the large audit firms rather than medium-sized or smaller ones (Lander, Koene and Linssen, 2013; Guo, 2016). In particular, this thesis found that indeed the majority of participants with the identity of guardians of public interests work in big-four audit firms. On the other hand, many of participants in the group of advisor identity are in medium-sized and small audit firms. Findings showed two reasons behind this stratification. Firstly, several participants who work in smaller-sized audit firms tend to have clients who are not public companies. Thus, they did not really feel the public interest responsibility as their clients' businesses mostly do not have public shareholders. The public humiliation from audit scandals was also aimed more towards the high-profile cases of large, public companies. Hence, the public interest focus was more reinforced in the large audit firms. Secondly, given that smaller audit firms have fewer staff, an auditor in these firms tends to have more exposure to non-audit work although their main duty is in auditing. Those who work in the big-four audit firms usually work solely in an audit department of the firm. Therefore, the commercial logic through offering non-audit services was more prevalent to individual auditors working in smaller firms than those in large firms. Although this thesis is qualitative in nature with the small sample size and does not aim to analyse the

correlation between level of commercialism and size of the audit firm, the data found here give further insights to the existing literature. Specifically, this research provides some reasons based on empirical findings that explain why the opposite direction of commercialism can possibly occur in the auditing profession where the commercial logic is embraced more in the smaller audit firms, especially at the micro level of individual auditors.

3. The coexistence of technical, ethical, and commercial logics in the auditing profession

Although the existing literature classifies institutional logics in the auditing profession into professional and commercial logics (Gendron, 2002; Spence and Carter, 2014), this thesis explicitly breaks down the professional logic into technical and ethical logics. This helps to see the different aspects within a professional logic in which the technical logic implies the mere compliance with rules or standards or the possession of ingenious knowledge and expertise which does not necessarily mean that these practices are ethical or contributing to the public interests. For example, the findings showed that there were cases where individual auditors complied with the technical logic but distanced from the ethical logic such as when they engaged in the creative accounting. In this case, the accounting practices were technically correct according to the accounting standards, but were ethically wrong and thus led to scandals or wrongdoings as mentioned by a participant. On the other hand, some participants also identified with the ethical logic, but distanced from the technical logic. For instance, Daniel, an Audit Senior Manager, felt that auditing should be more principle-based where things make sense and are properly presented without having to rely heavily on detailed rules.

Furthermore, when there were conflicts with the commercial logic, in most cases the contradiction arose from the ethical logic, not the technical one. In other words, there were many instances where individual auditors complied with commercial and technical logics, but distanced from the ethical logic. When having a time constraint, for example, individual auditors tended to only adhere to the minimum technical requirements or take shortcuts instead of ensuring the best quality and exercising full professional scepticism. In another example, some participants talked about accommodating clients or having a sway to cave in to clients' demands as long as the mistakes were not massive. It can be seen that when having commercial pressures either by time constraints or client's demands, individual auditors primarily ensured that what they did was technically correct and were less concerned about being fully ethical. The strong emphasis on following professional rules, standards, laws, and avoiding penalties and lawsuits in the data explained why this was the case. With commercial pressures, individual auditors chose to comply with the technical logic to the extent that at least they did not face penalties or lawsuits. The ethical concerns were downplayed as long as these would not expose them to lawsuits as such.

In addition, by distinguishing technical and ethical logics, the impact of different institutional logics on the professional identities of individual auditors can also be understood better. In particular, ethical and commercial logics were more dominant than the technical logic in shaping the professional identities of individual auditors in this study. As mentioned in the previous section, the identities of guardians of public interests and advisors were primarily shaped by ethical and commercial logics respectively whereas the identity of value-added watchdogs relied on both ethical and commercial logics. The technical logic, however, only helped to facilitate the enactment of ethical or commercial logics. For example, technical knowledge and

expertise enabled individual auditors to do good-quality audits and protect the public better. Yet, in order to really be guardians of the public interests, individual auditors needed to first and foremost adhere to the ethical logic otherwise their technical knowledge and expertise might be used in other ways such as benefiting the clients rather than public stakeholders.

Therefore, although located under the same umbrella of the professional logic as treated in the literature (Gendron, 2002; Spence and Carter, 2014), the ethical and technical logics are different. Individual auditors do not necessarily react to these two logics in the same way. The roles of these two logics in shaping identities of individual auditors are also different. Indeed, many studies reveal the discrepancy between technical and ethical values in the auditing profession such as when auditors create ingenious tax avoidance schemes or help clients to find loopholes in the accounting standards (Sikka and Willmott, 2013; Zeff, 2003b). These practices show that merely complying with the written rules or having ingenious technical knowledge and expertise does not necessarily guarantee the ethics or morality of auditors.

Nevertheless, these studies in the literature do not employ the institutional logic lens to distinguish the technical and ethical values into two institutional logics. Considering the definition of institutional logics as 'the socially constructed, historical pattern of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality' (Thornton and Ocasio, 1999: 804), this thesis claims the technical and ethical logics as two separate institutional logics that represent different values and assumptions at the macro-level guiding different sets of appropriate behaviours of organisations and individuals at the micro-level.

Furthermore, it is important to note that as originated from the professional logic (Gendron, 2002; Spence and Carter, 2014), technical and ethical logics in this thesis are concerned with the values, assumptions and guiding principles in the professional domain. Being independent and exercising professional scepticism, for example, are considered here as ethical in the professional context of auditors. The ethical logic here may not be applicable to other contexts such as community where reciprocity and trust are prioritised (Smets et al., 2015). In other words, the institution underlying technical and ethical logics proposed in this thesis is the profession rather than other domains such as community or family (Smets et al., 2015; Bhappu, 2000). Thus, the separation of technical and ethical logics underneath the professional logic in this thesis represents an empirical contribution specifically to the professional field of auditing and accounting.

Moreover, this thesis also found the coexistence of technical, ethical, and commercial logics with the more subtle dominance of commercial logic than the way existing research generally portrays. For example, previous studies argue that audit firms compete fiercely for 'the aggressive pursuit of profit' at almost any cost (Zeff, 2003a: 202; Sikka, 2015). Ethical and technical values such as public interests, auditor independence and technical expertise are downplayed (Hanlon, 1996; Caramanis, 1998; Sweeney and McGarry, 2011; Spence and Carter, 2014). Some scholars even see the increasing commercialism as making the auditing profession become deprofessionalising or losing a sense of being a profession (Fogarty, 2014). Although this thesis also found an extent of increase in the commercial logic from the past, the degree of dominance was not as strong as depicted in the literature. For example, Orlando, who has been in an auditing profession for 37 years recalled his experience of seeing audit firms expanding into offering a lot of non-audit services:

The way these [audit] firms developed ... when I started, the firm I was in was mostly audit with some tax and some, a little bit of corporate finance, but over the years, the consulting and the tax advice and the corporate finance businesses grew very fast. Erm. And you know, got to be much bigger than the audit part of the business. (Orlando, Audit Director)

The non-audit service expansion corresponds with a commercial logic. Thus, this quote shows the increasing strength of a commercial logic from the past. Nevertheless, this thesis also found that technical and ethical logics are still important in the auditing profession as experienced by participants, especially with the issues of chartered accountancy qualification, technical knowledge, the compliance with professional standards, auditor independence, public interests, and integrity. These aspects are not downplayed or dominated by the growth of commercial logic to the extent stated in the previous research (Zeff, 2003a; Sikka, 2015; Spence and Carter, 2014; Hanlon, 1996; Caramanis, 1998; Sweeney and McGarry, 2011; Fogarty, 2014). Some participants even saw the auditing profession as being more regulated or scrutinised than in the past. For instance, despite seeing the non-audit service expansion mentioned previously, Orlando also saw the auditing profession as becoming more robust and regulated:

The profession has got a lot more robust erm I think ... we are much more risk-averse which is right, you know, but the same time, the penalties for getting it wrong are higher ... there's more internal quality control review. There's a lot more external quality control review by regulators ... the pressures on auditors now to do, to get the quality right are, I would say, much higher than the pressures of trying to keep the client. (Orlando, Audit Director)

The above quote demonstrates the stronger value of the technical logic than in the past with more reviews from regulators and heightened penalties to enforce the rules. It also shows an increase in the ethical logic where auditors are not easily swayed by clients. Most importantly, this thesis found that there were many participants who saw themselves as guardians of public interests or value-added watchdogs. This means that the ethical logic is still significant in the auditing profession. Although this research did not quantitatively measure the specific degree of existence for each institutional logic in comparison with one another, the findings here suggested that a commercial logic does not starkly dominate over other logics as reported rather adversely in the literature (Zeff, 2003a; Sikka, 2015; Spence and Carter, 2014; Hanlon, 1996; Caramanis, 1998; Sweeney and McGarry, 2011; Fogarty, 2014).

All in all, the second contribution of this thesis is the classification of multiple institutional logics in an auditing profession into technical, ethical, and commercial logics whereby technical and ethical logics under the umbrella of the professional logic (Gendron, 2002; Spence and Carter, 2014) are clearly distinguished. To date, this is the first research in the accounting and auditing field that explicitly breaks down the two values under the professional logic into two separate institutional logics rather than simply acknowledging their differences (Sikka and Willmott, 2013; Zeff, 2003b). By classifying multiple institutional logics in this way, I offer clearer, more nuanced insights into how individual auditors respond to, negotiate, and position themselves among different institutional logics or macro-level values in their profession as well as how these multiple logics shape their professional identities.

4. The contradictory and complementary nature of institutional logics

Despite the prevalent assumption in the auditing and accounting literature that usually sees institutional logics as contradictory and competing (Gendron, 2002; Spence and

Carter, 2014; Sweeney and McGarry, 2011), this thesis found that the relationships among these logics can also be complementary. In particular, both tensions and complementarity of institutional logics in the auditing profession were reported in this research.

Similar to the existing literature, when facing with tensions from contradictory institutional logics, participants in this research negotiated by identifying with one logic and distancing from the other logic (Pache and Santos, 2013; Kosmala and Herrbach, 2006; Spence and Carter, 2014). This thesis found that tensions could exist in every pair of the three institutional logics. Consistent with previous studies, participants had to sacrifice one logic for another logic as they experienced the win-lose relationships among these logics where the strength in one logic came with the compromise of another logic (Goodrick and Reay, 2011). The current study found that some participants may embrace the technical logic where they valued the compliance with rules or standards and technical expertise. Some may adhere to the ethical logic in which the integrity, objectivity, and independence were prevailed. Others may comply with the commercial logic where efficiency, meeting deadlines, profitability, and serving clients were prioritised over other concerns.

Findings also showed that in many cases, tensions occurred from the fundamental conflict in the auditing profession where an audit firm's revenue is paid by audit clients. This point resonates with previous research in auditing which argues that the high level of income audit firms receive from their audit clients can cause the conflict of interests to their statutory audit role (Sikka, 2009). As such, several participants had to choose between whether they would adhere to strong ethical value and then lose the clients, or compromise their ethics and then keep the clients. The technical logic tended to be complied with in this case due to the fear of penalties or lawsuits.

Moreover, this thesis also found that individual auditors tended to compartmentalise their identification with different institutional logics in different contexts (Pache and Santos, 2013; Smets et al., 2015; Goodrick and Reay, 2011). In particular, many participants identified more with the commercial logic during busy seasons. Several individual auditors in this study talked about the importance of meeting deadlines to the extent that they may even take shortcuts, rush their work, and compromise audit quality or professional scepticism when they were very busy. Therefore, the busy periods were the context in which the commercial logic was strongly enacted. Although previous research argues that segmentation of different logics may happen across different places as well (Smets et al., 2015), the present research found that time was a more apparent dimension than place for individual auditors to compartmentalise their identification with different logics. For example, when working at the client's site, individual auditors needed to build good relationships with clients, but they still had to remain independent from clients as well. The maintenance of client relationships continued even when auditors returned to their audit firms. For instance, they needed to keep clients in their loops and communicate with these clients regularly through phones or emails. In this way, the compliance with commercial logic was not based on the locations of individual auditors.

In addition to the tensions among contradictory institutional logics, this research also found that relationships among institutional logics can be complementary as well. This corresponds with existing literature which argues that win-win relationships among institutional logics can occur. In this case, one logic's strength does not necessarily lead to a decrease in another logic (Goodrick and Reay, 2011; Pache and Santos, 2013; Smets et al., 2015). Previous studies distinguish two types of complementarity including when one logic promotes the enactment of another logic; and when multiple

logics are identified at the same time without any logic leading to another logic (Smets et al., 2015; Goodrick and Reay, 2011). This thesis breaks down the first type of complementarity in the literature into two categories namely the facilitating nature and the by-product nature. By classifying in this way, the dynamic of how each institutional logic complements the other can be understood better. In particular, the facilitating nature reflects the intentional outcome of the complementarity enacted by individual auditors. For example, an individual auditor used a good client relationship to persuade a client to adjust the account to comply with the accounting standard. In this case, the outcome of the complementarity which was the compliance with accounting standard was intentional. The individual auditor complied with the commercial logic (a good client relationship) with the aim to identify with the technical logic (the account being technically correct according to the accounting standard). In this way, this thesis supports Bévort and Suddaby's (2016) argument that individuals have a certain level of agency in relation to institutional logics. Thus, they can actively and intentionally choose to comply with one logic in order to facilitate the identification of another logic.

The by-product nature of complementarity represents another dynamic where the identification of one institutional logic unintentionally results in the compliance with another logic. For instance, the staff rotation policy that was intended mainly to promote auditor independence from clients led to the broader knowledge of auditors from seeing different clients' businesses. Unlike the previous example of the facilitating nature, an individual auditor in this case did not merely identify with the ethical logic (being independent from clients) in order to eventually comply with the technical logic (having broader knowledge). Instead, the compliance with a technical logic was just a by-product that occurred from this staff rotation. Thus, by classifying into the facilitating and by-product nature, this thesis adds the dimension regarding the intentionality of

individuals to the existing literature (Smets et al., 2015; Goodrick and Reay, 2011) and provides better understanding of how individuals negotiate the complementary institutional logics.

As intentionality of individuals is subjective, the classification into the facilitating nature and by-product nature depends on a case-by-case basis. A facilitating nature for one person may be seen as a by-product nature for another person. The previous example about staff rotation, for instance, was treated as a by-product nature to the extent that the participant valued the auditor independence that helped to prevent the conflict of interest with clients more than having the broader knowledge from seeing different clients. Hence, the knowledge gained was seen only as a by-product. If another person feels that enhancing the knowledge is more important than being free from conflict of interest, the nature of complementarity here would be classified as a facilitating nature because in this case the independence policy of staff rotation is used as a means to reach the end goal of broadening the knowledge. When classifying in this thesis, I determined the intentionality of participants from the details and contexts in their quotes in a case-by-case basis. This corresponds with the interpretivist, social constructionism tradition of this research where participants socially construct their reality and researchers need to understand the participants' social world from the participants' point of view (Berger and Luckmann, 1966; Schwandt, 1994).

Both facilitating and by-product types of complementarity of institutional logics show that when facing multiple institutional logics, individual auditors do not have to sacrifice one logic for another logic (Kosmala and Herrbach, 2006; Spence and Carter, 2014). Instead, their identification with one logic leads to the compliance with another logic. The findings in this thesis illustrated many possible ways this can be achieved in practice. For example, the previously mentioned tension from ethical and commercial

logics where the fear of losing clients may make individual auditors compromise their ethics to please clients represents the contradictory relationships among institutional logics or the conflict of interest typically referred to in the auditing profession (Sikka, 2009). However, the opposite perspective was also found in this thesis. For instance, Wendy, an Audit Manager, felt that by keeping a stance and not being swayed, auditors can earn more respect from the clients. In this way, the commercial logic (respect from clients) complemented the ethical logic (keeping an ethical stance) in a by-product fashion. By adhering to her ethical stance, Wendy did not lose a client. Instead, she additionally received appreciation and respect from them.

Another apparent example of complementary institutional logics is the significance of good client relationships for the sake of doing a good audit itself. Several participants talked about being able to collect information from clients by having good client relationships. Ubika, an Audit Director, for example, stressed how being friendly and non-adversarial to clients helped her to understand the risks in their businesses. In this way, good client relationships helped individual auditors to plan a better audit focusing on the risky areas. The results were the good-quality audits that were both technically robust and ethically beneficial for the public interests. This represents the complementarity of institutional logics where the commercial logic acted as a facilitating logic to promote the main technical and ethical logics. Thus, in contrast to the argument by certain scholars (Moore et al., 2006) who see relationships between auditors and their clients as contributing to adverse outcomes such as jeopardising auditor independence and audit quality, this thesis offers another perspective where client relationships can be advantageous and lead to good-quality audits, given that individual auditors remain independent and use client relationships in the right way.

Hence, the complementarity among institutional logics can be employed as a theoretical lens to explore this possible benefit of client relationships in practice.

The third type of complementarity of institutional logics reported in this thesis is the stand-alone nature where individuals identify with multiple logics at the same time without any logic leading to another logic. This resonates with Goodrick and Reay's (2011: 403) 'additive' relationship among institutional logics. This type of complementarity reflects the expanding demands that individuals have to meet in order to identify with multiple institutional logics at the same time because the embracement of one logic does not automatically result in the compliance with another logic (Goodrick and Reay, 2011). In many cases, these different demands can be contradictory. For example, being technically correct and efficient can be seen as two competing demands for individual auditors because the more time spent to make sure accounts are technically correct means the less efficient the audit work becomes. Nevertheless, this thesis found that several participants also felt that it was possible for these two goals to be achieved simultaneously. This represents the stand-alone nature of complementarity between technical and commercial logics where neither one of them led to another.

Altogether, these three types of complementarity of institutional logics offer theoretical contributions to the institutional literature by showing three different ways that multiple institutional logics can complement one another. Most scholars see institutional logics as inherently contradictory with the exception of a few prior studies that mention the complementary nature (Goodrick and Reay, 2011; Pache and Santos, 2013; Smets et al., 2015). Yet, the existing literature on complementarity of institutional logics is rather limited and does not take into account the intentionality of individuals in relation to these complementary logics to distinguish the main logic from the facilitating or by-

product logics as this thesis does. Thus, this research provides more nuanced understanding of the complementary institutional logics, especially from the perspective of individuals.

Furthermore, this thesis also reports the mechanisms that participants employed to promote complementarity and avoid conflicts among institutional logics. For instance, the discussion of bad news such as contingent liabilities with clients may possibly be very difficult as this may upset clients. In this case, participants talked about using tact and diplomacy to carefully discuss the issue with the clients and persuade them to correct the accounts without being too blunt. As Cesar, an Audit Partner, mentioned, the tact and diplomacy employed here represented a 'skill' of auditors. An auditor without this skill may directly argue with the client and cannot persuade them to adjust the accounts, resulting in the tension between technical and commercial logics. The mechanism of using tact and diplomacy thus helps to ensure that auditors can follow accounting standards and do not lose clients, whereby promote the complementarity between technical and commercial logics.

In another example, participants referred to the mechanism of choosing the right clients and avoiding the potentially problematic ones. For example, Orlando, an Audit Director, talked about how he was willing to lose the clients that would put pressures on auditors. In this way, the potential tensions between ethical and commercial logics where individual auditors might be pressured to compromise their ethical stance to satisfy clients were minimised. All the mechanisms reported in this thesis show that at the micro-level, individuals may experience contradiction or complementarity of multiple institutional logics differently depending on how they approach these logics. In the similar situation, one individual may employ such mechanism and thus experiences more complementarity among multiple logics than another individual who

does not use that mechanism. Again, this confirms the argument that individuals are not merely oppressed by institutional logics, but rather have some agency to respond to these logics (Bévort and Suddaby, 2016).

Regarding the auditing and accounting context, this thesis challenges the predominant assumption in this field which sees institutional logics as inherently contradictory (Gendron, 2002; Spence and Carter, 2014; Sweeney and McGarry, 2011). This thesis shows that many types of complementarity can occur among multiple institutional logics in the auditing profession. Ultimately, individual auditors do not have to choose to comply with technical, ethical, or commercial logics; or compartmentalise their identification with these logics in different contexts. Instead, individual auditors can simply identify with more than one logic at the same time. The implication of this is that a commercial logic in the auditing profession does not necessarily always represent negative, adverse outcomes as typically portrayed in the literature (Fogarty, 2014; Hanlon, 1996; Sweeney and McGarry, 2011; Sikka, 2015). The complementary nature of technical, ethical, and commercial logics means that the commercial logic may indeed contribute to the strength in ethical and technical logics. Thus, the focus for auditors is not in decreasing or eliminating commercialism in the auditing profession, but rather to balance and utilise it in a way that technical and ethical values of the profession can also be realised. The three types of complementarity as well as the mechanisms to promote complementarity found in this thesis can be a good starting point for this realisation. This thesis therefore offers theoretical and empirical contributions to the field of accounting and auditing.

To sum up, the third contribution of this thesis is showing that relationships among multiple institutional logics in the auditing profession can be complementary as well. This adds to the institutional literature, especially in the accounting and auditing field

which tends to see institutional logics as inherently contradictory (Gendron, 2002; Spence and Carter, 2014; Sweeney and McGarry, 2011). I also contribute to the literature regarding complementary institutional logics (Smets et al., 2015; Goodrick and Reay, 2011) whereby the complementarity among logics is further classified here into three types: facilitating, by-product, and stand-alone nature, which clearly represent the dimension of intentionality of individuals as well as the different levels of importance of multiple institutional logics to them.

5. The methodological contribution of participant-produced drawing

Finally, this thesis also has the methodological contribution regarding the use of participant-produced drawing (Kearney and Hyle, 2004) in studying institutional logics and identities of individuals. Although some prior studies have employed the visual method in researching institutional logics, they only use pre-existing photographs or images such as from company reports (Hollerer et al., 2013), newspapers (Larsen and Dejgaard, 2013), websites (Delmestri, Oberg and Drori, 2015), and television broadcasts (Southall et al., 2008). This thesis argues that the use of participant-produced drawing helps to understand institutional logics from the perspective of the individuals at the micro level regarding how these logics affect them. This gives the opportunity for participants to construct the pictures and express their own feelings and opinions to the researcher more than the use of pre-existing images from media or company documents which tend to illustrate institutional logics at the organisational or institutional levels (Southall et al., 2008; Hollerer et al., 2013; Larsen and Dejgaard, 2013; Delmestri, Oberg and Drori, 2015).

Many scholars have used participant-produced drawing in researching identities (Yedidia, 2005; Cross, Kabel and Lysack, 2006; Leitch, 2006; Bagnoli, 2009; Clarke and Holt, 2017). Nevertheless, no prior research has studied identities of individuals

as embedded in the context of multiple institutional logics. This thesis found that the relationships between institutional logics at the macro level and identities of individuals at the micro level can be expressed and captured well in the drawing. In particular, participants' visualisations of 'being an auditor' usually contain images that reflect values characterising institutional logics in the auditing profession. For example, Sabrina, an Audit Assistant Manager, drew a picture of herself literally in the middle of different things around her, many of which strongly correspond to institutional logics in the auditing profession (see Figure 13, page 121). Sabrina drew pictures of a laptop with financial statements, police handcuffs, and Dollar signs to represent the technical work with attentiveness to details, a duty to protect the society from financial crimes, and the monetary reward, which in turn, reflect the technical, ethical, and commercial logics respectively.

In another example, Ian, an Audit Partner, drew a picture of himself labelling as 'Mr Integrity', thinking how he can help and challenge the client at the same time (see Figure 8, page 112). In this example, Ian's sense of self derived from the ethical logic of being 'Mr Integrity'. Yet, he still tried to balance this ethical logic with the commercial logic of helping the client. These two examples show that the participant-produced drawing can help to illustrate the impact of institutional logics on individuals and their professional identities.

I tried to remain the flexibility in the drawing activity where participants were free to draw anything in any styles to answer the question regarding what being an auditor meant to them. This helped to empower participants and enable me to understand identities and related institutional logics from the perspective of participants (Bagnoli, 2009; Ward and Shortt, 2012; Guillemin and Drew, 2010). As a result, participants presented the drawings in various ways such as through descriptive illustration,

metaphorical pictures, historical trajectory, and relational maps. Firstly, some participants drew descriptive pictures with literal meanings. For instance, Ubika, an Audit Director, drew many buildings and places representing her office and her clients' organisations (see Figure 16, page 155). These pictures, along with the words written in the middle 'public trust and assurance' prompted Ubika to discuss further about her duty to the public. Thus, although merely descriptive, these pictures helped to stimulate further discussion in the interviews that addressed the topic under study (Ward and Shortt, 2012; Kearney and Hyle, 2004; Pain, 2012).

Secondly, many participants drew pictures in terms of metaphors. Consistent with the literature, drawing can help to understand identities through the use of metaphors (Clarke and Holt, 2017). For example, Kenneth's picture of a bird overseeing the world (see Figure 12, page 119) and Judy's visualisation of herself wearing a police uniform (see Figure 7, page 110) both reflect the identity of a guardian of public interests. On the other hand, Titus's drawing of little hands between himself and a circle of clients represent the advisor identity where he enjoyed giving advice to help improve clients' businesses (see Figure 9, page 114). Apart from the issue of identities, this thesis also found that metaphors in the drawing can also communicate the point about institutional logics as perceived by participants. For instance, many participants drew pictures of a graduation hat, a pair of scales, and a symbol of monetary currency or coins. According to participants, these metaphors represent a chartered accountancy qualification, truth and fairness, and monetary rewards, which express the technical, ethical, and commercial logics respectively.

Thirdly, one participant drew a picture of historical trajectory. This participant is Noel, an Audit Supervisor, who presented a timeline of his auditing career where he came into the profession, had social life, worked and studied towards the ACA qualification,

then passed the exam and headed for the exit (see Figure 3, page 104). As timelines help to indicate the important incidents in participants' lives (Bagnoli, 2009), Noel's picture shows that apart from social and work aspects, obtaining the ACA qualification was very significant to him to the extent that as soon as he qualifies, he will leave the profession straight away. Noel's timeline not only reflects the importance of a technical logic through a chartered accountancy qualification, but also illustrates the temporary sense of professional identity to himself. In other words, his professional identity was not very important to his overall identity as he intended to resign from being an auditor in the near future.

Fourthly, some participants created relational maps illustrating the relationships between themselves and other stakeholders in the auditing profession. For example, Cesar, an Audit Partner, drew a complex relational map depicting the interactions among different parties involved in the auditing process including the audit staff in an audit firm, the venture capitalist, the client's board of directors, the shareholders, the client's parent company, the bank, as well as the regulators and professional bodies both from the UK and international levels who determine the rules and continuing professional development (CPD):

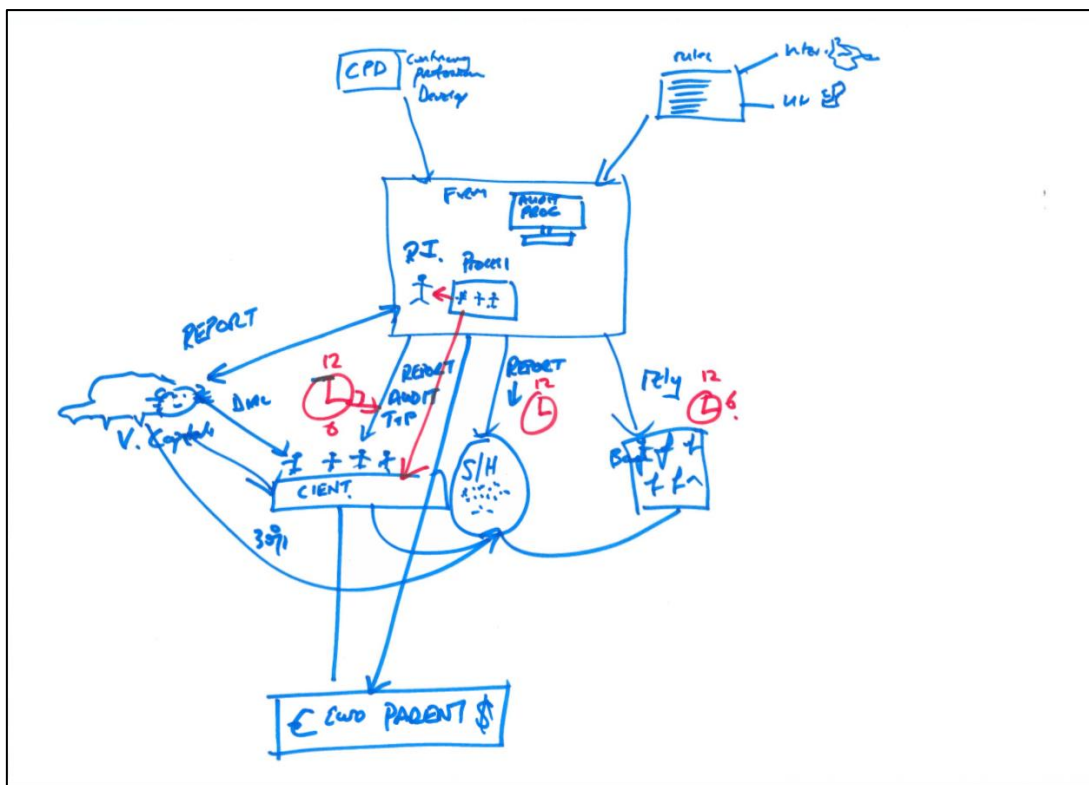


Figure 19 Cesar's drawing

So, erm, here's a stick person to start with and that's me ... with erm lots of others ... lots of rules ... I've got, erm, what I call CPD which is, erm Continuing Professional Education, Development actually ... from erm, international, and they come from the UK ... On the back of that, I've got erm, who I report to really. So, first of all, I've got a Board of Directors who I have to negotiate with and discuss accounts ... I also have, erm their shareholders ... banks ... Now these are all inter-connected, and sometimes there might be erm, a big fat cat ... And a big fat cat is actually a venture capitalist ... So, they've injected money into here, and I have two-way relationships, more so with them ... I am an RI, Responsible Individual, so I have to sign off the accounts, okay? So, my process for them is audit, true and fair view if you like ... I also report to the shareholders because they're the one who your audit report is addressed to and obviously they

rely on me to do a decent job, okay? ... so, I have to deal with them, them, them and them. And then on the back of that, some of these clients are erm, are just Euros ... that's a Euro, erm parent companies ... So, as an auditor I've got to co-ordinate all of this and then the most critical thing between here ... So, I have to worry about time. (Cesar, Audit Partner)

Similar to the literature, relational maps illustrate the relationships participants have with people whom they consider as important in their lives (Bagnoli, 2009). Cesar's drawing above thus gives an overview of the interrelationships he had with important stakeholders in his professional life as an auditor. It can be seen that the impact of different institutional logics on Cesar were also reflected when he discussed this relational map. For instance, the technical logic was referred to when he talked about having to follow the professional rules and continuing professional development. The ethical logic was evident when he mentioned the true and fair view of the audit report and that shareholders relied on him to do a decent job. The commercial logic was presented through the importance of time and deadlines. The relational map is a good example of how drawing can provide a holistic view of the topic under study (Bagnoli, 2009). In this case, the complicated relationships among different parties as well as the enactment of multiple institutional logics are illustrated in a single picture through Cesar's relational map. It is interesting to see that Cesar also used a metaphorical illustration of a 'big fat cat' here to represent the venture capitalist and their importance in the client's organisation. Thus, participants may employ different types of illustration in one drawing.

Moreover, it is crucial to note that drawing is not in isolation. The interpretation of the pictures cannot be done without the discussion of meanings by participants themselves. In this way, the visual method of drawing complements the verbal

interview (Varga-Atkins and O'Brien, 2009). Some participants drew pictures with tiny visual details that indeed carry important meanings. These small but meaningful details may easily be omitted if there is no discussion from the participants. For example, Yuna, an Audit Manager, drew a picture of an auditor in a suit and tie, standing and carrying a bag (see Figure 11, page 117). However, when discussing, Yuna explained the very tiny details in the picture such as the three small hairs on the head of the auditor and the mouth showing no smile. She elaborated further that the hair loss and unhappy face were from the high level of stress that auditors generally experienced due to the long hours of working. This reflects the impact of commercial logic on an individual auditor where they had to work so hard to meet deadlines. Hence, this example shows that it is very important to ask participants to discuss the drawings and explain their meanings. Participants' discussion of the drawings not only provides the exact meanings that participants wish to communicate, but also gives more depth to the interview data and enables a researcher to understand the participants' socially constructed reality from their point of view (Schwandt, 1994; Berger and Luckmann, 1966).

Furthermore, this thesis found that the visual method of participant-produced drawing also helped to elicit data about the shifting institutional logics in the auditing profession and the changing professional identities of auditors through time. This was achieved by asking the question that if participants had drawn this picture in the past such as when they started their career, would it have been the same picture with this drawing? This question was very effective especially with the participants with long experience in auditing. The drawing method added to the standard interviews by trying to encourage participants to reflect on the transformation of the auditing profession as well as the professional identity from their own perspective. In other words, instead of

merely asking 'how do you see the auditing profession and being an auditor as changing from the past to the present?', the link back to participants' own drawings helped them to relate to their own experiences and identities better. For instance, Wendy, an Audit Manager was initially asked without referring to her drawing whether she thought an auditing profession has changed from the past to the present. Interestingly, she only talked about the technical aspect of the audit testing where in the past, there was less technology to help. Then, I linked back to her drawing (see Figure 18, page 226), asking if she had the opportunity to draw this picture when she started her career, whether it would have been the same with this one. From this question, Wendy began talking about how she felt the interaction with the client, which she drew in the picture, was not really there in the past. This shows the changing dynamic of the auditing profession through time where the commercial logic has been more embraced and the auditors, such as Wendy, have shifted towards being more of the value-added watchdogs rather than purely traditional auditors.

Consequently, this thesis argues that the use of drawing can be very advantageous to bring out the 'voice' (Guillemin and Drew, 2010: 177) of participants into the interviews. Thus, the drawing not only empowers participants (Pain, 2012; Guillemin and Drew, 2010; Bagnoli, 2009), but can also encourage them to construct their answers to the later questions in the interview through their own point of view and sense of self. This fits well with the purpose of this thesis where the impact of institutional logics on identities is investigated from the perspective of the individual auditors rather than, for example, from the projected identities by the field-level players (Guo, 2016).

To sum up, the fourth contribution of this thesis is the methodological contribution of using participant-produced drawing to study the relationship between the macro-level institutional logics and the micro-level identities of individuals. To the best of my

knowledge, this is the first study that employed this visual method for researching identities of individuals as embedded in the context of multiple institutional logics. I argue that the use of participant-produced drawing with a semi-structured interview can help participants to conceptualise, reflect, and discuss more about the relatively abstract notions of identities and institutional logics from their own perspective.

6. Limitations and suggestions for future research

The previous sections in this chapter discuss various contributions of this thesis. However, this research is not without limitations. This part of the chapter examines the limitations of this study and suggests the directions for future research accordingly.

To begin with, this research is based on a small sample size of 27 participants. Therefore, it is questionable whether the findings from this thesis can be generalised. Nevertheless, as with the nature of the qualitative research, the main focus is not on generalisation (Creswell, 2014). The sample size here was determined based on the point where data saturation has been reached instead of the intent to generalise (Saunders, Lewis and Thornhill, 2012; Creswell, 2014). As such, this research aims more towards providing the rich, in-depth understanding of how multiple institutional logics affect individual auditors and their professional identity construction. This corresponds with Creswell's (2014: 204) argument that 'particularity rather than generalisability is the hallmark of good qualitative research'.

Future research may investigate the level of generalisation of the findings in this research in a larger sample. For example, scholars may use a quantitative approach with questionnaire surveys to find the comparative proportions of individual auditors who identify themselves as being guardians of public interests, advisors, and value-

added watchdogs, as well as the correlation of having these identities and working in different sizes of audit firms.

Secondly, this thesis only studies the auditing profession in the UK. It is interesting to see whether the results here are applicable to other countries. Given the growth in globalisation and expansion of the big-four audit firms from the West to the rest of the world (Spence and Carter, 2014; Zeff, 2003b), it is possible that the nature and dynamic of the auditing profession in the UK may resemble those in other countries. Nevertheless, each country may have its own traditions, cultures, and values which may affect the balance among technical, ethical, and commercial logics differently. For instance, Parboteeah et al. (2005) find that the divergence in national culture results in the difference in ethical climates between American and Japanese accounting firms. Consequently, it would be beneficial for future research to study the impact of multiple institutional logics on the individuals and their professional identities in the context of other countries, especially those in the East which tend to be culturally different from the UK.

Thirdly, this study only focuses on the auditing profession. It is doubtful whether the results can be applied in other professions or occupations. The institutional logics as well as central conflicts among them may be different in other industries. For example, while auditors need to balance between the fiduciary responsibility and commercial goals, architects experience the tension between aesthetic versus technological aspects of constructions (Thornton, Jones and Kury, 2005). Hence, future studies may investigate the impact of institutional logics on identities of individuals in other professions. In particular, it would be useful to examine whether the fundamental nature of institutional logics in other contexts is similar to the auditing profession in that they can be contradictory or complementary. How the individuals negotiate these

contradictory or complementary logics in other industries? Do they use similar mechanisms when negotiating these logics as individual auditors in this thesis did? Are the construction and reconstruction of identities in relation to institutional logics similar to or different from those in the auditing context? All of these are available questions that scholars can address in future studies.

Finally, the results in this thesis may also not be generalisable across time, even within the context of auditing profession in the UK. Coincidentally, the data collection of this research started in December 2017 which was near the time when Carillion, a large company in the UK, collapsed. This debacle along with other recent audit scandals undoubtedly were discussed by participants in this research. Thus, this may have the influence towards to findings of the research, especially regarding the impact of ethical logic on individual auditors. Nevertheless, the findings showed that even with the press and society watching auditors closely, there were indeed several participants who identified with being advisors with the focus on client interests rather than public interests. Future research may repeat this study in the different time period such as when there is no audit scandal reported in the press. This would help to investigate whether the incidents or scandals in the profession affect how individual auditors respond to multiple institutional logics.

7. Conclusion

To conclude, this chapter discusses the findings of this thesis vis-à-vis the existing literature. I argue that this research contributes to the current knowledge in many ways. Firstly, this thesis found the impact of multiple institutional logics in the auditing profession, namely the technical, ethical, and commercial logics, on the professional identities of auditors whereby the identities of guardians of public interests, advisors, and value-added watchdogs were constructed. This chapter elaborates on various

forms of identity work (Sveningsson and Alvesson, 2003) that individual auditors performed to construct and reconstruct their professional identities in relation to the multiple institutional logics. Secondly, this research explicitly breaks down the professional logic in the auditing profession (Gendron, 2002; Spence and Carter, 2014) into technical and ethical logics. Findings showed the distinct nature of these two logics as well as the different roles these two logics played in identity construction of individual auditors. In particular, the ethical logic was more important than the technical logic in shaping the professional identities of individual auditors. This thesis also found the lesser extent of domination of commercial logic over other logics than being portrayed in the literature (Zeff, 2003a; Sikka, 2015; Spence and Carter, 2014; Hanlon, 1996; Fogarty, 2014).

Thirdly, this research discovered that the nature of institutional logics in the auditing profession can be contradictory or complementary. This adds to the research in this field which only considers tensions among these logics in the auditing profession (Gendron, 2002; Spence and Carter, 2014; Sweeney and McGarry, 2011). This thesis also further distinguishes the type of complementarity of institutional logics into three categories, namely the facilitating, by-product, and stand-alone nature. The differentiation of facilitating from by-product types here adds to the literature the dimension of intentionality of individuals in negotiating multiple institutional logics, whether they intentionally expect the resulting logic or whether such logic only emerges as a by-product from another logic. This study also offers the mechanisms that individual auditors can employ to enhance complementarity and minimise conflicts among institutional logics.

The first three contributions mentioned above are in the forms of theoretical and empirical contributions where this thesis adds to the existing literature and practical

field of auditing and accounting. Fourthly, this research also has the methodological contribution regarding the use of participant-produced drawing (Kearney and Hyle, 2004) in researching the impact of institutional logics on identities of individuals. This research found many different ways of illustration that participants used including the descriptive illustration, metaphorical pictures, historical trajectory, and relational maps. The impact of multiple institutional logics on individuals was seen in all these types of illustration. I argue that the visual method of participant-produced drawing particularly helps to empower the participants and encourage them to construct their answers from their own perspective, which is advantageous to the study of institutional logics and identities at the micro level of individuals.

This chapter also presents the limitations of the current research regarding the ability to generalise in a quantitative way and across different scenarios including the contexts of other countries, industries, and time where incidents in the auditing profession are different such as the period without audit scandals. These limitations trigger the directions for future research to study the similar topic of how institutional logics affect individuals and their professional identities, but in different contexts. These future studies will help to broaden the understanding of the relationship between institutional logics and identities better.

This thesis ends in the next chapter which concludes the overall research and gives final remarks of this study accordingly.

Chapter 8: Conclusion

1. Back to the beginning: research framing

Four years ago, my PhD journey set off to study the multiplicity experienced in the identity construction of individuals. My exposure to the institutional theory made me understand that this sense of plurality largely arises from the multiple institutional logics (Thornton and Ocasio, 1999) or macro-level values, principles, or assumptions that guide appropriate behaviours and actions of individuals. With an educational background in accounting and auditing, I was inspired to explore how individual auditors construct their professional identities vis-à-vis the multiple institutional logics in the auditing profession.

Identity is a very broad issue and can be studied through different strands of scholarship. I conducted this research from an interpretivist approach to identity studies where identity is not fixed or restricted, but rather is continually constructed, reconstructed, negotiated, maintained, and revised through identity work as individuals interact with other people in the society (Sveningsson and Alvesson, 2003; Alvesson, Ashcraft and Thomas, 2008; Corlett et al., 2017). Hence, the professional identities of individual auditors are subject to changes. As such, the transformation at the field level of institutional logics can affect the identities of individual auditors at the micro-level. Despite calls for more research, most scholars primarily focus on the macro-level of institution or organisation and leave the individual level of analysis generally unaddressed (Hallett and Ventresca, 2006; Pache and Santos, 2013; Smets et al., 2015; Bévort and Suddaby, 2016). Thus, I filled this gap by investigating how the multiple institutional logics in the auditing profession affect individual auditors and their construction of professional identities.

When reviewing prior studies in the auditing and accounting field, I found that the categorisation of institutional logics into professional and commercial logics in the literature (Gendron, 2002; Spence and Carter, 2014) tends to be rather too broad to reflect the distinct values in the auditing profession. In particular, the technical and ethical values residing under the umbrella of professional logic made me question whether these could be broken down into two separate institutional logics. This is because being technically correct is not necessarily the same as being ethically right (Zeff, 2003b; Sikka and Willmott, 2013). Therefore, when framing my research, I divided institutional logics in the auditing profession into three logics: technical, ethical, and commercial. The technical logic focuses on the compliance with professional and legal rules and regulations as well as having specialised knowledge and technical expertise. The ethical logic is concerned with the contribution to public interests, integrity, morality, professional autonomy, and auditor independence. The commercial logic emphasises the revenue generation, expansion of services, profitability, serving the clients, and personal remuneration (Gendron, 2002; Spence and Carter, 2014). Prior research shows the growing dominance of commercial logic since the mid-1960s from various factors including the national deregulation and liberalisation policies, globalisation, business growth and competition, and the weakening power of the accounting profession (Caramanis, 1998; Crittenden et al., 2003; Zeff, 2003a; Zeff, 2003b; Spence and Carter, 2014; Sikka, 2015; Guo, 2016).

I further reviewed the literature on how individuals respond to institutional logics. Prior research shows that institutional logics can be contradictory or complementary. Scholars argue that when facing with conflicting logics, individuals may identify with one logic and distance from another; or compartmentalise their identification with different logics in different contexts such as across time, places, or dress codes

(Kosmala and Herrbach, 2006; Goodrick and Reay, 2011; Pache and Santos, 2013; Spence and Carter, 2014; Smets et al., 2015). Moreover, there are a few studies that also report the possible complementarity of institutional logics in that the increase in value of one logic does not necessarily mean a weakening value of another logic (Goodrick and Reay, 2011; Smets et al., 2015). Existing studies include two types of complementarity including when the compliance with one logic facilitates the enactment of another logic and when individuals have to embrace multiple logics at the same time without any logic leading to another (Goodrick and Reay, 2011; Smets et al., 2015). Nevertheless, these studies are from other fields. The prevalent assumption in the field of accounting and auditing tends to be that institutional logics are inherently contradictory (Gendron, 2002; Sweeney and McGarry, 2011; Spence and Carter, 2014).

Regarding the impact of institutional logics on identities of individuals, the literature in the auditing and accounting field is almost non-existent. The exception is Guo (2016) who studies the changing identity of auditors into 'versatile experts' who can perform more than audits (Guo, 2016: 105) as the auditing profession expands into non-audit services in accordance with the embracement of commercial logic. However, Guo (2016) only examines the identity being projected from the macro-level of elite players in the field. The identity from the perspective of individual auditors at the micro-level is still unaddressed and Guo (2016) suggests for further research in this level of analysis.

Beyond the field of auditing and accounting, several researchers have studied the relationship between institutional logics and identities of individuals, particularly when there are shifts in institutional logics (Meyer and Hammerschmid, 2006; Lok, 2010; McGivern et al., 2015; Kyratsis et al., 2017). They argue that individuals engage in

identity work to construct and reconstruct their identities in relation to the embracement of the new institutional logic (Lok, 2010) and resolve the identity threats that come with shifting logics (Kyratsis et al., 2017). Individuals may actively construct their identities in relation to institutional logics rather than passively or oppressively conform to them (Lok, 2010; Bévort and Suddaby, 2016). Some individuals may use prospective sensemaking strategy where they rely on future-oriented identity according to the new institutional logic whereas some may still adhere to the old identity and logic (Bévort and Suddaby, 2016). Furthermore, the complementary nature of institutional logics mean that an individual may construct the hybrid identity drawing from multiple logics (Meyer and Hammerschmid, 2006; McGivern et al., 2015). Again, scholars who study the hybrid identity are in other fields beyond auditing and accounting.

Reviewing these prior studies made me identify the gaps in the literature which led to my research questions including:

- To what extent do individual auditors experience tensions, conflicts, or contradiction among the multiple institutional logics in the auditing profession?
- How do individual auditors negotiate, balance, and position themselves among the multiple institutional logics in the auditing profession?
- How do individual auditors construct their professional identities in relation to the multiple institutional logics in the auditing profession?

2. Research methodology

In order to answer these research questions, I conducted an in-depth, qualitative research using semi-structured interviews and participant-produced drawings (Kearney and Hyle, 2004). This is in accordance with the philosophical orientation of

this study which can be located in the Interpretive paradigm (Burrell and Morgan, 1979). Realities are seen as socially constructed (Berger and Luckmann, 1966; Gergen, 1985; Searle, 1995) and the researcher needs to enter the social world of participants and understand this world from their point of view rather than the perspective of external observers (Schwandt, 1994; Duberley and Johnson, 2016; Scherer, Does and Marti, 2016).

The participant-produced drawing was placed in the beginning of the interview where a participant was asked to draw anything that represents being an auditor for them and discuss the drawing to me afterwards. Then, the interview went on with a series of questions from an interview schedule ultimately to elicit how a participant saw themselves in relation to the technical, ethical, and commercial logics. I probed the participant's answers further when necessary to obtain more in-depth, detailed data (Rowley, 2012; Saunders, Lewis and Thornhill, 2012) as well as referred back to the drawing at times. Each interview lasted approximately one hour. I recruited participants from personal and professional networks with a snowballing technique (Biernacki and Waldorf, 1981). The number of interviews was based on the point of data saturation (Saunders, Lewis and Thornhill, 2012; Creswell, 2014). In total, 27 participants were interviewed. They are external auditors from small, medium, and big-four audit firms in the UK with at least 3 years of work experience in statutory audit, ranging from Audit Associate to Audit Partner positions.

I analysed the data using a thematic analysis (Braun and Clarke, 2006). The verbal discussion of drawings was also transcribed and analysed along with other interview data (Vince and Warren, 2012). I kept track of my reflexivity throughout the data

collection and analysis processes by writing a research diary (Nadin and Cassell, 2006).

3. Findings

The findings showed the coexistence of technical, ethical, and commercial logics. These were evident both from the verbal data and in drawings. A technical logic was seen through the chartered accountancy qualifications, technical accounting and auditing knowledge and expertise, and the compliance with professional standards, regulations, and laws. An ethical logic was demonstrated in the issues about the public interests, integrity, truth and fairness, professional scepticism, auditor independence, and the impact of audit wrongdoings and scandals on the public. A commercial logic was shown from the points regarding good client relationships, efficiency, meeting deadlines, profitability, adding value to clients, and providing non-audit services. Although this thesis found some extent of increase in the commercial logic from the past, the degree of dominance was not as strong and aggressive as portrayed in the literature (Hanlon, 1996; Caramanis, 1998; Zeff, 2003a; Sweeney and McGarry, 2011; Fogarty, 2014; Spence and Carter, 2014; Sikka, 2015). Indeed, several participants emphasised the importance of technical and ethical logics in the profession nowadays.

Moreover, the data showed that both the tensions and complementarity among multiple institutional logics in the auditing profession were possible. This contradicts the prevalent assumption in the auditing and accounting literature where scholars mostly treat institutional logics as inherently contradictory (Gendron, 2002; Sweeney and McGarry, 2011; Spence and Carter, 2014). As such, my first research question has been answered in that although individual auditors experienced some level of

tensions among multiple institutional logics in the auditing profession, they also felt the complementarity among these logics as well.

When faced with tensions or conflicts among multiple institutional logics, participants negotiated by identifying with one logic or two logics and distancing from another logic or two logics. My classification of professional logic in the literature (Gendron, 2002; Spence and Carter, 2014) into technical and ethical logics was supported by the data where there were cases when individual auditors identified with a technical logic and distanced from an ethical logic, and vice versa. Interestingly, the data reported several instances where participants distanced from an ethical logic when identifying with a commercial logic, but still chose to comply with a technical logic in order to avoid potential penalties or lawsuits. I also found that individual auditors in this study tended to compartmentalise their identification with different logics into different contexts according to the dimension of time rather than place (Goodrick and Reay, 2011; Pache and Santos, 2013; Smets et al., 2015). In particular, they would identify with the commercial logic more during busy seasons in order to make sure that they could meet the tense deadlines even with the sacrifice of audit quality or professional scepticism.

Overall, the tensions or conflicts among multiple institutional logics in the auditing profession usually happened from the dilemma over audit quality and efficiency, the external pressures between regulators and market competition, and most importantly the dynamic of an auditing profession with the fundamental conflict where auditors are chosen and paid by clients to audit them. This central conflict in the auditing profession made it difficult for individual auditors, for example, to suggest changes or adjustments in the financial statements, qualify audit reports, ask for a lot of information from clients, or do anything that might upset the clients and lose the revenues from them. Thus,

this point confirms the previous research in auditing literature regarding the conflict of interests in the auditing profession when the high level of income from audit clients can jeopardise the statutory audit role of auditors (Sikka, 2009).

Regarding the complementarity among multiple institutional logics, I found that there were many instances where participants identified with more than one logic. I classified the types of complementarity among multiple institutional logics into three categories: the facilitating nature, the by-product nature, and the stand-alone nature. The first two types are when the identification with one logic leads to the enactment of another logic whereas the third type is when an individual has to identify with all logics without any logic automatically leading to another logic. My contribution to the institutional literature here is the distinction between the facilitating nature and by-product nature according to the intentionality of individuals. In other words, I found that in the facilitating nature, individual auditors intentionally comply with a certain logic in order to ultimately identify with another logic as the main goal. For example, a participant used a good client relationship to persuade a client to adjust the accounts to comply with the accounting standards. The commercial logic of building a good client relationship here was embraced only as a facilitating logic that helped to strengthen the technical logic where the accounts were correct according to the accounting standards. In this case, the technical logic was the main logic and the identification of this logic was the main, intentional goal of the complementarity.

In contrast, the by-product nature happens when the identification with one logic accidentally enables the compliance with another logic as a by-product. For instance, the staff rotation policy intentionally aimed at promoting auditor independence also created a by-product which was the enhancement of auditors' technical knowledge

from seeing a variety of clients' businesses. The main logic here was the ethical logic for ensuring auditor independence. The technical logic in terms of an enhanced technical knowledge was generated in this case accidentally as a by-product.

By distinguishing into the facilitating nature and by-product nature, I add to the institutional literature by highlighting the dimension of intentionality of individuals. This helps to put the individuals and their agency into the picture (Lok, 2010; Bévort and Suddaby, 2016), see the socially constructed phenomena from their perspective (Berger and Luckmann, 1966; Schwandt, 1994), and address the gap in the institutional literature where individuals at the micro-level are mostly ignored (Hallett and Ventresca, 2006; Pache and Santos, 2013; Smets et al., 2015; Bévort and Suddaby, 2016).

Furthermore, the stand-alone nature of complementarity was also evident in the data. For example, participants remained independent, but also built good relationships with clients at the same time. In this case, individual auditors identified with the ethical and commercial logics simultaneously without any logic leading to another logic. I also reported the mechanisms that participants employed to help minimise the conflicts and promote the complementarity among multiple institutional logics, for example, having independence procedures when providing audit and non-audit services to the same clients, giving advice to clients but not choosing or doing it yourself, using tact and diplomacy, choosing the right clients and avoiding potentially problematic ones. Again, this emphasised the level of agency and intentionality that individual auditors had in relation to the multiple institutional logics in that they did not merely oppressively or passively conform to the institutional logics, but could exercise some level of agency to minimise potential conflicts and realise the complementarity among these logics to

a certain extent (Lok, 2010; Bévort and Suddaby, 2016). Up to this point, my second research question regarding how individual auditors negotiate, balance, and position themselves among multiple institutional logics in the auditing profession has been answered.

In answering my third research question regarding how individual auditors construct their professional identities in relation to the multiple logics, I found three forms of identities in the data including a guardian of public interests, an advisor, and a value-added watchdog. Firstly, some participants saw themselves as guardians of public interests. They strongly adhered to an ethical logic where serving the public was their first and foremost priority. Technical and commercial logics acted as facilitating logics to the main ethical logic. For example, technical knowledge helped to assess the risks when auditing and ensure that the financial information clients presented was true and fair. Good client relationships helped to obtain more information from clients, understand their businesses, and do better audits. This group of individual auditors constructed, reconstructed, negotiated, and maintained their identity of a guardian of public interests using identity work (Sveningsson and Alvesson, 2003) especially when being faced with the identity threat from the audit scandals happened recently. They emphasised that they were auditors working under more scrutinised regulations and standards who could still be trusted of good quality audits, although not perfect. They were not those negligent auditors in the press who represented just a small portion of the whole profession despite the adverse portrayal of the media. By reframing who they were and who they were not (Kyratsis et al., 2017), their professional identity of a guardian of public interests could be secured. Moreover, their identity construction represented a retrospective orientation where they primarily relied on the old identity according to the traditional institutional logic (ethical logic) rather than the new

commercial logic that has been institutionalised in the auditing profession (Bévort and Suddaby, 2016).

Secondly, some participants preferred to see themselves as advisors. They saw auditing as a low-status, pure compliance function looking at the past. As such, these individual auditors enjoyed giving advice to clients and were prouder of being business advisors who could add value to the clients and help them grow. This group of participants did not really see the public interests as their key concerns. Their main focus was serving the clients and keeping clients happy. Hence, they strongly embraced the commercial logic into their identity construction. Furthermore, they performed identity work to negotiate, reconstruct, and secure this advisor identity by trying to legitimise the non-audit service provision and distance themselves from the low-status image of traditional auditors. Many justifications were used when participants claimed that they could provide non-audit services, for example, that the firm had strict independence procedures in place, that the non-audit functions helped to retain expertise in the firm which ultimately benefited the audits, and that clients would feel more comfortable to share the confidential data with only one firm. Although technical and ethical logics were mentioned here, they acted only as a facilitating logic or a by-product logic where the main logic was still a commercial logic of providing non-audit services. Regarding the identity threat from low-status image of traditional auditors, participants in this group resolved this threat by reframing who they were, who they were not, and what they wanted to be called (Kyratsis et al., 2017). In particular, they were forward-looking business advisors who helped and added value to clients' businesses. They were not the stereotypical, traditional accountants or auditors who were boring, geeky and did pure compliance job based on historical data. They wanted to be referred to as business advisors who could approach clients'

businesses in general. In addition, these individual auditors employed a prospective sensemaking strategy (Bévort and Suddaby, 2016) in their identity construction where they mostly relied on future-oriented identity according to the new commercial logic that has been institutionalised in the profession. They saw the future of the auditing profession driven by commercialism and innovation where traditional auditors might be replaced by robots or advanced technology. Thus, they were enthusiastic to adapt into being advisors rather than adhering to the traditional auditor identity.

Thirdly, I also found the hybrid identity in a form of a value-added watchdog where participants constructed their professional identity from both the ethical and commercial logics. These individual auditors saw protecting the public interests and adding value to clients as equally important. The complementarity of institutional logics allowed this hybrid identity to emerge. For instance, the depth of knowledge and understanding from auditing the client enabled auditors to be very good advisors to that client. Similarly, the advice on a client's internal control and information system could help the client's accounting system and information produced from it to be more robust, true and fair. In order to construct, negotiate, and maintain this hybrid identity, participants in this group engaged in identity work where they tried to keep the balance between the ethical and commercial logics, avoid the potential conflicts between them, monitor and adjust whenever they have gone over the balance. For example, they adhered to strict independence procedures, stood their ethical ground, and managed the right boundaries with client's demands. This balancing process was similar to Smets et al.'s (2015) demarcating mechanism, but I added to Smets et al. (2015) in that this mechanism could trigger the balance between different logics where both logics were identified at the same time instead of compartmentalising the identification into different contexts.

4. Key contributions

All in all, my research has four key contributions as follows. Firstly, I addressed the gap in the literature regarding the impact of multiple institutional logics in the auditing profession on the construction of professional identities of individual auditors by presenting the three forms of identities including a guardian of public interests, an advisor, and a value-added watchdog, as well as how these identities were constructed, reconstructed, revised, and secured through identity work. Secondly, I classified the institutional logics in the auditing profession into three rather than two logics. In particular, I distinguished the technical logic from the ethical logic, under a professional logic in the literature (Gendron, 2002; Spence and Carter, 2014). This helped to understand the impact of these multiple logics on individual auditors and their professional identities better. Thirdly, I contradicted the prevalent assumption in the auditing and accounting literature and found that apart from the tensions among institutional logics, the nature of these logics can be complementary as well. I categorised three types of complementarity among institutional logics, extending the institutional literature by adding the dimension of intentionality of individuals. Fourthly, I demonstrated the benefits of using a participant-produced drawing method in the study of institutional logics and identities of individuals. I found that this visual method could enrich the normal interviews by helping participants to express the abstract concepts, stimulate further discussion, and bring out some points that may be difficult to obtain by verbal interviews alone. This drawing method also helped me to understand institutional logics from the perspective of individuals at the micro-level.

5. Practical implications

Apart from the theoretical and methodological contributions above, this thesis also has practical implications for auditors and policy makers in auditing and accounting profession. Firstly, I show that individual auditors nowadays have embraced the commercial logic to their sense of self to some extent. Although some of them still strongly adhered to being guardians of public interests, several saw themselves as business advisors or value-added watchdogs. This means that the commercial logic has crept into the auditing profession not only at the behavioural level, but also at the very identity of these auditors. Therefore, universities, professional institutes, and audit firms may have to take this into consideration when educating, training, and mentoring auditors in this era. For example, apart from the technical expertise, the development of communication and relationship building skills as well as the advisory skill may be necessary to cater to these auditors.

Secondly, the embracement of commercial logic to the sense of self may mean that the ethical concerns may be undermined, especially in the case of an advisor identity where auditors no longer saw themselves as guardians of public interests or watchdogs and prioritised the client focus more than serving the public. Even with the identity of a value-added watchdog, individual auditors still need to keep monitoring and restabilising their balance between the ethical and commercial logics. Thus, audit firms, professional institutes, and policy makers should make sure that individual auditors would not compromise their ethics. This is very difficult given that data in this thesis showed many instances where participants complied with technical and commercial logics, but distanced from the ethical logic. In other words, it may not be enough to issue and enforce the rules, regulations, or laws because loopholes can still

be found and exploited. This may need a national reform on ethics education and development where the issue of ethics is ingrained into individuals since childhood. Nevertheless, it definitely takes time, cooperation, and transformation in a large scale. One way that could be simpler and more realistic to implement right now is encouraging the complementarity among multiple institutional logics. As this thesis found, the commercial logic is not necessarily contradictory with ethical or technical logics. Different types of complementarity including the facilitating, by-product, and stand-alone nature mean that it is possible to embrace the commercial logic and promote the ethical or technical logics at the same time. Thus, what auditing practitioners can do is to foster this complementarity. The mechanisms reported in this research that help to minimise the conflicts among multiple logics and promote the complementarity among them could be employed. The demarcating mechanism that value-added watchdogs used to balance between ethical and commercial logics can also be useful in this regard.

Thirdly, this thesis found that individual auditors used compartmentalisation strategy according to the dimension of time where they tended to identify with a commercial logic and distance from the ethical logic during busy seasons. This has implications for audit firms, professional institutes, and policy makers in that more attention should be paid to the amount of work that audit firms and auditors are responsible to do. Audit firms should not accept or be allowed to accept too many audit clients than their realistic staff capacity. The staff allocation to different projects should be reasonable to enable them to exercise enough judgements and professional scepticism rather than simply rush to finish within deadlines. Other mechanisms to minimise the tension from time pressure reported in this thesis can also be used, for example, communicating with clients when there are delays, and engaging with clients early on

instead of leaving things to the last minute. The solution to the time pressure in the auditing profession would not only deal with the ethical issue, but also may help to retain the talented auditors in this profession longer. As the data in this thesis showed, several auditors claimed that the tight deadlines have resulted in long hours of working, stress, and exhaustion to the extent that some of them planned to leave the profession in the near future as soon as they passed the chartered accountancy qualification. Thus, the better working hours would help to promote audit quality and work-life balance of the audit staff as well.

Fourthly, one major source of tensions among multiple institutional logics found in this thesis is the dynamic of an auditing profession with the fundamental conflict of interests where clients are the ones who choose and pay auditors to audit them. As such, in several cases, individual auditors decided to compromise their ethics in order to keep the clients and revenues from them. This has implications for policy makers in that there should be some change to this dynamic that would make the audit firms become less dependent on the fees from audit clients. For instance, the third party such as the government or the professional institutes may get involved and act as a central allocator of audit contracts to clients instead of the clients choosing audit firms by themselves.

Fifthly, although not the main focus of this research, the data showed that the social standing of the auditing profession in the UK nowadays was not in a very good light. This was partly due to the recent audit scandals reported in the news and partly from the low status associated with the stereotype of accountants and auditors who were seen as boring, mundane, or only providing compliance functions. In this regard, the professional institutes can step in to rebuild the social standing of the auditing

profession by emphasising the improved professional standards, ethical guidance, and regulations that have dealt with the wrongdoings in the profession as well as presenting the new image of the auditors that are now more friendly, modern, sociable, and can add value to clients. Regardless of what identities individual auditors see themselves: a guardian of public interests, an advisor, or a value-added watchdog, they should be proud to be a member of this honourable profession.

6. Final remarks

I began my PhD journey as an attempt to actualise my ambitious knowledge quest. As I approach the end of this journey, I realise that indeed there are a lot more things to learn and find out. I encourage the readers of this thesis to build on my research and explore more knowledge and understanding in the future studies, especially the comparison and extension of my thesis into different contexts beyond an auditing profession, the UK, or other time period. Moreover, other possible avenues of research stemmed from my thesis that I have not thought of would be very welcome, ultimately to address the ever-challenging 'unknown unknowns':

As we know, there are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns - the ones we don't know we don't know. And if one looks throughout the history of our country and other free countries, it is the latter category that tend to be the difficult ones.

(Rumsfeld, 2002)

Appendix A: Interview schedule

No.

Pseudonym:

Date:

Time:

(Hand out the information sheet and consent form)

Thank you very much for participating in this research. Please ensure you have read and understood the information sheet and please sign the consent form. I will begin the voice recording now.

(Press the Record button on the voice recorder)

Warm-up question

First of all, please tell me your role in the organisation?

How long have you been in this role/ in the auditing profession?

How long have you been in this organisation?

Have you worked for other organisations before this one, and if so were those roles similar or different and in what way?

Do you mind sharing with me your story of how did you become an auditor? What got you interested in the auditing profession in the first place?

Drawing activity

The next part will be the drawing activity. The reason behind this activity is to help you reflect and visualise how you feel towards the auditing profession.

(Hand out the paper, coloured pens)

Please draw anything that represents 'being an auditor' for you. If possible, try to avoid writing words. You will not be judged on your artistic ability. 'Stick people' are acceptable. You will have the opportunity to discuss your drawing afterwards.

(on the top of the paper, there is a sentence: What does 'being an auditor' mean to you?)

(allow 10-15 minutes for a participant to draw)

Would you like to tell me what you have drawn?

Why did you draw this?

I noticed the first thing you drew was ..., how important is ... for being an auditor to you? Why?

You drew this picture...to represent being an auditor for you. What do you think are the core features/values/essence of the auditing profession that distinguish it from other professions?

(ask other probing questions based on the picture a participant drew)

Exploring multiple institutional logics: which logics exist, and which one is the dominating logic?

What is/are the most important issue(s) that characterise(s) auditing? (This may be the continuing question on the drawing activity.)

What is the main objective of your work/your firm? How important is serving the public to your main objective? How important is profitability or growth?

What is your driving source of motivation when working/doing audits?

How important are clients to you/ your work? Why? To what extent do the clients determine/interfere/involve in your work?; To what extent do you have to follow the requests from the clients?

What are the characteristics/attributes of successful auditors working in this firm? And whether these characteristics/attributes have changed from the past to the present days?

What are the evaluation criteria for auditors/you in this firm?

How much is 'independence' being stressed/re-emphasised in your firm? Or is it more flexible and relaxed?

[Ask a participant to give examples of key experience/events/incidents that are specific, clear, and detailed]

[Probing/follow-up questions e.g. 'Please tell me more about...', 'What do you mean by...?', 'Why do you think that...?']

[Link to the drawing if related]

Tensions among multiple institutional logics for individual auditors

Have you ever experienced any tensions/conflicts/contradictions from the different goals/values/stakeholders in your work? How? (e.g. on one hand auditors have to protect the public, and make sure financial statements are correct/true and fair, on the other hand they have to serve clients who pay them)

Given these tensions in your work, do they affect what being an auditor means to you?; Have you ever felt confused/doubtful/frustrated/uncertain about what being an auditor means, due to tensions from different goals/values/stakeholders?

How do you balance between keeping a relationship with and a distance from the clients?

[Ask a participant to give examples of key experience/events/incidents that are specific, clear, and detailed]

[Probing/follow-up questions e.g. 'Please tell me more about...', 'What do you mean by...?', 'Why do you think that...?']

[Link to the drawing if related]

How individual auditors negotiate and position themselves among multiple institutional logics?

How do you deal with the tensions/conflicts/contradictions from the different goals/values/stakeholders in your work?

What would you suggest new auditors on how to manage these tensions/conflicts/contractions?

What demotivates you in your work? How do you cope with that?

How important is being an auditor to yourself/a sense of 'who you are' as a whole? Why?

[Ask a participant to give examples of key experience/events/incidents that are specific, clear, and detailed]

[Probing/follow-up questions e.g. 'Please tell me more about...', 'What do you mean by...?', 'Why do you think that...?']

[Link to the drawing if related]

The profession's jurisdictional boundaries, and deprofessionalisation

(Link to the drawing) If you had drawn this picture in your day one at work/or when you were a student, would it have been the same as this picture you drew today? Do you think the auditing profession has changed through times? How has it changed?

What do you think about an auditor or audit firm that provides non-audit services such as consultancy? Is it a good or bad thing? Does the service expansion affect the definition/meaning of being an auditor or the unique features/values of auditing profession? How/Why?

What does 'being a professional' or 'professionalism' mean to you? Do you think the meaning of the term 'professionalism' has changed through times?

[Ask a participant to give examples of key experience/events/incidents that are specific, clear, and detailed]

[Probing/follow-up questions e.g. 'Please tell me more about...', 'What do you mean by...?', 'Why do you think that...?']

[Link to the drawing if related]

The perceived prestige of professional identity

How do you feel about the social standing of the auditing profession?

Do you think the social standing of auditing profession has changed through times? How/Why?

What drives the social standing of the auditing profession? What can damage it?

Would you recommend young people to become auditors? Why?

People often have stereotypes of individuals working in certain professions. Can you think of any stereotype that people in the society often associate with being an auditor? Do you agree or disagree with these stereotypes? Why?

Some people see auditors as being guardians of public interests or watchdogs while others see them as more like businesspeople or advisors. Between these two poles, which one do you identify with more? Why? Do you think in which way the auditors nowadays have become?

[Ask a participant to give examples of key experience/events/incidents that are specific, clear, and detailed]

[Probing/follow-up questions e.g. 'Please tell me more about...', 'What do you mean by...?', 'Why do you think that...?']

[Link to the drawing if related]

Demographic information

Size of audit firm:

Position in the audit firm:

Number of years of auditing working experience:

Gender:

Age range:

Ethnicity:

(Press the Stop button on the voice recorder)

(Thank the participant and ask whether it is ok to contact him/her again if I have any further questions.)

Appendix B: Demographic information of participants

No.	Pseudonym	Size of audit firm	Position	Years of audit work experience	Gender	Age range	Ethnicity
1	Anastasia	Big four	Audit Senior Manager	9	Female	21-30	British
2	Brendon	Small	Audit Director	26	Male	41-50	British
3	Cesar	Medium	Audit Partner	33	Male	51-60	British
4	Daniel	Medium	Audit Senior Manager	14	Male	31-40	British
5	Eric	Medium	Audit Senior	4 years and 6 months	Male	21-30	Asian
6	Fred	Medium	Audit Assistant Manager	7	Male	31-40	Asian
7	George	Medium	Audit Senior	5	Male	21-30	British
8	Hamlet	Big four	Audit Assistant Manager	5	Male	21-30	African
9	Ian	Medium	Audit Partner	35	Male	51-60	British
10	Judy	Big four	Audit Assistant Manager	6 years and 6 months	Female	21-30	African
11	Kenneth	Small	Audit Partner	18	Male	41-50	Italian
12	Lovette	Big four	Audit Associate	4	Female	21-30	British
13	Miranda	Medium	Audit Associate Director	9	Female	31-40	British
14	Noel	Medium	Audit Supervisor	4	Male	21-30	British
15	Orlando	Medium	Audit Director	37	Male	61-70	British
16	Patrick	Medium	Audit Manager	6	Male	21-30	British
17	Quennell	Big four	Audit Assistant Manager	5	Male	21-30	Asian
18	Randolph	Big four	Audit Assistant Manager	8	Male	21-30	Asian
19	Sabrina	Medium	Audit Assistant Manager	5	Female	21-30	Asian
20	Titus	Medium	Audit Senior Executive	9	Male	21-30	British
21	Ubika	Big four	Audit Director	26	Female	51-60	British
22	Valentina	Big four	Audit Assistant Manager	3 years and 4 months	Female	21-30	Middle Eastern
23	Wendy	Small	Audit Manager	14	Female	31-40	British
24	Xena	Medium	Audit Senior	4	Female	21-30	Mixed, Indian/British
25	Yuna	Big four	Audit Manager	8	Female	31-40	Ukrainian
26	Zanita	Big four	Audit Manager	4	Female	21-30	British
27	Aaron	Big four	Audit Senior	7	Male	31-40	African

Table 1 Demographic information of participants

Appendix C: Examples of thematic analysis

Coding from transcripts

Excerpts from transcripts	Codes
<p>'And that's a conflict of interests of audit profession. (Researcher: Oh.) You are erm reporting to shareholders on management, right? (Researcher: Okay.) And you are paid by management. (Researcher: Oh, yeah, yeah.) You are paid by the company, right? (Researcher: Yeah.) You are paid to police them. Police is not paid by the people that it polices, right? (Researcher: Yeah, yeah.) Police is paid by government. So, that's the problem of audit profession. (Researcher: Oh, I see. I see.) So, if you don't have a good relationship, they will say "okay, we'll change auditor." (Yuna, Audit Manager)</p>	<p>Tension from the conflict of interests that auditors are paid by the clients to police them</p>
<p>'I think, erm, I think it's quite unique in that, you're there as a bit of a policeman role? (Researcher: Uh-huh, yeah.) So, erm, whilst we're engaged by our clients, they're corporate entities which we're reporting on, erm, we're reporting to shareholders. (Researcher: Yes.) About the business that they're invested in. So, we've got a funny situation where our primary relationship is with the management team of our</p>	<p>A strange dynamic where auditors have to police client's management whom they have primary relationship with</p>

<p>client, but actually we have to report on how they are running the business to their owners. And that's quite a strange dynamic really.' (Daniel, Audit Senior Manager)</p>	
<p>'Erm, and in those days, erm clients were, you were, sometimes much more aggressive with their auditor. Erm. So, they used to say "we're going to do something this way erm, and you don't have to agree. But if you don't agree, we can always find another auditor". So, they effectively threatened erm, you know, not as necessarily as clearly as that, but they would hint and suggest that, you know, erm' (Orlando, Audit Director)</p>	<p>Aggressive client disagreeing with auditor and threatening to change auditor</p>
<p>'I'm always saying to my colleagues that this whole independence thing does not work. To an extent, it does work but, like, at the end of the day, I know that my client pays my salary.</p> <p>(Researcher: Sorry?)</p> <p>Because I know that at the end of the day, the client pays my salary.</p> <p>(Researcher: Yeah, yeah, yeah.)</p> <p>So, as much as I can say, oh, yeah, we need to, you know like, yeah, maintain independence, yes, to some extent but I don't think that it eventually works like fully and completely' (Judy, Audit Assistant Manager)</p>	<p>Questioning independence because ultimately clients pay an auditor's salary</p>
<p>'But audit fees are linked to the, to the Partner's fee and audit erm bonuses and stuff.</p> <p>(Researcher: I see.)</p> <p>You see what I mean?</p> <p>(Researcher: Oh, yeah.)</p> <p>It's all interlinked now.' (Yuna, Audit Manager)</p>	<p>Audit fees are linked to partner's remuneration</p>
<p>'And also, yeah, like, I think that erm and also, if the shift can be done in terms of who pays the fee. So, maybe if the fee can come from maybe the government, then I think that will-</p>	<p>Suggesting that audit fees are paid by government instead of clients</p>

<p>(Researcher: Sorry?)</p> <p>Erm. So, it is, audit fees are paid by clients. So, if there can be a change where rather than clients pay, the government pays, then I think that will improve the quality of [inaudible segment] because, you know, you are free to do [inaudible segment]. Erm. You can do your job very well because you don't need to be focusing on managing client relationships.' (Aaron, Audit Senior)</p>	
<p>'Every now and again, I've worked for somebody who struggled with that a little bit and that's, you know, where perhaps they happened to be like "oh, well, you know, if we don't give the client what they want, we might lose them".</p> <p>(Researcher: Yeah.)</p> <p>Erm. And I have to admit that's not, erm, so I have come across that in my career, but I personally haven't done that myself.' (Ubika, Audit Director)</p>	<p>Fear that if auditors do not give clients what they want, auditors may lose them</p>
<p>'But you almost never qualify. You always work with a client to find how can you make it work rather than we are totally independent and, but I don't think it would be, it wouldn't be practical to be like, well, we're totally, you know, we're totally independent. And, you know, you can't just qualify audit reports.'</p> <p>(Xena, Audit Senior)</p>	<p>Feeling that in practice, auditors would not qualify audit reports or be totally independent</p>
<p>'You know, independence in an audit sense is questionable.</p> <p>(Researcher: Hm. Why?)</p> <p>Because at the end of the day, if the client doesn't wanna make the adjustment, if the client doesn't like what you've done, usually Partners will cave to that, I would say. Because you want their business.</p> <p>(Researcher: Mm.)</p> <p>So, yeah. They [clients] interfere a lot sometimes. Sometimes they do, sometimes they don't. But they have a lot of sway because ultimately you want their money, right?' (Xena, Audit Senior)</p>	<p>Caving to client's preference and compromising independence because ultimately auditors want client's money</p>

<p>'As much as it's the shareholders who should appoint the auditor.</p> <p>(Researcher: Yeah.)</p> <p>What happens in practice is you will have management, the executives, you will have, like, the er audit committee, you will have, like, the, er the board.</p> <p>(Researcher: Yeah.)</p> <p>They obviously, like, the board and, like, the audit committee. The audit committee will recommend to the shareholders and say, well, we think that we should still continue with this firm as an auditor or maybe we should appoint another firm as an auditor.</p> <p>(Researcher: Yeah.)</p> <p>And you know, they obviously take , like, the views from both, like, the auditor and, like, management, but if there's like a real, like a, I guess like a, so you get tension between the two, chances are that, yeah, you will be dropped as an auditor' (Judy, Audit Assistant Manager)</p>	<p>In practice, client's management will choose and hire auditors</p>
<p>'And, like, obviously, so, yes, you work for, like, the people who hire you are more like the shareholders or audit committee. But then, the ones you're seeing on a day to day are management.</p> <p>(Researcher: Yeah, yeah.)</p> <p>So, there is a bit of a kinda conflict there.' (Zanita, Audit Manager)</p>	<p>Conflict from working for shareholders, but seeing management on a day-to-day basis</p>

Table 2 Examples of codes under the theme 'dynamic of auditing profession'

Sorting codes into themes and subthemes

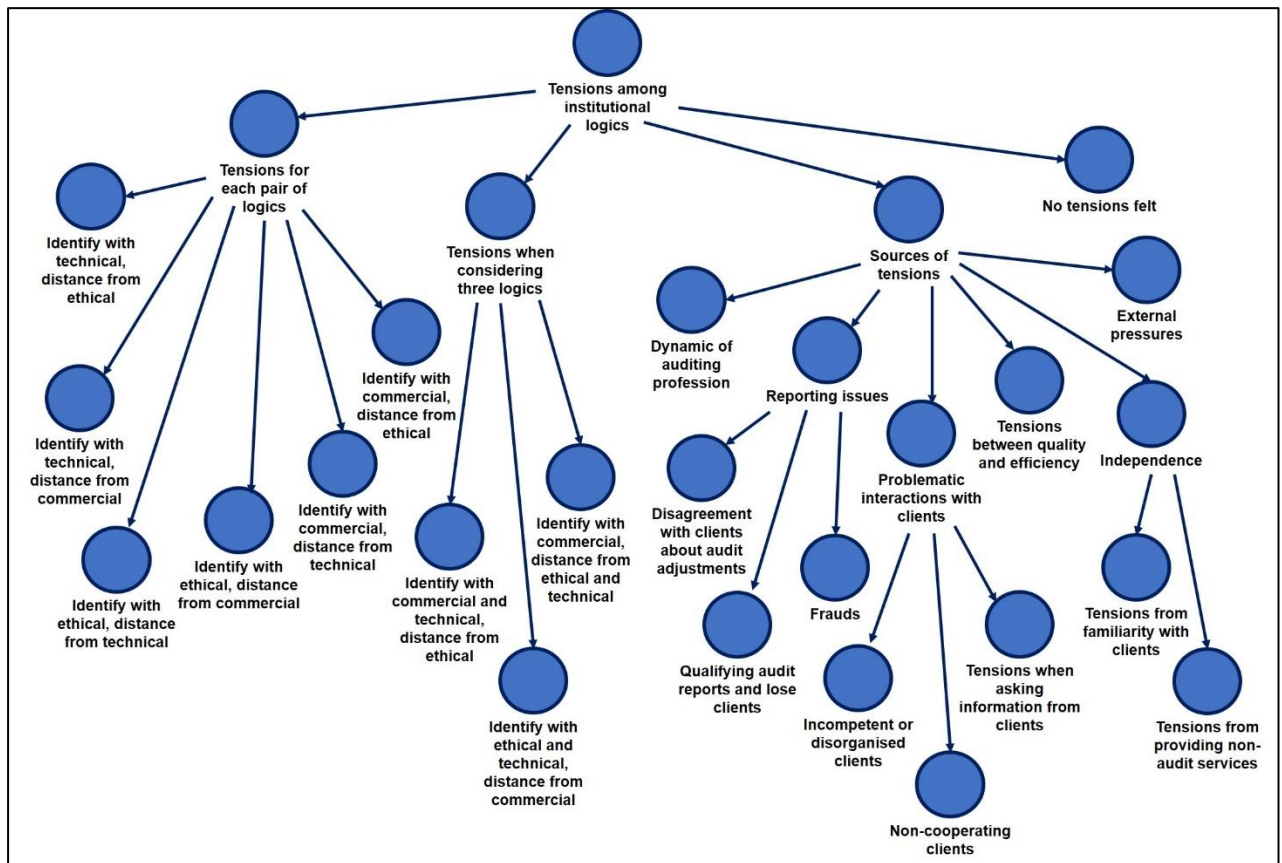


Figure 20
Initial hierarchy of data under a major theme 'tensions among institutional logics'

Reviewing themes and subthemes

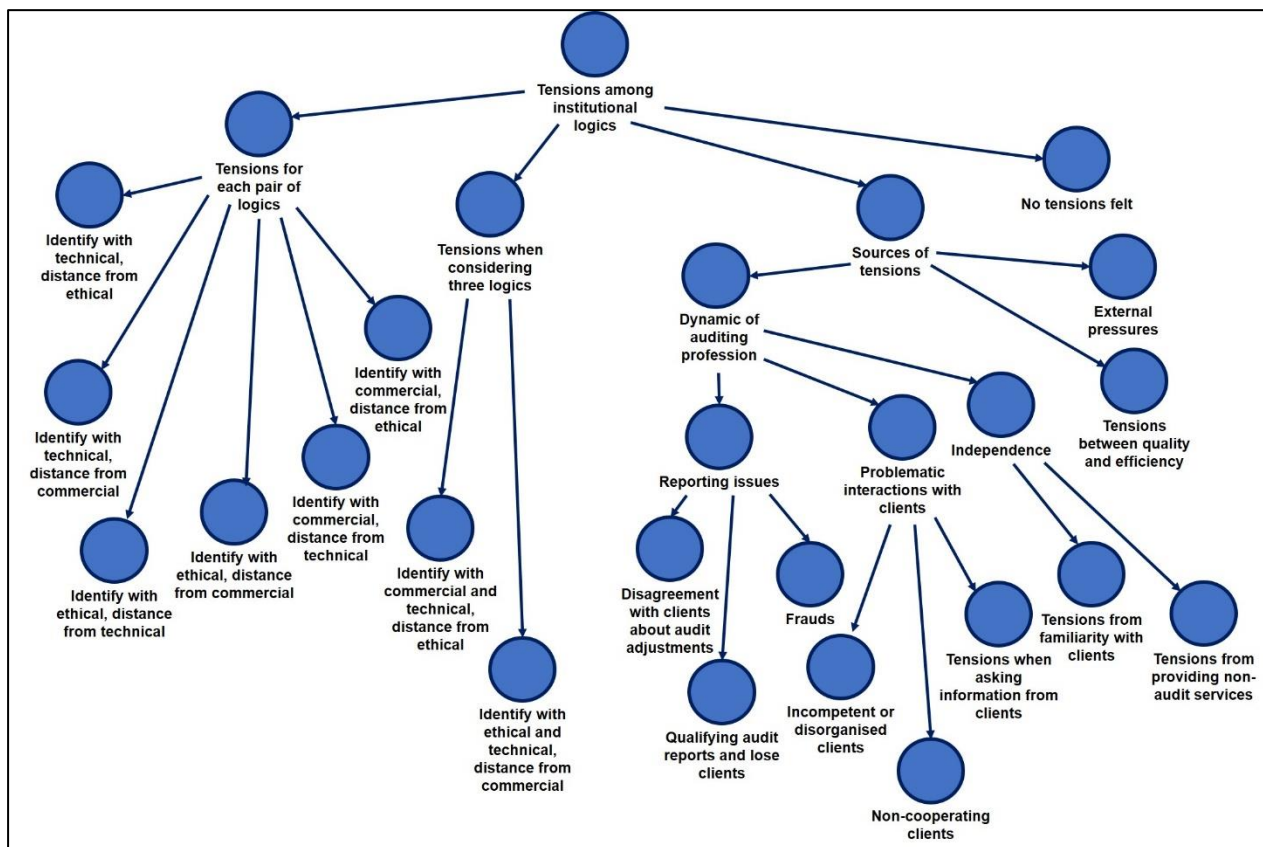


Figure 21 Revised hierarchy of data under a major theme 'tensions among institutional logics'

Defining final themes and subthemes

Themes/subthemes	Definitions
Tensions among institutional logics	Contradictions or conflicts among institutional logics in which when participants identified with one logic, they had to distance from another logic
Tensions for each pair of logics	Tensions, conflicts, or contradictions between technical-ethical, technical-commercial, and ethical-commercial logics when the third logic was not relevant
Tensions when considering three logics	Tensions that happened when participants identified with one logic and distanced from the other two logics; or identified with two logics and distanced from another logic

Sources of tensions	What contributed to the tensions among institutional logics
Dynamic of auditing profession	Tensions from the dynamic of an auditing profession where the clients choose and pay audit firms to audit them.
Reporting issues	Tensions that arose from auditors have found something in the accounts that needed to report or take action by clients but may upset or challenge them
Disagreement with clients about audit adjustments	Tensions happened from auditors found mistakes in the accounts and wanted clients to adjust, but clients were reluctant to do so
Qualifying audit reports and lose clients	Tensions happened from auditors finding material mistakes in the accounts and having to qualify the audit report, which resulting in losing the client in the future and the fees from them
Frauds	Tensions happened from auditors finding fraudulent activities and having to report on these, which might upset clients
Problematic interactions with clients	Tensions that happened when interacting with clients such as when collecting information from them and the relationships were not smooth or cooperative
Incompetent or disorganised clients	Tensions happened from clients being new, immature, incompetent, or disorganised and having messy records, although they were friendly and cooperating
Non-cooperating clients	Tensions happened from clients who did not cooperate with auditors. These clients were unapproachable, indifferent, or rude.
Tensions when asking information from clients	Tensions happened when auditors asked for information or audit evidence from clients and were seen as disturbing or annoying their daily work
Tensions between quality and efficiency	Tensions happened from having to choose between doing good quality audit which might take time versus keeping with the budgeted time and deadlines

Independence	Tensions from activities that might jeopardise auditor independence
Tensions from familiarity with clients	Tensions happened from auditors having to choose between helping clients and being close to them versus keeping distance and level of independence from them
Tensions from providing non-audit services	Tensions happened from auditors also providing non-audit services to audit clients and may jeopardise the independence
External pressures	Tensions happened from external pressures in the environment of audit firm such as the FRC and market pressures
No tensions felt	Instances where participants explicitly claimed that they did not feel tensions, conflicts, or contradictions among institutional logics

Table 3 Examples of definitions for themes and subthemes

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